

The Ontario Securities Commission

OSC Bulletin

October 20, 2000

Volume 23, Issue 42

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The Ontario Securities Commission Administers the
Securities Act of Ontario (R.S.O. 1990, c.S.5) and the
Commodity Futures Act of Ontario (R.S.O. 1990, c.C.20)

The Ontario Securities Commission

Cadillac Fairview Tower
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20 Queen Street West
Toronto, Ontario
M5H 3S8

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Chapter 1

Notices / News Releases

1.1 Notices

SCHEDULED OSC HEARINGS

1.1.1 Current Proceedings Before The Ontario Securities Commission

October 20, 2000

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

Unless otherwise indicated in the date column, all hearings will take place at the following location:

The Harry S. Bray Hearing Room
Ontario Securities Commission
Cadillac Fairview Tower
Suite 1700, Box 55
20 Queen Street West
Toronto, Ontario
M5H 3S8

Telephone: 416-597-0681 Telecopiers: 416-593-8348

CDS

TDX 76

Late Mail depository on the 19th Floor until 6:00 p.m.

THE COMMISSIONERS

| | | |
|----------------------------------|---|-----|
| David A. Brown, Q.C., Chair | — | DAB |
| John A. Geller, Q.C., Vice-Chair | — | JAG |
| Howard Wetston, Q.C. Vice-Chair | — | HW |
| Kerry D. Adams, FCA | — | KDA |
| Stephen N. Adams, Q.C. | — | SNA |
| Derek Brown | — | DB |
| Morley P. Carscallen, FCA | — | MPC |
| Robert W. Davis, FCA | — | RWD |
| John F. (Jake) Howard, Q.C. | — | JFH |
| Robert W. Korthals | — | RWK |
| Mary Theresa McLeod | — | MTM |
| R. Stephen Paddon, Q.C. | — | RSP |

Date to be announced

Amalgamated Income Limited Partnership and 479660 B.C. Ltd.

s. 127 & 127.1

Ms. J. Superina in attendance for staff.

Panel: TBA

Oct 23/2000
10:00 a.m.

Southwest Securities Inc.

ss. 127(1) and 127.1

Mr. T. Moseley in attendance for staff.

Panel: TBA

Nov20/2000
10:00 a.m.

Wayne S. Umetsu

s. 60, CFA

Ms. K. Wootton in attendance for staff.

Panel: TBA

Apr16/2001-
Apr 30/2001
10:00 a.m.

Philip Services Corp., Allen Fracassi, Philip Fracassi, Marvin Boughton, Graham Hoey, Colin Soule, Robert Waxman and John Woodcroft

s. 127

Ms. K. Manarin & Ms. K. Wootton in attendance for staff.

Panel: TBA

May 7/2001
10:00 a.m.

YBM Magnex International Inc., Harry W. Antes, Jacob G. Bogatin, Kenneth E. Davies, Igor Fisherman, Daniel E. Gatti, Frank S. Greenwald, R. Owen Mitchell, David R. Peterson, Michael D. Schmidt, Lawrence D. Wilder, Griffiths Mcburney & Partners, National Bank Financial Corp., (formerly known as First Marathon Securities Limited)

s. 127

Mr. I. Smith in attendance for staff.

Panel: HIW / DB / MPC

ADJOURNED SINE DIE

PROVINCIAL DIVISION PROCEEDINGS

DJL Capital Corp. and Dennis John Little

Date to be announced

Michael Cowpland and M.C.J.C. Holdings Inc.

s. 122
Ms. M. Sopinka in attendance for staff.

Ottawa

Dual Capital Management Limited, Warren Lawrence Wall, Shirley Joan Wall, DJL Capital Corp., Dennis John Little and Benjamin Emile Poirier

**Oct 10/2000 -
Nov 3/2000
Trial**

Dual Capital Management Limited, Warren Lawrence Wall, Shirley Joan Wall

Irvine James Dyck

s. 122
Ms. J. Superina in attendance for staff.

M.C.J.C. Holdings Inc. and Michael Cowpland

Court Room No. 9
114 Worsley Street
Barrie, Ontario

Robert Thomislav Adzija, Larry Allen Ayres, David Arthur Bending, Marlene Berry, Douglas Cross, Allan Joseph Dorsey, Allan Eizenga, Guy Fangeat, Richard Jules Fangeat, Michael Hersey, George Edward Holmes, Todd Michael Johnston, Michael Thomas Peter Kennelly, John Douglas Kirby, Ernest Kiss, Arthur Krick, Frank Alan Latam, Brian Lawrence, Luke John Mcgee, Ron Masschaele, John Newman, Randall Novak, Normand Riopelle, Robert Louis Rizzuto, And Michael Vaughan

**Oct 16/2000 -
Dec 22/2000
10:00 a.m.**

John Bernard Felderhof

Mssrs. J. Naster and I. Smith
for staff.

Courtroom TBA, Provincial Offences Court

Old City Hall, Toronto

S. B. McLaughlin

**Nov 14/2000
9:00 a.m.**

Arnold Guettler, Neo-Form North America Corp. and Neo-Form Corporation

s. 122(1)(c)
Mr. D. Ferris in attendance for staff.

Court Room No. 111, Provincial Offences Court
Old City Hall, Toronto

Dec 4/2000 **1173219 Ontario Limited c.o.b. as**
Dec 5/2000 **TAC (The Alternate Choice), TAC**
Dec 6/2000 **International Limited, Douglas R.**
Dec 7/2000 **Walker, David C. Drennan, Steven**
9:00 a.m. **Peck, Don Gutoski, Ray Ricks, Al**
Courtroom N **Johnson and Gerald McLeod**

s. 122
Mr. D. Ferris in attendance for staff.
Provincial Offences Court
Old City Hall, Toronto

Jan 29/2001 - **Einar Bellfield**
Feb 2/2001
Apr 30/2001 - s. 122
May 7/2001 Ms. K. Manarin in attendance for staff.
9:00 a.m.

Courtroom C, Provincial
Offences Court
Old City Hall, Toronto

Reference: John Stevenson
 Secretary to the
 Ontario Securities Commission
 (416) 593-8145

1.1.2 Dialogue with the OSC

July 4, 2000

Dialogue with the OSC

Dear Colleague:

Each year the Ontario Securities Commission sponsors an all-day conference designed to bring the staff of the Commission together with professionals from the financial services industry.

I would like to take this opportunity to invite you to participate in this year's *Dialogue with the OSC* event, now in its sixth successful year, which will take place at the Toronto Sheraton Centre Hotel on October 31st, 2000.

This year, the agenda for Dialogue again focuses on the significant regulatory issues and events that have emerged over the past year, including the Ontario Government's plan to merge the OSC with the Financial Services Commission of Ontario. Topics will also include **A Market Regulation Update, Financial Planning, Mutual Funds and the Launch of the MFDA, Enforcement Issues and Current Financial Reporting and Auditing Issues**, among many other interesting and timely items.

The proposed agenda for *Dialogue with the OSC 2000* is attached.

The cost to attend this conference is \$400.00 and for those registering before September 11th we are offering an early bird special of \$350.00. To reserve your place, return the attached agenda with your business card and concurrent session choices by facsimile to (416) 593-0249. An invoice will follow. If you have any questions please call *Dialogue with the OSC* registration at (416) 593-7352 before October 20, 2000. Or you may register on-line through the OSC website at www.osc.gov.on.ca.

New This Year

The 2000 edition of *Dialogue with the OSC* will introduce a new and very exciting element to the program. In order to bring our staff and this important event to a greater number of our constituents, we are offering a modified version of Dialogue through a satellite feed to the following locations:

- London
- Sudbury
- Ottawa

During the satellite broadcast, participants at each of the above locations will be able to watch and listen to the presentations as well as ask questions of the panelists in Toronto.

If you are interested in attending Dialogue at one of these locations call (416) 593-7352.

I hope you are able to join us either in Toronto, or at one of the other locations across Ontario, for this exciting and informative conference.

Sincerely,

David Brown Q.C.
Chair

Encl.

DIALOGUE WITH THE OSC

Preliminary Agenda & Early Registration

8:30 a.m. Welcoming Address

Charlie F. Macfarlane, Executive Director, OSC

8:45 a.m. Opening Remarks

David A. Brown, Q.C., Chair of the OSC

9:00 a.m. Executive Panel

David Brown, Ontario Securities Commission; Dina Palozzi, Financial Services Commission of Ontario and Securities Market Participant

9:30 a.m. Panel of Chairs

Chairs of the Ontario, Alberta, British Columbia and Quebec Securities Commissions

10:30 a.m. Break-Out Session 1

(Please check one (1) box only on registration form to indicate concurrent session choice)

- **Market Regulation Update: Including ATS and the New Markets**
A discussion of the changes in the Canadian marketplace including the OSC and the reorganization of the Canadian exchanges and regulatory approaches to advances in electronic trading technology.
- **Enforcement Issues**
Current trends in enforcement reflecting the new approaches to enforcing Ontario Securities law.
- **Corporate Finance: An Update**
Included in this update are a review of developments in recent filings issues and a report on small business financing.

11:40 a.m. Break-Out Session 2

(Please check one (1) box only on registration form to indicate concurrent session choice)

- **Mutual Funds Dealers: The Launch of the MFDA**
An update on the launch of the Mutual Funds Dealers Association and the issues surrounding the question of distribution structures for the mutual fund dealer.
- **Strengthening the Secondary Market: Enhancing the Quality of Continuous Disclosure by Reporting Issuers**
A discussion of legislative, regulatory and operational changes including proposed developments re: Civil Liability for Continuous Disclosure, Integrated Disclosure and Selective Disclosure. Also reviewed will be SEDI, the System for Electronic Data on Insiders.
- **Investor Education**
A look at the products developed by the OSC to enhance investor understanding of the securities industry.

12:40 p.m. Lunch

1:30 p.m. Luncheon Address

Dr. Sherry Cooper, Chief Economist, Nesbitt Burns

Tuesday, October 31, 2000 • Sheraton Centre Hotel • Toronto

Dialogue with the OSC • Tuesday, October 31, 2000 • Sheraton Centre Hotel, Toronto

2:45 p.m. Break-Out Session 3

(Please check one (1) box only on registration form to indicate concurrent session choice)

- **Financial Planning Update and The Re-regulation of Advice Project**
A review of the products and services delivered to customers in view of the retail securities industry's shift in focus from stock trading to financial advice and asset management. Two regulatory initiatives that respond to this shift.
- **Current Financial Reporting and Auditing Issues at the OSC**
A review of staff positions and current policy directions including a look at GAAP and GAAS.
- **The Latest Developments in Mergers and Acquisitions**
The Takeover/Issuer Bids team from the OSC will highlight the issues and latest developments under discussion at the OSC.

4:00 p.m. Break-Out Session 4

(Please check one (1) box only on registration form to indicate concurrent session choice)

- **Latest Developments in Regulating Mutual Funds**
Highlights of the present focus of the OSC in regulating mutual funds and their management, as well as a discussion of the regulatory issues raised by current trends in the industry. Includes a look at the OSC's work regarding the recently released report on fund governance.
- **SRO Oversight**
A review of the Commission's efforts to strengthen protocols for SRO oversight through the development of oversight agreements and the planned national compliance review.

5:00 p.m. Closing Remarks

5:15 p.m. Conference Conclusion

DIALOGUE WITH THE OSC • REGISTRATION FORM

DIALOGUE BREAKOUT SESSIONS

You will be able to attend one breakout session for each time slot (Please check one (1) box for each Breakout Session)

| | |
|--|--|
| <p>10:30 - 11:30 Break Out Session 1</p> <p><input type="checkbox"/> Market Regulation Update</p> <p><input type="checkbox"/> Enforcement Issues</p> <p><input type="checkbox"/> Corporate Finance: An Update</p> | <p>2:45 - 3:45 Break Out Session 3</p> <p><input type="checkbox"/> Financial Planning Update</p> <p><input type="checkbox"/> Current Financial Reporting/Auditing</p> <p><input type="checkbox"/> Latest Developments in Mergers/Acquisitions</p> |
| <p>11:40 - 12:40 Break Out Session 2</p> <p><input type="checkbox"/> Mutual Funds: Launch of the MFDA</p> <p><input type="checkbox"/> Strengthening the Secondary Market</p> <p><input type="checkbox"/> Investor Education</p> | <p>4:00 - 5:00 Break Out Session 4</p> <p><input type="checkbox"/> Regulating Mutual Funds</p> <p><input type="checkbox"/> SRO Oversight</p> |

Registration Fee: \$400 (after September 11, 2000)

Earlybird Fee: \$350 (before September 11, 2000)

To register, please attach your business card to this form and Fax to: "Dialogue with the OSC" at (416) 593-0249 An invoice for the registration fee will follow in the mail.

For a Detailed Program or Further Information:

Call (416) 593-7352 or visit our website at www.osc.gov.on.ca

Please Place your Business Card Here

DIALOGUE WITH THE OSC - SUDBURY

Preliminary Agenda & Early Registration

All morning sessions and the Luncheon Address will be broadcast from Toronto to Sudbury by satellite link followed by a live panel entitled, **Mining Regulations - After the Mining Standards Task Force Report**. This panel will look at the effect of the report on the mining industry. During the morning program, participants will be able to watch and listen to the presentations as well as ask questions of the panelists in Toronto.

- 9:00 a.m. Welcoming Address**
Charlie F. Macfarlane, Executive Director, OSC
- 9:10 a.m. Opening Remarks**
David A. Brown, Q.C., Chair of the OSC
- 9:30 a.m. Executive Panel**
David Brown, Ontario Securities Commission; Dina Palozzi, Financial Services Commission of Ontario; Securities Market Participant and FSCO Participant
- 10:00 a.m. Panel of Chairs**
Chairs of the Ontario, Alberta, British Columbia and Quebec Securities Commissions
- 11:00 a.m. Market Regulation Update: Including ATS and the New Markets**
A discussion of the changes in the Canadian marketplace including the OSC and the reorganization of the Canadian exchanges and regulatory approaches to advances in electronic trading technology.
- 11:50 a.m. Mutual Funds: The Launch of the MFDA**
An update on the launch of the Mutual Funds Dealers Association and the issues surrounding the question of distribution structures for the mutual fund dealer.
- 12:30 p.m. Lunch and Luncheon Address**
Dr. Sherry Cooper, Chief Economist, Nesbitt Burns
- 2:00 p.m. Live Panel in Sudbury**
Mining Regulations - After the Mining Standards Task Force Report
Deborah McCombe, Senior Mining Consultant, OSC
This panel will look at what the Mining Standards Task Force Report means to the mining industry.
- 3:00 p.m. Closing Remarks**

DIALOGUE WITH THE OSC • REGISTRATION FORM

Registration Fee: \$300 (after September 11, 2000)

Earlybird Fee: \$250 (before September 11, 2000)

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Fax to: "Dialogue with the OSC" at
(416) 593-0249

An invoice for the registration fee will follow in the mail.

For a Detailed Program or Further Information:

Call (416) 593-7352 or visit our website at www.osc.gov.on.ca

Please Place your
Business Card Here

Tuesday, October 31, 2000 • Sudbury

DIALOGUE WITH THE OSC - LONDON

Preliminary Agenda & Early Registration

All morning sessions and the Luncheon Address will be broadcast from Toronto to London by satellite link followed by a live panel entitled, **Financial Planning - A Review of OSC/CSA Initiatives**. This panel will look at the current regulatory model governing advice. During the morning program, participants will be able to watch and listen to the presentations as well as ask questions of the panelists in Toronto.

9:00 a.m. Welcoming Address

Charlie F. Macfarlane, Executive Director, OSC

9:10 a.m. Opening Remarks

David A. Brown, Q.C., Chair of the OSC

9:30 a.m. Executive Panel

David Brown, Ontario Securities Commission; Dina Palozzi, Financial Services Commission of Ontario; Securities Market Participant and FSCO Participant

10:00 a.m. Panel of Chairs

Chairs of the Ontario, Alberta, British Columbia and Quebec Securities Commissions

11:00 a.m. Market Regulation Update: Including ATS and the New Markets

A discussion of the changes in the Canadian marketplace including the OSC and the reorganization of the Canadian exchanges and regulatory approaches to advances in electronic trading technology.

11:50 a.m. Mutual Funds: The Launch of the MFDA

An update on the launch of the Mutual Funds Dealers Association and the issues surrounding the question of distribution structures for the mutual fund dealer.

12:30 p.m. Lunch and Luncheon Address

Dr. Sherry Cooper, Chief Economist, Nesbitt Burns

2:00 p.m. Live Panel in London

Financial Planning - A Review of OSC/CSA Initiatives

Julia Dublin, Chair, CSA Financial Planning Committee

A look at the current regulatory model governing advice.

3:00 p.m. Closing Remarks

DIALOGUE WITH THE OSC • REGISTRATION FORM

Registration Fee: \$300 (after September 11, 2000)

Earlybird Fee: \$250 (before September 11, 2000)

To register, please attach your business card to this form and

Fax to: "Dialogue with the OSC" at

(416) 593-0249

An invoice for the registration fee will follow in the mail.

For a Detailed Program or Further Information:

Call (416) 593-7352 or visit our website at www.osc.gov.on.ca

Please Place your
Business Card Here

Tuesday, October 31, 2000 • London

DIALOGUE WITH THE OSC - OTTAWA

Preliminary Agenda & Early Registration

All morning sessions and the Luncheon Address will be broadcast from Toronto to Ottawa by satellite link followed by a live panel entitled, **Small Business Financing - A Progress Report**. This panel will give a progress report on the regulatory issues surrounding small business financing. During the morning program, participants will be able to watch and listen to the presentations as well as ask questions of the panelists in Toronto.

- 9:00 a.m. Welcoming Address**
Charlie F. Macfarlane, Executive Director, OSC
- 9:10 a.m. Opening Remarks**
David A. Brown, Q.C., Chair of the OSC
- 9:30 a.m. Executive Panel**
David Brown, Ontario Securities Commission; Dina Palozzi, Financial Services Commission of Ontario; Securities Market Participant and FSCO Participant
- 10:00 a.m. Panel of Chairs**
Chairs of the Ontario, Alberta, British Columbia and Quebec Securities Commissions
- 11:00 a.m. Market Regulation Update: Including ATS and the New Markets**
A discussion of the changes in the Canadian marketplace including the OSC and the reorganization of the Canadian exchanges and regulatory approaches to advances in electronic trading technology.
- 11:50 a.m. Mutual Funds: The Launch of the MFDA**
An update on the launch of the Mutual Funds Dealers Association and the issues surrounding the question of distribution structures for the mutual fund dealer.
- 12:30 p.m. Lunch and Luncheon Address**
Dr. Sherry Cooper, Chief Economist, Nesbitt Burns
- 2:00 p.m. Live Panel in Ottawa**
Small Business Financing - A Progress Report
This panel will provide a progress report on the regulatory issues surrounding small business financing.
- 3:00 p.m. Closing Remarks**

DIALOGUE WITH THE OSC • REGISTRATION FORM

Registration Fee: \$300 (after September 11, 2000)

Earlybird Fee: \$250 (before September 11, 2000)

To register, please attach your business card to this form and
Fax to: "Dialogue with the OSC" at
(416) 593-0249

An invoice for the registration fee will follow in the mail.

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For a Detailed Program or Further Information:

Call (416) 593-7352 or visit our website at www.osc.gov.on.ca

Tuesday, October 31, 2000 • Ottawa

**1.1.3 CSA Staff Notice 12-305 - Exemptive Relief
Application and Year End**

**CANADIAN SECURITIES ADMINISTRATORS' STAFF
NOTICE 12-305**

Exemptive Relief Applications and Year End

This notice advises potential applicants of timing deadlines for filing and review of applications for exemptive relief for the period preceding year-end.

CSA staff wish to announce that all applications, whether or not filed under National Policy 12-201 Mutual Reliance Review System for Exemptive Relief Applications, should be filed before November 10, 2000, or November 30, 2000, in the case of applications relating to takeover bids, if exemptive relief is required before December 31, 2000. While every effort will be made to meet reasonable deadlines, if the application is filed after this date there are no assurances that the application will be reviewed or the necessary relief provided before year-end.

Questions or concerns regarding the foregoing or the timing of particular applications should be brought to the attention of staff as soon as possible. For further information contact:

Derek Patterson or Brenda Leong
British Columbia Securities Commission
(604) 899-6801/(604)899-6647
dpatterson@bcsc.bc.ca/bleong@bcsc.bc.ca

Marsha Manolescu
Alberta Securities Commission
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Chris Besko
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Dean Murrison
Saskatchewan Securities Commission
(306) 787-5879
dmurrison@ssc.gov.sk.ca

Margo Paul or Iva Vranic
Ontario Securities Commission
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mpaul@osc.gov.on.ca
ivranic@osc.gov.on.ca

Sylvie Lalonde
Commission des valeurs mobilières du Québec
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Sylvie.lalonde@cvmq.com

Shirley Lee
Nova Scotia Securities Commission
(902) 424-5441
leesp@gov.ns.ca

October 20, 2000

1.1.4 Assignment of Certain Powers and Duties of the Ontario Securities Commission - Amendment to Executive Director's Designation and Determination

**IN THE MATTER OF
THE SECURITIES ACT, R.S.O. 1990,
CHAPTER S.5, AS AMENDED (the "Act")**

AND

**IN THE MATTER OF
THE DESIGNATION BY THE EXECUTIVE DIRECTOR
OF POSITIONS FOR THE PURPOSE OF THE
DEFINITION OF "DIRECTOR" IN THE ACT**

AND

**IN THE MATTER OF
THE ASSIGNMENT OF CERTAIN POWERS AND DUTIES
OF
THE ONTARIO SECURITIES COMMISSION**

**AMENDMENT TO
EXECUTIVE DIRECTOR'S DESIGNATION AND
DETERMINATION**

WHEREAS:

- A. on April 12, 1999 the Commission assigned, pursuant to subsection 6(3) of the Act, certain of its powers and duties under the Act to each "Director" as that term is defined in subsection 1(1) of the Act, acting individually (the "Original Assignment");
- B. the Original Assignment was amended on September 7, 1999 and February 15, 2000 (the Original Assignment as amended hereinafter referred to as the "Commission Assignment");
- C. the Commission Assignment provides that the Executive Director of the Commission
 - (i) shall determine, from time to time, which one or more other Directors (in each case acting alone) should, as an administrative matter, exercise each of the powers or perform each of the duties assigned by the Commission to each Director, and
 - (ii) may, acting alone, also exercise each of such powers or perform each of such duties assigned by the Commission to each Director;
- D. on April 12, 1999, the Executive Director made a Designation and Determination pursuant to the Original Assignment, which was also amended on September 7, 1999 (the "Prior Designation")
- E. on February 15, 2000, the Executive Director revoked the Prior Designation and issued a new Designation and Determination (the "Current Designation"), which designated in paragraph 2 thereof a number of

positions, whether or not in an acting capacity, for the purposes of the definition of "Director" in the Act and also for the purpose of the Commission Assignment;

- F. the Executive Director considers it necessary and desirable to amend the Current Designation.

NOW, THEREFORE, the Executive Director hereby amends paragraph 2 of the Current Designation by deleting clause (b) thereof and replacing it with a new clause (b) as follows:

- (b) the General Manager, Registration, the Assistant Manager/Senior Legal Counsel, Investment Funds and each Manager in the Capital Markets Branch of the Commission;

DATED at Toronto this 16th day of October, 2000.

"Charlie Macfarlane"

1.1.5 Designation and Determination by the Executive Director - ss. 6(3)

**IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, CHAPTER S.5, AS AMENDED (the "Act")**

AND

**IN THE MATTER OF
THE DESIGNATION AND DETERMINATION
BY THE EXECUTIVE DIRECTOR**

**AMENDMENT
(Subsection 6(3))**

WHEREAS:

- A. on April 12, 1999, the Ontario Securities Commission (the "Commission") issued an assignment (the "April 1999 Assignment"), pursuant to subsection 6(3) of the Act, assigning certain of its powers and duties under the Act to each "Director", as that term is defined in subsection 1(1) of the Act, acting individually;
- B. the April 1999 Assignment provides that the Executive Director of the Commission shall from time to time determine which one or more other Directors, in each case acting alone, should, as an administrative matter, exercise each of the powers or perform each of the duties assigned by the Commission in paragraph 2 of the April 1999 Assignment, each of which powers may also be exercised and duties performed by the Executive Director, acting alone;
- C. on February 15, 2000 the Commission issued a designation and determination (the "Existing Designation and Determination") whereby the Executive Director:
 - (1) revoked the previous designation and determination;
 - (2) designated certain positions for the purpose of the definition of "Director" contained in subsection 1(1) of the Act;
 - (3) determined which one or more Directors shall, in addition to the Executive Director, exercise each of the powers or perform each of the duties assigned by the Commission to Directors pursuant to the Commission Assignment; and
- D. it is considered desirable to amend the Existing Designation and Determination in order to also designate Senior Counsel in the Capital Markets Branch for the purpose of the definition of "Director" in subsection 1(1) of the Act;

NOW THEREFORE, the Executive Director hereby amends paragraph 2 of the Existing Designation and Determination by deleting the word "and" between clauses (c) and (d), inserting the word "and" after clause (d), and adding thereto the following:

- (e) each Senior Counsel in the Capital Markets Branch of the Commission;

DATED at Toronto this 13th day of October, 2000.

"Charlie Macfarlane"

**1.1.6 Remarks by David A. Brown, Chair, OSC -
Closing The Corporate Credibility Gap:
Building Market Confidence In A
Competitive World**

**CLOSING THE CORPORATE CREDIBILITY GAP:
BUILDING MARKET CONFIDENCE IN A
COMPETITIVE WORLD**

by
David A. Brown
Chair
Ontario Securities Commission

**Insight Conference -
Roundtable on Corporate Governance in Canada
October 17, 2000**

Woody Allen once observed that 90 per cent of success is showing up. I'm not hoping to rely on that principle this afternoon. But I am going to use Woody to illustrate the unpredictability of today's markets.

I don't know if you caught his movie this past summer, *Small Time Crooks*, but it provides an interesting primer on today's economy.

In the film, Woody plays the leader of a gang that couldn't shoot straight, but he comes up with a scam that he thinks can't miss.

He and his wife – Tracy Ullman – set up a cookie store next to a bank, to use as a front. While his wife minds the store, Woody and his gang pursue a half-baked plan to blow their way into the underground bank vault next door.

Everything about the scheme falls apart – except the cookie store. The front takes off like gangbusters, and grows into a Starbucks-like chain. The bank robbery never happens, but the IPO makes them rich.

Unfortunately, it also attracts financial con men – big time crooks. In no time, Woody and Tracy lose their fortune – and are back in search of another bank to rob. The message seems to be that if you want to pull off a scam, forget the dynamite, the capital markets are much more of a sure thing.

A number of elements of popular culture reflect a creeping cynicism about the people and institutions comprising the financial services industry, including corporations and their stewards. The movie, *Boiler Room*, focused the camera lens on the most disreputable side of the securities industry.

In the film, *Erin Brokavitch*, based on a real life incident, a paralegal successfully initiates a multi-million dollar suit against a company responsible for industrial pollution affecting a residential neighbourhood. The film, *The Insider*, also based in real life, purports to expose a disturbing cover-up in the tobacco industry.

The success of these films at the box-office may well indicate the willingness of a public to believe that this is how financial markets work. That this is how big corporations behave.

There's a big gap between celluloid and real life. But does what appears on the screen just reflect the attitudes of those in the audience? What is the general attitude about the financial markets, and the broader corporate world? Are we doing enough to ensure the credibility of both our corporate and regulatory practices?

Capital is clearly the engine that powers the market economy. But what powers capital? What drives it from one country to another?

One of the best magnets for investment is confidence. Countries around the world are competing for roughly the same pool of investment dollars. In that environment, it's crucial to avoid a market credibility gap.

Unfortunately, in recent years Canada has been the scene of several high-profile failures of major public companies in which investors have lost hundreds of millions of dollars.

This has caused significant erosion of confidence in Canadian capital markets among both domestic and foreign investors. What went wrong? What remedial steps should be taken to re-build and maintain investor confidence? Regulators have a role to play by establishing clear, unambiguous rules that are relevant to a modern economy, and by vigorously enforcing them. The stewards of Canadian business also have a role to play - - to demonstrate that Canadian enterprises are governed by wise people, dedicated to preserving and enhancing shareholder value.

International confidence is crucial. How can we maintain it, and build on it?

As regulators, we must ensure that when investors look at Canada, the only risks they see are the inevitable ones associated with any marketplace -- the dynamic ebb and flow that is central to wealth creation. We must continuously make clear our commitment to minimize or eradicate the risks of fraud, unfairness, and lack of compliance.

How can Canadian business assist with this quest? One of the ways to secure global credibility is to make it a priority to distinguish the quality of governance of Canadian companies.

Corporate governance matters to all stakeholders.

Obviously it matters to investors. But it also matters to corporations. It helps to determine their capacity to attract the financial resources needed for growth.

And corporate governance matters to national economies. Confidence in corporate practices helps determine economic performance. We saw a dramatic illustration of that in the Asian financial meltdown two years ago. It's no coincidence that we're seeing new interest in issues of corporate governance in such countries as South Korea and Indonesia.

Our role as regulators and the nature of corporate governance is under pressure to change, because the nature of investment is changing.

Let me give some examples:

- First, the market is changing because investment is more widespread.

Investment was once a preserve of the wealthy few. Now it's a priority of the middle-class. Last May, the Toronto Stock Exchange conducted a Canadian Shareowner Survey. It found that 49 per cent of Canadians are invested in the markets. That's twice as many as were invested 11 years ago. A nation of savers has become a nation of investors.

- The market is changing because investment is more mobile.
- It was a Canadian who first said that the world was becoming a global village. Now, Canadian investors and companies are becoming increasingly active in the global village marketplace. The Internet is driving that trend at cyberspeed. There are no borders on the web. Increasingly there is one market: the world.
- The market is changing because the average investor has direct access – to trading and to information.

The TSE survey that I mentioned a moment ago showed that more than 1 in 4 of those who traded last year used the Internet for some of their transactions. Four years ago, when the last survey was undertaken, Internet trading didn't exist.

It used to be that one of the most important distinctions between a broker and a client was that one of them had access to a wealth of data, and the other one didn't. Today, that distinction is disappearing. Almost half of Canadians with access to the Net use it to research investments – including checking out products, ratings information, and anticipated earnings release dates.

At the same time, corporate issuers are embracing the web as a fast, relatively inexpensive way to communicate with investors. Breaking news and financial results are regularly posted on websites. And we're starting to see public simulcasts of conferences. The potential appears to be limitless.

And of course changes in the market are being driven by another factor. It has been said that the reason academic disputes are so bitter is that the stakes are so low. One of the most important reasons that the markets are changing so dramatically is that the stakes are so high.

With so much capital invested, a difference of a penny or two per share in earnings can lead to a difference of a billion or two in capitalization. This is leading to what someone has dubbed "the street effect." Management is so worried about the word on the street, that they're tempted to employ creative or aggressive accounting techniques to make sure that the street isn't disappointed.

You know the pressure that every company faces every quarter: Did they meet expectations? How much were they off? The quarterly report has become a quarterly report card – and the pressure to get straight As is enormous.

Too often, a company that can't hit the numbers faces a tremendous temptation to fudge them.

But market confidence depends on quality information.

I'll have more to say about the kind of steps that must be considered to ensure confidence in the governance and financial reporting of Canadian corporations. But first, let me discuss some of the responsibilities of regulators when it comes to ensuring market confidence, and how we are fulfilling them.

Given the globalization of capital, regulators must examine our policies and operations, and apply twin tests:

Are we creating a viable market that is attractive to Canadian and foreign investors?

Are we helping our market participants compete globally? In other words, what are we doing to ensure that investors have reason to place confidence in Canadian listed companies?

- First, investor confidence depends on firm enforcement of securities regulation. We have to provide market participants with a continual reminder that failing to abide by the rules carries consequences.
- The OSC has dramatically increased the number of major investigations and enforcement initiatives. Less than halfway into our fiscal year, we have 270 cases on the go – almost twice as many as we had at the end of our 1997-98 fiscal year, the last period before we shifted to self-funding.
- The doubling of cases reflects a doubling of enforcement staff -- from 40 to 80 in the past two years and the value of improved technology.
- Second, investor confidence depends on timely, quality disclosure in the secondary market. With the tremendous growth in retail investing -- and the secondary market now accounting for 90 per cent of all securities transactions -- it's crucial to mandate and monitor disclosure beyond the initial IPO.

That's why the OSC has created a new Continuous Disclosure Team.

We anticipate that every Ontario issuer will be reviewed at least once every four years. (Selection for review will be on a risk basis. Some issuers will be reviewed more often than that.) For each company selected, the Team will review and test the timely disclosure of all events in its recent history -- plus annual reports, website postings, and even public comments by senior officers.

One of the team's first projects has been to review disclosure practices. Few companies seem to have safeguards against selective disclosure.

Late last year, we surveyed 400 companies. We found that three-quarters of them did not have written corporate disclosure policies -- including almost half of those with market caps greater than half a billion dollars.

Over 80 per cent of respondents had regular meetings with analysts, and only 19 per cent broadcast quarterly conference calls over the Internet or toll-free numbers. Only 2 per cent refused to comment on draft analyst reports -- in effect defining analyst expectations.

Clearly there is a gap between the law and common practice.

The Continuous Disclosure Team will be bringing forward some practical guidelines to help companies avoid running afoul of the law -- and ensure that all investors are included in the circle of information. But selective disclosure is not just a regulatory issue. It's also a corporate governance issue.

- Investor confidence also depends on the ability of listed companies to shift from the world of paper to the electronic universe.
- We may well have reached the stage where electronic information has overtaken traditional, paper-based communications tools such as the prospectus and the annual report. But when information is provided on paper, readers automatically recognize that it is vouched for as accurate and complete at a given time. When it is posted on a website, it takes on an assumption of being up-to-the-minute at all times.

In a world in which information is conveyed by the touch of a computer key, corporations have to reassess the way they provide full and fair disclosure. Shouldn't due diligence go beyond the specific information that is being provided, and take into account its quality and relevance in light of more recent decisions, events, and results?

For regulators, it comes down to dealing with change. But in the same spirit, we must also re-examine the nature of corporate governance and financial reporting.

Let me summarize some of the issues that need to be addressed.

We must:

- Re-establish confidence in our capital markets in the wake of corporate failures that have cost investors millions of dollars;
- We must take steps to curb aggressive accounting practices;
- And, we must adapt continuous disclosure practices that are relevant in an electronic age.

Corporate governance practices can affect each of these issues.

Over the past 10 years, the United Kingdom, the United States, and Canada have all been home to extensive studies of corporate governance. The OECD released a Task Force report just two-and-a-half years ago.

It has been six years since the release of the last major across-the-board study of Canadian corporate governance, the report of the TSE committee chaired by Peter Dey. The Dey report issued several excellent guidelines, dealing with Board

responsibility, composition, compensation, and education. That included the recommendation that audit committees be composed exclusively of outside directors, with defined responsibility, direct communication channels with auditors, and oversight responsibility for management reporting on internal control.

These recommendations were comparable to several studies that took place at roughly the same time in the U.K., including the Hampel, Cadbury and Greenbury Committees.

As you know, the Dey recommendations were adopted by the TSE as guidelines, not rules. The degree to which they have been adopted in practice varies.

According to a study the TSE helped conduct five years after the Dey Report -- called Five Years to the Dey -- over three-quarters of companies surveyed adopted guidelines dealing with board size, composition and compensation, and involvement in strategic planning.

On the other hand, fewer than 1 in 5 had developed position descriptions for directors, or a process for assessing board effectiveness.

Just a few months ago, Peter Dey expressed a concern that the drive to improved corporate governance in Canada had lost momentum.

I share that concern. And I can't help but compare it to recent initiatives in the U.K. and the United States. That's why I was glad to see the Saucier Committee established, to review existing standards.

For example, a priority of the recent Turnbull Report by the Institute of Chartered Accountants in England and Wales focused on Internal Control and Risk Management.

In Canada, the Five Years to the Dey study found that in just a little over one-quarter of responding companies had the board reviewed and formally approved control and management systems. In about 40 per cent of companies, the board had reviewed systems but not formally approved them. And in roughly one-quarter of listed companies surveyed, the board had little involvement in internal control and management information systems.

In about 40 per cent of companies, the board had no formal involvement in risk management policy.

In the United States, a major focus of the Blue Ribbon Committee established by the SEC was quality corporate financial reporting, and the role of the audit committee.

While the Five Years to the Dey study found that the audit committees of about two-thirds of companies were made up exclusively of outside directors, fewer than a quarter of audit committees meet more than twice a year.

While this may have been appropriate years ago, how can an audit committee that meets only twice a year have any meaningful input into a company's financial reporting in today's environment, when continuous disclosure plays such a vital role in the day-to-day operation of the market?

Audit review is one of the most important functions of a board. That's especially true in Canada, given the nature of Canadian GAAP rules.

In the U.S., GAAP is a series of detailed rules allowing little room for the use of discretionary judgment. It's a matter of differentiating black from white.

In Canada, GAAP is based more on shades of grey. It often hovers around the question of what is "accepted practice." Within broad principles, practitioners use professional judgment to reach sound conclusions.

But that's where the "street effect" could come into play. How often is the goal not sound conclusions, but conclusions that suit management's purpose?

Something that happened a year ago comes to mind. We asked a major corporation to justify one of its practices as consistent with GAAP. The senior corporate finance people struggled to demonstrate that it had any reasonable basis in standards, and eventually fell back on the notion it was an "accepted practice." When we asked them to demonstrate the existence of the practice, it took them weeks to dig up a small handful of examples – most of which were years old.

I had to ask: "If a practice is generally accepted, how can it require weeks to find the precedents?"

It seems that generally accepted accounting principles are getting pretty elastic – whether it's overstatement or understatement of current income.

Either way, the investor gets a distorted picture of corporate performance. But it's a picture that is given credence – because it's vouched for by an auditor, and approved by an audit committee.

In fairness, I should point out that since we first raised these issues we have experienced a distinct increase in the number of times that companies and their auditors come to commission staff on a pre-filing basis to discuss accounting issues.

And the accounting profession has certainly indicated an interest in examining the broad issues. An example of that is The Canadian Institute of Chartered Accountants' co-sponsorship of the Saucier committee.

But when it comes to ensuring that an audit reflects an accurate snapshot of a company's finances, the board has to be the gatekeeper.

How to ensure the board's commitment and ability to fulfill that role?

I expect that the Saucier Committee will examine some of the recommendations of the U.S. blue-ribbon committee, and other literature.

- Should audit committees be composed exclusively of independent directors?

- Should they consist of a minimum number of directors who are financially literate? Should at least one committee member have expertise in accounting and financial reporting?
- Should we require external auditor review of interim financial statements, the same as is required of annual financial statements?

The changes in the size and nature of the investor class, and the globalization of investment, make these questions especially important. With the players and the playing field changing, it's time to take a good look at how we keep track of the corporate scorecard.

Ultimately, the ability to attract capital to Canada depends a great deal on how Canadian markets are perceived – both in Canada and internationally.

Building respect for Canada's market integrity has to be a vital element of building the Canadian market brand. It's an integral part of the mandate of Canadian regulators – and crucial to the growth of Canadian companies.

But we as regulators cannot accomplish this task alone. Canadian companies must also be characterized by good corporate governance, open to scrutiny at all times.

In an era when capital can reverberate around the world with the touch of a computer key, effective corporate governance is part of effective competition.

Thank you.

1.2 News Releases

1.2.1 Wayne Umetsu - OSC Adjourned the Hearing Until November 20, 2000

October 12, 2000

OSC ADJOURNED THE HEARING OF WAYNE UMETSU UNTIL NOVEMBER 20, 2000

Toronto - The Ontario Securities Commission (the "Commission") adjourned the hearing of Wayne S. Umetsu today until Monday, November 20, 2000 at 10:00 a.m., in the hearing room of the Commission on the 17th Floor, 20 Queen Street West, Toronto, Ontario.

Copies of the Notice of Hearing and the Statement of Allegations are available at www.osc.gov.on.ca or from the Commission, 19th Floor, 20 Queen Street West, Toronto, Ontario. Any questions from members of the investing public can be directed to the Inquiries line at the Commission at (416) 593-8314.

Reference:

Frank Switzer
Director, Communications
Telephone: (416) 593-8120

Michael Watson
Director, Enforcement Branch
(416) 593-8156

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Alpine Oil Services Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Decision declaring corporation to be no longer a reporting issuer following the acquisition of all of its outstanding securities.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am. s. 83.

**IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ALBERTA, BRITISH COLUMBIA, ONTARIO AND
QUEBEC**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
ALPINE OIL SERVICES CORPORATION**

MRRS DECISION DOCUMENT

1. WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Ontario and Quebec (the "Jurisdictions") has received an application from Alpine Oil Services Corporation ("Alpine") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that Alpine be deemed to have ceased to be a reporting issuer, or the equivalent thereof, under the Legislation;
2. AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Alberta Securities Commission is the principal regulator for this application;
3. AND WHEREAS Alpine has represented to the Decision Makers that:
 - 3.1 Alpine is an oil and gas service company which was incorporated under the *Business Corporations Act* (Alberta) as Alpine Subsurface

Electronics on August 22, 1989. Alpine changed its name to Alpine Oil Services Corporation on January 4, 1994;

- 3.2 Alpine's principal office and registered office are located in Calgary, Alberta;
- 3.3 Alpine is a reporting issuer or the equivalent thereof under the Legislation in each of the Jurisdictions;
- 3.4 the authorized share capital of Alpine consists of an unlimited number of common shares (the "Shares") and an unlimited number of preferred shares, issuable in series (the "Preferred Shares"). As at August 9, 2000, there were 28,965,761 Shares issued and outstanding, 488,000 outstanding options to purchase shares (the "Options") and no Preferred Shares issued and outstanding;
- 3.5 Alpine has a convertible debenture currently outstanding in the principal amount of \$3,000,000 (the "Debenture"), which was issued on a private placement basis, and is currently held by one investor. The Debenture is automatically convertible into 117,100 common shares in Weatherford International Inc. on March 1, 2001;
- 3.6 Alpine, Weatherford Oil Services, Inc. ("Services") and Weatherford Canada Ltd. ("WCL"), among others, entered into a plan of arrangement effective August 10, 2000 (the "Plan of Arrangement");
- 3.7 pursuant to the Plan of Arrangement, all of the issued and outstanding Shares, Options and Preferred Shares were either exchanged for shares in the capital of Services or cancelled. Subsequently, Services transferred to WCL all of the outstanding Shares in exchange for preferred shares in the capital of WCL;
- 3.8 as a result of such share transfer and exchange, WCL has become the sole shareholder of Alpine;
- 3.9 there are no securities of Alpine, including debt obligations, currently issued and outstanding other than the Shares and the Debenture;
- 3.10 the Shares were delisted from trading on The Toronto Stock Exchange on August 18, 2000, and there are no securities of Alpine listed on any stock exchange or traded over the counter in Canada or elsewhere;

- 3.11 Alpine does not intend to seek public financing by way of an offering of securities; and
- 3.12 Alpine is not in default of any of its obligations as a reporting issuer under the Legislation, with the exception of its obligation to file interim financial statements for the quarter ended June 30, 2000.
WCL had acquired all of the outstanding Shares before the obligation of Alpine to file the interim financial statements arose;
4. AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");
5. AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;
6. THE DECISION of the Decision Makers under the Legislation is that Alpine is deemed to have ceased to be a reporting issuer, or the equivalent thereof, under the Legislation effective as of the date of this Decision Document.

DATED at Calgary, Alberta this 27th day of September, 2000.

"Patricia Johnston"
Director, Legal Services & Policy Development

2.1.2 BMO InvestorLine Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief from the Suitability Requirements, as reflected in paragraph 1.5(1)(b) of OSC Rule 31-505, pursuant to section 4.1 of OSC Rule 31-505, subject to the terms and conditions set out in the Decision Document.

Decision pursuant to s.21.1(4) of the Act, that the IDA Suitability Requirements do not apply to the Filer, subject to the terms and conditions set out in the Decision Document.

Applicable Ontario Statute

Securities Act R.S.O. 1990, c.S.5, as amended, s.21.1(4).

Rules Cited

Ontario Securities Commission Rule 31-505 "Conditions of Registration" (1999) 22 O.S.C.B. 731.

IDA Regulations Cited

IDA Regulation 1300.1(b), 1800.5(b), 1900.4.

**IN THE MATTER OF THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
NOVA SCOTIA,
NEWFOUNDLAND AND ONTARIO**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
BMO INVESTORLINE INC.**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Saskatchewan, Newfoundland, Nova Scotia and Ontario (collectively, the "Jurisdictions") has received an application from BMO Investorline Inc. (the "Filer") for:

1. a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirements of the Legislation requiring the Filer and its registered salespersons, partners, officers and directors ("Registered Representatives") to make inquiries of each client of the Filer as are appropriate, in view of the nature of the client's investments and of the type of transaction being effected for the client's account, to determine (a) the general investment needs and objectives of the client and (b) the suitability of a proposed purchase or sale of a security for the client

(such requirements, the "Suitability Requirements") do not apply to the Filer and its Registered Representatives; and

2. a decision under the Legislation, other than the securities legislation of Newfoundland and Nova Scotia, that the requirements of the Investment Dealers Association of Canada (the "IDA"), in particular IDA Regulation 1300.1(b), 1800.5(b) and 1900.4, requiring the Filer and its Registered Representatives to make inquiries of each client of the Filer as are appropriate, in view of the nature of the client's investments and of the type of transaction being effected for the client's account, to determine (a) the general investment needs and objectives of the client and (b) the suitability of a proposed purchase or sale of a security for the client (such requirements, the "IDA Suitability Requirements") do not apply to the Filer and its Registered Representatives;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS the Filer has represented to the Decision Makers that:

1. the Filer is a corporation incorporated under the *Canada Business Corporations Act*;
2. the head office of the Filer is located in Ontario and the Filer has officers and salespersons registered in each of the Jurisdictions;
3. the Filer is registered under the Legislation as an investment dealer and is a member of the IDA;
4. the Filer and its Registered Representatives do not and will not, except as provided in 10 below, provide advice or recommendations regarding the purchase or sale of any security and the Filer has adopted policies and procedures to ensure the Filer and its Registered Representatives do not, with such exception, provide advice or recommendations regarding the purchase or sale of any security;
5. when the Filer provides trade execution services to clients it would, in the absence of this Decision, be required to comply with the Suitability Requirements and IDA Suitability Requirements;
6. clients who request the Filer or its Registered Representatives to provide advice or recommendations or advice as to suitability will be referred to a registered dealer or adviser that provides those services;
7. the Filer does not and will not compensate its Registered Representatives on the basis of transactional values;
8. each client of the Filer will be advised of the Decision of the Decision Makers and requested to acknowledge that:

(a) no advice or recommendation will be provided by the Filer or its Registered Representatives regarding the purchase or sale of any security, and

(b) the Filer and its Registered Representatives will no longer determine the general investment needs and objectives of the client or the suitability of a proposed purchase or sale of a security for the client; (both (a) and (b) shall constitute the "Client Acknowledgement")

9. each client of the Filer will be advised that if he or she does not wish to provide a Client Acknowledgement, he or she has the option of transferring his or her account or accounts to another registered dealer or adviser that provides advice and recommendations, and that the Filer will not charge any transfer fees to a client who wishes to effect such a transfer (the "Account Transfer Option");

10. the Filer and its Registered Representatives will continue to comply with the Suitability Requirements and IDA Suitability Requirements for client accounts for which no Client Acknowledgement is received for six months following the date of this Decision;

11. after the date six months following the date of this Decision, the Filer will not permit a transaction in an account for which a Client Acknowledgement has not been received unless the transaction is a sale for cash or a transfer of assets to another account;

12. all prospective clients of the Filer will be advised and required to acknowledge that:

(a) no advice or recommendations will be provided by the Filer or its Registered Representatives regarding the purchase or sale of any security, and

(b) the Filer and its Registered Representatives will not determine the general investment needs and objectives of the client or the suitability of a proposed purchase or sale of a security for the client, (both (a) and (b) shall constitute the "Prospective Client Acknowledgement")

prior to the Filer opening an account for such prospective client;

13. The Filer has adopted policies and procedures to ensure:

(a) that evidence of all Client Acknowledgements, Prospective Client Acknowledgements and Account Transfer Options is established and retained pursuant to the record keeping requirements of the Legislation and the IDA,

(b) all client accounts of the Filer are appropriately designated as being a client account to which a Client Acknowledgement or Prospective Client Acknowledgement has been received or being a

client account to which a Client Acknowledgement has not been received, and

- (c) for any client of the Filer who does not provide a Client Acknowledgement and chooses to exercise the client's Account Transfer Option, the Filer will transfer the client's account in an expeditious manner and the Filer will not charge any transfer fees to a client who effects such a transfer;

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that the Suitability Requirements contained in the Legislation shall not apply to the Filer and its Registered Representatives so long as:

1. except as permitted by 6 below, the Filer and its Registered Representatives do not provide any advice or recommendations regarding the purchase or sale of any security;
2. clients who request the Filer or its Registered Representatives to provide advice or recommendations or advice as to suitability are referred to a registered dealer or adviser that provides those services;
3. the Filer is a distinct legal entity and operates using its own letterhead, accounts, Registered Representatives and account documentation;
4. the Filer does not compensate its Registered Representatives on the basis of transactional values;
5. each client of the Filer is advised of the Decision of the Decision Makers and requested to make a Client Acknowledgement or transfer his or her account to a dealer who provides advice if the client does not make a Client Acknowledgement;
6. the Filer and its Registered Representatives continue to comply, for six months following the date of this Decision, with their Suitability Requirements and IDA Suitability Requirements for client accounts for which no Client Acknowledgement is received;
7. commencing six months following the date of this Decision, the Filer will not permit transactions in an account for which a Client Acknowledgement has not been received unless the transaction is a sale for cash or a transfer of assets to another account;
8. each prospective client of the Filer is advised of the Decision of the Decision Makers and required to make a Prospective Client Acknowledgement prior to the Filer servicing such prospective client;

9. evidence of all Client Acknowledgements, Prospective Client Acknowledgements and Account Transfer Options is established and retained pursuant to the record keeping requirements of the Legislation and the IDA;
10. for any client who elects to exercise the client's Account Transfer Option, the Filer transfers such account or accounts to a registered dealer or adviser that provides advice or recommendations in an expeditious manner and the Filer does not charge any transfer fees to a client who effects such a transfer;
11. the Filer accurately identifies and distinguishes client accounts for which a Client Acknowledgement or Prospective Client Acknowledgement has been provided and client accounts for which no Client Acknowledgement has been provided; and
12. if an IDA rule addressing the IDA Suitability Requirements comes into effect, the Decision with respect to the Suitability Requirements will terminate one year following the date such rule comes into force, unless the Decision Maker determines otherwise.

October 12th, 2000.

"William R. Gazzard"

THE DECISION of the Decision Makers, other than Nova Scotia and Newfoundland, is that the IDA Suitability Requirements do not apply to the Filer and its Registered Representatives so long as:

1. excepted as permitted by 6 below, the Filer and its Registered Representatives do not provide any advice or recommendations regarding the purchase or sale of any security;
2. clients who request the Filer or its Registered Representatives to provide advice or recommendations or advice as to suitability are referred to a registered dealer or adviser that provides those services;
3. the Filer is a distinct legal entity and operates using its own letterhead, accounts, Registered Representatives and account documentation;
4. the Filer does not compensate its Registered Representatives on the basis of transactional values;
5. each client of the Filer is advised of the Decision of the Decision Makers and requested to make a Client Acknowledgement or transfer his or her account to a dealer who provides advice if the client does not make a Client Acknowledgement;
6. the Filer and its Registered Representatives continue to comply, for six months following the date of this Decision, with their Suitability Requirements and IDA Suitability Requirements for client accounts for which no Client Acknowledgement is received;

7. commencing six months following the date of this Decision, the Filer will not permit transactions in an account for which a Client Acknowledgement has not been received unless the transaction is a sale for cash or a transfer of assets to another account;
8. each prospective client of the Filer is advised of the Decision of the Decision Makers and required to make a Prospective Client Acknowledgement prior to the Filer servicing such prospective client;
9. evidence of all Client Acknowledgements, Prospective Client Acknowledgements and Account Transfer Options is established and retained pursuant to the record keeping requirements of the Legislation and the IDA;
10. for any client who elects to exercise the client's Account Transfer Option, the Filer transfers such account or accounts to a registered dealer or adviser that provides advice or recommendations in an expeditious manner and the Filer does not charge any transfer fees to a client who effects such a transfer;
11. the Filer accurately identifies and distinguishes client accounts for which a Client Acknowledgement or Prospective Client Acknowledgement has been provided and client accounts for which no Client Acknowledgement has been provided; and
12. if an IDA rule addressing the IDA Suitability Requirements comes into effect, the Decision with respect to the IDA Suitability Requirements will terminate one year following the date such rule comes into force, unless the Decision Maker determines otherwise.

October 12, 2000.

"J. A. Geller"

"Robin W. Korthals"

2.1.3 Chase Manhattan Bank, The - MRRS Decision

Headnote

MRRS - Underwriter and advisor registration relief for Schedule III Bank - prospectus and registration relief for traders where Schedule III bank purchasing as principal and first trade relief for Schedule III bank - prospectus and registration relief for trades of bonds, debentures and other evidences of indebtedness of a guaranteed by Schedule III Bank provided trades involve only specified purchases - prospectus and registration relief for evidences of deposits issued by Schedule III bank to specified purchases - fee relief for trades made in reliance on Decision.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., 25(1)(a)&(c), 34(a), 35(1)(3)(i), 35(2)1(c), 53(i), 72(1)(a)(i), 73(1)(a), 74(1), 147.

Regulations Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., s. 151, 206, 218. Schedule 1 Section 28.

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
MANITOBA,
ONTARIO, QUEBEC, NEW BRUNSWICK, NOVA SCOTIA,
PRINCE EDWARD ISLAND, NEWFOUNDLAND, YUKON
TERRITORY,
NORTHWEST TERRITORIES, AND NUNAVUT
TERRITORY

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR
EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
THE CHASE MANHATTAN BANK

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Nunavut Territory and Yukon Territory (the "Participating Jurisdictions") has received an application (the "Application") from The Chase Manhattan Bank ("Chase Manhattan") for a decision pursuant to the securities legislation of the Participating Jurisdictions (the "Legislation") that Chase Manhattan is exempt from various registration, prospectus and filing requirements of the Legislation in connection with the banking activities to be carried on by Chase Manhattan in the Jurisdictions;

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS it has been represented by Chase Manhattan to the Decision Makers that:

1. Chase Manhattan is the principal bank subsidiary of The Chase Manhattan Corporation in the United States. The Chase Manhattan Corporation is an entity formed under the laws of the United States. Chase Manhattan and its predecessor banks have maintained an active presence in Canada since 1973. The Chase Manhattan Bank of Canada ("CMBC") is a foreign bank subsidiary of Chase Manhattan currently listed on Schedule II of the *Bank Act* (Canada) (the "Bank Act");
 2. The key businesses of CMBC are lending and corporate finance advisory services to Canadian corporate customers and custodial activities for Canadian mutual funds. CMBC sources participants and acts as agent bank in syndicated loan transactions. Local treasury operations of CMBC provide funding and liquidity for the corporate lending activities of CMBC. CMBC is an active participant in the overnight interbank market, accepts term deposits from major Canadian and multinational corporations and derives a portion of its funding from brokered deposits. These deposits are evidenced by certificates of deposit registered in the holder's name, bearer deposit notes or printed confirmations addressed to the depositor;
 3. The treasury function within CMBC also engages in proprietary risk taking activities including interest rate and currency trading. The treasury function also manages the investment portfolio of CMBC holding Canadian government debt and the use of derivative products as asset/liability management tools;
 4. Chase Manhattan only accepts deposits from the following:
 - (a) Her Majesty in right of Canada or in right of a province or territory, an agent of Her Majesty in either of those rights and includes a municipal or public body empowered to perform a function of government in Canada, or an entity controlled by Her Majesty in either of those rights;
 - (b) the government of a foreign country or any political subdivision thereof, an agency of the government of a foreign country or any political subdivision thereof, or an entity that is controlled by the government of a foreign country or any political subdivision thereof;
 - (c) an international agency of which Canada is a member, including an international agency that is a member of the World Bank Group, the Inter American Development Bank, the Asian Development Bank, the Caribbean Development Bank and the European Bank for Reconstruction and Development and any other international regional bank;
 - (d) a financial institution (i.e.: (a) a bank or an authorized foreign bank under the *Bank Act*; (b) a body corporate to which the *Trust and Loan Companies Act* (Canada) applies, (c) an association to which the *Cooperative Credit Association Act* (Canada) applies, (d) an insurance company or a fraternal benefit society to which the *Insurance Companies Act* (Canada) applies, (e) a trust, loan or insurance corporation incorporated by or under an Act of the legislature of a province, (f) a cooperative credit society incorporated and regulated by or under an Act of the legislature of a province or territory in Canada; (g) an entity that is incorporated or formed by or under an Act of Parliament or of the legislature of a province or territory in Canada and that is primarily engaged in dealing in securities, including portfolio management and investment counseling, and is registered to act in such capacity under the applicable Legislation, and (h) a foreign institution that is (i) engaged in the banking, trust, loan or insurance business, the business of a cooperative credit society or the business of dealing in securities or is otherwise engaged primarily in the business of providing financial services, and (ii) is incorporated or formed otherwise than by or under an Act of Parliament or of the legislature of a province or territory in Canada;
 - (e) a pension fund sponsored by an employer for the benefit of its employees or employees of an affiliate that is registered and has total plan assets under administration of greater than \$100 million;
 - (f) a mutual fund corporation that is regulated under an Act of the legislature of a province or territory in Canada or under the laws of any other jurisdiction and has total assets under administration of greater than \$10 million;
 - (g) an entity (other than an individual) that has for the fiscal year immediately preceding the initial deposit, gross revenues on its own books and records of greater than \$5 million; or
 - (h) any other person if the trade is in a security which has an aggregate acquisition cost to the purchaser of greater than \$150,000;
- collectively referred to for purposes of this Decision Document as "Authorized Purchasers";
5. In June of 1999 amendments to the *Bank Act* were proclaimed that permit foreign commercial banks, to establish direct branches in Canada. These amendments have created a new Schedule III listing foreign banks permitted to carry on banking activities through branches in Canada;
 6. Chase Manhattan has been granted an order under the *Bank Act* on April 17, 2000 permitting it to establish a full service branch under the *Bank Act* and designating it on Schedule III. Chase Manhattan will take over the

Decisions, Orders and Rulings

current wholesale deposit-taking, corporate lending, custody and treasury functions currently conducted by CMBC. Chase Manhattan intends to maintain CMBC to conduct CMBC's current Canadian corporate finance advisory activities.

7. The Legislation applicable in each Jurisdiction refers to either "Schedule I and Schedule II banks", "banks", "savings institutions" or "financial institutions" in connection with certain exemptions however no reference is made in any of the Legislation to entities listed on Schedule III to the Bank Act;
8. In order to ensure that Chase Manhattan, as an entity listed on Schedule III to the Bank Act, is able to provide banking services to businesses in the Jurisdictions it requires similar exemptions enjoyed by banking institutions incorporated under the Bank Act to the extent that the current exemptions applicable to such banking institutions are relevant to the banking business being undertaken by Chase Manhattan in the Jurisdictions;

AND WHEREAS pursuant to the System this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers pursuant to the Legislation is that in connection with the banking business to be carried on by Chase Manhattan in the Jurisdictions:

1. Chase Manhattan is exempt from the requirement under the Legislation, where applicable, to be registered as an underwriter with respect to trading in the same types of securities that an entity listed on Schedule I or II to the *Bank Act* (Canada) may act as an underwriter in respect of without being required to be registered under the Legislation as an underwriter;
2. Chase Manhattan is exempt from the requirement under the Legislation to be registered as an adviser where the performance of the service as an adviser is solely incidental to its primary banking business;
3. A trade of a security to Chase Manhattan where Chase Manhattan purchases the security as principal shall be exempt from the registration and prospectus requirements of the Legislation of the Jurisdiction in which the trade takes place (the "Applicable Legislation") provided that:
 - (i) the forms that would have been filed and the fees that would have been paid under the Applicable Legislation if the trade had been made, on an exempt basis, to an entity listed on Schedule I or II to the Bank Act purchasing as principal (referred to in this Decision as a "Schedule I or II Bank Exempt Trade") are filed and paid in respect of the trade to Chase Manhattan; and
 - (ii) the first trade in a security acquired by Chase Manhattan pursuant to this Decision is deemed a distribution (or primary distribution to the public) under the Applicable Legislation unless;
 - (a) the issuer of the security is a reporting issuer, or the equivalent, under the Applicable Legislation and, if Chase Manhattan is in a special relationship (where such term is defined in the Applicable Legislation) with such issuer, Chase Manhattan has reasonable grounds to believe that such issuer is not in default of any requirements of the Applicable Legislation;
 - (b) (i) the securities are listed and posted for trading on a stock exchange, that is recognized by the Decision Maker of the applicable Jurisdiction for purposes of the resale of a security acquired in a Schedule I or II Bank Exempt Trade and comply with the requirements set out in paragraph (a) or (b) of Appendix A to this Decision and have been held at least six months from the date of the initial exempt trade to Chase Manhattan or the date the issuer became a reporting issuer, or the equivalent, under the Applicable Legislation, whichever is the later, or
(ii) the securities are bonds, debentures or other evidences of indebtedness issued or guaranteed by an issuer or are preferred shares of an issuer and comply with the requirements set out in paragraph (a) or (c) of Appendix A to this Decision and have been held at least six months from the date of the initial exempt trade to Chase Manhattan or the date the issuer became a reporting issuer, or the equivalent, under the Applicable Legislation, whichever is the later, or
(iii) the securities are listed and posted for trading on a stock exchange, that is recognized by the Decision Maker of the applicable Jurisdiction for purposes of resale of a security acquired in a Schedule I or II Bank Exempt Trade or are bonds, debentures or other evidences of indebtedness issued or guaranteed by the reporting issuer, or the equivalent, under the Applicable Jurisdiction whose securities are so listed, and have been held at least one year from the date of the initial exempt trade to Chase Manhattan or the date the issuer became a reporting issuer, or the equivalent, under the Applicable Legislation, whichever is later, or
(iv) the securities have been held at least eighteen months from the date of the initial exempt trade to Chase Manhattan

or the date the issuer became a reporting issuer, or the equivalent, under the Applicable Legislation, whichever is later; and

- (c) Chase Manhattan files a report within 10 days of the trade prepared and executed in accordance with the requirements of the Applicable Legislation that would apply to a Schedule I or II Bank Exempt Trade,

provided that no unusual effort is made to prepare the market or to create a demand for such securities and no extraordinary commission or consideration is paid in respect of such trade and provided Chase Manhattan does not hold sufficient number of securities to materially affect the control of the issuer of such securities but any holding by Chase Manhattan of more than 20 per cent of the outstanding voting securities of the issuer of such securities shall, in the absence of evidence to the contrary, be deemed to affect materially the control of such issuer;

4. Provided Chase Manhattan only trades the types of securities referred to in this paragraph 4 with Authorized Purchasers, trades of bonds, debentures or other evidences of indebtedness of or guaranteed by Chase Manhattan shall be exempt from the registration and prospectus requirements of the Legislation; and
5. Evidences of deposit issued by Chase Manhattan to Authorized Purchasers shall be exempt from the registration and prospectus requirements of the Legislation.

THE FURTHER DECISION of the Decision Maker in Ontario is that:

- A. Subsection 25(1)(a) of the *Securities Act* (Ontario) R.S.O. 1990 c. S.5 (as amended) (the "Ontario Act") does not apply to a trade by Chase Manhattan:
- (i) of a type described in subsection 35(1) of the Ontario Act or section 151 of the Regulations made under the Ontario Act; or
- (ii) in securities described in subsection 35(2) of the Ontario Act; and
- B. Except as provided for in paragraph 3 of this Decision, section 28 of Schedule I to the Regulations made under the Ontario Act shall not apply to trades made by Chase Manhattan in reliance on this Decision.

DATED September 20th, 2000.

"J. A. Geller"

"R. Stephen Paddon"

APPENDIX A

- (a) are preferred shares of a corporation if,
- (i) the corporation has paid a dividend in each of the five years immediately preceding the date of the initial exempt trade at least equal to the specified annual rate upon all of its preferred shares, or
- (ii) the common shares of the corporation are, at the date of the initial exempt trade, in compliance with paragraph (b) of this Appendix A;
- (b) are fully paid common shares of a corporation that during a period of five years that ended less than one year before the date of the initial exempt trade has either,
- (i) paid a dividend in each such year upon its common shares, or
- (ii) had earnings in each such year available for the payment of a dividend upon its common shares, of at least 4% of the average value at which the shares were carried in the capital stock account of the corporation during the year in which the dividend was paid or in which the corporation had earnings available for the payment of dividends as the case may be;
- (c) are bonds debentures or other evidences of indebtedness issued or guaranteed by,
- (i) a corporation if, at the date of the initial exempt trade, the preferred shares or the common shares of the corporation which comply with paragraph (a) or (b) of this Appendix A, or
- (ii) a corporation if its earnings in a period of five years ended less than one year before the date of the initial exempt trade have been equal in sum total to at least ten times and in each of any four of the five years have been equal to at least 1-1/2 times the annual interest requirements at the date of the initial exempt trade on all indebtedness of or guaranteed by it, other than indebtedness classified as a current liability in its balance sheet, and, if the corporation at the date of the initial exempt trades owns directly or indirectly more than 50% of the common shares of another corporation, the earnings of the corporations during the said period of five years may be consolidated with due allowance for minority interests, if any, and in that event the interest requirements of the corporation shall be consolidated and such consolidated earnings and consolidated interest requirements shall be taken as the earnings and interest requirements of the corporation, and, for the purpose of this subclause, "earnings" mean earnings available to meet interest charges on indebtedness other than indebtedness classified as a current liability.

2.1.4 Claringtonfunds Inc. et al. - MRRS Decision

Headnote

Relief for RSP "clone" fund, and relief for fund-of-fund structure for class of a mutual fund corporation. Exemptions granted from sections 111(2)(b), 111(2)(c), 111(3) (relating to self-dealing by mutual funds), and sections 117(1)(a), and 117(1)(d)(relating to reporting requirements for same) of the Act.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 111(2)(b), 111(2)(c), 111(3), 117(1)(a), and 117(1)(d).

**IN THE MATTER OF THE
SECURITIES LEGISLATION
OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
ONTARIO, NEW BRUNSWICK, NOVA SCOTIA,
NEWFOUNDLAND, PRINCE EDWARD ISLAND AND
YUKON**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
CLARINGTONFUNDS INC.
CLARINGTON INTERNATIONAL EQUITY FUND
CLARINGTON RSP INTERNATIONAL EQUITY FUND
CLARINGTON SECTOR FUND INC.
CLARINGTON GLOBAL EQUITY CLASS
CLARINGTON GLOBAL EQUITY FUND**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland, and Yukon (the "Jurisdictions") has received an application (the "Application") from ClaringtonFunds Inc. ("Clarington"), on its own behalf and on behalf of the RSP Funds (as hereinafter defined), the Class (as hereinafter defined) and the Underlying Funds (as hereinafter defined) (collectively, the "Funds") for a decision (the "Decision") pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the following requirements and restrictions contained in the Legislation (the "Applicable Requirements") shall not apply to the purchase and redemption by the RSP Funds or the Class (collectively, the "Top Funds") of units of the Underlying Funds:

1. the restriction in the Legislation prohibiting a mutual fund from knowingly making and holding an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial security holder;

2. the restriction in the Legislation prohibiting a mutual fund from knowingly making an investment in an issuer in which any officer or director of the mutual fund, its management company or distribution company or an associate of any of the them, or any person or company who is a substantial security holder of the mutual fund, its management company or its distribution company, has a significant interest;
3. the restriction in the Legislation, as it relates to the Province of British Columbia, prohibiting a mutual fund or a responsible person from knowingly causing a mutual fund to purchase or sell securities of any issuer from or to the account of a responsible person; and
4. the requirements contained in the Legislation requiring a management company to file a report of every transaction of purchase or sale of securities between a mutual fund it manages and any related person or company and any transaction in which, by arrangement other than an arrangement relating to insider trading in portfolio securities, a mutual fund is a joint participant with one or more of its related persons or companies, in respect of each mutual fund to which it provides services or advice, within 30 days after the end of the month in which it occurs.

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application.

AND WHEREAS throughout this MRRS Decision Document the term "RSP Funds" shall mean:

- (a) Clarington RSP International Equity Fund (the "RSP International Equity Fund"); and
- (b) all other mutual funds managed by Clarington after the date of this Decision having an investment objective or strategy that is linked to the returns or portfolio of another specified Clarington mutual fund while remaining 100% eligible for Registered Plans (the "Future RSP Funds").

AND WHEREAS throughout this Decision Document the term "Class" shall mean the Clarington Global Equity Class.

AND WHEREAS throughout this Decision Document the term "Underlying Funds" shall mean:

- (a) Clarington Global Equity Fund (the "Equity Fund");
- (b) Clarington International Equity Fund (the "International Equity Fund"); and
- (c) any underlying funds managed by Clarington (the "Future Underlying Funds").

AND WHEREAS it has been represented by Clarington to the Decision Makers that:

In respect of Clarington:

1. Clarington is a corporation incorporated under the laws of the Province of Ontario. Clarington's head office is located in Toronto, Ontario.
2. Clarington is, or will be, the manager of the Funds and the trustee of the RSP Funds and Underlying Funds.

In respect of the RSP Funds:

3. The RSP Funds are, or will be, open-ended mutual fund trusts governed by the laws of the Province of Ontario and offered for sale in all provinces and territories.
4. The RSP Funds are, or will be, reporting issuers in all provinces and territories.
5. The securities of the RSP International Equity Fund are currently qualified for distribution in all the Jurisdictions pursuant to a simplified prospectus and annual information form dated August 28, 2000, and the RSP International Equity Fund is not in default of any requirements of the Legislation of the Jurisdictions.
6. Securities of the Future RSP Funds will be qualified for sale in all provinces and territories to the public pursuant to a simplified prospectus and annual information form.
7. Upon the creation of a Future RSP Fund and Future Underlying Fund, Clarington will invest seed money so that for a short period of time Clarington will have a significant interest in, and be a substantial securityholder of, both the Future RSP Fund and the Future Underlying Fund.
8. The investment objective of the RSP International Equity Fund is to achieve long-term asset appreciation by linking its returns to the returns of the International Equity Fund while remaining 100% eligible for registered retirement savings plans, registered retirement income funds and deferred profit sharing plans (the "Registered Plans") under the *Income Tax Act* (Canada) (the "Tax Act").
9. The investment objective of each Future RSP Fund will be similar to the investment objective of the corresponding Underlying Fund which will be achieved by linking its returns to the returns of that Underlying Fund while remaining 100% eligible for Registered Plans.
10. To achieve their investment objectives, the RSP Funds will invest their assets in securities such that their units will, in the opinion of tax counsel to the RSP Funds, be "qualified investments" for Registered Plans and will not constitute foreign property (as defined in the Tax Act) to such Registered Plans. This will primarily be achieved through the implementation of derivatives strategies. However, the RSP Funds will also invest a portion of their assets directly in securities of the corresponding Underlying Funds (the "Permitted Fund Investments"). This investment by the RSP Funds will at all times be

below the maximum foreign property limit prescribed for Registered Plans (the "Permitted Limit").

11. The direct investments by the RSP Funds in the corresponding Underlying Funds will be within the Permitted Limit. Clarington and the RSP Funds will comply with the conditions of this Decision in respect of such investments. The amount of direct investment by the RSP Funds in the corresponding Underlying Funds will be adjusted from time to time so that, except for transitional cash, the aggregate of the derivative exposure to, and direct investment in, the Underlying Funds will equal 100% of the assets of the particular RSP Fund.

In respect of the Class:

12. The Class is a class of shares of Sector Fund Inc., a mutual fund corporation incorporated on July 17, 2000 under the laws of the Province of Ontario, which shares are offered for sale in all provinces and territories.
13. The securities of the Class are currently qualified for distribution in all the Jurisdictions pursuant to a simplified prospectus and annual information form dated August 28, 2000.
14. The Class is a reporting issuer and is not in default of any requirements of the Legislation of the Jurisdictions.
15. The Class seeks to achieve its investment objectives by investing substantially all of its assets in units of its corresponding Underlying Fund.
16. Except for transitional cash, the Class will initially be 100% invested in units of the corresponding Underlying Fund.
17. The Class will seek securityholder approval if it wishes to change its investments from mutual fund units to investing directly in foreign securities.

In respect of the Underlying Funds:

18. The Underlying Funds are, or will be, open-ended mutual fund trusts governed by the laws of the Province of Ontario and offered for sale in all provinces and territories.
19. The Underlying Funds are, or will be, reporting issuers in all provinces and territories.
20. The securities of each of the currently existing Underlying Funds are currently qualified for distribution in all the Jurisdictions pursuant to a simplified prospectus and annual information form dated August 28, 2000 and the currently existing Underlying Funds are not in default of any requirements of the Legislation of the Jurisdictions.
21. Securities of the Future Underlying Funds will be qualified for sale to the public pursuant to a simplified prospectus and annual information form in all provinces and territories.

22. The investment objectives of the Underlying Funds are, or will be, achieved through investments primarily in foreign securities.

In respect of the Funds generally:

23. Except for specific exemptions or approvals granted, the investments by the Top Funds in the Underlying Funds will comply with the investment restrictions of the Legislation and National Instrument 81-102 ("NI 81-102").

24. In the absence of the Decision, each of the Top Funds is prohibited from

- (a) knowingly making and holding an investment in the corresponding Underlying Fund in which the Top Fund, alone or together with one or more related mutual funds, is a substantial securityholder; and
- (b) in the Province of British Columbia, knowingly purchasing or selling the securities of an Underlying Fund from or to the account of a responsible person.

25. In the absence of the Decision, any Future RSP Funds would be prohibited from knowingly making an investment in any Future Underlying Funds in which Clarington has a significant interest.

26. In the absence of the Decision, Clarington would be required to file a report on every purchase or sale by the Top Funds of securities of their corresponding Underlying Funds.

27. The investment in or redemption of securities of the corresponding Underlying Funds by the Top Funds represents business judgment of responsible persons, uninfluenced by considerations other than the best interests of the Funds.

AND WHEREAS under the System, this MRRS Decision Document evidences the Decision of each Decision Maker.

AND WHEREAS each of the Decision Makers is satisfied that the tests contained in the Legislation that provide the Decision Maker with the jurisdiction to make the Decision have been met.

THE DECISION of the Decision Makers under the Legislation is that the Applicable Requirements do not apply so as to prevent the Top Funds from investing in, or redeeming the securities of, the Underlying Funds, and such investment or redemption does not require the filing of a report with the Decision Makers.

PROVIDED THAT in respect of the investment by the each of the RSP Funds in securities of the Underlying Funds:

1. the Decision evidenced by this MRRS Decision Document (the "Decision"), as it relates to the jurisdiction of a Decision Maker, will terminate one year after the publication in final form of any legislation or

rule of that Decision Maker dealing with the matters in subsection 2.5 of NI 81-102; and

2. the Decision shall only apply in respect of investments in, or transactions with, each corresponding Underlying Fund that are made in compliance with the following conditions:

- (a) each RSP Fund and its corresponding Underlying Fund are under common management, and the securities of each RSP Fund and corresponding Underlying Fund are offered and will continue to be offered for sale in the Jurisdiction of the Decision Maker pursuant to a simplified prospectus and annual information form that has been filed with and accepted by the Decision Maker;
- (b) each RSP Fund restricts its aggregate direct investment in each corresponding Underlying Fund to a percentage of its assets that is within the Permitted Limit;
- (c) the investment by each RSP Fund in its corresponding Underlying Fund is compatible with the fundamental investment objectives of the RSP Fund;
- (d) each RSP Fund may change the Permitted Fund Investments if its fundamental investment objective is changed in accordance with NI 81-102;
- (e) the simplified prospectus of each RSP Fund will describe the intent of the RSP Fund to invest in the corresponding Underlying Fund;
- (f) no sales charges are payable by an RSP Fund in relation to its purchases of securities of the corresponding Underlying Fund;
- (g) each RSP Fund and its corresponding Underlying Fund have compatible dates for the calculation of the net asset value of such Funds for the purpose of the issue and redemption of the securities of the RSP Fund and the corresponding Underlying Fund;
- (h) no redemption fees or other charges are charged by an Underlying Fund in respect of the redemption by its corresponding RSP Fund of securities of the Underlying Fund owned by the RSP Fund;
- (i) the arrangements between or in respect of each RSP Fund and its corresponding Underlying Fund preclude duplication of management fees;
- (j) no fees and charges of any sort are paid by an RSP Fund, its corresponding Underlying Funds, the manager or principal distributor of the RSP Fund or the Underlying Fund, or by any affiliate or associate of any of the foregoing entities, to anyone in respect of the RSP Fund's purchase, holding or redemption of the securities of its corresponding Underlying Fund;

- (k) in the event of the provision of any notice to securityholders of an Underlying Fund, as required by the constating documents of the Underlying Fund or by applicable laws, such notice will also be delivered to the securityholders of the corresponding RSP Fund; all voting rights attached to the securities of the Underlying Fund which are owned by the corresponding RSP Fund will be passed through to the securityholders of the RSP Fund;
- (l) in the event that a meeting of the securityholders of an Underlying Fund is called, all of the disclosure and notice material prepared in connection with such meeting and received by the corresponding Top Fund will be provided to the securityholders of such Top Fund; each such securityholder will be entitled to direct a representative of the Top Fund to cast the votes respecting such Top Fund securityholder's proportional holding in the Underlying Fund in accordance with such securityholder's direction; and the representative of the Top Fund will not be permitted to vote the Top Fund's holdings in the Underlying Fund except to the extent the securityholders of the Top Funds so direct;
- (m) in addition to receiving the annual and (upon request) the semi-annual financial statements of the RSP Fund, securityholders of each RSP Fund will receive the annual and (upon request) the semi-annual financial statements of the corresponding Underlying Fund either in a combined report containing the financial statement of both the RSP Fund and the corresponding Underlying Fund, or in a separate report containing the Underlying Fund's financial statements; and
- (n) to the extent that an RSP Fund and its corresponding Underlying Fund do not use a combined simplified prospectus, annual information form and financial statements containing disclosure about the RSP Fund and the Underlying Fund, copies of the simplified prospectus, annual information form and financial statements relating to the corresponding Underlying Fund may be obtained upon request by a securityholder of the RSP Fund.

AND PROVIDED that in respect of the investment by the Class in securities of its corresponding Underlying Fund:

1. the Decision, as it relates to the jurisdiction of a Decision Maker, will terminate one year after the publication in final form of any legislation or rule of that Decision Maker dealing with the matters in subsection 2.5 of NI 81-102; and
2. the Decision shall only apply in respect of investments in, or transactions with, the corresponding Underlying Fund by the Class that are made in compliance with the following conditions:

- (a) the Class and its corresponding Underlying Fund are under common management, and the securities of the Class and Underlying Fund are offered and will continue to be offered for sale in the Jurisdiction of the Decision Maker pursuant to a simplified prospectus and annual information form that has been filed with and accepted by the each of the Decision Makers;
- (b) the investment by the Class in its corresponding Underlying Fund is compatible with the fundamental investment objectives of the Class;
- (c) the simplified prospectus of the Class will describe the intent of the Class to invest in the corresponding Underlying Fund;
- (d) no sales charges are payable by the Class in relation to purchases of securities of its corresponding Underlying Fund;
- (e) the Class and its corresponding Underlying Fund have compatible dates for the calculation of the net asset value of the Funds for the purpose of the issue and redemption of the securities of the Class and the Underlying Fund;
- (f) no redemption fees or other charges are charged by an Underlying Fund in respect of the redemption by the Class of securities of the Underlying Fund owned by the Class;
- (g) the arrangements between or in respect of the Class and the corresponding Underlying Fund preclude duplication of management fees;
- (h) no fees and charges of any sort are paid by the Class, their corresponding Underlying Fund, the manager or principal distributor of the Classes or the Underlying Fund, or by any affiliate or associate of any of the foregoing entities, to anyone in respect of the purchase, holding or redemption of the Class of the securities of the Underlying Fund;
- (i) in the event of the provision of any notice to securityholders of the Underlying Fund, as required by the constating documents of the Underlying Fund or by applicable laws, such notice will also be delivered to the securityholders of the Class; all voting rights attached to the securities of the Underlying Fund which are owned by the Class will be passed through to the securityholders of the Class;
- (j) in the event that a meeting of the securityholders of the corresponding Underlying Fund is called, all of the disclosure and notice material prepared in connection with such meeting and received by the Class will be provided to the securityholders of the Class; each such securityholder will be entitled to direct a representative of the Class to cast such securityholder's proportional holding in the Underlying Fund in accordance with their direction; and the representative of the Class will

not be permitted to vote the Class's holdings in the Underlying Fund except to the extent the securityholders of the Class so direct;

- (k) in addition to receiving the annual and (upon request) the semi-annual financial statements of the Class, securityholders of the Class will receive the annual and (upon request) the semi-annual financial statements of its corresponding Underlying Fund either in a combined report containing the financial statement of both the Class and the Underlying Fund, or in a separate report containing the Underlying Fund's financial statements; and
- (l) to the extent that the Class and the Underlying Fund do not use a combined simplified prospectus, annual information form and financial statements containing disclosure about the Class and its corresponding Underlying Fund, copies of the simplified prospectus, annual information form and financial statements relating to the Underlying Fund may be obtained upon request by a securityholder of the Class.
- (m) if applicable, the Class will obtain securityholder approval to change its investments from mutual fund units to investing directly in foreign securities.

September 29th, 2000.

"J. A. Geller"

"Robert W. Davis"

2.1.5 Dynamic CMP Fund Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Issuer exempted from interim financial reporting requirements for first and third quarter of each financial year. Exemption terminates upon the occurrence of a material change in the business affairs of the Issuer unless the Decision Makers is satisfied that the exemption should continue.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as amended, ss. 6(3), s.77(1), 79, 80(b)(iii)

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF BRITISH
COLUMBIA, ALBERTA, ONTARIO, NOVA
SCOTIA AND NEWFOUNDLAND**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR
EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
DYNAMIC CMP FUND LTD.**

MRRS DECISION DOCUMENT

WHEREAS the securities regulatory authority or regulator (the "Decision Maker") in each of the Provinces of British Columbia, Alberta, Ontario, Nova Scotia and Newfoundland (the "Jurisdictions") has received the application of Dynamic CMP Fund Ltd. (the "Corporation") for a decision pursuant to the securities legislation (the "Legislation") of the Jurisdictions exempting the Corporation from the requirements of the Legislation to file with the Decision Makers and send to its securityholders comparative interim financial statements for the first and third quarters of each financial year of the Corporation;

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for such application;

AND WHEREAS the Corporation has represented to the Decision Makers that:

1. The Corporation is a corporation incorporated pursuant to the provisions of the *Business Corporations Act* (Ontario) and has not been dissolved;
2. on June 2, 2000 the Decision Makers issued a receipt for a prospectus (the "Prospectus") dated May 31, 2000 of the Corporation and CMP 2000 Resource Limited

- Partnership (the "Partnership") with respect to the offering of units of the Partnership;
3. the Prospectus was a non-offering prospectus for the Corporation;
 4. the Partnership was formed for the purpose of investing the proceeds from the issue and sale of units of the Partnership primarily in flow-through shares of corporations that represent to the Partnership that they are principal business corporations as defined in the *Income Tax Act* (Canada) and that they intend to incur Canadian Exploration Expense;
 5. it is expected that on or about January 16, 2002, or as soon as substantially all statutory resale restrictions on the Partnership's investments have expired, the Partnership will be liquidated and the limited partners thereof will receive their pro rata share of the net assets of the Partnership, it being the current intention of the general partner of the Partnership to propose prior to such dissolution that substantially all of the assets of the Partnership be exchanged for shares of the Corporation ("Fund Shares") and upon such dissolution, the limited partners of the Partnership would then receive their pro rata share of the Fund Shares;
 6. the Corporation has not carried on, and will not carry, any business or investment activity until the transfer to it of the assets of the Partnership, except for the entering into of a transfer agreement with the Partnership and a management agreement with Dynamic Mutual Funds Ltd., both such agreements being disclosed in the Prospectus and neither agreement being effective until the limited partners of the Partnership approve the transfer agreement and all other regulatory approvals required in connection with such transfer are obtained;
 7. Dundee Wealth Management Inc. (the "Shareholder") is currently the sole shareholder of the Corporation; and
 8. unless a material change takes place in the business and affairs of the Corporation, the Shareholder will obtain adequate financial information concerning the Corporation from the semi-annual financial statements and the annual report containing audited financial statements of the Corporation together with the auditors' report thereon distributed to such Shareholder;

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that:

1. the Corporation be and is hereby exempted from the requirement to file with the Decision Makers comparative interim financial statements for the first and third quarters of each financial year of the Corporation; and
2. the Corporation be and is hereby exempted from the requirement to send to the Shareholder comparative interim financial statements for the first and third quarters of each financial year of the Corporation,
3. provided that these exemptions shall terminate upon the occurrence of a material change in the affairs of or any change in the shareholdings of the Corporation unless the Corporation satisfies the Decision Makers that the exemptions should continue, which satisfaction shall be evidenced in writing.

October 16th, 2000.

"J. A. Geller"

"R. Stephen Paddon"

**2.1.6 Desjardins Trust Investment Services Inc.
and Maestral Global Equity RSP Fund -
MRRS Decision**

Headnote

Investment by a mutual fund in securities of another mutual fund that is under common management for specified purpose exempted from the requirement of clause 111(2)(b), and subsection 111(3), clauses 117(1)(a) and 117(1)(d) subject to certain specified conditions under which an "active" investment structure may be used.

Statute Cited

Securities Act (Ontario), R.S.O. 1990 c.S.5, as am. Ss. 111(2)(b), 111(3), 113, 117(1)(a), 117(1)(d), 117(2).

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
ONTARIO, NOVA SCOTIA AND NEWFOUNDLAND**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR
EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
DESJARDINS TRUST INVESTMENT SERVICES INC.
MAESTRAL GLOBAL EQUITY RSP FUND**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia and Newfoundland (the "Jurisdictions") has received an application (the "Application") from Desjardins Trust Investment Services Inc. ("DTIS"), as manager of MAESTRAL Global Equity RSP Fund ("Global Equity RSP Fund") and other mutual funds managed by DTIS after the date of this Decision (defined herein) having an investment objective or strategy that is linked to the returns or portfolio of another specified DTIS managed mutual fund (collectively referred to as the "RSP Funds"), for a decision by each Decision Maker (collectively, the "Decision") under the securities legislation of the Jurisdictions (the "Legislation") that the following prohibitions or requirements under the Legislation (the "Applicable Requirements") shall not apply to the RSP Funds, or DTIS, as the case may be, in respect of certain investments to be made by the Global Equity RSP Fund in MAESTRAL Global Equity Fund ("Global Equity Fund") and by the other RSP Funds in their applicable corresponding DTIS managed mutual fund from time to time (collectively referred to as the "Underlying Funds"):

i the provisions requiring the management company of a mutual fund to file a report relating to the purchase or

sale of securities between the mutual fund and any related person or company, or any transaction in which, by arrangement other than an arrangement relating to insider trading in portfolio securities, the mutual fund is a joint participant with one or more of its related persons or companies; and

ii. the provisions prohibiting a mutual fund from knowingly making and holding an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial security holder.

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this Application;

AND WHEREAS DTIS has represented to the Decision Makers as follows:

1. Each of the RSP Funds and Underlying Funds (collectively, the "Funds") is or will be open-ended mutual fund trusts established under the laws of the Province of Québec.
2. DTIS is a corporation incorporated under the laws of the Province of Québec and is or will be the manager of each of the RSP Funds and the Underlying Funds. Desjardins Trust Inc. ("Desjardins Trust") is a corporation incorporated under the laws of Québec and is or will be the trustee and promoter of the RSP Funds and the Underlying Funds. Desjardins Investment Management Inc. ("DIM") is or will be the portfolio manager of the RSP Funds and the Underlying Funds. DTIS and DIM are wholly-owned subsidiaries of Desjardins Trust.
3. The RSP Funds and the Underlying Funds will be reporting issuers. The units of each RSP Fund and each Underlying Fund will be qualified under a simplified prospectus and annual information form (collectively, a "Prospectus") which will be filed in all of the provinces and territories of Canada (the "Prospectus Jurisdictions").
4. The investment objective of the RSP Funds is or will be to provide long-term capital growth, primarily through investment in derivatives that provide a return linked to the return of the applicable Underlying Fund. In the case of the Global Equity RSP Fund, the return will be linked to the return of the Global Equity Fund. Each RSP Fund will also invest directly in the applicable Underlying Fund up to the amount prescribed from time to time as the maximum permitted amount which may be invested in foreign property under the *Income Tax Act* (Canada) (the "Tax Act") without the imposition of tax under Part XI of the Tax Act (the "Foreign Property Maximum").
5. To achieve its investment objective, each of the RSP Funds will make investments such that its securities will, in the opinion of tax counsel to the RSP Funds, be "qualified investments" for registered retirement savings plans, registered retirement income funds, deferred

profit sharing plans and similar plans (collectively, the "Registered Plans") under the Tax Act and will not constitute "foreign property" to a Registered Plan.

6. The direct investment by an RSP Fund in securities of the applicable Underlying Fund will be within the Foreign Property Maximum (the "Permitted RSP Fund Investments"). DTIS and the RSP Funds will comply with the conditions of this Decision in respect of such investments. The amount of direct investment by each RSP Fund in its applicable Underlying Fund will be adjusted from time to time so that, except for transitional cash, the aggregate of derivative exposure to, and direct investment in, the Underlying Fund will equal 100% of the assets of the RSP Fund.
7. The investment objectives of the Underlying Funds are or will be achieved through investment primarily in foreign securities.
8. Except to the extent evidenced by this Decision Document and specific approvals granted by the securities regulatory authorities or regulators under National Instrument 81-102 Mutual Funds ("NI 81-102"), the investments by the RSP Funds in the Underlying Funds have been or will be structured to comply with the investment restrictions of the Legislation and NI 81-102.
9. In the absence of this Decision, the RSP Funds are prohibited from (a) knowingly making an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial securityholder; and (b) knowingly holding an investment referred to in subsection (a) hereof. As a result, in the absence of this Decision the RSP Funds would be required to divest themselves of any such investments.
10. In the absence of this Decision, the Legislation requires DTIS to file a report on every purchase or sale of securities of the Underlying Funds by the RSP Funds.
11. The RSP Funds' investment in or redemption of units of their corresponding Underlying Funds will represent the business judgment of responsible persons, uninfluenced by considerations other than the best interest of the RSP Funds.

AND WHEREAS pursuant to the System this MRRS Decision Document evidences the decision of each Decision Maker;

AND WHEREAS each of the Decision Makers are satisfied that the tests contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers pursuant to the Legislation is that the Applicable Requirements do not apply to the RSP Funds or DTIS, as the case may be, in respect of investments to be made by the RSP Funds in securities of the Underlying Funds;

PROVIDED IN EACH CASE THAT:

1. this Decision, as it relates to the jurisdiction of a Decision Maker, will terminate one year after the publication in final form of any legislation or rule of that Decision Maker dealing with the matters in subsection 2.5(1) of NI 81-102; and
2. this Decision shall only apply in respect of investments in, or transactions with, the Underlying Funds that are made by the RSP Funds in compliance with the following conditions:
 - (a) the RSP Funds and the Underlying Funds will be under common management and the units of both will be offered for sale in the jurisdiction of each Decision Maker pursuant to a Prospectus which has been filed with and accepted by the Decision Maker;
 - (b) each RSP Fund will restrict its aggregate direct investment in its corresponding Underlying Fund to a percentage of its assets that is within the Foreign Property Maximum;
 - (c) the investment by each RSP Fund in its Underlying Fund will be compatible with the fundamental investment objective of the RSP Fund;
 - (d) the Prospectus will disclose the intent of the RSP Funds to invest in units of the Underlying Funds;
 - (e) the RSP Funds may change the Permitted RSP Fund Investments if they change their fundamental investment objectives in accordance with Legislation;
 - (f) no sales charges will be payable by the RSP Funds in relation to purchases of units of the Underlying Funds;
 - (g) there will be compatible dates for the calculation of the net asset value of the RSP Funds and the Underlying Funds for the purpose of the issue and redemption of units of such mutual funds;
 - (h) no redemption fees or other charges will be charged by the Underlying Funds in respect of the redemption by the RSP Funds of units of the Underlying Funds owned by the RSP Funds;
 - (i) the arrangements between or in respect of the RSP Funds and the Underlying Funds will be such as to avoid the duplication of management fees;
 - (j) no fees and charges of any sort will be paid by the RSP Funds, the Underlying Funds, or by the manager or principal distributor of the RSP Funds or the Underlying Funds, or by any affiliate or associate of any of the foregoing entities to anyone in respect of the RSP Funds'

purchases, holdings or redemptions of the units of the Underlying Funds;

- (k) in the event of the provision of any notice to unitholders of the Underlying Funds, as required by applicable laws or the constating documents of the Underlying Funds, such notice will also be delivered to the unitholders of the RSP Funds; all voting rights attached to the securities of the Underlying Funds that are owned by the RSP Funds will be passed through to the unitholders of the RSP Funds.
- (l) in the event that a unitholders' meeting is called for an Underlying Fund, all of the disclosure and notice material prepared in connection with such meeting will be provided to the unitholders of the corresponding RSP Fund and such unitholders will be entitled to direct a representative of the RSP Fund to vote that RSP Fund's holding in the Underlying Fund in accordance with their direction; and the representative of the RSP Fund will not be permitted to vote the RSP Fund's holdings in the Underlying Fund except to the extent the unitholders of the RSP Fund so direct;
- (m) in addition to receiving the annual and, upon request, the semi-annual financial statements of the RSP Funds, unitholders of the RSP Funds will receive the annual and, upon request, the semi-annual financial statements of the Underlying Funds in either a combined report, containing both the RSP Funds' and Underlying Funds' financial statements, or in a separate report containing the Underlying Funds' financial statements; and
- (n) to the extent that the RSP Funds and the Underlying Funds do not use a combined simplified prospectus, annual information form and financial statements containing disclosure about the RSP Funds and the Underlying Funds, copies of the simplified prospectuses, annual information forms and financial statements relating to the Underlying Funds may be obtained upon request by a unitholder of the RSP Funds.

2.1.7 Goldfund Ltd. and Goldtrust (individually a "Fund" and collectively, the "Funds") - MRRS Decision

Headnote

Extension of lapse date for mutual fund prospectus. Forty-four days originally requested by applicant. Commission determined that application warranted only 30 day extension.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5, as am., s. 62
National Instrument 81-101 Mutual Fund Prospectus Disclosure
National Instrument 81-102 Mutual Funds

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN
MANITOBA, ONTARIO, QUEBEC, NEW BRUNSWICK,
PRINCE EDWARD ISLAND, NOVA SCOTIA,
NEWFOUNDLAND, NORTHWEST TERRITORIES,
NUNAVUT TERRITORY AND THE YUKON**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR
EXEMPTIVE RELIEVE APPLICATIONS**

AND

**IN THE MATTER OF
GOLDFUND LTD. AND GOLDTRUST
(individually a "Fund" and collectively, the "Funds")**

DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of the provinces and territories of Canada (the "Jurisdictions") has received an application from CSA Management Enterprises Ltd., in its capacity as manager of the Funds, (the "Manager") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the lapse date of the mutual fund securities offered by each Fund pursuant to the 1999 Disclosure Documents (defined below) be extended to November 3, 2000.

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission (the "OSC") is the principal jurisdiction for this application;

AND WHEREAS it has been represented by the Manager to the Decision Makers that:

1. The Manager is a corporation incorporated under the laws of Ontario.
2. Goldtrust is a mutual fund trust that was established under the laws of the Province of Ontario on May 26,

October 6th, 2000.

"J. A. Geller"

"Howard I. Wetston"

1975 and is governed by an amended and restated trust indenture between the Manager and The Royal Trust Company, as trustee of the Funds.

3. Goldfund is a mutual fund corporation. Goldfund was incorporated under the laws of Canada by Letters Patent dated March 8, 1967 and was continued under the *Canada Business Corporations Act* by a Certificate of Continuance dated July 10, 1980.
4. The mutual fund securities of the Funds are currently qualified under a simplified prospectus and annual information form each dated October 4, 1999 (the "1999 Disclosure Documents"). The lapse date for the 1999 Disclosure Documents is October 4, 2000 or October 6, 2000 depending on the Jurisdiction.
5. On September 1, 2000, the Manager filed a pro forma simplified prospectus and a pro forma annual information form with respect to the Funds (the "Renewal Documents").
6. The Renewal Documents are required to be filed in accordance with National Instrument 81-101 ("NI 81-101") and National Instrument 81-102 ("NI 81-102") (NI 81-101 and NI 81-102 are collectively referred to herein as the "New Rules"), which collectively implement a new regulatory regime governing mutual funds in Canada. The New Rules came into force on February 1, 2000. In accordance with NI 81-101, the Manager has prepared the Renewal Documents in accordance with Forms 81-101F1 and 81-101F2 which prescribe new detailed disclosure requirements for a simplified prospectus and annual information form of a mutual fund.
7. The Manager received comments on the Renewal Documents from the OSC on September 18, 2000.
8. Based on the current status of the Renewal Documents and the comments received from the OSC, the Manager has determined that without an extension of the lapse date of the Funds that it will not be able to finalize the Renewal Documents in accordance with the requirements of the New Rules by Friday, October 13, 2000 (i.e., the current deadline for filing the final version of the Renewal Documents).
9. There have been no material changes in the affairs of the Funds since the date of the 1999 Disclosure Documents. The Funds are not in default of any of the requirements under the *Securities Act* (Ontario).

AND WHEREAS pursuant to the System this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Makers with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers pursuant to the Legislation is that the time limits provided by the Legislation, as they apply to the distribution of securities of the Funds under the 1999 Disclosure Documents, are hereby extended to the times that would be applicable if the lapse date for such distribution under the 1999 Disclosure Documents were November 3, 2000.

October 4th, 2000.

"Rebecca Cowdery"

**2.1.8 G.T.C. Transcontinental Group Ltd. et al.
- MRRS Decision**

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - issuer is a connected issuer of a registrant which may act as underwriter of securities of the issuer - registrant exempted from independent underwriter requirement in clause 224(1)(b) of Regulation.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as amended.

Application Ontario Regulations

Regulation made under the *Securities Act*, R.R.O. 1990, Reg. 1015, as amended, ss. 219(1), 224(1)(b) and 233.

Applicable Ontario Rules

In the Matter of the Limitations on a Registrant Underwriting Securities of a Related Issuer or Connected Issuer of the Registrant (1997), 20 OSCB 1217, as varied by (1999), 22 OSCB 58.

Proposed Instrument Cited

Multi-Jurisdictional Instrument 33-105 *Underwriters Conflicts* (1998), 21 OSCB 781.

**IN THE MATTER OF THE CANADIAN SECURITIES
LEGISLATION OF
THE PROVINCES OF ALBERTA, BRITISH COLUMBIA,
NEWFOUNDLAND, QUEBEC AND ONTARIO**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR
EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
G.T.C. TRANSCONTINENTAL GROUP LTD.**

AND

**IN THE MATTER OF
NATIONAL BANK FINANCIAL INC.
RBC DOMINION SECURITIES INC.
BMO NESBITT BURNS INC.
SCOTIA CAPITAL INC.**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Newfoundland, Quebec and Ontario (collectively, the "Jurisdictions") have received an application from National Bank Financial Inc. («NBF»), RBC Dominion Securities Inc.

(«RBC»), BMO Nesbitt Burns Inc. («BMO») and Scotia Capital Inc. («Scotia») (collectively, the «Underwriters») for a decision pursuant to the Canadian securities legislation (the «Legislation») that the restrictions against acting as an underwriter with respect to the conflict interest rules contained in the Legislation shall not apply to the Underwriters in connection with a proposed public offering (the «Offering») by G.T.C. Transcontinental Inc. ("GTC") of Class A subordinate voting shares (the "Shares") by way of a short form prospectus (the "Prospectus") to be filed with all securities commissions in Canada.

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the «System»), the Quebec Securities Commission is the Principal Regulator for this application.

AND WHEREAS the Underwriters have represented to the Commissions that:

1. GTC was incorporated under the *Canada Business Corporations Act* on March 3, 1978 and its head office is located in Montreal, Quebec.
2. GTC is a reporting issuer in all provinces of Canada and its shares are listed for trading on the Toronto Stock Exchange.
3. GTC has file on September 28, 2000 a preliminary short form prospectus (the «Preliminary Prospectus») under the Mutual Reliance Review System for Prospectuses with Quebec as its designated jurisdiction and intends to file a final short form Prospectus on or about October 12, 2000.
4. The Underwriters involved in the Offering are NBF, RBC, BMO and Scotia. The proportionate share of the Offering to be underwritten by each of the Underwriters is as follows:

| Underwriter | Proportionate Share |
|-------------|---------------------|
| NBF | 35% |
| RBC | 35% |
| BMO | 15% |
| Scotia | 15% |
5. NBF is an indirect, wholly-owned subsidiary of the National Bank of Canada, RBC is an indirect wholly-owned subsidiary of the Royal Bank of Canada, BMO is a wholly-owned subsidiary of BMO Nesbitt Burns Corporation Limited, an indirect majority-owned subsidiary of Bank of Montreal and Scotia is a wholly-owned subsidiary of the Bank of Nova Scotia. National Bank of Canada, Royal Bank of Canada, Bank of Montreal and Bank of Nova Scotia are hereinafter referred to as the «Related Banks».
6. GTC currently has five loan facilities (the "Loan Facilities") with a syndicate of financial institutions, which include the Related Banks. The Loan Facilities provide for an aggregate maximum availability of \$392.5 million, of which approximately \$228 million is drawn as of the date hereof. A subsidiary of GTC has

three credit facilities with, *inter alia*, one Related Bank with maximum availability of \$70 million of which approximately \$53 million is drawn as of the date hereof.

7. By virtue of the Loan Facilities, GTC may be considered a connected issuer (as that term is defined in the Proposed Multi-Jurisdictional Instrument 33-105 entitled *Underwriting Conflicts* (1998) 21 OSCB 788) (the "Proposed Conflicts Instrument") of each of the Underwriters; thus the Underwriters do not comply with the proportionate requirement of the Legislation.
8. GTC is not a "related issuer" of any of the Underwriters as that term is defined in the Proposed Conflicts Instrument nor is GTC a "specified party" as that term is defined in the Proposed Conflicts Instrument.
9. GTC is in good financial condition and is not under any immediate financial pressure to complete the Offering.
10. The net proceeds of the Offering will be used to reduce GTC's indebtedness to the Related Banks. The Related Banks did not participate in the decision to make the Offering nor in the determination of the terms of the Offering or the use of proceeds thereof.
11. The Underwriters will not benefit in any matter from the Offering other than the payment of their fee in connexion with the Offering.
12. The disclosure required by Schedule C of the Proposed Conflicts Instrument will be contained in the Preliminary Prospectus and in the Prospectus and the certificate in such prospectus will be signed by each of the Underwriters.

AND WHEREAS pursuant to the Policy 12-201, this Decision Document evidences the decision of each Decision Maker;

AND WHEREAS each Decision Maker is satisfied that conditions or circumstances exist which are required by the Legislation to enable the Decision Maker to make the decision.

IT IS THE DECISION of the Decision Makers pursuant to the Legislation is that each of BMO, RBC, NBF and Scotia is exempt from the Independent Underwriter Requirement in connection with the Offering provided GTC is not a "specified party" as that term is defined in the Proposed Conflicts Instrument at the time of each Offering and provided that at the time of each Offering, GTC is not a "related issuer" (or the equivalent) as that term is defined in the Proposed Conflicts Instrument, of any of BMO, RBC, NBF and Scotia.

October 11th, 2000.

"Jean Lorrain"

**DANS L'AFFAIRE DE
LA LÉGISLATION EN VALEURS MOBILIÈRES
DE L'ALBERTA, DE LA COLOMBIE-BRITANNIQUE,
DE TERRE NEUVE, DU QUÉBEC ET DE L'ONTARIO**

ET

**DANS L'AFFAIRE DU
RÉGIME D'EXAMEN CONCERTÉ DES
DEMANDES DE DISPENSE**

ET

**DANS L'AFFAIRE DE GROUPE TRANSCONTINENTAL
G.T.C. Ltée**

ET

**DANS L'AFFAIRE DE FINANCIÈRE BANQUE NATIONALE
INC.
DE RBC DOMINION VALEURS MOBILIÈRES INC.
DE BMO NESBITT BURNS INC.
DE SCOTIA CAPITAUX INC.**

DOCUMENT DE DÉCISION DU REC

CONSIDÉRANT QUE l'autorité canadienne en valeurs mobilières ou l'agent responsable local (le « décideur ») de l'Alberta, de la Colombie-Britannique, de Terre Neuve, du Québec et de l'Ontario (les « Juridictions ») ont reçu une demande de Financière Banque Nationale Inc. (« FBN »), de RBC Dominion valeurs mobilières Inc. (« RBC »), de BMO Nesbitt Burns Inc. (« BMO ») et de Scotia Capitaux Inc. (« Scotia ») (collectivement, les « preneurs fermes ») pour une décision en vertu de la législation en valeurs mobilières canadienne (la « législation ») selon laquelle l'interdiction d'agir en qualité de preneur ferme dans le cadre des règles en matière de conflit prévue dans la législation ne s'applique pas aux preneurs fermes à l'égard d'un projet d'appel public à l'épargne (le « placement ») par Groupe Transcontinental G.T.C. Ltée (« GTC ») pour des actions subalternes à droit de vote de catégorie A (les « actions ») par voie d'un prospectus simplifié (le « prospectus ») devant être déposé auprès de toutes les commissions des valeurs mobilières canadiennes;

QUE, selon le régime d'examen concerté des demandes de dispense (le « régime »), la Commission des valeurs mobilières du Québec est l'autorité principale pour la présente demande;

QUE les preneurs fermes ont déclaré aux Commissions ce qui suit :

1. GTC a été constituée en vertu de la *Loi canadienne sur les sociétés par actions* le 3 mars 1978 et son siège social est situé à Montréal (Québec).
2. GTC est un émetteur assujéti dans toutes les provinces canadiennes, et ses actions sont inscrites à la cote de la Bourse de Toronto.
3. GTC a déposé le 28 septembre 2000 un prospectus simplifié provisoire (le « prospectus provisoire ») en

vertu du régime d'examen concerté des prospectus et ayant le Québec comme son territoire désigné, et entend déposer un prospectus simplifié définitif le ou vers le 12 octobre 2000.

4. Les preneurs fermes pour le placement sont NBF, RBC, BMO et Scotia. Le tableau suivant indique la quote-part du placement devant être souscrite par chacun des preneurs fermes:

| Preneur ferme | Quote-part |
|---------------|------------|
| FBN | 35 % |
| RBC | 35 % |
| BMO | 15 % |
| Scotia | 15 % |

5. NBF est une filiale en propriété exclusive indirecte de Banque Nationale du Canada, RBC est une filiale en propriété exclusive indirecte de Banque Royale du Canada, BMO est une filiale en propriété exclusive de Corporation BMO Nesbitt Burns Limitée, filiale en propriété majoritaire indirecte de Banque de Montréal, et Scotia est une filiale en propriété exclusive de Banque de Nouvelle-Écosse. Banque Nationale du Canada, Banque Royale du Canada, Banque de Montréal et Banque de Nouvelle-Écosse sont ci-après appelées les « banques reliées ».
6. GTC a actuellement cinq facilités de prêt (les « facilités de prêt ») auprès d'un consortium d'institutions financières qui comprend les banques reliées. Aux termes des facilités de prêt, GTC dispose d'un maximum global de 392,5 millions de dollars, dont environ 228 millions de dollars ont été prélevés à la date des présentes. Une filiale de GTC a trois facilités de crédit auprès, notamment, d'une banque reliée, d'un maximum de 70 millions de dollars, dont environ 53 millions de dollars ont été prélevés à la date des présentes.
7. En vertu des facilités de prêt, GTC peut être considérée comme un émetteur associé, au sens de cette expression dans le projet de norme multi-juridictionnelle 33-105 intitulée *Underwriting Conflicts* (1998) 21 OSCB 788 (le « projet de norme en matière de conflits »), de chacun des preneurs fermes; les preneurs fermes ne respectent donc pas le pourcentage prescrit par la législation.
8. GTC n'est pas un « émetteur relié » de l'un des preneurs fermes au sens de cette expression dans le projet de norme en matière de conflits ni une partie désignée au sens de l'expression *specified party* dans le projet de norme en matière de conflits.
9. La situation financière de GTC est bonne, et cette dernière n'est pas contrainte financièrement de procéder immédiatement au placement.
10. Le produit net du placement sera affecté à la réduction de la dette de GTC envers les banques reliées. Les banques reliées n'ont pas participé à la décision de

faire le placement, ni à l'établissement des modalités du placement, ni à l'emploi du produit de celui-ci.

11. Les preneurs fermes ne tireront aucun autre avantage du présent placement que le paiement de leur rémunération dans le cadre du placement.
12. La déclaration prescrite par l'annexe C du projet de norme en matière de conflits sera incluse dans le prospectus provisoire et dans le prospectus, et l'attestation dans ce prospectus sera signée par chacun des preneurs fermes.

QUE, selon l'instruction 12-201, le présent document de décision confirme la décision de chaque décideur;

QUE chaque décideur est convaincu qu'il existe des situations ou circonstances prescrites par la législation afin de permettre au décideur de prendre la décision;

LA DÉCISION des décideurs en vertu de la législation est que chacun de BMO, FBN, RBC et Scotia soit dispensée de l'exigence de courtiers indépendant relativement au placement de titres à la condition que GTC ne soit pas une « partie désignée » (*specified party*) tel que ce terme est utilisé dans le projet de norme en matière de conflits au moment du placement de titres et que GTC ne soit pas au moment du placement de titres un « émetteur relié » (ou l'équivalent) tel que ce terme est défini dans le projet de norme en matière de conflits, de chacun de BMO, FBN, RBC et Scotia.

Datée à Montréal le 11 octobre 2000

"Me Jean Lorrain"

2.1.9 iUnits Government of Canada 5 Year Bond Fund and iUnits Government of Canada 10 Year Bond Fund and Barclays Global Investors Canada Limited

Headnote

Relief granted from certain provisions of securities legislation for initial and continuous distribution of units of exchange-traded fund - relief from registration requirement granted to permit the fund and its promoter to disseminate sales communication promoting the fund, subject to compliance with Part 15 of NI 81-102 - relief granted for the fund's prospectus not to contain an underwriter's certificate.

Statutes Cited

Securities Act, R.S.O. 1990, as amended – ss. 25(1), 59(1) (74(1) & 147.

Rules Cited

National Instrument 81-102, Mutual Funds - Part 15.

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
MANITOBA,
ONTARIO, QUEBEC, NOVA SCOTIA, PRINCE EDWARD
ISLAND,
NEW BRUNSWICK, NEWFOUNDLAND, THE YUKON,
THE NORTHWEST TERRITORIES AND NUNAVUT**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF THE
iUNITS GOVERNMENT OF CANADA 5 YEAR BOND
FUND
iUNITS GOVERNMENT OF CANADA 10 YEAR BOND
FUND**

AND

**IN THE MATTER OF
BARCLAYS GLOBAL INVESTORS CANADA LIMITED**

DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, Prince Edward Island, New Brunswick, Newfoundland, Yukon, Northwest Territories and Nunavut (the "Jurisdictions") has received an application from the iUnits Government of Canada 5 Year Bond Fund (the "iG5 Fund"), the iUnits Government of Canada 10 Year Bond Fund (the "iG10 Fund")

(together, the "Funds") and Barclays Global Investors Canada Limited ("Barclays") (all collectively, the Filers") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that

- (a) the registration requirement of the Legislation does not apply to Barclays and the Funds, in connection with their proposed dissemination of sales communications relating to the distribution of securities of the Fund, and
- (b) in connection with the proposed distribution of securities of the Funds pursuant to a prospectus, the Funds be exempt from the requirement that the prospectus contain a certificate of the underwriter or underwriters who is/are in a contractual relationship with the issuer whose securities are being offered;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS the Filers have represented to the Decision Makers as follows:

- 1. Each Fund is a trust established under the laws of Ontario, with Barclays as the trustee of each Fund. Barclays' head office is located in Toronto, Ontario.
- 2. Barclays is registered in all provinces and territories, except Quebec and Nunavut, as a portfolio manager and investment counsel (or the equivalent categories of registration) under the Legislation of such Jurisdictions. Barclays is currently registered in Quebec as a non-resident advisor.
- 3. The iG5 Fund seeks to replicate the return of a bond issued by the Government of Canada ("GOC") with a 5-year term to maturity, by investing in GOC bonds whose term to maturity closely matches the GOC 5-year benchmark bond selected by Barclays from time to time.
- 4. The iG10 Fund seeks to replicate the return of a bond issued by GOC with a 10-year term to maturity, by investing in GOC bonds whose term to maturity closely matches the GOC 10-year benchmark bond selected by Barclays from time to time.
- 5. Each Fund will issue units of beneficial interest ("Units"), which are intended to give investors the ability to receive a return approximately equivalent to that of the 5-year or 10-year benchmark bond (as the case may be) selected by Barclays from time to time.
- 6. The Funds have filed a preliminary prospectus with each Jurisdiction for the purpose of the public and continuous distribution of their Units in the Jurisdictions. Upon issuance of a receipt for the Funds' (final) prospectus (the "Prospectus"), the Funds will be reporting issuers under the Legislation of each Jurisdiction where such term is applicable.
- 7. The Units of each Fund will be listed and posted for trading on The Toronto Stock Exchange (the

"Exchange"), and will trade at a market price that may not necessarily reflect the net asset value of the Fund.

8. The Funds will receive coupon income ("Coupon Income") on the GOC bonds that they hold. The Coupon Income and any other income may be held in cash or be invested by the Funds in bond futures contracts and short-term securities.
9. The Coupon Income received, investment income and any other income of each Fund will be distributed at least semi-annually to unitholders of the Fund.
10. The Units of each Fund may only be subscribed for or purchased directly from the Fund by
 - a. one or more members of the Exchange who are registered dealers or brokers and who have entered into an underwriting agreement with the Fund (the "Underwriters"), or
 - b. one or more members of the Exchange who are registered dealers or brokers and who have entered into a designated broker agreement with the Fund (the "Designated Brokers").

Subscription or purchase orders may be placed by an Underwriter or Designated Broker only for Units in the prescribed number (the "Prescribed Number") or an integral multiple thereof on any day on which there is a trading session on the Exchange.

11. Each Underwriter or Designated Broker who subscribes for or purchases Units of each Fund on the first day on which the Fund accepts subscriptions or purchase orders must deliver to the Fund, in respect of each Prescribed Number of Units to be issued, the 5-year or 10-year benchmark bonds (as the case may be) with a face amount equal to \$1,000,000, together with cash equal to 0.15% of the value of the benchmark bonds delivered.
12. Every subscription or purchase order for the Prescribed Number of Units of each Fund, subsequent to the first day on which the Fund accepts subscriptions or purchase orders, must be paid for
 - a. at Barclays' discretion, by the delivery of a cash amount equal to the net asset value of the Units next determined following receipt of the subscription order, or
 - b. by the delivery of the 5-year or 10-year benchmark bonds (as the case may be) with a face amount equal to \$1,000,000 plus sufficient cash, so that the value of the benchmark bonds and cash delivered is equal to the net asset value of the Fund next determined following receipt of the subscription order;
13. The Units of each Fund may also be issued directly from time to time and, in any event, not more than once every quarter, to one or more Designated Brokers, pursuant to the designated broker agreement which

obliges each Designated Broker to make a cash subscription for Units in an amount not to exceed 0.15% of the net asset value of the Fund.

14. Neither the Underwriters nor the Designated Brokers will receive any fees or commissions in connection with each Fund's issuance of Units to them. Barclays, as trustee of the Funds may, at its discretion, charge an administration fee on the issuance of Units to the Underwriters.
15. Except as described in paragraphs 10 and 13 above, Units of each Fund may not be purchased directly from the Funds. Investors are generally expected to purchase Units of each Fund through the facilities of the Exchange. However, Units of each Fund may be issued directly to Unitholders upon the reinvestment of the Fund's distributions of income or capital gains.
16. While unitholders who wish to dispose of their Units may generally do so by selling their Units on the Exchange,
 - a. a unitholder may redeem any number of Units of each Fund for a redemption price equal to the net asset value of the Units on the effective day of the redemption, less a redemption processing fee equal to 5% of the aggregate net asset value of the Units to be redeemed for redemptions of less than the Prescribed Number of Units, payable by the delivery of 5-year or 10-year benchmark bonds (as the case may be) and cash, and
 - b. a unitholder may also redeem any number of Units of each Fund for cash at a redemption price per unit equal to 95% of the closing price of the Units of the Fund on the Exchange on the effective day of redemption.
17. The only expenses of each Fund will be the annual 0.25% trustee fee payable to Barclays plus the applicable income and withholding taxes. Barclays will be responsible for the payment of all other expenses of the Fund.

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that

- (a) the registration requirement of the Legislation does not apply to Barclays and the Funds, in connection with any dissemination of sales communications relating to the distribution Units of the Funds, provided that they comply with Part 15 of National Instrument 81-102, Mutual Funds; and

- (b) in connection with the proposed distribution of Units of the Funds pursuant to the Prospectus or any renewal prospectus, the Funds are exempt from the requirement of the Legislation that the Prospectus or renewal prospectus contain a certificate of the Underwriters as defined in paragraph 10 above.

October 11th, 2000.

"J. A. Geller"

"Stephen N. Adams"

2.1.10 Morgan Guaranty Trust Company of New York - MRRS Decision

Headnote

MRRS - Underwriter and advisor registration relief for Schedule III Bank - prospectus and registration relief for traders where Schedule III bank purchasing as principal and first trade relief for Schedule III bank - prospectus and registration relief for trades of bonds, debentures and other evidences of indebtedness of a guaranteed by Schedule III Bank provided trades involve only specified purchases - prospectus and registration relief for evidences of deposits issued by Schedule III bank to specified purchases - fee relief for trades made in reliance on Decision.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., 25(1)(a)&(c), 34(a), 35(1)(3)(i), 35(2)1(c), 53(i), 72(1)(a)(i), 73(1)(a), 74(1), 147.

Regulations Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., s. 151, 206, 218. Schedule 1 Section 28.

**IN THE MATTER OF THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
MANITOBA,
ONTARIO, QUEBEC, NEW BRUNSWICK, NOVA SCOTIA,
PRINCE EDWARD ISLAND, NEWFOUNDLAND, YUKON
TERRITORY,
NORTHWEST TERRITORIES, AND NUNAVUT
TERRITORY**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR
EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
MORGAN GUARANTY TRUST COMPANY OF NEW YORK**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Nunavut Territory and Yukon Territory (the "Jurisdictions") has received an application (the "Application") from Morgan Guaranty Trust Company of New York ("Morgan Guaranty") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that Morgan Guaranty is exempt from various registration, prospectus and filing requirements of the Legislation in connection with the banking activities to be carried on by Morgan Guaranty in the Jurisdictions;

AND WHEREAS, pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS it has been represented by Morgan Guaranty to the Decision Makers that:

1. Morgan Guaranty is the principal bank subsidiary of J P Morgan & Co. Incorporated ("J P Morgan") in the United States. J P Morgan is a bank holding company formed under the laws of the United States for holding subsidiaries engaged globally in providing a wide range of financial services, including finance and advisory, sales and trading, and asset management services;
2. Morgan Guaranty currently conducts business in Canada through J.P. Morgan Canada ("Morgan Canada"), the Schedule II bank subsidiary of Morgan Guaranty listed in Schedule II to the *Bank Act* (Canada) (the "Bank Act"), J.P. Morgan Securities Canada Inc., a registered investment dealer, and J.P. Morgan Investment Management, which maintains a representative office in Canada;
3. Morgan Canada is involved in wholesale deposit-taking, commercial lending and related treasury functions;
4. Morgan Canada only accepts deposits from the following:
 - (a) Her Majesty in right of Canada or in right of a province or territory, an agent of Her Majesty in either of those rights and includes a municipal or public body empowered to perform a function of government in Canada, or an entity controlled by Her Majesty in either of those rights;
 - (b) the government of a foreign country or any political subdivision thereof, an agency of the government of a foreign country or any political subdivision thereof, or an entity that is controlled by the government of a foreign country or any political subdivision thereof;
 - (c) an international agency of which Canada is a member, including an international agency that is a member of the World Bank Group, the Inter American Development Bank, the Asian Development Bank, the Caribbean Development Bank and the European Bank for Reconstruction and Development and any other international regional bank;
 - (d) a financial institution (i.e.: (a) a bank or an authorized foreign bank under the Bank Act; (b) a body corporate to which the *Trust and Loan Companies Act* (Canada) applies, (c) an association to which the *Cooperative Credit Association Act* (Canada) applies, (d) an insurance company or a fraternal benefit society to which the *Insurance Companies Act* (Canada) applies, (e) a trust, loan or insurance corporation incorporated by or under an Act of the legislature of a province or territory in Canada, (f) a

cooperative credit society incorporated and regulated by or under an Act of the legislature of a province or territory in Canada; (g) an entity that is incorporated or formed by or under an Act of Parliament or of the legislature of a province or territory in Canada and that is primarily engaged in dealing in securities, including portfolio management and investment counseling, and is registered to act in such capacity under the applicable Legislation, and (h) a foreign institution that is (i) engaged in the banking, trust, loan or insurance business, the business of a cooperative credit society or the business of dealing in securities or is otherwise engaged primarily in the business of providing financial services, and (ii) is incorporated or formed otherwise than by or under an Act of Parliament or of the legislature of a province or territory in Canada);

- (e) a pension fund sponsored by an employer for the benefit of its employees or employees of an affiliate that is registered and has total plan assets under administration of greater than \$100 million;
- (f) a mutual fund corporation that is regulated under an Act of the legislature of a province or territory in Canada or under the laws of any other jurisdiction and has total assets under administration of greater than \$10 million;
- (g) an entity (other than an individual) that has, for the fiscal year immediately preceding the initial deposit, gross revenues on its own books and records of greater than \$5 million; or
- (h) any other person if the trade is in a security which has an aggregate acquisition cost to the purchaser of greater than \$150,000;

collectively referred to for purposes of this Decision as "Authorized Purchasers".

5. Morgan Canada participates in the primary and secondary market in the following money market products: commercial paper, certificates of deposit, repurchase agreements and bankers' acceptances;
6. Morgan Canada engages in foreign exchange trading;
7. The only advising activities which Morgan Canada undertakes are incidental to its primary business and it has not and will not, nor will Morgan Guaranty, advertise itself as an adviser or allow itself to be advertised as an adviser in the Jurisdictions;
8. In June of 1999 amendments to the Bank Act were proclaimed that permit foreign commercial banks to establish direct branches in Canada. These amendments have created a new Schedule III listing foreign banks permitted to carry on banking activities through branches in Canada;

9. Morgan Guaranty has been granted an order under the Bank Act on April 17, 2000 permitting it to establish a full service branch under the Bank Act and designating it on Schedule III to the Bank. Morgan Guaranty will take over the wholesale deposit-taking, corporate lending and treasury functions currently conducted by Morgan Canada;
10. The Legislation applicable in each Jurisdiction refers to either "Schedule I and Schedule II banks", "banks", "savings institutions" or "financial institutions" in connection with certain exemptions however no reference is made in any of the Legislation to entities listed on Schedule III to the Bank Act;
11. In order to ensure that Morgan Guaranty, as an entity listed on Schedule III to the Bank Act, is able to provide banking services to businesses in the Jurisdictions it requires similar exemptions enjoyed by banking institutions incorporated under the Bank Act to the extent that the current exemptions applicable to such banking institutions are relevant to the banking business being undertaken by Morgan Guaranty in the Jurisdictions;

AND WHEREAS pursuant to the System this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers pursuant to the Legislation is that in connection with the banking business to be carried on by Morgan Guaranty in the Jurisdictions:

1. Morgan Guaranty is exempt from the requirement under the Legislation, where applicable, to be registered as an underwriter with respect to trading in the same types of securities that an entity listed on Schedule I or II to the Bank Act may act as an underwriter in respect of without being required to be registered under the Legislation as an underwriter;
2. Morgan Guaranty is exempt from the requirement under the Legislation to be registered as an adviser where the performance of the service as an adviser is solely incidental to its primary banking business;
3. A trade of a security to Morgan Guaranty where Morgan Guaranty purchases the security as principal shall be exempt from the registration and prospectus requirements of the Legislation of the Jurisdiction in which the trade takes place (the "Applicable Legislation") provided that:
 - (i) the forms that would have been filed and the fees that would have been paid under the Applicable Legislation if the trade had been made, on an exempt basis, to an entity listed on Schedule I or II to the Bank Act purchasing as principal (referred to in this Decision as a

"Schedule I or II Bank Exempt Trade") are filed and paid in respect of the trade to Morgan Guaranty, and

- (ii) the first trade in a security acquired by Morgan Guaranty pursuant to this Decision is deemed a distribution (or primary distribution to the public) under the Applicable Legislation unless:
 - (a) the issuer of the security is a reporting issuer, or the equivalent, under the Applicable Legislation and, if Morgan Guaranty is in a special relationship (where such term is defined in the Applicable Legislation) with such issuer, Morgan Guaranty has reasonable grounds to believe that such issuer is not in default of any requirements of the Applicable Legislation;
 - (b) (i) the securities are listed and posted for trading on a stock exchange, that is recognized by the Decision Maker of the applicable Jurisdiction for purposes of the resale of a security acquired in a Schedule I or II Bank Exempt Trade, and comply with the requirements set out in paragraph (a) or (b) of Appendix A to this Decision and have been held at least six months from the date of the initial exempt trade to Morgan Guaranty or the date the issuer became a reporting issuer, or the equivalent, under the Applicable Legislation, whichever is the later, or
(ii) the securities are bonds, debentures or other evidences of indebtedness issued or guaranteed by an issuer or are preferred shares of an issuer and comply with the requirements set out in paragraph (a) or (c) of Appendix A to this Decision and have been held at least six months from the date of the initial exempt trade to Morgan Guaranty or the date the issuer became a reporting issuer, or the equivalent, under the Applicable Legislation, whichever is the later, or
(iii) the securities are listed and posted for trading on a stock exchange, that is recognized by the Decision Maker of the applicable Jurisdiction for purposes of the resale of a security acquired in a Schedule I or II Bank Exempt Trade, or are bonds, debentures or other evidences of indebtedness issued or guaranteed by the reporting issuer, or the equivalent, under the Applicable Jurisdiction whose securities are so listed, and have been held at least one year from the date of the initial exempt trade to Morgan Guaranty or the date the issuer became a reporting issuer, or the equivalent, under the Applicable Legislation, whichever is later, or

(iv) the securities have been held at least eighteen months from the date of the initial exempt trade to Morgan Guaranty or the date the issuer became a reporting issuer, or the equivalent, under the Applicable Legislation, whichever is later; and

- (c) Morgan Guaranty files a report within 10 days of the trade prepared and executed in accordance with the requirements of the Applicable Legislation that would apply to a Schedule I or II Bank Exempt Trade,

provided that no unusual effort is made to prepare the market or to create a demand for such securities and no extraordinary commission or consideration is paid in respect of such trade and provided Morgan Guaranty does not hold sufficient number of securities to materially affect the control of the issuer of such securities but any holding by Morgan Guaranty of more than 20 per cent of the outstanding voting securities of the issuer of such securities shall, in the absence of evidence to the contrary, be deemed to affect materially the control of such issuer;

4. Provided Morgan Guaranty only trades the types of securities referred to in this paragraph 4 with Authorized Purchasers, trades of bonds, debentures or other evidences of indebtedness of or guaranteed by Morgan Guaranty shall be exempt from the registration and prospectus requirements of the Legislation; and
5. Evidences of deposit issued by Morgan Guaranty to Authorized Purchasers shall be exempt from the registration and prospectus requirements of the Legislation.

THE FURTHER DECISION of the Decision Maker in Ontario is that:

- A. Subsection 25(1)(a) of the *Securities Act* (Ontario) R.S.O. 1990 c. S.5 (as amended) (the "Ontario Act") does not apply to a trade by Morgan Guaranty:

- (i) of a type described in subsection 35(1) of the Ontario Act or section 151 of the Regulations made under the Ontario Act; or
- (ii) in securities described in subsection 35(2) of the Ontario Act; and

- B. Except as provided for in paragraph 3 of this Decision, section 28 of Schedule I to the Regulations made under the Ontario Act shall not apply to trades made by Morgan Guaranty in reliance on this Decision.

September 20th, 2000.

"J. A. Geller"

"R. Stephen Paddon"

APPENDIX A

- (a) are preferred shares of a corporation if,
- (i) the corporation has paid a dividend in each of the five years immediately preceding the date of the initial exempt trade at least equal to the specified annual rate upon all of its preferred shares, or
- (ii) the common shares of the corporation are, at the date of the initial exempt trade, in compliance with paragraph (b) of this Appendix A;
- (b) are fully paid common shares of a corporation that during a period of five years that ended less than one year before the date of the initial exempt trade has either,
- (i) paid a dividend in each such year upon its common shares, or
- (ii) had earnings in each such year available for the payment of a dividend upon its common shares, of at least 4% of the average value at which the shares were carried in the capital stock account of the corporation during the year in which the dividend was paid or in which the corporation had earnings available for the payment of dividends as the case may be;
- (c) are bonds debentures or other evidences of indebtedness issued or guaranteed by,
- (i) a corporation if, at the date of the initial exempt trade, the preferred shares or the common shares of the corporation which comply with paragraph (a) or (b) of this Appendix A, or
- (ii) a corporation if its earnings in a period of five years ended less than one year before the date of the initial exempt trade have been equal in sum total to at least ten times and in each of any four of the five years have been equal to at least 1-1/2 times the annual interest requirements at the date of the initial exempt trade on all indebtedness of or guaranteed by it, other than indebtedness classified as a current liability in its balance sheet, and, if the corporation at the date of the initial exempt trade owns directly or indirectly more than 50% of the common shares of another corporation, the earnings of the corporations during the said period of five years may be consolidated with due allowance for minority interests, if any, and in that event the interest requirements of the corporation shall be consolidated and such consolidated earnings and consolidated interest requirements shall be taken as the earnings and interest requirements of the corporation, and, for the purpose of this subclause, "earnings" mean earnings available to meet interest charges on indebtedness other than indebtedness classified as a current liability.

2.1.11 Royal Mutual Funds Inc. et al. - MRRS Decision

**IN THE MATTER OF
THE CANADIAN SECURITIES LEGISLATION OF
ALBERTA, BRITISH COLUMBIA, NEWFOUNDLAND,
NOVA SCOTIA, ONTARIO AND SASKATCHEWAN**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR
EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
ROYAL MUTUAL FUNDS INC., ROYAL BANK
INVESTMENT MANAGEMENT INC.,
AND
ROYAL SELECT CHOICES INCOME PORTFOLIO, ROYAL
SELECT CHOICES BALANCED PORTFOLIO, ROYAL
SELECT CHOICES GROWTH PORTFOLIO and ROYAL
SELECT CHOICES AGGRESSIVE GROWTH PORTFOLIO**

DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Newfoundland, Nova Scotia, Ontario and Saskatchewan (the "Jurisdictions") have received an application from Royal Mutual Funds Inc. ("RMFI"), the manager and principal distributor of the Select Portfolios (as hereinafter defined) and Royal Bank Investment Management Inc. ("RBIM"), the primary investment advisor of the Select Portfolios for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the following requirements and restrictions contained in the Legislation (the "Requirements") shall not apply to the purchase and sale by a Select Portfolio of units of an Underlying Fund (as such terms are hereinafter defined):

- A. the requirements contained in the Legislation prohibiting the Select Portfolios from knowingly making or holding an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial security holder;
- B. the requirement contained in the Legislation requiring RBIM to file a report of every transaction of purchase or sale of securities between a Select Portfolio and any related person or company or any transaction in which, by arrangement other than an arrangement relating to insider trading in portfolio securities, a Select Portfolio is a joint participant with one or more of its related persons or companies, in respect of each Select Portfolio to which it provides services or advice, within 30 days after the end of the month in which it occurs;

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the

"System"), the Ontario Securities Commission is the principal regulator for this Application;

AND WHEREAS RMFI and RBIM have represented to the Decision Makers that:

1. RMFI is a corporation incorporated under and governed by the laws of Canada and is registered as a mutual fund dealer or its equivalent under the Legislation of each of the Jurisdictions.
2. The head office of RMFI is located in Ontario.
3. RMFI is the manager and principal distributor of the following mutual funds: Royal Canadian T-Bill Fund, Royal Canadian Money Market Fund, Royal Premium Money Market Fund, Royal U.S. \$ Money Market Fund, Royal Mortgage Fund, Royal Bond Fund, Royal Monthly Income Fund, Royal Global Bond Fund, Royal Balanced Fund, Royal Balanced Growth Fund, Zweig Global Balanced Fund, Royal Select Income Portfolio, Royal Select Balanced Portfolio, Royal Select Growth Portfolio, Royal Dividend Fund, Royal Canadian Value Fund, Royal Canadian Equity Fund, O'Shaughnessy Canadian Equity Fund, Royal Canadian Growth Fund, Royal Canadian Small Cap Fund, Royal Energy Fund, Royal Precious Metals Fund, Royal U.S. Equity Fund, O'Shaughnessy U.S. Value Fund, Zweig Strategic Growth Fund, O'Shaughnessy U.S. Growth Fund, Royal Life Science and Technology Fund, Royal International Equity Fund, Royal Global Education Fund, Royal European Growth Fund, Royal Latin American Fund, Royal Japanese Stock Fund and Royal Asian Growth Fund (collectively, the "Royal Mutual Funds"). Units of the Royal Mutual Funds are offered for sale on a continuous basis in each of the Jurisdictions pursuant to a combined simplified prospectus and annual information form dated June 28, 1999.
4. RMFI is also the manager and principal distributor of the following funds: Royal Canadian Index Fund, Royal U.S. Index Fund, Royal U.S. RSP Index Fund, Royal International RSP Index Fund, Royal Premium Canadian Index Fund and Royal Premium U.S. Index Fund (collectively, the "Royal Index Funds"). Units of the Royal Index Funds are offered for sale on a continuous basis in each of the Jurisdictions pursuant to a combined simplified prospectus and annual information form dated August 31, 1999 as amended on December 17, 1999 and further amended on March 24, 2000.
5. RMFI is also the manager of DS Premier Canadian Bond Portfolio ("DS Premier"). Units of DS Premier are offered for sale on a continuous basis in each of the Jurisdictions pursuant to a combined simplified prospectus and annual information form dated November 1, 1999.
6. RMFI has appointed RBIM as the investment advisor of the Royal Mutual Funds, the Royal Index Funds and DS Premier (collectively, the "Existing RMFI-Managed Funds"). RBIM is registered as an investment counsel/portfolio manager ("IC/PM"), limited market dealer and commodity trading manager in Ontario.

- RBIM is also registered as an IC/PM in British Columbia, Alberta and Nova Scotia, as an Investment Counsel and Broker Dealer in Saskatchewan and as an Advisor in Quebec.
7. The Royal Trust Company ("Royal Trust") is the trustee and custodian of the Existing RMFI-Managed Funds.
 8. Royal Trust, RBIM and RMFI are wholly-owned subsidiaries of Royal Bank of Canada ("Royal Bank").
 9. RMFI proposes to establish a new group of mutual funds initially comprised of four new mutual funds to be known as Royal Select Choices Income Portfolio, Royal Select Choices Balanced Portfolio, Royal Select Choices Growth Portfolio and Royal Select Choices Aggressive Growth Portfolio (collectively, the "Existing Select Portfolios"). RMFI may in the future add other mutual funds (the "Future Select Portfolios" and collectively with the Existing Select Portfolios, the "Select Portfolios") to the Royal Select Choices Portfolios group of funds. Units of a Future Select Portfolio will be offered for sale to the public pursuant to the simplified prospectus and annual information form that qualifies units of other Select Portfolios, the RMFI-Managed Funds (as defined below in paragraph 10) or by a separate simplified prospectus and annual information form receipted in each of the Jurisdictions.
 10. RMFI may in the future establish other mutual funds (the "Future RMFI-Managed Funds" and collectively with the Existing RMFI-Managed Funds, the "RMFI-Managed Funds") other than the Select Portfolios, to the Existing RMFI-Managed Funds. Units of a Future RMFI-Managed Fund will be offered for sale to the public pursuant to the simplified prospectus and annual information form that qualifies units of other RMFI-Managed Funds or by a separate simplified prospectus and annual information form receipted in each of the Jurisdictions.
 11. Each of the Select Portfolios will be an open-ended unincorporated mutual fund trust governed by the laws of the province of Ontario.
 12. RMFI will be the manager and principal distributor of the Select Portfolios. RBIM will be the primary investment advisor of the Select Portfolios and Royal Trust will be the trustee and custodian of the Select Portfolios.
 13. The Select Portfolios have been created to provide investors with a professionally managed portfolio designed to suit individual investor objectives, risk tolerance and investment time horizons. Each Select Portfolio will invest and rebalance its assets from time to time in accordance with one of the investor profiles developed by RBIM. Each investor profile has been developed to balance different risk and return characteristics and maintains a different combination of stocks, bonds and cash.
 14. RBIM determines the strategic asset allocation of each Select Portfolio based on rigorous investment analysis as described in the simplified prospectus of the Select Portfolios. Investments of each Select Portfolio will be made in accordance with the fundamental investment objectives of the Select Portfolio. Each of the Select Portfolios will invest its assets (excluding cash and cash equivalents) in units of a combination of RMFI-Managed Funds and certain mutual funds which are not managed by RMFI (each a "Third Party Fund" and collectively with the RMFI-Managed Funds, "Underlying Funds").
 15. Each Select Portfolio invests specified percentages (the "Fixed Percentages") of its assets in specified Underlying Funds. A Fixed Percentage has been established for each of the Underlying Funds and the allocation to an Underlying Fund (excluding cash and cash equivalents) may not deviate more than 2.5% above or below the Fixed Percentage (the "Permitted Percentages").
 16. A Select Portfolio will not invest in an Underlying Fund which includes investing in other mutual funds in its investment objective.
 17. The Underlying Funds in which a Select Portfolio invests will be disclosed in the simplified prospectus of the Select Portfolio along with the Fixed Percentages for each. The Select Portfolios will be reviewed on an ongoing basis and RMFI may change the Fixed Percentages of an Underlying Fund, remove an existing Underlying Fund or add a new Underlying Fund. Unitholders will be notified at least 60 days before any of such changes are made and the simplified prospectus of the relevant Select Portfolio will be amended accordingly.
 18. Except to the extent evidenced by this Decision and specific approvals granted by the Decision Makers pursuant to National Instrument 81-102 Mutual Funds ("NI 81-102"), the investments by the Select Portfolios in the Underlying Funds have been structured to comply with the investment restrictions of the Legislation and NI 81-102.
 19. Unless the requested relief is granted,
 - (A) each Select Portfolio is prohibited from knowingly making an investment and knowingly holding an investment in units of an Underlying Fund to the extent that the Select Portfolio, either alone or in combination with other RMFI-Managed Funds, is a substantial security holder of the Underlying Fund; and
 - (B) the Manager would be required to file reports respecting every purchase or sale of units of an Underlying Fund by the Select Portfolios.
 20. Each investment by the Select Portfolios in the Underlying Funds will be in the best interests of the Select Portfolios and represents the business judgment of responsible persons uninfluenced by considerations other than the best interests of the Select Portfolios and the Underlying Funds.

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the tests contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met;

THE DECISION of the Decision Makers pursuant to the Legislation is that the Requirements shall not apply to the acquisition or redemption of the units of an Underlying Fund by a Select Portfolio, provided that the following conditions are satisfied in respect of each investment:

- (a) The investment by a Select Portfolio in units of an Underlying Fund is compatible with the investment objective of the Select Portfolio.
- (b) The Underlying Funds' securities are offered for sale in the jurisdiction of the Decision Maker pursuant to a simplified prospectus which has been filed with and accepted by the Decision Maker.
- (c) Each Select Portfolio invests its assets (exclusive of cash and cash equivalents) in Underlying Funds in accordance with the Fixed Percentages disclosed, subject to a permitted variation above or below such Fixed Percentages of not more than 2.5% to account for market fluctuations.
- (d) The Select Portfolios' simplified prospectus discloses its intent to invest in the Underlying Funds, the names of the Underlying Funds, the Fixed Percentages and the Permitted Percentages.
- (e) The Fixed Percentages and the Underlying Funds in which a Select Portfolio may invest which are disclosed in the simplified prospectus may not be changed unless and until the simplified prospectus is amended to reflect the proposed change and the amendments are filed with the Decision Makers, existing unitholders of the Select Portfolio are given at least 60 days' prior written notice of the proposed change.
- (f) The notice received by unitholders with respect to a change in an Underlying Fund will specifically disclose the change in trailing fee or management fee rebate, if the trailing fee or rebate is higher for the new Underlying Fund.
- (g) The trailing fees in respect of the Select Portfolios' investments in Third Party Funds that are paid to RMFI are those paid by the managers of the Third Party Funds to any dealer selling the Third Party Funds in accordance with the disclosure in the simplified prospectus of the Third Party Funds and in the simplified prospectus of the Select Portfolios.
- (h) Any management fee rebates negotiated by RMFI with the managers of the Underlying Funds will be distributed to the relevant Select Portfolio. Any management fee rebates will be reflected in the financial statements of the Select Portfolio.
- (i) If at any time, the assets of a Select Portfolio that are invested in Underlying Funds deviate from the Permitted Percentages, the necessary changes are made to the Select Portfolio's assets as at the next valuation date of the Select Portfolio in order to re-balance the Select Portfolio's assets in accordance with the Fixed Percentages.
- (j) Each Select Portfolio and the Underlying Funds that it invests in will have compatible frequencies of calculation of the net asset value per unit for the purpose of the issue and redemption of the units.
- (k) No sales charges are payable by a purchaser of the units of a Select Portfolio.
- (l) No sales charges are payable by a Select Portfolio in relation to its purchases of the units of any Underlying Funds.
- (m) No redemption fees or other charges are charged by an Underlying Fund in respect of the redemption by a Select Portfolio of the units of the Underlying Fund owned by the Select Portfolio.
- (n) No redemption fees or other charges are charged by a Select Portfolio in respect of the redemption by a unitholder of the Select Portfolio of units of the Select Portfolio.
- (o) The arrangements between or in respect of each Select Portfolio and the Underlying Funds are such as to avoid the duplication of management fees.
- (p) In the event of the provision of any notice to the unitholders of an Underlying Fund, as required by the constating documents of the Underlying Fund or by the laws applicable to the Underlying Fund, such notice will also be delivered to the unitholders of each Select Portfolio that then holds units of the Underlying Fund. All voting rights attached to the units of the Underlying Funds will be passed through to the unitholders of the applicable Select Portfolio. In the event that a meeting of the unitholders of the Underlying Fund is convened, all of the disclosure and notice material prepared in connection with such meeting will be provided to the unitholders of the relevant Select Portfolio and such unitholders will be able to direct RMFI to vote the Select Portfolios' holdings in the Underlying Fund in accordance with their direction. Where a matter relating to an Underlying Fund requires a vote of security holders of the Underlying Fund (other than regular business conducted at an annual meeting of an Underlying Fund which is a corporation, i.e., the election of directors and appointment of auditors), RMFI will either hold a meeting of unitholders of each Select Portfolio which holds securities of the Underlying Fund or will give unitholders of each such Select Portfolio the opportunity to vote by proxy without holding a meeting. RMFI will cause the securities of the Underlying Fund held by such Select Portfolio to be voted in the same proportions as unitholders of the Select Portfolio have voted.

- (q) In addition to receiving the annual and, upon request, the semi-annual financial statements of the Select Portfolio, unitholders of a Select Portfolio will receive appropriate summary disclosure in the financial statements of the Select Portfolio in respect of the Select Portfolio's holdings of units of Underlying Funds.
- (r) Copies of the simplified prospectus and the annual and semi-annual financial statements relating to each relevant Underlying Fund may be obtained by a unitholder of the Select Portfolio upon request and this fact will be disclosed in the simplified prospectus of the Select Portfolio.
- (s) This Decision Document will terminate on the first anniversary date following the publication in final form of any legislation or rule of the Decision Makers which deals with the matters addressed by section 2.5 of NI 81-102.

May 9th, 2000.

"J. A. Geller"

"Morley P. Carscallan"

2.1.12 Scotia T-Bill Fund et al. - MRRS Decision

Headnote

Extension of lapse date for mutual fund prospectus.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5, as am., s. 62.
National Instrument 81-101 Mutual Fund Prospectus Disclosure

**IN THE MATTER OF THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
MANITOBA, ONTARIO, QUEBEC, NEW BRUNSWICK,
NOVA SCOTIA, PRINCE EDWARD ISLAND AND
NEWFOUNDLAND**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR
EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
SCOTIA T-BILL FUND, SCOTIA PREMIUM T-BILL FUND,
SCOTIA MONEY MARKET FUND, SCOTIA CANAM U.S. \$
MONEY MARKET FUND, SCOTIA CANADIAN BOND
INDEX FUND, SCOTIA MORTGAGE INCOME FUND,
SCOTIA CANADIAN SHORT-TERM INCOME FUND,
SCOTIA CANADIAN INCOME FUND, SCOTIA CANAM
U.S. \$ INCOME FUND, SCOTIA CANGLOBAL INCOME
FUND, SCOTIA GLOBAL INCOME FUND, SCOTIA
CANADIAN DIVIDEND FUND, SCOTIA CANADIAN
BALANCED FUND, SCOTIA TOTAL RETURN FUND,
SCOTIA CANADIAN STOCK INDEX FUND, SCOTIA
AMERICAN STOCK INDEX FUND, SCOTIA CANAM
STOCK INDEX FUND, SCOTIA INTERNATIONAL STOCK
INDEX FUND, SCOTIA CANADIAN BLUE CHIP INDEX
FUND, SCOTIA CANADIAN GROWTH FUND, SCOTIA
CANADIAN MID-LARGE CAP FUND, SCOTIA AMERICAN
GROWTH FUND, SCOTIA INTERNATIONAL GROWTH
FUND, SCOTIA EUROPEAN GROWTH FUND, SCOTIA
CANADIAN SMALL CAP FUND, SCOTIA PACIFIC RIM
GROWTH FUND, SCOTIA LATIN AMERICAN GROWTH
FUND, SCOTIA EMERGING MARKETS FUND AND
SCOTIA PRECIOUS METALS FUND**

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland (the "Jurisdictions") has received an application (the "Application") from Scotia Securities Inc. (the "Manager"), Scotia T-Bill Fund, Scotia Premium T-Bill Fund, Scotia Money Market Fund, Scotia CanAm U.S. \$ Money Market Fund, Scotia Canadian Bond Index Fund, Scotia Mortgage Income Fund, Scotia Canadian Short-Term Income

Fund, Scotia Canadian Income Fund, Scotia CanAm U.S. \$ Income Fund, Scotia CanGlobal Income Fund, Scotia Global Income Fund, Scotia Canadian Dividend Fund, Scotia Canadian Balanced Fund, Scotia Total Return Fund, Scotia Canadian Stock Index Fund, Scotia American Stock Index Fund, Scotia CanAm Stock Index Fund, Scotia International Stock Index Fund, Scotia Canadian Blue Chip Fund, Scotia Canadian Growth Fund, Scotia Canadian Mid-Large Cap Fund, Scotia American Growth Fund, Scotia International Growth Fund, Scotia European Growth Fund, Scotia Canadian Small Cap Fund, Scotia Pacific Rim Growth Fund, Scotia Latin American Growth Fund, Scotia Emerging Markets Fund and Scotia Precious Metals Fund (together, the "Funds") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the lapse date for the renewal of the simplified prospectus of the mutual fund units of the Funds (the "Unit Prospectus"), and the simplified prospectus of the Scotia Cassels Pooled Units of Scotia Money Market Fund, Scotia CanAm U.S. \$ Money Market Fund, Scotia Canadian Income Fund, Scotia Global Income Fund, Scotia Canadian Dividend Fund, Scotia Canadian Balanced Fund, Scotia Canadian Blue Chip Fund, Scotia American Growth Fund, Scotia European Growth Fund, Scotia Pacific Rim Growth Fund and Scotia Emerging Markets Fund (the "Pool Prospectus") be extended to those time limits that would be applicable if the lapse date of the Unit Prospectus and Pool Prospectus was December 5, 2000.

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS it has been represented by the Manager to the Decision Makers that:

1. The Manager is a corporation incorporated under the laws of Ontario. The Manager is the trustee and manager of the Funds.
2. The Funds are open-ended mutual fund trusts established by the Manager under the laws of Ontario.
3. The Funds are reporting issuers under the Legislation and are not in default of any requirements of the Legislation or the Regulations made thereunder.
4. The Funds are presently offered for sale on a continuous basis in each of the provinces through the Unit Prospectus or the Pooled Prospectus.
5. Pursuant to the Legislation, the earliest lapse date (the "Lapse Date") for distribution of securities of the Funds is October 1, 2000.
6. The Unit Prospectus and Pool Prospectus will have to be substantially amended in order to comply with National Instrument 81-101. Currently, the Manager is revising the Unit Prospectus and Pool Prospectus to comply with plain language and design guidelines. The requested extension of the Lapse Date will provide sufficient time for completion of the redrafting process, and would ensure that the Manager has sufficient time to revise the Unit Prospectus and Pool Prospectus so

that they comply with the requirements of National Instrument 81-101.

7. The Manager is considering offering more than one class of units of some or all of the Funds and is considering offering several new mutual funds. The requested extension of the Lapse Date would allow the Manager to fully consider the form of changes to the Unit Prospectus and the Pool Prospectus, and to revise the Unit Prospectus and the Pool Prospectus to comply with National Instrument 81-101.
8. The Manager is considering offering more than one class of units of some or all of the Funds and is considering offering several new mutual funds. The requested extension of the Lapse Date would allow the Manager to fully consider the form of changes to the Unit Prospectus and the Pool Prospectus, and to revise the Unit Prospectus and the Pool Prospectus to comply with National Instrument 81-101.
9. Since October 1, 1999, the date of the Unit Prospectus and Pool Prospectus, no material change has occurred and except for an amendment to the Unit Prospectus dated June 28, 2000, no amendments have been made to the Unit Prospectus or the Pool Prospectus. Accordingly, the extension requested will not affect the currency or accuracy of the information contained in the Unit Prospectus and Pool Prospectus of the Funds and accordingly will not be prejudicial to the public interest.

AND WHEREAS pursuant to the System this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers are satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

The Decision of the Decision Makers pursuant to the Legislation is that the time limits provided by Legislation as they apply to a distribution of securities under a prospectus are hereby extended to the time limits that would be applicable if the lapse date for the distribution of securities under the Unit Prospectus and Pool Prospectus of the Funds was December 5, 2000 and that the offering of mutual fund units and Scotia Cassels Pooled Units of the Funds may continue provided pro forma simplified prospectuses and annual information forms are filed 30 days prior to December 5, 2000, final simplified prospectuses and annual information forms are filed no later than 10 days subsequent to December 5, 2000 and receipts for the simplified prospectuses and annual information forms are obtained no later than 20 days after December 5, 2000.

September 29th, 2000.

"Rebecca Cowdery"

2.1.13 Sun Life Securities Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief from the Suitability Requirements, as reflected in paragraph 1.5(1)(b) of OSC Rule 31-505, pursuant to section 4.1 of OSC Rule 31-505, subject to the terms and conditions set out in the Decision Document.

Decision pursuant to s.21.1(4) of the Act, that the IDA Suitability Requirements do not apply to the Filer, subject to the terms and conditions set out in the Decision Document.

Applicable Ontario Statute

Securities Act R.S.O. 1990, c.S.5, as amended, s.21.1(4).

Rules Cited

Ontario Securities Commission Rule 31-505 "Conditions of Registration" (1999) 22 O.S.C.B. 731.

IDA Regulations Cited

IDA Regulation 1300.1(b), 1800.5(b), 1900.4.

IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, NOVA SCOTIA, NEWFOUNDLAND AND ONTARIO

AND

IN THE MATTER OF THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF SUN LIFE SECURITIES INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Saskatchewan, Newfoundland, Nova Scotia and Ontario (collectively, the "Jurisdictions") has received an application from Sun Life Securities Inc. (the "Filer") for:

1. a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirements of the Legislation requiring the Filer and its registered salespersons, partners, officers and directors ("Registered Representatives") to make inquiries of each client of the Filer as are appropriate, in view of the nature of the client's investments and of the type of transaction being effected for the client's account, to determine (a) the general investment needs and objectives of the client and (b) the suitability of a proposed purchase or sale of a security for the client (such requirements, the "Suitability Requirements") do

not apply to the Filer and its Registered Representatives; and

2. a decision under the Legislation, other than the securities legislation of Newfoundland and Nova Scotia, that the requirements of the Investment Dealers Association of Canada (the "IDA"), in particular IDA Regulation 1300.1(b), 1800.5(b) and 1900.4, requiring the Filer and its Registered Representatives to make inquiries of each client of the Filer as are appropriate, in view of the nature of the client's investments and of the type of transaction being effected for the client's account, to determine (a) the general investment needs and objectives of the client and (b) the suitability of a proposed purchase or sale of a security for the client (such requirements, the "IDA Suitability Requirements") do not apply to the Filer and its Registered Representatives;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS the Filer has represented to the Decision Makers that:

1. the Filer is a corporation incorporated under the *Canada Business Corporations Act*;
2. the head office of the Filer is located in Ontario and the Filer has officers and salespersons registered in each of the Jurisdictions;
3. the Filer is registered under the Legislation as an investment dealer and is a member of the IDA, The Toronto Stock Exchange and the Winnipeg Stock Exchange;
4. the Filer and its Registered Representatives do not and will not, except as provided in 10 below, provide advice or recommendations regarding the purchase or sale of any security and the Filer has adopted policies and procedures to ensure the Filer and its Registered Representatives do not, with such exception, provide advice or recommendations regarding the purchase or sale of any security;
5. when the Filer provides trade execution services to clients it would, in the absence of this Decision, be required to comply with the Suitability Requirements and IDA Suitability Requirements;
6. clients who request the Filer or its Registered Representatives to provide advice or recommendations or advice as to suitability will be referred to a registered dealer or adviser that provides those services;
7. the Filer does not and will not compensate its Registered Representatives on the basis of transactional values;
8. each client of the Filer will be advised of the Decision of the Decision Makers and requested to acknowledge that:

- (a) no advice or recommendation will be provided by the Filer or its Registered Representatives regarding the purchase or sale of any security, and
 - (b) the Filer and its Registered Representatives will no longer determine the general investment needs and objectives of the client or the suitability of a proposed purchase or sale of a security for the client; (both (a) and (b) shall constitute the "Client Acknowledgement")
9. each client of the Filer will be advised that he or she has the option of transferring his or her account or accounts, at no cost to the client, to a registered dealer or adviser that provides advice and recommendations if the client does not provide a Client Acknowledgement (the "Account Transfer Option");
10. the Filer and its Registered Representatives will continue to comply with the Suitability Requirements and IDA Suitability Requirements for client accounts for which no Client Acknowledgement is received for six months following the date of this Decision;
11. after the date six months following the date of this Decision, the Filer will not permit a transaction in an account for which a Client Acknowledgement has not been received unless the transaction is a sale for cash or a transfer of assets to another account;
12. all prospective clients of the Filer will be advised and required to acknowledge that:
- (a) no advice or recommendations will be provided by the Filer or its Registered Representatives regarding the purchase or sale of any security, and
 - (b) the Filer and its Registered Representatives will not determine the general investment needs and objectives of the client or the suitability of a proposed purchase or sale of a security for the client, (both (a) and (b) shall constitute the "Prospective Client Acknowledgement")
- prior to the Filer opening an account for such prospective client;
13. The Filer has adopted policies and procedures to ensure:
- (a) that evidence of all Client Acknowledgements, Prospective Client Acknowledgements and Account Transfer Options is established and retained pursuant to the record keeping requirements of the Legislation and the IDA,
 - (b) client accounts of the Filer are appropriately designated as being a client account to which a Client Acknowledgement or Prospective Client Acknowledgement has been received or being a client account to which a Client Acknowledgement has not been received, and

- (c) for any client of the Filer who does not provide a Client Acknowledgement and chooses to exercise the client's Account Transfer Option, the Filer will transfer the client's account in an expeditious manner and at no cost to the client;

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that the Suitability Requirements contained in the Legislation shall not apply to the Filer and its Registered Representatives so long as:

- 1. except as permitted by 6 below, the Filer and its Registered Representatives do not provide any advice or recommendations regarding the purchase or sale of any security;
- 2. clients who request the Filer or its Registered Representatives to provide advice or recommendations or advice as to suitability are referred to a registered dealer or adviser that provides those services;
- 3. the Filer is a distinct legal entity and operates using its own letterhead, accounts, Registered Representatives and account documentation;
- 4. the Filer does not compensate its Registered Representatives on the basis of transactional values;
- 5. each client of the Filer is advised of the Decision of the Decision Makers and requested to make a Client Acknowledgement or transfer his or her account to a dealer who provides advice if the client does not make a Client Acknowledgement;
- 6. the Filer and its Registered Representatives continue to comply, for six months following the date of this Decision, with their Suitability Requirements and IDA Suitability Requirements for client accounts for which no Client Acknowledgement is received;
- 7. commencing six months following the date of this Decision, the Filer will not permit transactions in an account for which a Client Acknowledgement has not been received unless the transaction is a sale for cash or a transfer of assets to another account;
- 8. each prospective client of the Filer is advised of the Decision of the Decision Makers and required to make a Prospective Client Acknowledgement prior to the Filer servicing such prospective client;
- 9. evidence of all Client Acknowledgements, Prospective Client Acknowledgements and Account Transfer Options is established and retained pursuant to the record keeping requirements of the Legislation and the IDA;

10. for any client who elects to exercise the client's Account Transfer Option, the Filer transfers such account or accounts to a registered dealer or adviser that provides advice or recommendations in an expeditious manner and at no cost to the client;
11. the Filer accurately identifies and distinguishes client accounts for which a Client Acknowledgement or Prospective Client Acknowledgement has been provided and client accounts for which no Client Acknowledgement has been provided; and
12. if an IDA rule addressing the IDA Suitability Requirements comes into effect, the Decision with respect to the Suitability Requirements will terminate one year following the date such rule comes into force, unless the Decision Maker determines otherwise.

October 12th, 2000.

"William R. Gazzard"

THE DECISION of the Decisions Makers, other than Nova Scotia and Newfoundland, is that the IDA Suitability Requirements do not apply to the Filer and its Registered Representatives so long as:

1. excepted as permitted by 6 below, the Filer and its Registered Representatives do not provide any advice or recommendations regarding the purchase or sale of any security;
2. clients who request the Filer or its Registered Representatives to provide advice or recommendations or advice as to suitability are referred to a registered dealer or adviser that provides those services;
3. the Filer is a distinct legal entity and operates using its own letterhead, accounts, Registered Representatives and account documentation;
4. the Filer does not compensate its Registered Representatives on the basis of transactional values;
5. each client of the Filer is advised of the Decision of the Decision Makers and requested to make a Client Acknowledgement or transfer his or her account to a dealer who provides advice if the client does not make a Client Acknowledgement;
6. the Filer and its Registered Representatives continue to comply, for six months following the date of this Decision, with their Suitability Requirements and IDA Suitability Requirements for client accounts for which no Client Acknowledgement is received;
7. commencing six months following the date of this Decision, the Filer will not permit transactions in an account for which a Client Acknowledgement has not been received unless the transaction is a sale for cash or a transfer of assets to another account;
8. each prospective client of the Filer is advised of the Decision of the Decision Makers and required to make

a Prospective Client Acknowledgement prior to the Filer servicing such prospective client;

9. evidence of all Client Acknowledgements, Prospective Client Acknowledgements and Account Transfer Options is established and retained pursuant to the record keeping requirements of the Legislation and the IDA;
10. for any client who elects to exercise the client's Account Transfer Option, the Filer transfers such account or accounts to a registered dealer or adviser that provides advice or recommendations in an expeditious manner and at no cost to the client;
11. the Filer accurately identifies and distinguishes client accounts for which a Client Acknowledgement or Prospective Client Acknowledgement has been provided and client accounts for which no Client Acknowledgement has been provided; and
12. if an IDA rule addressing the IDA Suitability Requirements comes into effect, the Decision with respect to the IDA Suitability Requirements will terminate one year following the date such rule comes into force, unless the Decision Maker determines otherwise.

October 12th, 2000.

"J. A. Geller"

"Robert W. Korthals"

**2.1.14 Synergy Asset Management Inc. and
Synergy European Momentum RSP Fund -
MRRS Decision**

Headnote

Investment by mutual funds in securities of another mutual fund that is under common management for specified purpose exempted from the requirements of clause 111(2)(b), subsection 111(3), clauses 117(1)(a), 117(1)(d) and 118(2)(a), subject to certain specified conditions.

Statutes Cited

Securities Act (Ontario), R.S.O. 1990 c.S.5, as am. Ss. 111(2)(b), 111(3), 117(1)(a), 117(1)(d), 117(2), 118(2)(a) and 121 (2)(a)(ii).

**IN THE MATTER OF THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
ONTARIO, QUÉBEC, NOVA SCOTIA, AND
NEWFOUNDLAND**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR
EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
SYNERGY ASSET MANAGEMENT INC.
SYNERGY EUROPEAN MOMENTUM RSP FUND**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Saskatchewan, Ontario, Québec, Nova Scotia and Newfoundland (the "Jurisdictions") has received an application (the "Application") from Synergy Asset Management Inc. ("Synergy") in its own capacity and on behalf of Synergy European Momentum RSP Fund ("European Momentum RSP") and other mutual funds managed by Synergy after the date of this Decision (defined herein) having an investment objective or strategy that is linked to the returns or portfolio of another specified Synergy mutual fund while remaining 100% eligible for registered plans (together with European Momentum RSP, the "RSP Funds") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the following prohibitions or requirements under the Legislation (the "Applicable Requirements") shall not apply to the RSP Funds or Synergy, as the case may be, in respect of certain investments made by the European Momentum RSP in Synergy European Momentum Class ("European Momentum Class") and by other RSP Funds in their applicable corresponding Synergy mutual fund from time to time (together with European Momentum Class, the "Underlying Funds");

1. the restrictions contained in the Legislation prohibiting a mutual fund from knowingly making and holding an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is substantial security holder;
2. the requirements contained in the Legislation requiring the management company or, in British Columbia, a mutual fund manager, to file a report relating to a purchase or sale of securities between the mutual fund and any related person or company, or any transaction in which, by arrangement other than an arrangement relating to insider trading in portfolio securities, the mutual fund is a joint participant with one or more of its related persons or companies; and
3. the requirements contained in the Legislation prohibiting the portfolio manager or, in British Columbia, the mutual fund, from knowingly causing an investment portfolio managed by it to invest in the securities of an issuer in which a "responsible person" (as that term is defined in the Legislation) is an officer or director unless the specific fact is disclosed to the client and if applicable the written consent of the client to the investment is obtained before the purchase.

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS it has been represented by Synergy to the Decision Makers that:

1. Each of the RSP Funds will be an open-ended mutual fund trust established under the laws of the Province of Ontario. Each of the Underlying Funds will be a class of a corporation incorporated under the laws of the Province of Ontario or an open-ended mutual fund trust established under the laws of the Province of Ontario.
2. Synergy is a corporation established under the laws of the Province of Ontario. Synergy is the manager and promoter of the RSP Funds and the Underlying Funds and also the trustee of European Momentum RSP. Directors and officers of Synergy are directors and officers of the Underlying Corporation.
3. The RSP Funds and the Underlying Funds will be reporting issuers or the equivalent under the Legislation and are not in default of the requirements of the Legislation. The units of the RSP Funds and of the Underlying Funds will be qualified under a simplified prospectus and annual information form (collectively, the "Prospectus")
4. Each of the RSP Funds seeks to achieve its investment objective while ensuring that units of the Fund do not constitute "foreign property" under the *Tax Act* (Canada) (the "Tax Act") for registered retirement savings plans, registered retirement income plans, and deferred profit sharing plans ("Registered Plans").
5. To achieve its investment objective each RSP Fund invests its assets in securities such that its units will, in

the opinion of tax counsel to the RSP Fund, be "qualified investments" for Registered Plans and will not constitute foreign property (as defined in the Tax Act) to such Registered Plans. This will primarily be achieved through the implementation of a derivative strategy. However, each RSP Fund also intends to invest a portion of its assets in securities of its Underlying Fund. These investments by the RSP Funds will at all times be below the maximum foreign property limit prescribed for Registered Plans (the "Permitted Limit").

6. The investment objectives of the Underlying Funds are achieved through investment primarily in foreign securities.
7. The direct investments by the RSP Funds in their Underlying Funds will be within the Permitted Limit (the "Permitted RSP Fund Investments"). Synergy and the RSP Funds will comply with the conditions of this Decision in respect of such investments. The amount of direct investment by each RSP Fund in its Underlying Fund will be adjusted from time to time so that, except for transitional cash, the aggregate of the derivative exposure to, and direct investment in, the Underlying Fund will equal 100% of the assets of that RSP Fund.
8. Except to the extent evidenced by this Decision and specific approvals granted or to be granted by the Canadian securities administrators under National Instrument 81-102 ("NI 81-102"), the investment by each RSP Fund in its Underlying Fund will be structured to comply with the investment restrictions of the Legislation and NI 81-102.
9. The investments by the RSP Funds in securities of the Underlying Funds represent the business judgement of responsible persons influenced by considerations other than the best interests of the funds.
10. In the absence of this Decision, pursuant to the Legislation, each RSP Fund is prohibited from (a) knowingly making an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial securityholder; and (b) knowingly holding an investment referred to in subsection (a) hereof. As a result, in the absence of this Decision a RSP Fund would be required to divest itself of any investments referred to in subsection (a) herein.
11. In the absence of this Decision, the Legislation requires Synergy to file a report on every purchase or sale of securities of the Underlying Funds by their RSP Funds.
12. By virtue of certain directors and officers of Synergy being responsible persons in respect of European Momentum Class and perhaps of other Underlying Funds, in the absence of this Decision, Synergy would be prohibited from causing the RSP Funds to invest in their Underlying Funds unless these facts are disclosed to investors and, if applicable, the written consent of investors is obtained before the purchase.

AND WHEREAS pursuant to the System this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers are satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that the Applicable Requirements do not apply to the RSP Funds or Synergy, as the case may be, in respect of investments to be made by the RSP Funds in securities of the Underlying Funds.

PROVIDED IN EACH CASE THAT:

1. the Decision, as it relates to the jurisdiction of a Decision Maker, will terminate one year after the publication in final form of any legislation or rule of that Decision Maker dealing with the matters in subsection 2.5 of NI 81-102; and
2. the Decision shall only apply in respect of investments in, or transactions with, an Underlying Fund that are made by an RSP Fund in compliance with the following conditions:
 - (a) the investment by the RSP Fund in its Underlying Fund is compatible with the fundamental investment objective of the RSP Fund;
 - (b) the RSP Fund and the Underlying Fund are under common management and the securities of both are offered for sale in the jurisdiction of the Decision Maker pursuant to a prospectus which has been filed with and accepted by the Decision Maker;
 - (c) the RSP Fund restricts its aggregate direct investment in securities of the applicable Underlying Fund to a percentage of its assets that is within the Permitted Limit;
 - (d) the Prospectus of the RSP Fund describes the intent of the RSP Fund to invest in its Underlying Fund;
 - (e) the RSP Fund may change the Permitted RSP Fund Investments if it changes its fundamental investment objective in accordance with the Legislation;
 - (f) there are compatible dates for the calculation of the net asset value of the RSP Fund and its Underlying Fund for the purpose of the issue and redemption of the securities of such mutual funds;
 - (g) in the event of the provision of any notice to securityholders of an Underlying Fund, as required by applicable laws or the constating documents of that Underlying Fund, such notice will also be delivered to the securityholders of the its RSP Fund; all voting rights attached to

the securities of the Underlying Fund which are owned by its RSP Fund will be passed through to the securityholders of the applicable RSP Fund.

- (h) in the event that a securityholders' meeting is called by an Underlying Fund, all of the disclosure and notice material prepared in connection with such meeting will be provided to the securityholders of its RSP Fund; such securityholders will be entitled to direct a representative of the RSP Fund to vote the RSP Fund's holding in the Underlying Fund in accordance with their direction; and the representative of the RSP Fund will not be permitted to vote the RSP Fund's holdings in the Underlying Fund except to the extent the securityholders of the RSP Fund so direct;
- (i) no sales charges are payable by the RSP Fund in relation to its purchases of securities of its Underlying Fund;
- (j) no redemption fees or other charges are charged by the Underlying Fund in respect of the redemption by the RSP Fund of securities of the Underlying Fund owned by the RSP Fund;
- (k) no fees and charges of any sort are paid by the RSP Fund, its Underlying Fund, the manager or principal distributor of the RSP Fund or the Underlying Fund, or by any affiliate or associate of any of the foregoing entities, to anyone in respect of the RSP Fund's purchase, holding or redemption of the securities of its Underlying Fund;
- (l) the arrangements between or in respect of the RSP Funds and its Underlying Fund are such as to avoid the duplication of management fees;
- (m) in addition to receiving the annual and, upon request, the semi-annual financial statements of the RSP Fund, securityholders of the RSP Fund will receive the annual and, upon request, the semi-annual financial statements of its Underlying Fund in either a combined report containing both the RSP Fund and Underlying Fund's financial statements, or in a separate report containing the Underlying Fund's financial statements; and

- (n) to the extent that the RSP Fund and its Underlying Fund do not use a combined simplified prospectus and annual information form and financial statements containing disclosure about the RSP Fund and the Underlying Fund, copies of the simplified prospectus, annual information form and annual and financial statements relating to the Underlying Fund may be obtained upon request by a securityholder of the RSP Fund;

October 3rd, 2000.

"J. A. Geller"

"Robert W. Davis"

2.1.15 Synergy Asset Management Inc. and Synergy Canadian Growth Class of Synergy Canadian Fund Inc., Synergy Global Growth Class of Synergy Global Fund Inc. - MRRS Decision

Headnote

Investment by a mutual fund in securities of another mutual fund in the same family of mutual funds managed by the same manager to implement a "passive" fund-of-fund structure exempted from the requirements of clause 111(2)(b), subsection 111(3), clauses 117(1)(a) and 117(1)(d) and clause 118(2)(a), subject to certain specified conditions under which a "passive" investment structure may be used.

Statutes Cited

Securities Act (Ontario), R.S.O. 1990, c.S.5, as am. ss. 111(2)(b), 111(3), 113, 117(1)(a), 117(1)(d), 117(2), 118(2)(a) and 121(2)(a)(ii)

Rules Cited

National Instrument 81-102 Mutual Funds

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
ONTARIO, NOVA SCOTIA AND NEWFOUNDLAND**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR
EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
SYNERGY ASSET MANAGEMENT INC.**

AND

**SYNERGY CANADIAN GROWTH CLASS OF SYNERGY
CANADIAN FUND INC. SYNERGY GLOBAL GROWTH
CLASS OF SYNERGY GLOBAL FUND INC.**

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia, and Newfoundland (the "Jurisdictions") has received an application from Synergy Asset Management Inc. ("Synergy" or the "Manager"), on its own behalf and on behalf of Synergy Canadian Growth Class (the "Top Fund") of Synergy Canadian Fund Inc. to invest in Synergy Global Growth Class (the "Underlying Fund") of Synergy Global Fund Inc., for a decision (the "Decision") pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the following requirements or prohibitions under the Legislation (the "Applicable

Legislation") shall not apply in connection with investments by the Top Fund in the Underlying Fund:

- (a) the prohibition against a mutual fund knowingly making or holding an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial securityholder;
- (b) the provisions requiring the management company of a mutual fund to file a report relating to the purchase or sale of securities between a mutual fund and any related person or company, or any transaction in which, by arrangement other than an arrangement relating to insider trading in portfolio securities, the mutual fund is a joint participant with one or more of its related persons or companies; and
- (c) the prohibition against a portfolio manager, and in the case of British Columbia's legislation the mutual fund, knowingly causing an investment portfolio managed by it to invest in any issuer in which a responsible person is an officer or director unless the specific fact is disclosed to the client and the written consent of the client to the investment is obtained before the purchase.

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS Synergy has made the following representations to the Decision Makers:

1. The Top Fund is a class of mutual fund shares of Synergy Canadian Fund Inc. ("Canadian Fund"), a corporation established under the laws of the Province of Ontario.
2. The Underlying Fund is a class of mutual fund shares of Synergy Global Fund Inc. ("Global Fund"), a corporation established under the laws of the Province of Ontario.
3. Synergy is a corporation established under the laws of the Province of Ontario and is the manager and promoter of the Canadian Fund and the Global Fund, and is also the manager, trustee and promoter of other mutual funds known as the Synergy family of Mutual Funds.
4. The classes of shares of the Canadian Fund and Global Fund are currently qualified for distribution pursuant to simplified prospectuses and annual information forms dated September 28, 1999 and May 24, 2000, respectively, and are, together with certain additional funds, expected to be qualified for distribution pursuant to a multiple simplified prospectus and multiple annual information form to be dated September 2000.
5. The Canadian Fund and the Global Fund are reporting issuers in the Jurisdictions and are not in default of any requirements of the Legislation or the rules or regulations made thereunder.

6. The investment objective of the Top Fund is to obtain long-term capital growth by investing primarily in equity and equity-related securities of Canadian issuers. Although the Top Fund currently invests a portion of its assets directly in foreign securities (the "Foreign Securities"), it seeks to achieve its investment in foreign securities by investing a substantial portion of the foreign property content of its portfolio in securities of the Underlying Fund.
7. The investment objective of the Underlying Fund is to obtain long-term capital growth by investing in equity and equity-related securities of foreign issuers situated primarily in the developed markets represented on the MSCI World Index and companies operating in emerging markets.
8. The Top Fund will invest an amount in the securities of the Underlying Fund such that its securities will be "qualified investments" for registered retirement savings plans, registered retirement income funds, and deferred profit sharing plans ("Registered Plans") under the *Income Tax Act* (Canada) (the "Tax Act"), and will not constitute foreign property in a Registered Plan.
9. The Top Fund will achieve its investment in foreign securities by investing in shares of the Underlying Fund in an amount (the "Permitted Amount") which is 7.5% less than the maximum permitted amount, presently set at 25% of the cost amount of its assets and to be increased to 30% after 2000, capable of being made as a foreign property investment for Registered Plans (the "Foreign Property Limit"), but not to exceed 30%. This investment shall be subject to a variation of 2.5% above or below the Permitted Amount. Additional exposure to foreign securities will be achieved through direct investments, but such combined investments will not however at any time exceed the Foreign Property Limit. The remaining net assets of the Top Fund will be actively managed and will be invested in the discretion of the Manager in accordance with its stated investment objectives.
10. Amendment No. 1 dated June 13, 2000 to the simplified prospectus and annual information form dated September 28, 1999 (the "Amendment") for the Synergy Mutual Funds, including the Top Fund, was received on June 20, 2000 by the Decision Makers in each province and territory in Canada. The Amendment set forth, among other things, the proposed changes to the investment strategy of the Top Fund and provided a description of the investments to be made by the Top Fund in shares of the Underlying Fund up to the Permitted Amount.
11. Except to the extent evidenced by this Decision and specified approvals granted by the Canadian Securities Administrators pursuant to National Instrument 81-102 Mutual Funds ("NI 81-102"), the investment by the Top Fund in the Underlying Fund will be structured to comply with the investment restrictions of the Legislation and NI 81-102.
12. To aid in the implementation of the proposed investment strategy of investing in securities of the Underlying Fund, the Top Fund wishes to dispose of a portion of its existing portfolio of Foreign Securities and to acquire securities of the Underlying Fund. The most cost effective and efficient way for the Top Fund to do so, is to have the Top Fund sell such portion of its existing Foreign Securities to the Underlying Fund and to use the net proceeds therefrom to acquire securities of the Underlying Fund (the "Inter-Fund Trade").
13. The Foreign Securities are appropriate investments for the Underlying Fund.
14. There will be no substantial or adverse tax consequences on securityholders of the Top Fund or the Underlying Fund arising from either the proposed change in investment strategy or the Inter-Fund Trade.
15. the Inter-Fund Trade will be effected at the "current market price" of each foreign security, that is,
 - (a) if the principal market for the security is a stock exchange or an over-the counter market, the last independent sale price on such exchange or market, or, if there is not a previously reported transaction on such exchange or market on that day, the average of the current independent bid and current independent offer on such exchange or market; or
 - (b) if there is not such a principal market, then the average of the highest current independent bid and lowest current independent offer as determined on the basis of reasonable inquiry, which inquiry will include obtaining at least one independent arm's length quote of the bid and offer price;
 - (c) for purposes of establishing the current market price, "principal" means the stock exchange or over-the-counter market on which the highest volume of the securities have traded in the 30 trading days immediately preceding the date of the Inter-Fund Trade, and "independent" means a sale where neither the Manager, nor any other Synergy mutual fund is a party;
16. the Inter-Fund Trade has been approved by the directors of the Manager as being in the best interests of the Top Fund and the Underlying Fund;
17. Appropriate records will be maintained by Synergy of the Inter-Fund Trade which will include the date of the transaction, the name of the issuer of the securities, the class or designation of the securities, the amount or number of the securities, the amount and means of determining the purchase price and the next statement of portfolio transactions for the Top Fund and the Underlying Fund will include a note providing details of the securities so delivered.
18. In the absence of this Decision, pursuant to the Applicable Legislation, as soon as the aggregate holdings by the Top Fund of securities of the Underlying Fund exceed 10% of the outstanding securities of the Underlying Fund, Synergy, and possibly the Top Fund,

would be required to comply with the reporting and other requirements of the Applicable Legislation.

19. In the absence of this Decision, pursuant to the Applicable Legislation, (a) the Top Fund is prohibited from knowingly making an investment and knowingly holding an investment in shares of the Underlying Fund to the extent that the Top Fund, either alone or in combination with other related mutual funds, is a substantial security holder of the Underlying Fund; and (b) Synergy would be required to file reports respecting every purchase or sale of shares of the Underlying Fund by the Top Fund.
20. Because the directors and officers of Synergy are "responsible persons" pursuant to the Applicable Legislation, in respect of the Top Fund and the Underlying Fund, in the absence of this Decision, Synergy would be prohibited from causing the Top Fund to invest in the Underlying Fund unless the specific fact is disclosed to investors and the written consent of the investors is obtained before the purchase.
21. Due to the corporate structure of the Top Fund, the Underlying Fund and Synergy, the Legislation does not technically prohibit the Inter-Fund Trade, however, the Inter-Fund Trade will be carried out as described above.
22. The investments of the Top Fund in the Underlying Fund represents the business judgement of "responsible persons" (as defined in the Legislation), uninfluenced by considerations other than the best interest of the Top Fund.

AND WHEREAS pursuant to the System, this MRRS Decision Document evidences the Decision of each Decision Maker;

AND WHEREAS each Decision Maker is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers pursuant to the Legislation is that the Applicable Legislation shall not apply to prevent the Top Fund from investing in or redeeming the securities of the Underlying Fund;

PROVIDED THAT:

1. the Decision, as it relates to the jurisdiction of a Decision Maker, shall terminate one year after the publication in final form of any legislation or rule of that Decision Maker dealing with the matters in section 2.5 of NI 81-102; and
2. the Decision shall only apply in respect of investments in, or transactions with, shares of the Underlying Fund that are made by the Top Fund in compliance with the following conditions:
 - (a) the Top Fund and the Underlying Fund are under common management;

- (b) shares of the Top Fund are offered for sale in the Jurisdiction of the Decision Makers pursuant to a simplified prospectus and annual information form (the "Prospectus") which has been filed with and accepted by the Decision Makers;
- (c) shares of the Underlying Fund are offered for sale in the jurisdiction of the Decision Makers pursuant to a simplified prospectus and annual information form which has been filed with and accepted by the Decision Makers;
- (d) the Prospectus of the Top Fund will describe the intent of the Top Fund to invest in the Underlying Fund and discloses the facts set out in subclauses (f) and (g) below, the voting rights of the Top Fund's shareholders in respect of the Top Fund's holding in the Underlying Fund as set out in subclauses (q) and (r) below, and the availability (upon request) to the Top Fund's shareholders of the disclosure documents and financial statements of the Underlying Fund as set out in subclause (t) below;
- (e) the investment by the Top Fund in shares of the Underlying Fund is compatible with the fundamental investment objectives of the Top Fund;
- (f) the Top Fund's investments in the Underlying Fund may deviate by no more than 2.5% (the "Permitted Percentage Deviation") above or below the Permitted Amount, but only as a result of market fluctuations and without any action being taken by Synergy to increase or decrease the Top Fund's investment within the Permitted Percentage Deviation and the Top Fund's additional exposure to foreign securities will be achieved through direct investments in Foreign Securities, but such combined investments will not at any time exceed the Foreign Property Limit (the "Permitted Investments");
- (g) if at any time, the investments of the Top Fund in the shares of the Underlying Fund exceeds (or declines below) the Permitted Percentage Deviation, Synergy will make the necessary changes in the Top Fund's investment portfolio at its next valuation date in order to bring its investment in the Underlying Fund up or down to the Permitted Amount;
- (h) the Permitted Investments by the Top Fund in the Underlying Fund, as disclosed in the Prospectus, will not be changed unless the Top Fund's Prospectus is amended to reflect the proposed change or a new prospectus is filed to reflect such change and the securityholders of the Top Fund have either been given at least 60 days prior written notice of the proposed change in the Permitted Investments or the proper approval of the shareholders has been given to the change in the Permitted Investments at a

- meeting of shareholders of the Top Fund called for that purpose;
- (i) except as permitted by this Decision, the Top Fund will not invest in any other mutual fund;
 - (j) the Underlying Fund will not invest in another mutual fund;
 - (k) there are compatible dates for the calculation of the net asset value of the Top Fund and the Underlying Fund for the purpose of the issue and redemption of their respective shares;
 - (l) no redemption fees or other charges are charged by anyone in respect of any redemption by the Top Fund of shares of the Underlying Fund owned by the Top Fund;
 - (m) no sales charges will be paid by the Top Fund in respect of the purchase of shares of the Underlying Fund;
 - (n) no "trailer fees" or other fees or charges are paid in respect of the investment by the Top Fund in shares of the Underlying Fund;
 - (o) the arrangements between or in respect of the Top Fund and the Underlying Fund are such as to avoid the duplication of management fees;
 - (p) no fees and charges of any sort are paid by the Top Fund, the Underlying Fund, Synergy or the principal distributor of the Top Fund or the Underlying Fund, or by any affiliate or associate of any of the foregoing entities, to anyone in respect of the Top Fund's purchase, holding, or redemption of the shares of the Underlying Fund;
 - (q) in the event of the provision of any notice to shareholders of the Underlying Fund, as required by the constating documents of the Underlying Fund or by the laws applicable to the Underlying Fund, such notice will also be delivered to the shareholders of the Top Fund; all voting rights attached to the shares of the Underlying Fund which are owned by the Top Fund will be passed through to the shareholders of the Top Fund;
 - (r) in the event that a shareholders' meeting is called for the Underlying Fund, all of the disclosure and notice material prepared in connection with such meeting will be provided to the shareholders of the Top Fund; such shareholders will be entitled to direct a representative of the Top Fund to vote the Top Fund's holdings in the Underlying Fund in accordance with their direction; and the representative of the Top Fund will not be permitted to vote the Top Fund's holdings in the Underlying Fund except to the extent the shareholders of the Top Fund so direct;
 - (s) in addition to receiving the annual and, upon request, the semi-annual financial statements of the Top Fund, shareholders of the Top Fund will receive either (i) appropriate disclosure in the financial statements of the Top Fund concerning the Top Fund's investment in the Underlying Fund or (ii) the annual and, upon request, the semi-annual financial statements of the Underlying Fund in either a combined report, containing both the Top Fund's and the Underlying Fund's financial statements, or in a separate report containing the Underlying Fund's financial statements; and
 - (t) to the extent that the Top Fund and the Underlying Fund do not use a combined simplified prospectus, annual information form and financial statements containing disclosure about the Top Fund and the Underlying Fund, shareholders of the Top Fund may obtain, upon request, a copy of the simplified prospectus and annual information form and the annual and semi-annual financial statements of the Underlying Fund.

October 10th, 2000.

"J. A. Geller"

"Stephen N. Adams"

**2.1.16 TD Asset Management Inc. ("TDAM") et al. -
MRRS Decision**

Headnote

Investment by mutual funds in securities of another mutual fund that is under common management for specified purpose exempted from the requirements of clause 111(2)(b), subsection 111(3) clauses 117(1)(a) and 117(1)(d) subject to certain specified conditions.

Statutes Cited

Securities Act (Ontario), R.S.O. 1990 c.S.5, as am. ss. 111(2)(b), 111(3), 113, 117(1)(a), 117(1)(d), 117(2), 118(2)(a) and 121(2)(a)(ii).

**IN THE MATTER OF THE
SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
MANITOBA, ONTARIO,
NOVA SCOTIA AND NEWFOUNDLAND**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR
EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
TD ASSET MANAGEMENT INC. ("TDAM")**

AND

**TD GLOBAL SELECT RSP FUND (FORMERLY, GREEN
LINE GLOBAL SELECT RSP FUND), TD U.S. BLUE CHIP
EQUITY RSP FUND (FORMERLY, GREEN LINE U.S.
BLUE CHIP EQUITY RSP FUND) AND TD
SCIENCE&TECHNOLOGY RSP FUND (FORMERLY,
GREEN LINE SCIENCE & TECHNOLOGY RSP FUND)
(THE "ORIGINAL RSP FUNDS"); and**

**TD EMERGING MARKETS RSP FUND
TD ENTERTAINMENT & COMMUNICATIONS RSP FUND
AND
TD HEALTH SCIENCES RSP FUND
(THE "NEW RSP FUNDS")**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec Nova Scotia and Newfoundland (the "Jurisdictions") has received an application from TDAM, as manager, trustee, promoter and principal distributor of the Original RSP Funds and the New RSP Funds and other mutual funds managed by TDAM after the date of this Decision (the "Future RSP Funds", and together with the Original RSP Funds and the New RSP Funds, the "RSP Funds") having an investment objective or

strategy that is linked to the returns of another specified TDAM mutual fund (collectively referred to as the "Underlying Funds") for a decision by each Decision Maker (collectively, the "Decision") under the securities legislation of the Jurisdictions (the "Legislation") that the following provisions of the Legislation (the "Applicable Legislation") shall not apply to the RSP Funds or TDAM, as the case may be, in respect of certain investments to be made by the RSP Funds in the Underlying Funds from time to time:

1. the restrictions contained in the Legislation prohibiting a mutual fund from knowingly making and holding an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial securityholder; and
2. the requirements contained in the Legislation requiring the management company to file a report relating to a purchase or sale of securities between the mutual fund and any related person or company, or any transaction in which, by arrangement other than an arrangement relating to insider trading in portfolio securities, the mutual fund is a joint participant with one or more of its related persons or companies;

AND WHEREAS the Decision Maker in each of the Jurisdictions has received an application from TDAM, as manager, trustee, promoter and principal distributor of the Original RSP Funds for a Decision under the Legislation revoking and replacing the MRRS Decision Document dated November 15, 1999 entitled *In the Matter of TD Asset Management Inc.* (the "Original Decision") which decided that the following requirements and restrictions contained in the Legislation (the "Requirements") did not apply in respect of certain investments to be made by the Original RSP Funds in the Original Underlying Funds:

- A. the Requirements requiring each Original RSP Fund and TDAM (as manager) to issue a news release and file a report where its aggregate holdings by an Original RSP Fund or Original RSP Funds of securities of an Underlying Fund exceed 10 percent of the outstanding securities of the Underlying Fund and the requirements to not acquire or offer to acquire securities of such Underlying Fund pending the expiration of one business day from the date the report is filed;
- B. the Requirements prohibiting the Original RSP Funds from knowingly making an investment in a person or company which the mutual fund, alone or together with one or more related mutual funds, is a substantial security holder;
- C. the Requirements prohibiting the Original RSP Funds from knowingly holding an investment in a person or company which the mutual fund, alone or together with one or more related mutual funds, is a substantial security holder; and
- D. the Requirements requiring TDAM to file a report relating to a purchase or sale of securities between an Original RSP Fund and any related person or company.

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the

"System"), the Ontario Securities Commission is the principal regulator for this Application;

AND WHEREAS TDAM has represented to the Decision Makers as follows:

1. TDAM is a corporation incorporated under the laws of Ontario. The registered and head office of TDAM is located in Ontario. TDAM is, or will be the manager, trustee, promoter and principal distributor of each of the RSP Funds. TDAM is, or will be the manager, trustee, promoter and principal distributor of the Underlying Funds.
2. TDAM established the Original RSP Funds as open-ended mutual fund trusts under the laws of Ontario and qualified the Original RSP Funds for distribution in all Jurisdictions pursuant to a simplified prospectus and annual information form (collectively, a "Prospectus") dated November 15, 1999. TDAM proposes to establish the New RSP Funds as open-ended mutual fund trusts under the laws of Ontario and to qualify the New RSP Funds for distribution in all Jurisdictions pursuant to a Prospectus to be filed in October, 2000. TDAM also proposes to establish any Future RSP Funds as open-ended mutual fund trusts under the laws of Ontario and to qualify such RSP Funds for distribution in all Jurisdictions pursuant to a Prospectus.
3. Each Underlying Fund is, or will be, an open-ended mutual fund trust established under the laws of Ontario, and each Underlying Fund is, or will be, qualified for distribution in all Jurisdictions by means of a Prospectus. Each Underlying Fund of the Original RSP Funds and New RSP Funds is not in default of any requirements of the Legislation.
4. Each RSP Fund seeks or will seek, to achieve its investment objective while ensuring that securities of the RSP Fund do not constitute "foreign property" for registered retirement savings plans ("RRSPs"), including "group RRSPs" and locked-in retirement accounts, registered retirement income funds, including life income funds, deferred profit sharing plans and registered education savings plans (the "Registered Plans").
5. The Prospectus for each RSP Fund does, or will, contain disclosure with respect to the investment objective and investment policies of each RSP Fund. The investment objective of the RSP Fund is, or will be, to achieve long-term capital appreciation primarily by investing in derivative instruments that permit the RSP Fund to link its performance to its corresponding Underlying Fund, while ensuring that securities of the RSP Funds do not constitute "foreign property" for Registered Plans. In order to achieve its investment objective, each RSP Fund will invest directly in, and will use derivative instruments to obtain exposure to, its corresponding Underlying Fund, as described in paragraph 7 herein.
6. The investment objective of each Underlying Fund is, or will be, achieved through investment primarily in foreign securities.

7. Each RSP Fund does, or will, invest, its assets in securities such that its securities will be "qualified investments" for Registered Plans and will not constitute foreign property in a Registered Plan. The direct investment by each RSP Fund in its corresponding Underlying Fund (the "Permitted RSP Fund Investment") is, or will be, in an amount which will not exceed the amount prescribed from time to time as the maximum permitted amount capable of being made as a foreign property investment under the *Income Tax Act* without the imposition of tax under Part XI of that Act (the "Foreign Property Maximum"). The amount of direct investment by each RSP Fund will be adjusted from time to time so that, except for transitional cash, the aggregate of direct investment in, and derivative exposure to, its corresponding Underlying Fund will equal 100% of the assets of the Fund.
9. Except to the extent evidenced by this Decision, and another decision of the Decision Makers in respect of TDAM and the RSP Funds dated September 15, 2000 and specific approvals granted by the Canadian securities administrators pursuant to National Instrument 81-102, the investments by an RSP Fund in its corresponding Underlying Fund has been, and will be, structured to comply with the investment restrictions of the Legislation and National Instrument 81-102.
10. In the absence of this Decision, as soon as the aggregate holdings by an RSP Fund of the securities of its corresponding Underlying Fund exceed 10% of the outstanding securities of the Underlying Fund, TDAM, and possibly the RSP Fund, would be required to comply with the reporting and other requirements of the Legislation.
11. In the absence of this Decision, each RSP Fund would be prohibited from (a) knowingly making an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial securityholder; and (b) knowingly holding an investment referred to in subsection (a) hereof. As a result, in the absence of this Decision, an RSP Fund would be required to divest itself of any investments referred to in subsection (a) herein.
12. In the absence of this Decision, TDAM would be required to file a report of every purchase or sale by an RSP Fund of the securities of its corresponding Underlying Fund.
13. Each RSP Fund's investment in, or redemption of, securities of its corresponding Underlying Fund represents, or will represent, as the case may be, the business judgement of responsible persons uninfluenced by considerations other than the best interests of the RSP Fund.

AND WHEREAS pursuant to the System this Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each Decision Maker is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

The Decision of the Decision Makers pursuant to the Legislation is that the Original Decision is hereby revoked and replaced with the following Decision with effect as of, and from, the date hereof.

The Decision of the Decision Makers pursuant to the Legislation is that the Applicable Legislation shall not apply so as to prevent an RSP Fund from investing in, or redeeming, the securities of its corresponding Underlying Fund, and such investment does not require further consent from or notice to securityholders of the RSP Funds or the Decision Makers.

PROVIDED THAT:

1. this Decision, as it relates to the jurisdiction of a Decision Maker, will terminate one year after the publication in final form of any legislation or rule of that Decision Maker dealing with the application of subsection 2.5(1) of National Instrument 81-102 Mutual Funds to mutual funds such as the RSP Funds; and
2. this Decision shall only apply in respect of an RSP Fund's investments in, or transactions with, its corresponding Underlying Fund if such investments or transactions are made in compliance with the following conditions:
 - (a) each RSP Fund and its corresponding Underlying Fund is, or will be, under common management and the Underlying Fund's securities are, or will be, offered for sale in the Jurisdiction of the Decision Maker pursuant to a Prospectus which has been filed with, and accepted by, the Decision Maker;
 - (b) each RSP Fund restricts, or will restrict, its aggregate direct investment in its corresponding Underlying Fund to a percentage of its assets that is within the Foreign Property Maximum;
 - (c) each RSP Fund's investment in its corresponding Underlying Fund is, or will be, compatible with the fundamental investment objective of the RSP Funds;
 - (d) each RSP Fund will not invest in an Underlying Fund whose investment objective includes investing in other mutual funds;
 - (e) the Prospectus of each RSP Fund describes, or will describe, the intent of the RSP Fund to invest in a corresponding Underlying Fund;
 - (f) each RSP Fund may only change its Permitted RSP Fund Investment if it changes its fundamental investment objective in accordance with the Legislation;
 - (g) no sales charges are, or will be, payable by an RSP Fund in relation to its investment in the securities of its corresponding Underlying Fund;

- (h) there are, or will be, compatible dates for the calculation of the net asset value of an RSP Fund and its corresponding Underlying Fund for the purpose of issuing and redeeming the securities of such mutual funds;
- (i) no redemption fees or other charges are, or will be, paid by an RSP Fund when it redeems any securities of its corresponding Underlying Fund;
- (j) the arrangements between or in respect of the RSP Fund and its corresponding Underlying Fund are, or will be, such as to avoid the duplication of management fees;
- (k) no fees and charges of any sort are, or will be, paid by an RSP Fund, its corresponding Underlying Fund or TDAM or by any affiliate or associate of any of the foregoing entities to anyone in respect of an RSP Fund's investment in, or redemption of, the securities of its corresponding Underlying Fund;
- (l) in the event of the provision of any notice to securityholders of an Underlying Fund as required by the constating documents of the Underlying Fund, or by the laws applicable to the Underlying Fund, such notice will also be delivered to the securityholders of the corresponding RSP Fund. All voting rights attached to the securities of an Underlying Fund which are owned by an RSP Fund will be passed through to the securityholders of the RSP Fund. In the event that a securityholders' meeting is called for an Underlying Fund, all of the disclosure and notice material prepared in connection with such meeting will be provided to the securityholders of the corresponding RSP Fund and such securityholders will be entitled to direct a representative of the RSP Fund to vote the RSP Fund's holdings in the Underlying Fund in accordance with their direction. The representative of the RSP Fund will not be permitted to vote the RSP Fund's holdings in its corresponding Underlying Fund except to the extent the securityholders of the RSP Fund so direct;
- (m) in addition to receiving the annual and, upon request, the semi-annual financial statements, of an RSP Fund, securityholders of the RSP Fund will receive the annual and, upon request, the semiannual financial statements, of its corresponding Underlying Fund in either a combined report, containing both the RSP Fund's and the Underlying Fund's financial statements, or in a separate report containing the Underlying Fund's financial statements; and

- (n) to the extent that an RSP Fund and its corresponding Underlying Fund do not use a combined simplified prospectus, annual information form and financial statements containing disclosure about both the RSP Fund and the Underlying Fund, copies of the simplified prospectus, the annual information form and the annual and semi-annual financial statements, relating to the Underlying Fund may be obtained upon request by a securityholder of the RSP Fund.

October 10th, 2000.

"J. A. Geller"

"Howard I. Wetston"

2.2 Orders

2.2.1 Chase Manhattan Bank, The - s. 80

Headnote

Section 80 of the Commodity Futures Act - relief for Schedule III bank from requirement to register as an adviser where the performance of the service as an adviser is incidental to principal banking business.

Statutes Cited

Commodity Futures Act, R.S.O. 1990, c.S.20, as am., sections 22(1)(b), 80.

IN THE MATTER OF THE COMMODITIES FUTURES ACT,
R.S.O. 1990, CHAPTER S.20, AS AMENDED (the "Act")

AND

IN THE MATTER OF
THE CHASE MANHATTAN BANK

ORDER
(Section 80)

UPON application (the "Application") by The Chase Manhattan Bank ("Chase Manhattan") to the Ontario Securities Commission (the "Commission") for an order pursuant to section 80 of the Act exempting Chase Manhattan from the requirement to obtain registration as an adviser under clause 22(1)(b) of the Act;

AND UPON considering the Application and the recommendation of staff of the Commission;

AND UPON Chase Manhattan having represented to the Commission that:

1. Chase Manhattan is the principal bank subsidiary of The Chase Manhattan Corporation in the United States. The Chase Manhattan Corporation is an entity formed under the laws of the United States. Chase Manhattan and its predecessor banks have maintained an active presence in Canada since 1973. The Chase Manhattan Bank of Canada ("CMBC") is a foreign bank subsidiary of Chase Manhattan currently listed on Schedule II of the *Bank Act* (Canada) (the "Bank Act");
2. The key businesses of CMBC are lending and corporate finance advisory services to Canadian corporate customers and custodial activities for Canadian mutual funds. CMBC sources participants and acts as agent bank in syndicated loan transactions. Local treasury operations of CMBC provide funding and liquidity for the corporate lending activities of CMBC. CMBC is an active participant in the overnight interbank market, accepts term deposits from major Canadian and multinational corporations and derives a portion of its funding from brokered deposits. These deposits are evidenced by certificates of deposit registered in the holder's name, bearer deposit notes or printed confirmations addressed to the depositor;

3. The treasury function within CMBC also engages in proprietary risk taking activities including interest rate and currency trading. The treasury function also manages the investment portfolio of CMBC holding Canadian government debt and the use of derivative products as asset/liability management tools;
4. Chase Manhattan only accepts deposits from the following:
 - (a) Her Majesty in right of Canada or in right of a province or territory, an agent of Her Majesty in either of those rights and includes a municipal or public body empowered to perform a function of government in Canada, or an entity controlled by Her Majesty in either of those rights;
 - (b) the government of a foreign country or any political subdivision thereof, an agency of the government of a foreign country or any political subdivision thereof, or an entity that is controlled by the government of a foreign country or any political subdivision thereof;
 - (c) an international agency of which Canada is a member, including an international agency that is a member of the World Bank Group, the Inter American Development Bank, the Asian Development Bank, the Caribbean Development Bank and the European Bank for Reconstruction and Development and any other international regional bank;
 - (d) a financial institution (i.e.: (a) a bank or an authorized foreign bank under the *Bank Act*; (b) a body corporate to which the *Trust and Loan Companies Act* (Canada) applies, (c) an association to which the *Cooperative Credit Association Act* (Canada) applies, (d) an insurance company or a fraternal benefit society to which the *Insurance Companies Act* (Canada) applies, (e) a trust, loan or insurance corporation incorporated by or under an Act of the legislature of a province, (f) a cooperative credit society incorporated and regulated by or under an Act of the legislature of a province or territory in Canada; (g) an entity that is incorporated or formed by or under an Act of Parliament or of the legislature of a province or territory in Canada and that is primarily engaged in dealing in securities, including portfolio management and investment counseling, and is registered to act in such capacity under the applicable legislation, and (h) a foreign institution that is (i) engaged in the banking, trust, loan or insurance business, the business of a cooperative credit society or the business of dealing in securities or is otherwise engaged primarily in the business of providing financial services, and (ii) is incorporated or formed otherwise than by or under an Act of Parliament or of the legislature of a province or territory in Canada;
 - (e) a pension fund sponsored by an employer for the benefit of its employees or employees of an

affiliate that is registered and has total plan assets under administration of greater than \$100 million;

- (f) a mutual fund corporation that is regulated under an Act of the legislature of a province or territory in Canada or under the laws of any other jurisdiction and has total assets under administration of greater than \$10 million;
- (g) an entity (other than an individual) that has for the fiscal year immediately preceding the initial deposit, gross revenues on its own books and records of greater than \$5 million; or
- (h) any other person if the trade is in a security which has an aggregate acquisition cost to the purchaser of greater than \$150,000;

collectively referred to for purposes of this Decision Document as "Authorized Purchasers";

- 5. In June of 1999 amendments to the Bank Act were proclaimed that permit foreign commercial banks, to establish direct branches in Canada. These amendments have created a new Schedule III listing foreign banks permitted to carry on banking activities through branches in Canada;
- 6. Chase Manhattan has been granted an order under the Bank Act on April 17, 2000 permitting it to establish a full service branch under the Bank Act and designating it on Schedule III. Chase Manhattan will take over the current wholesale deposit-taking, corporate lending, custody and treasury functions currently conducted by CMBC. Chase Manhattan intends to maintain CMBC to conduct CMBC's current Canadian corporate finance advisory activities.
- 7. Section 31(a) of the Act refers to "a bank listed on Schedule I or II to the Bank Act" in connection with the exemption from the adviser registration requirement however no reference is made in the Act to entities listed on Schedule III to the Bank Act;
- 8. In order to ensure that Chase Manhattan, as an entity listed on Schedule III to the Bank Act, is able to provide banking services to businesses in Ontario it requires similar exemptions enjoyed by banking institutions incorporated under the Bank Act to the extent that the current exemptions applicable to such banking institutions are relevant to the banking business being undertaken by Chase Manhattan in Ontario;
- 9. Chase Manhattan will be performing certain foreign exchange advisory services in connection with its principal banking business;

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS RULED pursuant to section 80 of the Act that Chase Manhattan is exempt from the requirement of clause 22(1)(b) of the Act where the performance of the service as an adviser is solely incidental to Chase Manhattan's principal banking business.

September 6th, 2000.

"J. A. Geller"

"R. Stephen Paddon"

**2.2.2 Dynamic Health Sciences Fund and
Dynamic Global Technology Fund - ss.
59(1), Schedule 1, Regulation**

Headnote

Exemption from the fees otherwise due under subsection 14(1) of Schedule 1 of the Regulation to the *Securities Act* on a distribution of units made by an "underlying" fund directly (i) to a "clone" fund, (ii) to the "clone" fund's counterparties for hedging purposes and (iii) on the reinvestment of redistributions on such units.

Regulations Cited

Regulation made under the *Securities Act*, R.R.O 1990, Reg, 1015, as am., Schedule 1, ss. 14(1), 14(4) and 59(1).

**IN THE MATTER OF THE SECURITIES ACT R.S.O. 1990,
CHAPTER S. 5, AS AMENDED**

AND

**IN THE MATTER OF
DYNAMIC HEALTH SCIENCES FUND
DYNAMIC GLOBAL TECHNOLOGY FUND**

ORDER

**(Subsection 59(1) of Schedule I of the Regulation made under
the above statute (the "Regulation"))**

UPON the application of Dynamic Mutual Funds Ltd. ("Dynamic"), the manager of the Dynamic RSP Health Sciences Fund and Dynamic RSP Global Technology Fund and other mutual funds established from time to time, (collectively, the "RSP Funds") and Dynamic Health Sciences Fund and Dynamic Global Technology Fund and other mutual funds established by Dynamic from time to time (collectively, the "Underlying Funds") to the Ontario Securities Commission (the "Commission") for an order pursuant to subsection 59(1) of Schedule I of the Regulation exempting the Underlying Funds from paying duplicate filing fees on an annual basis in respect of the distribution of units of the Underlying Funds to (i) counterparties with whom the RSP Funds have entered into forward contracts in respect of units purchased to hedge their exposure to RSP Funds (the "Hedge Units") and (ii) the RSP Funds (including in both cases the reinvestment of distributions) (the "Reinvested Units");

AND UPON considering the application and the recommendation of the staff of the Commission;

AND UPON Dynamic having represented to the Commission that:

1. Dynamic is the trustee and manager of the RSP Funds and the Underlying Funds. Dynamic is a corporation incorporated under the laws of Ontario.
2. Each of the RSP Funds and the Underlying Funds is or will be an open-ended mutual fund trust established under the laws of Ontario.

3. The units of the RSP Funds and the Underlying Funds are or will be qualified for distribution pursuant to simplified prospectuses and annual information forms filed across Canada.
4. Each of the RSP Funds and Underlying Funds is or will be a reporting issuer under the securities laws of each of the provinces and territories of Canada. None of the existing RSP Funds or Underlying Funds is in default of any requirements of the securities legislation, regulations or rules applicable in each of the provinces and territories of Canada.
5. As part of its investment strategy, each RSP Fund may purchase units of the Underlying Funds (the "Fund on Fund Investments").
6. In addition, as part of their investment strategy, the RSP Funds enter into forward contracts or other derivative instruments (the "Forward Contracts") with one or more financial institutions (the "Counterparties") that link the returns to the applicable Underlying Funds.
7. A Counterparty may hedge its obligations under a Forward Contract by investing in Hedge Units of the applicable Underlying Fund.
8. Applicable securities regulatory approvals for the Fund on Fund Investments and the RSP Funds' investment strategies have been obtained.
9. Annually, each RSP Fund will be required to pay filing fees to the Commission in respect of the distribution of its units in Ontario pursuant to section 14 of Schedule I of the Regulation and will similarly be required to pay fees based on the distribution of its units in other relevant Canadian jurisdictions pursuant to the applicable securities legislation in each of those jurisdictions.
10. Annually, each Underlying Fund will be required to pay filing fees to the Commission in respect of the distribution of its units in Ontario, including units issued to the RSP Funds and Counterparties, pursuant to section 14 of Schedule I of the Regulation and will similarly be required to pay fees based on the distribution of its units in other relevant Canadian jurisdictions pursuant to the applicable securities legislation in each of those jurisdictions.
11. A duplication of filing fees pursuant to Section 14 of Schedule I of the Regulation may result when: (a) assets of the RSP Funds are invested in an Underlying Fund; (b) the Counterparties invest in an Underlying Fund; and (c) a distribution is paid by an Underlying Fund on units of the Underlying Fund held by a RSP Fund or Counterparty which is reinvested in additional units of the Underlying Fund ("Reinvested Units").

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS ORDERED by the Commission pursuant to subsection 59(1) of Schedule I of the Regulation that the Underlying Funds are exempt from the payment of duplicate

filing fees on an annual basis pursuant to section 14 of Schedule I of the Regulation in respect of the distribution of units of the Underlying Funds to the RSP Funds, the distribution of Hedge Units to Counterparties and the distribution of Reinvested Units, provided that each Underlying Fund shall include in its notice filed under subsection 14(4) of Schedule I of the Regulation a statement of the aggregate gross proceeds realized in Ontario as a result of the issuance by the Underlying Funds of: (1) units distributed to the RSP Funds; (2) Hedge Units; and (3) Reinvested Units; together with a calculation of the fees that would have been payable in the absence of this order.

October 6th, 2000.

"Morley P. Carscallen"

"Robert W. Korthals"

2.2.3 Franklin Resources Inc., FTI Acquisition Inc. and Bissett & Associates Investment Management Ltd. - Rule 61-501, Section 9.1

Headnote

Rule 61-501 - Going private transactions - Offeror proposes to effect a subsequent acquisition transaction after completing a formal bid - Offeror entering into employment agreements and a consulting agreement with certain securityholders of offeree and, accordingly, such securityholders may be receiving consideration of greater value than that received by other offerees - Exemption granted to permit securities tendered to the formal bid by such securityholders and companies they control to be included in the determination of whether the requisite minority approval has been obtained in respect of the subsequent acquisition transaction

Ontario Rules Cited

Rule 61-501 - Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions, ss. 4.7, 8.1 and 9.1

**IN THE MATTER OF
ONTARIO SECURITIES COMMISSION RULE 61-501
("Rule 61-501")**

AND

**IN THE MATTER OF
FRANKLIN RESOURCES INC., FTI ACQUISITION INC.
AND BISSETT & ASSOCIATES INVESTMENT
MANAGEMENT LTD.**

**RULE 61-501
(Section 9.1)**

UPON the application (the "Application") of Franklin Resources, Inc. ("Franklin") and Bissett & Associates Investment Management Ltd. ("Bissett" and, collectively with Franklin, the "Applicants") to the Director for a decision pursuant to section 9.1 of Rule 61-501 that, notwithstanding subsection 8.2(a) of Rule 61-501, in connection with the offer by FTI Acquisition Inc. ("FTI") to acquire all of the outstanding common shares (the "Common Shares") of Bissett (the "Offer") and proposed subsequent acquisition transaction involving Bissett, FTI and Franklin (the "Second Step Transaction"), Common Shares tendered to the Offer by David A. Bissett, Kevin W. Wolfe ("Wolfe"), Frederick E. Pynn ("Pynn"), Michael A. Quinn ("Quinn"), Nancy G. Lazar ("Lazar" and collectively with David Bissett, Wolfe, Lazar, Pynn and Quinn, the "Individuals"), Belmont Capital Management Ltd. ("Belmont"), 604478 Alberta Ltd. ("604478"), 571770 Alberta Ltd. ("571770" and, collectively with Belmont and 604478, the "Companies") may be included as votes in favour of the Second Step Transaction in determining whether the requisite minority approval has been obtained pursuant to section 8.1 of Rule 61-501 in respect of the Second Step Transaction;

AND UPON considering the Application and the recommendation of staff of the Ontario Securities Commission (the "Commission");

AND UPON the Applicants having represented to the Director as follows:

1. Franklin is a corporation organized under the laws of the State of Delaware.
2. FTI is an indirect wholly-owned subsidiary of Franklin incorporated under the laws of Ontario for the purpose of making the Offer.
3. Bissett is an investment management company continued under the *Business Corporations Act* (Alberta).
4. Bissett's authorized capital consists of an unlimited number of Common Shares, an unlimited number of First Preferred Shares and an unlimited number of Second Preferred Shares, of which there were 6,948,750 Common Shares outstanding as at July 26, 2000. The Common Shares are listed and posted for trading on The Toronto Stock Exchange.
5. David Bissett is Chairman of Bissett's board of directors. He beneficially owns, directly or indirectly, or exercises control or direction over 1,945,100 Common Shares representing approximately 28% of the class.
6. Wolfe is Bissett's President and Chief Executive Officer. Wolfe beneficially owns, directly or indirectly, or exercises control or direction over 502,794 Common Shares representing approximately 7.2% of the class.
7. Pynn is a Vice President and Senior Portfolio Manager of Bissett. Pynn beneficially owns, directly or indirectly, or exercises control or direction over 502,030 Common Shares representing approximately 7.2% of the class.
8. Quinn is a Vice President and Senior Portfolio Manager of Bissett. Quinn beneficially owns, directly or indirectly, or exercises control or direction over 555,000 Common Shares representing approximately 8% of the class.
9. Lazar is a Vice President and Senior Portfolio Manager of Bissett. Lazar beneficially owns, directly or indirectly, or exercises control or direction over 531,160 Common Shares representing approximately 7.6% of the class.
10. Pursuant to an acquisition agreement dated July 26, 2000 among Franklin, FTI and Bissett (the "Acquisition Agreement"), Franklin agreed to make an offer to acquire the Common Shares on the basis of \$20.50 cash plus a special dividend of \$0.48 cash per Common Share.
11. On July 26, 2000, Templeton Management Limited ("Templeton"), an affiliate of Franklin, entered into employment agreements (the "New Employment Agreements") with each of Wolfe, Pynn, Quinn and Lazar (collectively, the "Employees") and a consulting agreement (the "Consulting Agreement" and, collectively with the New Employment Agreements, the "Agreements") with David Bissett.
12. Pursuant to lock-up agreements dated July 26, 2000 (the "Lock-up Agreements") between Franklin and, among others, each of the Individuals, the Individuals agreed to deposit under the Offer and, except in certain circumstances, not withdraw, Common Shares beneficially owned or controlled by them.
13. Pursuant to an escrow agreement dated August 4, 2000 (the "Escrow Agreement") among Franklin, Montreal Trust Company of Canada (the "Escrow Agent"), Belmont, a company controlled by David Bissett, 571770, a company controlled by Pynn, Quinn and Lazar, and 604478, a company controlled by Wolfe, each of the Companies agreed to deliver to the Escrow Agent 30% of the aggregate purchase price (the "Escrowed Amount") to be received for their Common Shares, to be held and applied in accordance with the Escrow Agreement's terms. The Escrowed Amount will be released in specified amounts on each of the 18 month, second, third, fourth and fifth anniversaries of the Escrow Agreement.
14. The Offer was made on August 11, 2000 and is scheduled to expire, unless extended, on October 2, 2000. The Offer is conditional on, among other things, there being validly deposited under the Offer and not withdrawn at the expiry time at least 67.43% of the Shares (calculated on a fully diluted basis).
15. The principal terms of the existing employment arrangements between Bissett and each of the Employees are as follows:
 - (a) For each of the fiscal years ended December 31, 1998 and 1999, Wolfe was entitled to a base salary of \$180,000 and a bonus of \$300,000.
 - (b) For each of the fiscal years ended December 31, 1998 and 1999, Pynn was entitled to a base salary of \$180,000 and a bonus of \$300,000.
 - (c) For each of the fiscal years ended December 31, 1998 and 1999, Quinn was entitled to a base salary of \$180,000 and a bonus of \$300,000.
 - (d) For the fiscal year ended December 31, 1999, Lazar was entitled to a base salary of \$135,000 (\$180,000 in 1998) and a bonus of \$180,000 (\$180,000 in 1998).
 - (e) There are no provisions relating to termination or change of control payments.
 - (f) None of the Employees is a party to a non-competition or non-solicitation covenant granted in favour of Bissett.
16. The New Employment Agreements take effect only if Bissett is acquired by FTI and have the following material features:
 - (a) The New Employment Agreements with Pynn, Quinn and Wolfe are for an initial term of four years unless terminated by Templeton on the expiration of the third anniversary of the New

- Employment Agreement. Pynn, Quinn and Wolfe are entitled to the same level of base salary and bonus that each received from Bissett for the fiscal years ended December 31, 1998 and 1999.
- (b) The New Employment Agreement with Lazar is for an initial term expiring on June 30, 2001 and provides Bissett with the option of retaining her services on an independent consulting basis for an additional one year term. For the fiscal year ended December 31, 2000, Lazar will be entitled to receive a base salary of \$144,000 and a bonus of \$240,000.
- (c) The New Employment Agreements provide that each of the Employees other than Lazar will be granted options to purchase 40,000 common shares of Franklin (the "Options"), which Options shall vest as to one quarter per year for a four year period commencing on or about September 30, 2001 at an exercise price determined in accordance with Franklin's stock option plan (the "SOP"). Pursuant to the SOP, the exercise price for an Option shall be based on the market price of common shares of Franklin one year prior to the vesting date.
- (d) The New Employment Agreements include confidentiality provisions and non-solicitation and non-competition covenants whereby during the term of the Employee's employment and for a period of two years thereafter the Employee cannot compete with Bissett or solicit any of Bissett's clients.
17. The Consulting Agreement takes effect only if Bissett is acquired by FTI and has the following material terms:
- (a) The Consulting Agreement has a five-year term and provides that David Bissett shall provide client and dealer relations, communications and other services (the "Services") as Bissett may direct from time to time.
- (b) During the term of the Consulting Agreement and for a period of five years thereafter, David Bissett may not compete with, or solicit any business or clients of, Bissett or any of its affiliates (the "Covenants").
- (c) During the term of the Consulting Agreement, David Bissett may perform other services for third parties, provided that such activities do not interfere with the timely and efficient performance of the Services for Bissett and such activities are not otherwise in violation of the Consulting Agreement.
- (d) In consideration for agreeing to make his services available to Bissett upon request and in consideration for entering into the Covenants, David Bissett shall be entitled to receive a monthly fee of \$5,000, regardless of whether he provides any services to Bissett.
18. If FTI takes up and pays for Common Shares deposited under the Offer, it intends to propose a Second Step Transaction for the purpose of acquiring Common Shares not tendered to the Offer. Unless FTI is in a position to effect a Second Step Transaction pursuant to a statutory right of compulsory acquisition, such Second Step Transaction would be a going private transaction within the meaning of subsection 1.1 of Rule 61-501 and would be subject to the minority approval requirement in subsection 4.7 of Rule 61-501 (the "Minority Approval Requirement"). Unless a discretionary exemption is granted by the Director, the Common Shares tendered to the Offer by the Individuals and the Companies may not be included in the determination of whether the requisite minority approval has been obtained in respect of the Second Step Transaction pursuant to section 8.1 of Rule 61-501 because, as a consequence of entering into the Agreements with Templeton, the Individuals and the Companies may be receiving consideration of greater value than that paid to other beneficial owners of Common Shares.
19. Franklin believes that its ability to retain the Individuals was critical to its decision to make the Offer, since the Individuals have played an integral role in successfully developing Bissett's business and have substantial and valuable experience and expertise in the investment management industry. The purpose of the Agreements is to ensure the Individuals' continued participation in the successful management and development of Bissett's business and its integration with Franklin's operations following completion of the Offer.
20. The Agreements have been negotiated with the Individuals at arm's length and have been made on commercially reasonable terms and conditions that are consistent with the Individuals' prior employment or service. The granting of the Options pursuant to the amended and restated employment agreements is consistent with Franklin's intention to grant Options to a broader group of key Bissett employees and is consistent with Franklin's historical and current practices in this regard.
21. The New Employment Agreements and the Consulting Agreement have been entered into for valid business reasons unrelated to the Individuals' beneficial ownership of Shares and not for the purpose of conferring an economic or collateral benefit on the Individuals that other shareholders do not enjoy, and are being made for reasons other than to increase the value of the consideration to be paid to the Individuals pursuant to the Offer for their Shares. Franklin and FTI have no reason to believe that the Agreements had the effect of reducing the price that otherwise would have been considered acceptable to the Individuals or the Companies for their Common Shares.
- AND UPON** the Director being satisfied that to do so would not be prejudicial to the public interest;

IT IS DECIDED pursuant to section 9.1 of Rule 61-501 that, despite subsection 8.2(a) of Rule 61-501, in connection with the Offer and possible Second Step Transaction, the Common Shares tendered to the Offer by the Individuals and the Companies may be included in the determination of whether the requisite minority approval has been obtained in respect of the Second Step Transaction, provided that Franklin and FTI comply with the other applicable provisions of Rule 61-501.

September 29th, 2000.

"Margo Paul"

2.2.4 Morgan Guaranty Trust Company of New York - s. 80

Headnote

Section 80 of the Commodity Futures Act - relief for Schedule III bank from requirement to register as an adviser where the performance of the service is incidental to principal banking business.

Statutes Cited

Commodity Futures Act, R.S.O. 1990, c.S.20, as am., sections 22(1)(b), 80.

IN THE MATTER OF THE COMMODITIES FUTURES ACT,
R.S.O. 1990, CHAPTER S.20, AS AMENDED (the "Act")

AND

IN THE MATTER OF
MORGAN GUARANTY TRUST COMPANY OF NEW YORK

ORDER
(Section 80)

UPON application (the "Application") by Morgan Guaranty Trust Company of New York ("Morgan Guaranty") to the Ontario Securities Commission (the "Commission") for an order pursuant to section 80 of the Act exempting Morgan Guaranty from the requirement to obtain registration as an adviser under clause 22(1)(b) of the Act;

AND UPON considering the Application and the recommendation of staff of the Commission;

AND UPON Morgan Guaranty having represented to the Commission that:

1. Morgan Guaranty is the principal bank subsidiary of J P Morgan & Co. Incorporated ("J P Morgan") in the United States. J P Morgan is a bank holding company formed under the laws of the United States for holding subsidiaries engaged globally in providing a wide range of financial services, including finance and advisory, sales and trading, and asset management services;
2. Morgan Guaranty currently conducts business in Canada through J.P. Morgan Canada ("Morgan Canada"), the Schedule II bank subsidiary of Morgan Guaranty listed in Schedule II to the *Bank Act* (Canada) (the "Bank Act"), J.P. Morgan Securities Canada Inc., a registered investment dealer, and J.P. Morgan Investment Management, which maintains a representative office in Canada;
3. Morgan Canada is involved in wholesale deposit-taking, commercial lending and related treasury functions;
4. Morgan Canada only accepts deposits from the following:

- (a) Her Majesty in right of Canada or in right of a province or territory, an agent of Her Majesty in either of those rights and includes a municipal or public body empowered to perform a function of government in Canada, or an entity controlled by Her Majesty in either of those rights;
- (b) the government of a foreign country or any political subdivision thereof, an agency of the government of a foreign country or any political subdivision thereof, or an entity that is controlled by the government of a foreign country or any political subdivision thereof;
- (c) an international agency of which Canada is a member, including an international agency that is a member of the World Bank Group, the Inter American Development Bank, the Asian Development Bank, the Caribbean Development Bank and the European Bank for Reconstruction and Development and any other international regional bank;
- (d) a financial institution (i.e.: (a) a bank or an authorized foreign bank under the Bank Act; (b) a body corporate to which the *Trust and Loan Companies Act* (Canada) applies, (c) an association to which the *Cooperative Credit Association Act* (Canada) applies, (d) an insurance company or a fraternal benefit society to which the *Insurance Companies Act* (Canada) applies, (e) a trust, loan or insurance corporation incorporated by or under an Act of the legislature of a province or territory in Canada, (f) a cooperative credit society incorporated and regulated by or under an Act of the legislature of a province or territory in Canada; (g) an entity that is incorporated or formed by or under an Act of Parliament or of the legislature of a province and that is primarily engaged in dealing in securities, including portfolio management and investment counseling, and is registered to act in such capacity under the applicable legislation, and (h) a foreign institution that is (i) engaged in the banking, trust, loan or insurance business, the business of a cooperative credit society or the business of dealing in securities or is otherwise engaged primarily in the business of providing financial services, and (ii) is incorporated or formed otherwise than by or under an Act of Parliament or of the legislature of a province or territory in Canada);
- (e) a pension fund sponsored by an employer for the benefit of its employees or employees of an affiliate that is registered and has total plan assets under administration of greater than \$100 million;
- (f) a mutual fund corporation that is regulated under an Act of the legislature of a province or territory in Canada or under the laws of any other jurisdiction and has total assets under administration of greater than \$10 million;

- (g) an entity (other than an individual) that has, for the fiscal year immediately preceding the initial deposit, gross revenues on its own books and records of greater than \$5 million; or
- (h) any other person if the trade is in a security which has an aggregate acquisition cost to the purchaser of greater than \$150,000;

collectively referred to for purposes of this Decision as "Authorized Purchasers".

5. Morgan Canada participates in the primary and secondary market in the following money market products: commercial paper, certificates of deposit, repurchase agreements and bankers' acceptances;
6. Morgan Canada engages in foreign exchange trading;
7. The only advising activities which Morgan Canada undertakes are incidental to its primary business and it has not and will not, nor will Morgan Guaranty, advertise itself as an adviser or allow itself to be advertised as an adviser;
8. In June of 1999 amendments to the Bank Act were proclaimed that permit foreign commercial banks to establish direct branches in Canada. These amendments have created a new Schedule III listing foreign banks permitted to carry on banking activities through branches in Canada;
9. Morgan Guaranty has been granted an order under the Bank Act on April 17, 2000 permitting it to establish a full service branch under the Bank Act and designating it on Schedule III to the Bank Act. Morgan Guaranty will take over the wholesale deposit-taking, corporate lending and treasury functions currently conducted by Morgan Canada;
10. The Act refers to "Schedule I and Schedule II banks" in connection with certain exemptions however no reference is made in the Act to entities listed on Schedule III to the Bank Act;
11. In order to ensure that Morgan Guaranty, as an entity listed on Schedule III to the Bank Act, is able to provide banking services to businesses in Ontario it requires similar exemptions enjoyed by banking institutions incorporated under the Bank Act to the extent that the current exemptions applicable to such banking institutions are relevant to the business being undertaken by Morgan Guaranty in Ontario;
12. Morgan Guaranty will engage in foreign exchange advisory activities in respect of such activities as hedging arrangements and management of exchange rates;

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS RULED pursuant to section 80 of the Act that Morgan Guaranty is exempt from the requirement of clause 22(1)(b) of the Act where the performance of the service as an adviser is solely incidental to Morgan Guaranty's principal banking business.

September 6th, 2000.

"J. A. Geller"

"R. Stephen Paddon"

2.2.5 Synergy Asset Management Inc. et al. - ss. 62(5)

Headnote

Extension of lapse date

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5, as am., ss.62(1) and ss. 62(5).

IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED (the "Act")

AND

IN THE MATTER OF
SYNERGY ASSET MANAGEMENT INC.

AND

IN THE MATTER OF THE
MUTUAL FUND SECURITIES OF
SYNERGY CANADIAN FUND INC. COMPRISED OF
SYNERGY CANADIAN VALUE CLASS, SYNERGY
CANADIAN GROWTH CLASS, SYNERGY CANADIAN
MOMENTUM CLASS, SYNERGY CANADIAN SMALL CAP
CLASS, SYNERGY CANADIAN STYLE MANAGEMENT
CLASS AND SYNERGY CANADIAN SHORT-TERM
INCOME CLASS; SYNERGY GLOBAL FUND INC.
COMPRISED OF SYNERGY GLOBAL MOMENTUM
CLASS AND SYNERGY GLOBAL STYLE MANAGEMENT
CLASS, SYNERGY GLOBAL MOMENTUM RSP FUND,
SYNERGY GLOBAL STYLE MANAGEMENT RSP FUND
AND SYNERGY TACTICAL ASSET ALLOCATION FUND
(collectively, the "Funds")

ORDER

UPON an application (the "Application") from Synergy Asset Management Inc.

(the "Manager") on behalf of the Funds for an order pursuant to subsection 62(5) of the Act that the time limits pertaining to the distribution of Mutual Fund securities under the current simplified prospectus and annual information form (the "Prospectus") of the Funds be extended to those time limits that would be applicable if the lapse date of the Prospectus was November 12, 2000;

AND UPON considering the Application and the recommendation of the Ontario Securities Commission;

AND UPON the Manager having represented as follows:

- (1) The Manager is a corporation governed under the laws of Ontario. The Manager is the manager and promoter of the Funds and Trustee of all of the Funds, other than the classes of shares of Synergy Canadian Funds Inc. and Synergy Global Fund Inc. (collectively, the "Corporate Funds").

- (2) The Funds, other than the Corporate Funds, are open-ended mutual fund trusts established by the Manager under the laws of Ontario. The Corporate Funds are classes of shares of mutual fund corporations incorporated under the laws of Ontario.
- (3) The Funds are reporting issuers under the Act and are not in default of any requirements of the Act or the Regulations made thereunder.
- (4) Pursuant to subsection 62(5) of the Act, the lapse date (the "Lapse Date") for distribution of the Mutual Fund securities of the Funds is October 6, 2000.
- (5) Since the date of the Prospectus, no material change has occurred and no amendments to the Prospectus have been made save and except for Amendment No. 1 dated June 13, 2000 in connection with Synergy Canadian Growth Class and Synergy Canadian Momentum Class of Synergy Canadian Fund Inc. and Synergy Global Style Management Class of Synergy Global Fund Inc.. Accordingly, the Prospectus, as amended, represents up to date information regarding each of the Funds offered therein. The extension requested will not affect the currency or accuracy of the information contained in the Prospectus of the Funds and accordingly will not be prejudicial to the public interest.
- (6) A preliminary and pro forma prospectus for the Mutual Fund securities of the Funds, including certain other Synergy Funds, was filed in Ontario on August 2, 2000. The Manager has received extensive comments from the Ontario Securities Commission and, despite diligent efforts to meet the timelines based on the current Lapse Date, the Manager needs additional time to consider certain comments and revise the disclosure documents accordingly.

AND UPON the undersigned being satisfied that to do so would not be prejudicial to the public interest;

IT IS ORDERED pursuant to subsection 62(5) of the Act that the time limits provided by the Act as they apply to the distribution of Mutual Fund securities pursuant to the Prospectus are hereby extended to the time limits that would be applicable if the Lapse Date for the distribution of securities under the Prospectus of the Funds was November 12, 2000.

October 6th, 2000.

"Rebecca Cowdery"

2.3 Rulings

2.3.1 PJT Family Corp. - ss. 74(1)

Headnote

Section 74(1) – Trade by applicant control bloc shareholder of shares acquired by it as proceeds of redemption of certain shares of a related control bloc shareholder. The trade by the applicant of the shares acquired as proceeds of redemption is exempt from the resale restrictions in subsection 3.11(1) of Rule 45-501 provided, *inter alia*, that an equivalent number of otherwise freely tradable shares in the hands of the applicant's subsidiary or affiliate thereof become subject to such resale restrictions, and the number of shares which may be distributed pursuant to the Ruling is limited to 1% of the outstanding shares per year.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 1(1), 53, 72(7)(b), 72(7)(c) and 74(1).

Income Tax Act, R.S.C. 1985, c. I.2, as am., s. 85(1).

Regulations Cited

Rule 45-501, ss. 3.11(1), 3.11(2), 3.11(3), 3.11 (5).

Rules Cited

IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S.5, AS AMENDED (the "Act")

AND

IN THE MATTER OF
PJT FAMILY CORP.

RULING
(Subsection 74(1))

UPON the application (the "Application") of PJT Family Corp. (the "Applicant") to the Ontario Securities Commission (the "Commission") for a ruling pursuant to subsection 74(1) of the Act, that certain trades in common shares (the "Common Shares") of The Thomson Corporation ("TTC") not be subject to section 53 of the Act;

AND UPON reading the Application and the recommendation of the staff of the Commission;

AND UPON the Applicant having represented to the Commission that:

1. TTC is a corporation incorporated under the laws of the Province of Ontario, is a reporting issuer under the Act and is not in default of any requirement of the Act or the rules or regulations made thereunder.
2. Kenneth R. Thomson ("KRT") is, with respect to TTC, a person referred to in clause (c) of the definition of "distribution" in subsection 1(1) of the Act.

3. The Applicant and 1435839 Ontario Limited ("1435839") are corporations incorporated under the laws of the Province of Ontario and 1435839 is a wholly-owned subsidiary of the Applicant.
4. TTCI Holdings Inc. ("TTCIHI") distributes to holders of its Class Y preference shares (the "Class Y Shares"), including the Applicant, Common Shares as redemption proceeds on the redemption of its Class Y Shares each quarter.
5. Each of the Applicant, TTCIHI and 1435839 are indirectly controlled by KRT. Each of the Applicant, TTCIHI and 1435839 are, with respect to TTC, persons referred to in clause (c) of the definition of "distribution" in subsection 1(1) of the Act.
6. The Applicant has transferred Common Shares to 1435839 in consideration for common shares of 1435839 on a rollover basis as provided for by subsection 85(1) of the *Income Tax Act* (Canada).
7. The Applicant wishes to sell the Common Shares acquired by it each quarter from TTCIHI as proceeds on the redemption of the Class Y Shares of TTCIHI held by the Applicant to third parties forthwith after the Applicant receives such Common Shares, such sales to be made pursuant to clauses 72(7)(b) and (c) of the Act.
8. Subsection 3.11(1) of Rule 45-501 provides that the prospectus exemption contained in clauses 72(7)(b) and (c) of the Act does not apply to a trade in securities unless the seller has held the securities for at least six months.
9. For the purposes of calculating the period during which the seller has held such securities, subsection 3.11(5) of Rule 45-501 permits the seller to include the period during which the securities were held by an affiliated entity if the securities were acquired by the seller from an affiliated entity.
10. 1435839, or an affiliated entity from which it acquired Common Shares, has held a sufficient number of Common Shares for the requisite 6 month period in order to permit 1435839 to immediately sell a number of them pursuant the prospectus exemptions in clauses 72(7)(b) and (c) of the Act at least equal to the number of Common Shares to be distributed by the Applicant.
11. 1435839, or an affiliated entity, will hold a number of Common Shares at least equal to the number of Common Shares to be distributed by the Applicant for an additional 6 month period commencing on the date of receipt by the Applicant of the Common Shares distributed by TTCIHI as redemption proceeds.
12. The Applicant will undertake, and will cause 1435839, or the affiliated entity, as the case may be, to undertake to the Commission, that it will ensure that, in each case where there is a permitted distribution of Common Shares by the Applicant pursuant to this Ruling, an equivalent number of otherwise freely tradable Common Shares in the hands of 1435839, or the

affiliate, as the case may be, will become subject to a new six month hold period pursuant to the conditions set forth in the Ruling.

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS RULED pursuant to subsection 74(1) of the Act, that any distribution by the Applicant of Common Shares received as redemption proceeds from TTCIHI on the Class Y Shares held by the Applicant is not subject to section 53 of the Act provided that:

1. such trades are made in accordance with the provisions of clauses 72(7)(b) and (c) of the Act, without regard to subsection 3.11(1) of Rule 45-501;
2. at the time of the distribution of Common Shares by the Applicant, 1435839 beneficially owns a number of Common Shares which have been held for the requisite six-month period in accordance with subsections 3.11(1) and (5) of Rule 45-501 at least equal to the number of Common Shares to be distributed by the Applicant;
3. 1435839, or an affiliated entity, holds a number of Common Shares at least equal to the number of Common Shares to be distributed by the Applicant for an additional six-month period commencing on the date of receipt by the Applicant of the Common Shares distributed by TTCIHI as proceeds on the redemption of the Class Y Shares of TTCIHI held by the Applicant;
4. the Common Shares to be held by 1435839, or an affiliated entity, for an additional six-month period as required by the terms of the immediately preceding paragraph are Common Shares which, but for the application of this Ruling, would not have been subject to any hold period and could have been sold forthwith to the public pursuant to clauses 72(7)(b) and (c) of the Act; and
5. the aggregate number of Common Shares distributed by the Applicant pursuant to this ruling in any financial year of TTC does not exceed one percent (1%) of the Common Shares outstanding at the commencement of such financial year.

September 22nd, 2000.

"J. A. Geller"

"Robert W. Davis"

Chapter 3

Reasons: Decisions, Orders and Rulings

THERE IS NO MATERIAL FOR THIS CHAPTER
IN THIS ISSUE

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Chapter 4

Cease Trading Orders

4.1.1 Temporary Cease Trading Orders

| Company Name | Date of Order or Temporary Order | Date of Hearing | Date of Extending Order | Date of Rescinding Order |
|--------------------------|-------------------------------------|-----------------|----------------------------|-----------------------------|
| Datalex Corp. | Oct 4/00 | Oct 16/00 | --- | --- |
| Unirom Technologies Inc. | Oct 4/00 | Oct 16/00 | --- | --- |

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Chapter 5
Rules and Policies

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IN THIS ISSUE

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Chapter 6

Request for Comments

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Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesSource (see www.carswell.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 8

Notice of Exempt Financings

Exempt Financings

The Ontario Securities Commission reminds Issuers of exempt financings that they are responsible for the completeness, accuracy and timely filing of Forms 20 and 21 pursuant to section 72 of the Securities Act and section 14 of the Regulation to the Act. The information provided is not verified by staff of the Commission and is published as received except for confidential reports filed under paragraph E of the Ontario Securities Commission Policy Statement No. 6.1.

Reports of Trades Submitted on Form 45-501f1

| <u>Trans. Date</u> | <u>Security</u> | <u>Price (\$)</u> | <u>Amount</u> |
|------------------------|---|--------------------|------------------|
| 25Sep00 | 01 Communique Laboratory Inc. - Special Warrants | 10,722,210 | 1,787,035 |
| 29Sep00 | 701.Com Corp. - 12% Secured Promissory Notes | \$300,000 | \$300,000 |
| 13Sep00 | Acuity Pooled Canadian Equity Fund - Trust Units | 272,591 | 12,943 |
| 18Aug00 & 19Sep00 | Adherex Technologies Inc. - Special Warrants | 500,000 | 100,000 |
| 27Sep00 | # Aether Systems, Inc. - Common Stock | US\$16,044,0 00 | 152,800 |
| 26Sep00 | # Allied Capital Corporation - Common Stock | US\$479,687 | 25,000 |
| 15Sep00 | Arrow Capital Advance Fund - Class "A" Units | 298,500 | 30,090 |
| 01Sep00 | Ascendant Limited Partnership - Limited Partnership Units | 250,000 | 256 |
| 26Sep00 | AvantGO, Inc. - Common Stock | 44,607 | 2,500 |
| 26Sep00 | Bakbone Software Inc. - Common Shares and SWA Warrants | 156,875, 6,250 | 12,500, 6,250 |
| 15Sep00 | BCE Emergis Inc. - Common Shares | US\$88,306,4 69 | 88,306,469 |
| 26Sep00 | Black Pearl Minerals Consolidated Inc. | 124,496 | 622,480 |
| 20Sep00 | Book4.golf.com Corporation - Special Units | 25,370,000 | 12,685,000 |
| 08Sep00 | BPI American Opportunities Fund - Units | 3,463,665 | 22,945 |
| 25Aug00 | BPI American Opportunities Fund - Units | 4,213,947 | 27,646 |
| 01Sep00 | BPI American Opportunities Fund - Units | 1,955,979 | 12,296 |
| 20Sep00 | Bryker Technology Partners, L.P. - Class A Limited Partnership Interest | 209,250 | 465,000 |
| 26Sep00 | Clear Picture Corporation Limited - Class A Preferred Shares | 750,000 | 75,000 |
| 15Sep00 | Crystallex International Corporation - Special Warrants | 550,000 | 275,000 |
| 01Sep00 | D.E. Shaw Valence International Fund 2 - Trust Units | US\$3,000,00 0 | 3,000,000 |
| 17Aug00 | Darnley Bay Resources Limited - Special Warrants | 500,000 | 500,000 |
| 27Sep00 | Descartes Systems Group Inc. The - Common Shares | 2,000,000 | 39,526 |
| 27Sep00 | East West Resources Corporation - Common Shares | 3,250 | 25,000 |
| 02Oct00 | FloNetwork Inc. - Promissory Note | \$3,000,000 | \$3,000,000 |
| 04Sep00 | Gluskin Sheff Fund, The - Units | 200,000 | 1,867 |
| 20Sep00 | Houston Lake Mining Inc. - Units | 40,000 | 100,000 |
| 31May00 | iPerformance Fund Corp. - Special Warrants | 805,000 | 805,000 |

Notice of Exempt Financings

| <u>Trans. Date</u> | <u>Security</u> | <u>Price (\$)</u> | <u>Amount</u> |
|------------------------|---|-------------------|---------------|
| 13Sep00 | Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Overseas Equity Fund - Units | 272,721 | 2,448 |
| 31Aug00 | Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Fixed Income Fund, Russell Canadian Equity Fund, Russell Global Equity Fund - Units | 234,515 | 1,813 |
| 18Aug00 | Lifepoints Balanced Growth - Units | 1,054 | 9 |
| 22Aug00 | Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Fixed Income Fund, Russell Canadian Equity Fund, Russell Global Equity Fund - Units | 27,346 | 213 |
| 15Aug00 | Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Canadian Equity Fund, Russell Global Equity Fund, Russell U.S. Equity Fund, Russell Overseas Equity Fund - Units | 87,785 | 780 |
| 13Sep00 | Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Fixed Income Fund, Russell Canadian Equity Fund, Russell Global Equity Fund - Units | 6,825 | 52 |
| 16Aug00 | Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Income Fund, Russell Overseas Equity Fund - Units | 4,421 | 34 |
| 18Aug00 | Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Fixed Income Fund, Russell Canadian Equity Fund, Russell Global Equity Fund - Units | 6,802 | 53 |
| 18Aug00 | Lifepoints Balanced Long Term Growth Fund - Units | 9,062 | 74 |
| 21Aug00 | Lifepoints Balanced Long Term Growth, Lifepoints Balanced Growth, Lifepoints Balanced Income - Units | 15,156 | 132 |
| 11Aug00 | Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Fixed Income Fund, Russell Canadian Equity Fund, Russell Global Equity Fund - Units | 42,151 | 361 |
| 18Aug00 | Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Fixed Income Fund, Russell Canadian Equity Fund, Russell Global Equity Fund - Units | 200,975 | 1,639 |
| 16Aug00 | Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund - Units | 155,383 | 1,307 |
| 01Sep00 | Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund - Units | 44,389 | 368 |
| 11Sep00 | Lifepoints Balanced Income Fund, Russell Canadian Equity Fund - Units | 528 | 4 |
| 01Sep00 | Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Fixed Income Fund, Russell Canadian Equity Fund, Russell Global Equity Fund - Units | 97,974 | 762 |
| 07Sep00 | Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund - Units | 114,838 | 1,000 |
| 25Aug00 | Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Fixed Income Fund, Russell Canadian Equity Fund, Russell Global Equity Fund - Units | 40,478 | 331 |
| 07Sep00 | Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell Global Equity Fund - Units | 21,786 | 162 |
| 06Sep00 | Lifepoints Balanced Long Term Growth, Lifepoints Balanced Growth, Lifepoints Balanced Income - Units | 14,112 | 121 |
| 11Sep00 | Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Russell Canadian Equity Fund - Units | 36,050 | 283 |
| 08Sep00 | Lifepoints Balanced Growth Fund, Russell Global Equity Fund - Units | 37,044 | 334 |
| 11Sep00 | Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell Global Equity Fund - Units | 46,038 | 348 |
| 25Aug00 | Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell Global Equity Fund - Units | 30,790 | 244 |
| 08Sep00 | Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell Global Equity Fund - Units | 21,480 | 171 |

Notice of Exempt Financings

| <u>Trans. Date</u> | <u>Security</u> | <u>Price (\$)</u> | <u>Amount</u> |
|------------------------|---|-------------------|---------------|
| 17Aug00 | Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Canadian Equity Fund, Russell Global Equity Fund, Russell U.S. Equity Fund - Units | 450,281 | 3,806 |
| 24Aug00 | Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Global Equity Fund, Russell Overseas Equity Fund - Units | 180,766 | 1,527 |
| 05Sep00 | Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell U.S. Equity Fund, Russell Overseas Equity Fund - Units | 78,649 | 701 |
| 11Aug00 | Lifepoints Balanced Growth Fund, Russell Overseas Equity Fund - Units | 83,144 | 755 |
| 22Aug00 | Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Overseas Equity Fund - Units | 78,502 | 660 |
| 28Aug00 | Lifepoints Balanced Growth Fund, Russell Canadian Equity Fund, Russell U.S. Equity Fund, Russell Overseas Equity Fund - Units | 47,768 | 411 |
| 06Sep00 | Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Canadian Equity Fund - Units | 233,134 | 2,098 |
| 29Aug00 | Lifepoints Balanced Long Term Growth Fund, Lifepoint Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Global Equity Fund, Russell Overseas Equity Fund - Units | 39,197 | 344 |
| 23Aug00 | Lifepoints Balanced Growth Fund - Units | 42,415 | 381 |
| 07Sep00 | Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Russell Overseas Equity Fund - Units | 43,878 | 373 |
| 08Sep00 | Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Income Fund, Russell Global Equity Fund - Units | 2,009 | 17 |
| 21Aug00 | Lifepoints Balanced Income Fund, Lifepoints Balanced Growth Fund, Lifepoints Long Term Growth Fund - Units | 13,853 | 114 |
| 25Aug00 | Lifepoints Balanced Long Term Growth Fund - Units | 7,065 | 57 |
| 18Aug00 | Lifepoints Balanced Income Fund, Lifepoints Balanced Growth Fund, Lifepoints Long Term Growth Fund - Units | 4,609 | 40 |
| 22Aug00 | Lifepoints Balanced Income Fund, Lifepoints Balanced Growth Fund - Units | 976 | 9 |
| 31Aug00 | Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund - Units | 54,573 | 483 |
| 11Sep00 | Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Russell Global Equity Fund - Units | 21,077 | 175 |
| 01Sep00 | Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell Global Equity Fund, Russell U.S. Equity Fund, Russell Overseas Equity Fund - Units | 208,997 | 1,978 |
| 21Sep00 | Northern Telephone Limited - 7.35% Debenture-Series U | 22,000,000 | 22,000,000 |
| 27Sep00 | Pan American Resources Inc. - Common Shares | 575,000 | 3,833,334 |
| 16Aug00 | Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell US Equity Fund, Russell Overseas Equity Fund - Units | 89,055 | 687 |
| 01Sep00 | Russell Canadian Fixed Income Fund, Russell Overseas Equity Fund - Units | 68,000 | 525 |
| 24Aug00 | Russell Canadian Fixed Income Fund - Units | 3,084 | 26 |
| 29Aug00 | Russell Canadian Fixed Income Fund - Units | 174,145 | 1,504 |
| 15Aug00 | Russell Canadian Fixed Income Fund - Units | 400,000 | 3,455 |
| 23Aug00 | Russell Canadian Equity Fund - Units | 22,392 | 90 |
| 31Aug00 | Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell Overseas Equity Fund - Units | 8,400 | 66 |
| 14Sep00 | Russell Canadian Equity Fund - Units | 60,000 | 235 |
| 06Sep00 | Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell US Equity Fund, Lifepoints Balanced Growth Fund - Units | 242,210 | 1,207 |
| 14Sep00 | Russell Canadian Equity Fund, Lifepoints Balanced Long Term Growth Fund - Units | 22,223 | 105 |
| 18Aug00 | Russell Canadian Fixed Income Fund, Russell Overseas Equity Fund - Units | 745,549 | 6,215 |
| 21Aug00 | Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell US Equity Fund, Russell Overseas Equity Fund, Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Income Fund - Units | 197,567 | 1,287 |
| 18Aug00 | Russell Canadian Fixed Income Fund - Units | 51,000 | 439 |

Notice of Exempt Financings

| <u>Trans. Date</u> | <u>Security</u> | <u>Price (\$)</u> | <u>Amount</u> |
|------------------------|---|-------------------|---------------|
| 15Aug00 | Russell Canadian Equity Fund, Russell Oversea Equity Fund, Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund - Units | 41,437 | 268 |
| 07Sep00 | Russell Canadian Equity Fund, Lifepoints Balanced Income Fund - Units | 27,380 | 151 |
| 07Sep00 | Russell Canadian Fixed Income Fund - Unit | 154 | 1 |
| 16Aug00 | Russell Canadian Fixed Income Fund, Russell Overseas Equity Fund - Units | 1,204,405 | 9,349 |
| 11Aug00 | Russell Canadian Equity Fund, Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Income Fund - Units | 123,302 | 562 |
| 23Aug00 | Russell Canadian Fixed Income Fund, Russell Overseas Equity Fund - Units | 132,623 | 1,047 |
| 01Sep00 | Russell Canadian Fixed Income Fund, Russell Overseas Equity Fund, Lifepoints Balanced Long Term Growth Fund - Units | 21,990 | 172 |
| 25Aug00 | Russell Canadian Equity Fund - Unit | 18 | .074 |
| 17Aug00 | Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell Overseas Equity Fund - Units | 295,759 | 1,948 |
| 31Aug00 | Russell Canadian Fixed Income Fund, Lifepoints Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Canadian Equity Fund, Russell Global Equity Fund - Units | 7,921 | 59 |
| 22Aug00 | Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell US Equity Fund, Russell Overseas Equity Fund, Lifepoints Balanced Long Term Growth Fund - Units | 45,803 | 310 |
| 18Aug00 | Russell Canadian Equity Fund, Lifepoints Balanced Income Fund - Units | 57,976 | 234 |
| 31Aug00 | Russell Canadian Fixed Income Fund, Russell Overseas Equity Fund, Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund - Units | 48,610 | 414 |
| 28Aug00 | Russell Canadian Fixed Income Fund - Unit | 102 | .88 |
| 17Aug00 | Russell Canadian Fixed Income Fund, Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Income Fund - Units | 6,044 | 53 |
| 14Aug00 | Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell Overseas Equity Fund, Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund - Units | 161,070 | 1,335 |
| 21Aug00 | Russell Canadian Fixed Income Fund - Units | 143,953 | 1,241 |
| 28Aug00 | Russell Canadian Fixed Income Fund - Units | 15,244 | 131 |
| 22Aug00 | Russell Canadian Fixed Income Fund - Unit | 123,811 | 1,067 |
| 29Aug00 | Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell Overseas Equity Fund - Units | 178,544 | 1,144 |
| 16Aug00 | Russell Canadian Equity Fund, Russell Global Equity Fund - Unit | 128 | .65 |
| 28Aug00 | Russell Canadian Fixed Income Fund - Units | 11,050 | 95 |
| 28Aug00 | Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell Overseas Equity Fund - Units | 342,288 | 2,340 |
| 16Aug00 | Russell Canadian Fixed Income Fund, Russell US Equity Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund - Units | 80,822 | 670 |
| 14Aug00 | Russell Canadian Fixed Income Fund, Lifepoints Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Canadian Equity Fund, Russell Global Equity Fund - Units | 2,144 | 17 |
| 13Sep00 | Russell Overseas Equity Fund - Units | 13,047 | 98 |
| 08Sep00 | Russell U.S. Equity Fund - Units | 17,001 | 108 |
| 11Sep00 | Russell US Equity Fund, Russell Overseas Equity Fund, Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Income Fund - Units | 179,352 | 1,281 |
| 23Aug00 | Russell US Equity Fund, Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund - Units | 20,541 | 171 |
| 21Sep00 | Sanford C. Bernstein Global Equity Fund - Units | 750,000 | 31,766 |
| 31Sep00 | Sanford C. Bernstein Global Equity Fund - Units | 600,000 | 25,412 |
| 12Sep00 | Sanford C. Bernstein Global Equity Fund - Units | 1,000,000 | 40,633 |
| 20Sep00 | Systech Retail Systems Inc. - Common Shares | 150,000 | 75,000 |
| 15Sep00 | Tenke Mining Corp. - Common Shares | 640,000 | 640,000 |
| 15Sep00 | Tenke Mining Corp. - Common Shares | 640,000 | 640,000 |

Notice of Exempt Financings

| <u>Trans. Date</u> | <u>Security</u> | <u>Price (\$)</u> | <u>Amount</u> |
|------------------------|--|-------------------|---------------|
| 25Sep00 to 29Sep00 | Trimark Mutual Funds - Units (See Filing Document for Individual Fund Names) | 1,590,152 | 182,519 |
| 28Sep00 | Veritel Canada Inc. - Class A Preference Shares | 1,164,300 | 1,186 |
| 19Sep00 | Yipes Communications Group, Inc. - Series C Preferred Stock | 1,500,298 | 153,846 |
| 27Sep00 | YOUtopia.com, Inc. - Series A Preferred Shares | US\$1,350,000 | 135,000 |

Resale of Securities - (Form 45-501f2)

| <u>Date of Resale</u> | <u>Date of Orig. Purchase</u> | <u>Seller</u> | <u>Security</u> | <u>Price (\$)</u> | <u>Amount</u> |
|---------------------------|-----------------------------------|--|-------------------------------------|-------------------|---------------|
| 15Sep00 | 04Feb00 | Investors Group Trust Co. Ltd. as Trustee for Investors Canadian Small Cap | Xenos Group Inc. - Common Shares | 136,972 | 28,800 |

Notice of Intention to Distribute Securities Pursuant to Subsection 7 of Section 72 - (Form 23)

| <u>Seller</u> | <u>Security</u> | <u>Amount</u> |
|--------------------------|----------------------------------|---------------|
| BJC Family Holdings Ltd. | Gendis Inc. - Common Shares | 290,000 |
| Baran, Steve | Meridian Resources Inc. - Shares | 4,500,000 |

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Chapter 9
Legislation

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IN THIS ISSUE

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

360networks inc.

Type and Date:

Preliminary Short Form Prospectus dated October 12th, 2000
Received October 12th, 2000

Offering Price and Description:

A Maximum of 4,577,251 Subordinate Voting Shares issuable
on the exercise of Employee Stock Options

Underwriter(s), Agent(s) or Distributor(s):

N/A

Promoter(s):

Ledcor Industrial Limited

Project #303984

Issuer Name:

Bema Gold Corporation

Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated October 17th, 2000
Mutual Reliance Review System Receipt dated October 17th,
2000

Offering Price and Description:

* Common Shares - * Common Shares Issuable on
Conversion of CDN \$1,026,479 Principal Amount Convertible
Promissory Note

Underwriter(s), Agent(s) or Distributor(s):

N/A

Promoter(s):

Project #304925

Issuer Name:

Capital International - International Equity

Capital International - U.S. Equity

Capital International - Global Small Cap

Capital International - Global Discovery

Capital International - U.S. Small Cap

Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated October 13th, 2000
Mutual Reliance Review System Receipt dated October 19th,
2000

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

Registered Dealer

Promoter(s):

Capital International Asset Management (Canada) Inc

Project #304293

Issuer Name:

Credential Select Balanced Portfolio

Credential Select Growth Portfolio

Credential Select High Growth Portfolio

Principal Regulator - British Columbia

Type and Date:

Preliminary Simplified Prospectus dated October 12th, 2000
Mutual Reliance Review System Receipt dated October 13th,
2000

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

Credential Asset Management Inc.

Promoter(s):

N/A

Project #304488

Issuer Name:

Dominion Citrus Limited

Ontario Only

Type and Date:

Preliminary Prospectus dated October 12th, 2000
Received October 16th, 2000

Offering Price and Description:

\$ * - * Common Shares

Underwriter(s), Agent(s) or Distributor(s):

Algonquin Mercantile Corporation

Promoter(s):

N/A

Project #304415

Issuer Name:

Dynacare Inc.

Ontario Only

Type and Date:

Amended Preliminary Prospectus dated October 11th, 2000
Received October 12th, 2000

Offering Price and Description:

\$ * - 7,000,000 Common Shares

Underwriter(s), Agent(s) or Distributor(s):

UBS Bunting Warburg Inc.

Promoter(s):

N/A

Project #301539

Issuer Name:

Electrofuel Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated October 13th, 2000
Mutual Reliance Review System Receipt dated October 16th, 2000

Offering Price and Description:

US\$30,000,000 - 5,625,000 Common Shares issuable without additional consideration upon the exercise of 1,875,000 Special Warrants previously issued at a price of US\$ 16.00 per Special Warrants

Underwriter(s), Agent(s) or Distributor(s):

Yorkton Securities Inc.

Promoter(s):

Sankar Das Gupta
James Jacobs

Project #304417

Issuer Name:

Fifty-Nine Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated October 11th, 2000
Mutual Reliance Review System Receipt dated October 12th, 2000

Offering Price and Description:

\$ * - * Class A Shares

Underwriter(s), Agent(s) or Distributor(s):

Scotia Capital Inc.

Promoter(s):

Scotia Capital Inc.
Project #303957

Issuer Name:

GDF Global Diversified Fund Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary Simplified Prospectus dated October 16th, 2000
Mutual Reliance Review System Receipt dated October 16th, 2000

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

Registered Dealer

Promoter(s):

GDF Fund Management Inc.
BMO Nesbitt Burns Inc.

Project #304543

Issuer Name:

Georgian Global Financial Services Fund
Georgian Global 24 Fund
Georgian Northern 24 Fund
Georgian Bond Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated October 16th, 2000
Mutual Reliance Review System Receipt dated October 18th, 2000

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

Registered Dealers

Promoter(s):

N/A

Project #304942

Issuer Name:

HSBC Global Technology Fund
Principal Regulator - British Columbia

Type and Date:

Preliminary Simplified Prospectus dated October 11th, 2000
Mutual Reliance Review System Receipt dated October 16th, 2000

Offering Price and Description:

Mutual Funds Securities - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

HSBC Investment Funds (Canada) Inc.

Promoter(s):

HSBC Investment Funds (Canada) Inc.

Project #304523

Issuer Name:

Laurentian Bank of Canada
Principal Regulator - Quebec

Type and Date:

Preliminary Short Form Prospectus dated October 16th, 2000
Mutual Reliance Review System Receipt dated October 16th, 2000

Offering Price and Description:

\$100,000,000 - * % Debentures, Series 9, due 2011

Underwriter(s), Agent(s) or Distributor(s):

BLC Securities Inc.

National Bank Financial Inc.

BMO Nesbitt Burns Inc.

RBC Dominion Securities Inc.

Scotia Capital Inc.

CIBC World Markets Inc.

HSBC Securities (Canada) Inc.

Merrill Lynch Canada Inc.

TD Securities Inc.

Promoter(s):

N/A

Project #304711

Issuer Name:

Mackenzie Horizon Capital Class
Mackenzie Ivy Canadian Capital Class
Mackenzie Ivy Enterprise Capital Class
Mackenzie Universal Canadian Growth Capital Class
Mackenzie Universal Future Capital Class
Mackenzie Universal Select Managers Canada Capital Class
Mackenzie Universal Select Managers USA Capital Class
Mackenzie Universal U.S. Blue Chip Capital Class
Mackenzie Universal U.S. Emerging Growth Capital Class
Mackenzie Cundill Value Capital Class
Mackenzie Ivy Foreign Equity Capital Class
Keystone Premier Euro Elite 100 Capital Class
Keystone Premier Global Elite 100 Capital Class
Mackenzie Universal European Opportunities Capital Class
Mackenzie Universal Global Ethics Capital Class
Mackenzie Universal International Stock Capital Class
Mackenzie Universal Select Managers Capital Class
Mackenzie Universal Select Managers Far East Capital Class
Mackenzie Universal Select Managers International Capital Class
Mackenzie Universal Select Managers Japan Capital Class
Mackenzie Universal World Emerging Growth Capital Class
Mackenzie Universal World Value Capital Class
Mackenzie Universal Canadian Resource Capital Class
Mackenzie Universal Communications Capital Class
Mackenzie Universal Financial Services Capital Class
Mackenzie Universal Health Sciences Capital Class
Mackenzie Universal Internet Technologies Capital Class
Mackenzie Universal Precious Metals Capital Class
Mackenzie Universal World Real Estate Capital Class
Mackenzie Universal World Resource Capital Class
Mackenzie Universal World Science & Technology Capital Class
Mackenzie Canadian Managed Yield Capital Class
Mackenzie U.S. Managed Yield Capital Class

Principal Jurisdiction - Ontario

Type and Date:

Preliminary Simplified Prospectus dated October 13th, 2000
Mutual Reliance Review System Receipt dated October 16th, 2000

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

Registered Dealer

Promoter(s):

Mackenzie Financial Capital Corporation

Project #304438

Issuer Name:

Merrill Lynch Frontiers Canadian Equity Pool
Merrill Lynch Frontiers U.S. Equity Pool
Merrill Lynch Frontiers U.S. Equity RSP Pool
Merrill Lynch Frontiers International Equity Pool
Merrill Lynch Frontiers International Equity RSP Pool
Merrill Lynch Frontiers Emerging Markets Equity Pool
Merrill Lynch Frontiers Canadian Fixed Income Pool
Merrill Lynch Frontiers Global Bond Pool
Merrill Lynch Frontiers Canadian Short Term Income Pool
Principal Jurisdiction - Ontario

Type and Date:

Preliminary Simplified Prospectus dated October 11th, 2000
Mutual Reliance Review System Receipt dated October 12th, 2000

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

Atlas Asset Management Inc.

Promoter(s):

Atlas Asset Management Inc.

Project #303649

Issuer Name:

Nova Scotia Power Incorporated
Emera Incorporated
Principal Regulator - Nova Scotia

Type and Date:

Preliminary Short Form Prospectus dated 13th, October 2000
Mutual Reliance Review System Receipt dated October 13th, 2000

Offering Price and Description:

\$135,000,000 - 5,400,000 5.90% Cumulative Redeemable
First Preferred Shares, Series D

Underwriter(s), Agent(s) or Distributor(s):

Scotia Capital Inc.

CIBC World Markets Inc.

TD Securities Inc.

BMO Nesbitt Burns Inc.

National Bank Financial Inc.

Promoter(s):

N/A

Project #304379 & 304383

Issuer Name:

Precision Drilling Corporation
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated October 11th, 2000
Mutual Reliance Review System Receipt dated October 12th, 2000

Offering Price and Description:

\$ * - * % Series 2 Debentures due *, 2010 (Unsecured)

Underwriter(s), Agent(s) or Distributor(s):

RBC Dominion Securities Inc.

Merrill Lynch Canada Inc.

TD Securities Inc.

National Bank Financial Inc.

HSBC Securities (Canada) Inc.

Promoter(s):

N/A

Project #303755

Issuer Name:

Protege Group Education Savings Plan
Protege Individual Education Savings Plan
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated October 11th, 2000
Mutual Reliance Review System Receipt dated October 12th, 2000

Offering Price and Description:

Underwriter(s), Agent(s) or Distributor(s):

N/A

Promoter(s):

The International Scholarship Foundation
Project #303765 & 303771

Issuer Name:

Saxon High Income Fund
Saxon Balanced Fund
Saxon Stock Fund
Saxon Small Cap
Saxon World Growth
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated October 11th, 2000
Mutual Reliance Review System Receipt dated October 12th, 2000

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

Howson Tattersall Investment Counsel Limited

Promoter(s):

Howson Tattersall Investment Counsel Limited
Project #303729

Issuer Name:

Scotia Mortgage Income Fund
Scotia Canadian Short-Term Income Fund
Scotia Canadian Bond Index Fund
Scotia Canadian Income Fund
Scotia CanAm U.S. \$ Income Fund
Scotia CanGlobal Income Fund
Scotia Global Income Fund
Scotia Canadian Balanced Fund
Scotia Total Return Fund
Scotia Canadian Dividend Fund
Scotia Canadian Blue Chip Fund
Scotia Canadian Stock Index Fund
Scotia Canadian Growth Fund
Scotia Canadian Mid-Large Cap Fund
Scotia Canadian Small Cap Fund
Scotia Precious Metals Fund
Scotia American Stock Index Fund
Scotia American Growth Fund
Scotia CanAm Stock Index Fund
Scotia Nasdaq Index Fund
Scotia Young Investors Fund
Scotia International Stock Index Fund
Scotia International Growth Fund
Scotia European Growth Fund
Scotia Pacific Rim Growth Fund
Scotia Latin American Growth Fund
Scotia Emerging Markets Fund
Scotia U.S. Large Companies Fund
Scotia U.S. Large Companies RSP Fund
Scotia U.S. Small Companies Fund
Scotia U.S. Small Companies RSP Fund
Scotia International Large Companies Fund
Scotia International Large Companies RSP Fund
Scotia Global New Economy Fund
Scotia Global New Economy RSP Fund
Scotia Global Small Companies Fund
Scotia Global Small Companies RSP Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated October 13th, 2000
Mutual Reliance Review System Receipt dated October 18th, 2000

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

Scotia Securities Inc

Promoter(s):

Scotia Securities Inc

Project #304456

Issuer Name:

Sentry Select Alternative Energy Fund 2001
Sentry Select Global Financial Services Fund 2001
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated October 12th, 2000
Mutual Reliance Review System Receipt dated October 13th, 2000

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

Sentry Select Capital Corp.

Promoter(s):

Sentry Select Capital Corp.

Project #304057

Issuer Name:

Sceptre Global Equity Fund (formerly Sceptre International Fund)

Principal Regulator - Ontario

Type and Date:

Amended Simplified Prospectus and Annual Information Form dated October 6th, 2000 Amending and Restating the Simplified Prospectus and Annual Information Form dated September 8, 2000

Mutual Reliance Review System Receipt dated 18th day of October, 2000

Offering Price and Description:

Mutual Fund Units - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

Sceptre Investment Counsel Limited

Promoter(s):

Sceptre Investment Counsel Limited

Project #286346

Issuer Name:

C.I. Canadian Equity Value Fund

Principal Regulator - Ontario

Type and Date:

Amendment #1 dated October 5th, 2000 to Simplified Prospectus and Annual Information Form dated July 17th, 2000

Mutual Reliance Review System Receipt dated 13th day of October, 2000

Offering Price and Description:

Mutual Fund Units - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

Registered Dealer

Promoter(s):

C.I. Mutual Funds Inc.

Project #283287

Issuer Name:

FundSmart Managed Aggressive Growth Portfolio
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated October 6th, 2000 to Simplified Prospectus and Annual Information Form dated November 10th, 1999

Mutual Reliance Review System Receipt dated 16th day of October, 2000

Offering Price and Description:

Mutual Fund Unit - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

TD Asset Management Inc.

Promoter(s):

TD Asset Management Inc.

Project #209431

Issuer Name:

FundSmart Managed Maximum Equity Growth RSP Portfolio

Principal Regulator - Ontario

Type and Date:

Amendment #1 dated October 6th, 2000 to Simplified Prospectus and Annual Information Form dated November 10th, 1999

Mutual Reliance Review System Receipt dated 16th day of October, 2000

Offering Price and Description:

Mutual Fund Units - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

TD Asset Management Inc.

Promoter(s):

TD Asset Management Inc.

Project #209449

Issuer Name:

FundSmart Managed Maximum Equity Growth Portfolio

Principal Regulator - Ontario

Type and Date:

Amendment #1 dated October 6th, 2000 to Simplified Prospectus and Annual Information Form dated November 10th, 1999

Mutual Reliance Review System Receipt dated 16th day of October, 2000

Offering Price and Description:

Mutual Fund Units - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

TD Asset Management Inc.

Promoter(s):

TD Asset Management Inc.

Project #209448

Issuer Name:

FundSmart Managed Income RSP Portfolio
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated October 6th, 2000 to Simplified Prospectus and Annual Information Form dated November 10th, 1999
Mutual Reliance Review System Receipt dated 16th day of October, 2000

Offering Price and Description:

Mutual Fund Units - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

TD Asset Management Inc.

Promoter(s):

TD Asset Management Inc.

Project #209447

Issuer Name:

FundSmart Managed Income Portfolio
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated October 6th, 2000 to Simplified Prospectus and Annual Information Form dated November 10th, 1999
Mutual Reliance Review System Receipt dated 16th day of October, 2000

Offering Price and Description:

Mutual Fund Units - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

TD Asset Management Inc.

Promoter(s):

TD Asset Management

Project #209446

Issuer Name:

FundSmart Managed Income & Moderate Growth RSP Portfolio
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated October 6th, 2000 to Simplified Prospectus and Annual Information Form dated November 10th, 1999
Mutual Reliance Review System Receipt dated 16th day of October, 2000

Offering Price and Description:

Mutual Fund Unit - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

TD Asset Management Inc.

Promoter(s):

TD Asset Management

Project #209445

Issuer Name:

FundSmart Managed Income & Moderate Growth Portfolio
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated October 6th, 2000 to Simplified Prospectus and Annual Information Form dated November 10th, 1999
Mutual Reliance Review System Receipt dated 16th day of October, 2000

Offering Price and Description:

Mutual Fund Units - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

TD Asset Management Inc.

Promoter(s):

TD Asset Management

Project #209443

Issuer Name:

FundSmart Managed Balanced Growth RSP Portfolio
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated October 6th, 2000 to Simplified Prospectus and Annual Information Form dated November 10th, 1999
Mutual Reliance Review System Receipt dated 16th day of October, 2000

Offering Price and Description:

Mutual Fund Unit - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

TD Asset Management Inc.

Promoter(s):

TD Asset Management Inc.

Project #209439

Issuer Name:

FundSmart Managed Balanced Growth Portfolio
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated October 6th, 2000 to Simplified Prospectus and Annual Information Form dated November 10th, 1999
Mutual Reliance Review System Receipt dated 16th day of October, 2000

Offering Price and Description:

Mutual Fund Units - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

TD Asset Management Inc.

Promoter(s):

TD Asset Management

Project #209435

Issuer Name:

FundSmart Managed Aggressive Growth RSP Portfolio
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated October 6th, 2000 to Simplified Prospectus and Annual Information Form dated November 10th, 1999

Mutual Reliance Review System Receipt dated 16th day of October, 2000

Offering Price and Description:

Mutual Fund Units - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

TD Asset Management Inc.

Promoter(s):

TD Asset Management

Project #209433

Issuer Name:

Green Line Managed Maximum Equity Growth RSP Portfolio

Principal Regulator - Ontario

Type and Date:

Amendment #1 dated October 6th, 2000 to Simplified Prospectus and Annual Information Form dated November 10th, 1999

Mutual Reliance Review System Receipt dated 16th day of October, 2000

Offering Price and Description:

Mutual Fund Units - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

TD Asset Management Inc.

Promoter(s):

TD Asset Management

Project #210103

Issuer Name:

Green Line Managed Maximum Equity Growth Portfolio

Principal Regulator - Ontario

Type and Date:

Amendment #1 dated October 6th, 2000 to Simplified Prospectus and Annual Information Form dated November 10th, 1999

Mutual Reliance Review System Receipt dated 16th day of October, 2000

Offering Price and Description:

Mutual Fund Units - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

TD Asset Management Inc.

Promoter(s):

Project #210102

Issuer Name:

Green Line Managed Income RSP Portfolio

Principal Regulator - Ontario

Type and Date:

Amendment #1 dated October 6th, 2000 to Simplified Prospectus and Annual Information Form dated November 10th, 1999

Mutual Reliance Review System Receipt dated 16th day of October, 2000

Offering Price and Description:

Mutual Fund Units - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

TD Asset Management Inc.

Promoter(s):

TD Asset Management

Project #210101

Issuer Name:

Green Line Managed Balanced Growth Portfolio

Principal Regulator - Ontario

Type and Date:

Amendment #1 dated October 6th, 2000 to Simplified Prospectus and Annual Information Form dated November 10th, 1999

Mutual Reliance Review System Receipt dated 16th day of October, 2000

Offering Price and Description:

Mutual Fund Units - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

TD Asset Management Inc.

Promoter(s):

TD Asset Management Inc.

Project #210105

Issuer Name:

Green Line Managed Income Portfolio

Principal Regulator - Ontario

Type and Date:

Amendment #1 dated October 6th, 2000 to Simplified Prospectus and Annual Information Form dated November 10th, 1999

Mutual Reliance Review System Receipt dated 16th day of October, 2000

Offering Price and Description:

Mutual Fund Units - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

TD Asset Management Inc.

Promoter(s):

TD Asset Management

Project #210100

Issuer Name:

Green Line Managed Income & Moderate Growth RSP Portfolio

Principal Regulator - Ontario

Type and Date:

Amendment #1 dated October 6th, 2000 to Simplified Prospectus and Annual Information Form dated November 10th, 1999

Mutual Reliance Review System Receipt dated 16th day of October, 2000

Offering Price and Description:

Mutual Fund Units - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

TD Asset Management Inc.

Promoter(s):

TD Asset Management Inc.

Project #210099

Issuer Name:

Green Line Managed Income & Moderate Growth Portfolio

Principal Regulator- Ontario

Type and Date:

Amendment #1 dated October 6th, 2000 to Simplified Prospectus and Annual Information Form dated November 10th, 1999

Mutual Reliance Review System Receipt dated 16th day of October, 2000

Offering Price and Description:

Mutual Fund Units - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

TD Asset Management Inc.

Promoter(s):

TD Asset Management Inc.

Project #210097

Issuer Name:

Green Line Managed Balanced Growth RSP Portfolio

Principal Regulator - Ontario

Type and Date:

Amendment #1 dated October 6th, 2000 to Simplified Prospectus and Annual Information Form dated November 10th, 1999

Mutual Reliance Review System Receipt dated 16th day of October, 2000

Offering Price and Description:

Mutual Fund Units - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

TD Asset Management Inc.

Promoter(s):

TD Asset Management

Project #210096

Issuer Name:

Green Line Managed Aggressive Growth RSP Portfolio

Principal Regulator - Ontario

Type and Date:

Amendment #1 dated October 6th, 2000 to Simplified Prospectus and Annual Information Form dated November 10th, 1999

Mutual Reliance Review System Receipt dated 16th day of October, 2000

Offering Price and Description:

Mutual Fund Units - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

TD Asset Management Inc.

Promoter(s):

TD Asset Management

Project #210095

Issuer Name:

Green Line Managed Aggressive Growth Portfolio

Principal Regulator - Ontario

Type and Date:

Amendment #1 dated October 6th, 2000 to Simplified Prospectus and Annual Information Form dated November 10th, 1999

Mutual Reliance Review System Receipt dated 16th day of October, 2000

Offering Price and Description:

Mutual Fund Units - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

TD Asset Management Inc.

Promoter(s):

TD Asset Management Inc.

Project #210078

Issuer Name:

Green Line Managed Index Maximum Equity Growth RSP Portfolio

Principal Regulator - Ontario

Type and Date:

Amendment #1 dated October 6th, 2000 to Simplified Prospectus and Annual Information Form dated November 10th, 1999

Mutual Reliance Review System Receipt dated 16th day of October, 2000

Offering Price and Description:

Mutual Fund Units - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

TD Asset Management Inc.

Promoter(s):

TD Asset Management Inc.

Project #209866

Issuer Name:

Green Line Managed Index Maximum Equity Growth Portfolio

Principal Regulator - Ontario

Type and Date:

Amendment #1 dated October 6th, 2000 to Simplified Prospectus and Annual Information Form dated November 10th, 1999

Mutual Reliance Review System Receipt dated 16th day of October, 2000

Offering Price and Description:

Mutual Fund Units - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

TD Asset Management Inc.

Promoter(s):

TD Asset Management Inc.

Project #209860

Issuer Name:

Green Line Managed Index Income RSP Portfolio

Principal Regulator - Ontario

Type and Date:

Amendment #1 dated October 6th, 2000 to Simplified Prospectus and Annual Information Form dated November 10th, 1999 dated

Mutual Reliance Review System Receipt dated 16th day of October, 2000

Offering Price and Description:

Mutual Fund Units - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

TD Asset Management Inc.

Promoter(s):

TD Asset Management

Project #209855

Issuer Name:

Green Line Managed Index Income Portfolio

Principal Regulator - Ontario

Type and Date:

Amendment #1 dated October 6th, 2000 to Simplified Prospectus and Annual Information Form dated November 10th, 1999 dated

Mutual Reliance Review System Receipt dated 16th day of October, 2000

Offering Price and Description:

Mutual Fund Units - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

TD Asset Management Inc.

Promoter(s):

TD Asset Management

Project #209853

Issuer Name:

Green Line Managed Index Income & Moderate Growth RSP Portfolio

Principal Regulator - Ontario

Type and Date:

Amendment #1 dated October 6th, 2000 to Simplified Prospectus and Annual Information Form dated November 10th, 1999 dated

Mutual Reliance Review System Receipt dated 16th day of October, 2000

Offering Price and Description:

Mutual Fund Units - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

TD Asset Management Inc.

Promoter(s):

TD Asset Management

Project #209851

Issuer Name:

Green Line Managed Index Income & Moderate Growth Portfolio

Principal Regulator - Ontario

Type and Date:

Amendment #1 dated October 6th, 2000 to Simplified Prospectus and Annual Information Form dated November 10th, 1999 dated

Mutual Reliance Review System Receipt dated 16th day of October, 2000

Offering Price and Description:

Mutual Fund Units - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

TD Asset Management Inc.

Promoter(s):

TD Asset Management

Project #209847

Issuer Name:

Green Line Managed Index Balanced Growth RSP Portfolio

Principal Regulator - Ontario

Type and Date:

Amendment #1 dated October 6th, 2000 to Simplified Prospectus and Annual Information Form dated November 10th, 1999 dated

Mutual Reliance Review System Receipt dated 16th day of October, 2000

Offering Price and Description:

Mutual Fund Units - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

TD Asset Management Inc.

Promoter(s):

TD Asset Management

Project #209843

Issuer Name:

Green Line Managed Index Balanced Growth Portfolio
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated October 6th, 2000 to Simplified Prospectus and Annual Information Form dated November 10th, 1999

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Offering Price and Description:

Mutual Fund Units - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

TD Asset Management Inc.

Promoter(s):

TD Asset Management Inc.

Project #209841

Issuer Name:

Green Line Managed Index Aggressive Growth RSP Portfolio

Principal Regulator - Ontario

Type and Date:

Amendment #1 dated October 6th, 2000 to Simplified Prospectus and Annual Information Form dated November 10th, 1999

Mutual Reliance Review System Receipt dated 16th day of October, 2000

Offering Price and Description:

Mutual Fund Units - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

TD Asset Management Inc.

Promoter(s):

TD Asset Management

Project #209839

Issuer Name:

Green Line Managed Index Aggressive Growth Portfolio
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated October 6th, 2000 to Simplified Prospectus and Annual Information Form dated November 10th, 1999

Mutual Reliance Review System Receipt dated 16th day of October, 2000

Offering Price and Description:

Mutual Fund Units - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

TD Asset Management Inc.

Promoter(s):

TD Asset Management Inc.

Project #209835

Issuer Name:

Merrill Lynch Frontiers Canadian Equity Pool
Merrill Lynch Frontiers U.S. Equity Pool
Merrill Lynch Frontiers U.S. Equity RSP Pool
Merrill Lynch Frontiers International Equity Pool
Merrill Lynch Frontiers International Equity RSP Pool
Merrill Lynch Frontiers Emerging Markets Equity Pool
Merrill Lynch Frontiers Canadian Fixed Income Pool
Merrill Lynch Frontiers Global Bond Pool
Merrill Lynch Frontiers Canadian Short Term Income Pool
Principal Jurisdiction - Ontario

Type and Date:

Amendment #1 dated October 10th, 2000 to Simplified Prospectuses and Annual Information Form dated November 19th, 1999

Mutual Reliance Review System Receipt dated 12th, day of October 2000.

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

Atlas Asset Management Inc.

Promoter(s):

Atlas Asset Management Inc.

Project #303649

Issuer Name:

360networks inc.
Ontario Only

Type and Date:

Final Prospectus dated October 13th, 2000
Received 16th day of October, 2000

Offering Price and Description:

Underwriter(s), Agent(s) or Distributor(s):

N/A

Promoter(s):

Ledcor Industrial Limited

Project #303984

Issuer Name:

Atlantic Systems Group Inc.
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated October 17th, 2000
Mutual Reliance Review System Receipt dated 18th day of October, 2000

Offering Price and Description:

N/A

Underwriter(s), Agent(s) or Distributor(s):

Goepel McDermid Ltd.

Promoter(s):

N/A

Project #299673

Issuer Name:

Coubran Resources Ltd.

Type and Date:

Final Prospectus dated October 11th, 2000
Received 16th day of October, 2000

Offering Price and Description:

Underwriter(s), Agent(s) or Distributor(s):

Goepel McDermid Inc.

Promoter(s):

Quest Ventures Ltd.

Project #286497

Issuer Name:

DXStorm.com Inc.

Type and Date:

Final Prospectus dated September 26th, 2000
Received 29th day of September, 2000

Offering Price and Description:

Underwriter(s), Agent(s) or Distributor(s):

N/A

Promoter(s):

Gregory H. Lowes

Project #280578

Issuer Name:

Icron Systems Inc.

Principal Regulator - Alberta

Type and Date:

Final Prospectus dated October 3rd, 2000
Mutual Reliance Review System Receipt dated 6th day of
October, 2000

Offering Price and Description:

N/A

Underwriter(s), Agent(s) or Distributor(s):

Canaccord Capital Corporation

Haywood Securities Inc.

Promoter(s):

Kelly Edmison

William Rand

Project #279126

Issuer Name:

Inzeco Holdings Inc.

Type and Date:

Final Prospectus dated October 12th, 2000
Received 13th day of October, 2000

Offering Price and Description:

Underwriter(s), Agent(s) or Distributor(s):

Paradigm Capital Inc.

Promoter(s):

Warren Arseneau

Project #296322

Issuer Name:

iUnits S&P/TSE 60 Index Participation Units
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated October 4th, 2000
Mutual Reliance Review System Receipt dated 11th day of
October, 2000

Offering Price and Description:

Underwriter(s), Agent(s) or Distributor(s):

Registered Dealer

Promoter(s):

N/A

Project #291872

Issuer Name:

Mediagrif Interactive Technologies Inc.

Principal Regulator - Quebec

Type and Date:

Final Prospectus dated September 25th, 2000
Mutual Reliance Review System Receipt dated 25th day of
September, 2000

Offering Price and Description:

\$50,016,216.00 - 4,168,018 Common Shares

Underwriter(s), Agent(s) or Distributor(s):

RBC Dominion Securities Inc.

CIBC World Markets Inc.

National Bank Financial Inc.

Scotia Capital Inc.

Promoter(s):

N/A

Project #284560

Issuer Name:

Triant Technologies Inc.

Principal Regulator - British Columbia

Type and Date:

Final Prospectus dated September 29th, 2000
Mutual Reliance Review System Receipt dated 3rd day of
October, 2000

Offering Price and Description:

\$15,000,000.00 - 9,375,000 Common Shares Issuable upon
the Exercise of Special Warrants

Underwriter(s), Agent(s) or Distributor(s):

Sprott Securities Limited

Taurus Capital Markets Ltd.

Promoter(s):

N/A

Project #287349

Issuer Name:

VoicelQ Inc.
(Formerly, BCB Voice Systems Inc.)
Principal Regulator- Ontario

Type and Date:

Final Prospectus dated October 16, 2000
Mutual Reliance Review System Receipt dated 17th day of
October, 2000

Offering Price and Description:

\$9,000,000.00 - 3,000,000 Common Shares

Underwriter(s), Agent(s) or Distributor(s):

Thomson Kernaghan & Co. Limited
Haywood Securities Inc.

Promoter(s):

N/A

Project #298016

Issuer Name:

01 Communique Laboratory Inc.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated October 17th, 2000
Mutual Reliance Review System Receipt dated 18th day of
October, 2000

Offering Price and Description:

\$11,502,210.00 - 1,917,035 Common Shares Issuable on the
Exercise of Special Warrants

Underwriter(s), Agent(s) or Distributor(s):

Taurus Capital Markets Ltd.

Promoter(s):

Andrew Cheung
Project #302767

Issuer Name:

The Descartes Systems Group Inc.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated October 17th, 2000
Mutual Reliance Review System Receipt dated 18th day of
October, 2000

Offering Price and Description:

\$192,000,000.00 - 3,000,000 Common Shares

Underwriter(s), Agent(s) or Distributor(s):

Griffiths McBurney & Partners
Merrill Lynch Canada Inc.
RBC Dominion Securities Inc.

Promoter(s):

N/A

Project #303349

Issuer Name:

Enerplus Resources Fund
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated Septmber 21st, 2000
Mutual Reliance Review System Receipt dated 21st day of
September 2000

Offering Price and Description:

Underwriter(s), Agent(s) or Distributor(s):

CIBC World Markets Inc.
Merrill Lynch Canada Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Desjardins Securities Inc.

Promoter(s):

N/A

Project #297148

Issuer Name:

Laurentian Bank of Canada
Principal Regulator - Quebec

Type and Date:

Final Short Form Prospectus dated October 6th, 2000
Mutual Reliance Review System Receipt dated 6th day of
October, 2000

Offering Price and Description:

\$63,500,000.00 - 2,500,000 Common Shares

Underwriter(s), Agent(s) or Distributor(s):

Scotial Capital Inc.
BLC Securities Inc.
BMO Nesbitt Burns Inc.
Merrill Lynch Canada Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
Desjardins Securities Inc.
Dundee Securities Corporation
HSBC Securities (Canada) Inc.

Promoter(s):

N/A

Project #301616

Issuer Name:

Shaw Communications Inc.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated October 11, 2000
Mutual Reliance Review System Receipt dated 11th day of October, 2000

Offering Price and Description:

\$150,000,000.00 - 8.875% Canadian Originated Preferred Securities ("COPrS")SM due September 28, 2049

Underwriter(s), Agent(s) or Distributor(s):

Merrill Lynch Canada Inc.
TD Securities Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
Scotia Capital Inc.
Griffiths McBurney & Partners
Research Capital Corporation

Promoter(s):

N/A
Project #302071

Issuer Name:

StressGen Biotechnologies Corporation
Principal Regulator - British Columbia

Type and Date:

Final Short Form Prospectus dated October 10, 2000
Mutual Reliance Review System Receipt dated 10th day of October 2000

Offering Price and Description:

\$ 45,500,000.00 - 6,500,000 Common Shares

Underwriter(s), Agent(s) or Distributor(s):

BMO Nesbitt Burns Inc.
Goepel McDermid Inc.

Promoter(s):

N/A
Project #299146

Issuer Name:

AIC GLOBAL DEVELOPING TECHNOLOGIES FUND
AIC RSP GLOBAL DEVELOPING TECHNOLOGIES FUND
AIC GLOBAL SCIENCE & TECHNOLOGY FUND
AIC RSP GLOBAL SCIENCE & TECHNOLOGY FUND
AIC GLOBAL MEDICAL SCIENCE FUND
(formerly, AIC Global Medical Discoveries Fund)
AIC RSP GLOBAL MEDICAL SCIENCE FUND
(formerly, AIC RSP Global Medical Discoveries Fund)
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus and Annual Information Form dated October 12th, 2000
Mutual Reliance Review System Receipt dated 13th day of October, 2000

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

Registered Dealer

Promoter(s):

AIC Limited
Project #298129

Issuer Name:

Acuity Canadian Equity Fund
Clean Environment Equity Fund
Acuity Social Values Canadian Equity Fund
Acuity All Cap 30 Canadian Equity Fund
Acuity Global Environment, Science and Technology Fund
Acuity Global Equity Fund
Clean Environment Global Equity Fund
Acuity Social Values Global Equity Fund
Acuity G7 RSP Equity Fund
Acuity Canadian Balanced Fund
Clean Environment Balanced Fund
Acuity High Income Fund
Acuity Bond Fund
Acuity Money Market
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus and Annual Information Form dated October 11th, 2000
Mutual Reliance Review System Receipt dated 13th day of October, 2000

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

Acuity Funds Ltd.

Promoter(s):

Acuity Funds Ltd.
Project #296132

Issuer Name:

Dynamic Health Sciences Fund
Dynamic Global Technology Fund
Dynamic RSP Health Sciences Fund
Dynamic RSP Global Technology Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus and Annual Information Form dated October 11th, 2000
Mutual Reliance Review System Receipt dated 17th day of October, 2000

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

Dynamic Mutual Funds Ltd.

Promoter(s):

N/A
Project #281630

Issuer Name:

National Bank Secure Diversified Fund
National Bank Conservative Diversified Fund
National Bank Moderate Diversified Fund
National Bank Aggressive Diversified Fund
National Bank Intrepid Diversified Fund
Principal Regulator - Quebec

Type and Date:

Final Simplified Prospectus and Annual Information Form dated October 10th, 2000
Mutual Reliance Review System Receipt dated 12th day of October, 2000

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

National Bank Securities Inc.

Promoter(s):

National Bank Securities Inc.

Project #278174

Issuer Name:

Circuit World Corporation (Amended)

Type and Date:

Rights Offering dated October 11th, 2000
Accepted 12th day of October, 2000

Offering Price and Description:

Underwriter(s), Agent(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #298434

Issuer Name:

Monrusco Select T-Max Fund
Monrusco Select Income Fund
Monrusco Select Bond Index + Fund
Monrusco Select Canadian Equity Fund
Monrusco Select Growth Fund
Monrusco Select Non-Taxable U.S. Equity Fund
Monrusco Select Taxable U.S. Equity Fund
Monrusco Select E.A.F.E. Fund
Monrusco Select Continental Europe Equity Fund
Monrusco Select Japan Equity Fund
Monrusco Select Balanced + Fund
Monrusco Select Global Balanced + Fund
Monrusco Select Balanced Fund
Principal Regulator - Quebec

Type and Date:

Final Simplified Prospectus and Annual Information Form dated October 11th, 2000
Mutual Reliance Review System Receipt dated 12th day of October, 2000

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

Monrusco Bolton Investments Inc.

Promoter(s):

Monrusco Bolton Investments Inc.

Project #295800

Issuer Name:

cs-live.com inc.

Type and Date:

Rights Offering dated September 15th, 2000
Accepted October 13th, 2000

Offering Price and Description:

Underwriter(s), Agent(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #298214

Chapter 12

Registrations

12.1.1 Securities

| Type | Company | Category of Registration | Effective Date |
|---------------------|--|---|----------------|
| New Registration | Yorkton Asset Management Inc. Attention: Brian Robert Gibbings 181 Bay Street Suite 3100 Toronto, ON M5J 2T3 | Investment Counsel & Portfolio Manager | Oct 17/00 |
| New Recognition | MDS Health Ventures (TC) Inc. 100 International Blvd. Toronto, ON M9W 6J6 | Exempt Purchaser | Oct 16/00 |
| New Recognition | MDS Health Ventures (PC) Inc. 100 International Blvd. Toronto, ON M9W 6J6 | Exempt Purchaser | Oct 16/00 |
| Voluntary Surrender | SVC O'Donnell Funds Management Inc. c/o Garth Foster Fasken Martineau DuMoulin LLP Box 20, Toronto-Dominion Centre Toronto, ON M5K 1N6 | | Sept 26/00 |
| Change of Name | Assante Capital Management Ltd. Attention: Rick Britnell 800 Bay Street, Suite 600 Toronto, ON M5S 3A9 | From: Equion Securities Canada Limited To: Assante Capital Management Ltd. | Sept 28/00 |
| Change of Name | Assante Financial Management Ltd. Attention: Shaun Michael Devlin 800 Bay Street, Suite 600 Toronto, ON M5S 3A9 | From: Equion Financial Limited To: Assante Financial Management Ltd. | Oct 1/00 |

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Chapter 13

SRO Notices and Disciplinary Proceedings

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Chapter 25
Other Information

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