

The Ontario Securities Commission

# OSC Bulletin

January 5, 2001

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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**

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Toronto, Ontario  
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## Chapter 1

# Notices / News Releases

### 1.1 Notices

#### 1.1.1 Current Proceedings Before The Ontario Securities Commission

January 5, 2001

#### 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

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Derek Brown	—	DB
Robert W. Davis, FCA	—	RWD
John A. Geller, Q.C.	—	JAG
Robert W. Korthals	—	RWK
Mary Theresa McLeod	—	MTM
R. Stephen Paddon, Q.C	—	RSP

### SCHEDULED OSC HEARINGS

Date to be announced      **Mark Bonham and Bonham & Co. Inc.**

s. 127  
Mr. A. Graburn in attendance for staff.

Panel: TBA

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

Jan 23, 25 & 26/2001      **YBM Magnex International et al.**

s. 127  
Mr. I. Smith & Mr. J. Naster in attendance for staff.

Panel: HIW/DB/RWD

Feb 5/2001 10:00 a.m.      **Noram Capital Management, Inc. and Andrew Willman**

s. 127  
Ms. K. Wootton in attendance for staff.

Panel: TBA

Mar 19/2001      **Wayne Umetsu**

s. 60 of the Commodity Futures Act  
Ms. K. Wootton in attendance for staff.

Panel: TBA

Apr 16/2001- 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**

Southwest Securities

Global Privacy Management Trust and Robert Cranston

DJL Capital Corp. and Dennis John Little

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

Irvine James Dyck

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

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

S. B. McLaughlin

**PROVINCIAL DIVISION PROCEEDINGS**

Date to be announced

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

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

Ottawa

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

Dec 4/2000  
Dec 5/2000  
Dec 6/2000  
Dec 7/2000  
9:00 a.m.  
Courtroom N

1173219 Ontario Limited c.o.b. as TAC (The Alternate Choice), TAC International Limited, Douglas R. Walker, David C. Drennan, Steven Peck, Don Gutoski, Ray Ricks, Al Johnson and Gerald McLeod

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

Jan 29/2001 -  
Feb 2/2001  
Apr 30/2001 -  
May 7/2001  
9:00 a.m.

Einar Bellfield

s. 122  
Ms. K. Manarin in attendance for staff.

Courtroom C, Provincial Offences Court  
Old City Hall, Toronto

Reference:

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

**1.1.2 OSC Policy Statement No.5.2, Junior  
Natural Resource Issuers**

**ONTARIO SECURITIES COMMISSION POLICY  
STATEMENT NO. 5.2 JUNIOR NATURAL RESOURCE  
ISSUERS**

The Commission is publishing a discussion paper on this matter in chapter 6 of this Bulletin issue, Request for Comments.

**1.1.3 Notice of Amendments to the Business  
Corporations Act (Ontario)**

**NOTICE OF AMENDMENTS TO THE  
BUSINESS CORPORATIONS ACT (ONTARIO)**

The Commission is publishing in today's Bulletin two amendments to the *Business Corporations Act* (Ontario) (the "OBCA"). These amendments came into effect on December 6, 2000 and relate to amendments previously made to the *Securities Act* under the *More Tax Cuts for Jobs, Growth and Prosperity Act, 1999*.<sup>1</sup> The amendments to the OBCA are contained in the *Red Tape Reduction Act, 2000* (Bill 119).

Subsection 1(6) of the OBCA was amended to:

- (1) remove the ability of a corporation to be viewed for purposes of the OBCA as "offering its securities to the public" by filing a securities exchange take-over bid circular or issuer bid circular. The effect of this amendment will be that an OBCA company can no longer become a reporting issuer under the *Securities Act* by filing such circulars (see paragraph (d) of the definition of "reporting issuer" under the *Securities Act*);<sup>2</sup> and
- (2) to increase the ability of the Commission to order that a corporation has ceased to be "offering its securities to the public" under the OBCA by removing the requirement that an applicant must have fewer than 15 security holders.<sup>3</sup>

The relevant amendments are published in Chapter 9 of the Bulletin.

The *Red Tape Reduction Act, 2000* can be viewed in its entirety at the Ministry of the Attorney General's web site ([www.attorneygeneral.jus.gov.on.ca](http://www.attorneygeneral.jus.gov.on.ca)).

Reference:

Susan Wolburgh Jenah  
General Counsel  
(416) 593-8245

Rossana Di Lieto  
Legal Counsel  
General Counsel's Office  
(416) 593-8106

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<sup>1</sup> Notices relating the amendments to the *Securities Act* were previously published in the Bulletin on December 10, 1999 and December 24, 1999. See (1999) 22 OSCB 7951 and (1999) 22 OSCB 8395 respectively.

<sup>2</sup> The *Securities Act* was amended in December 1999 to remove the ability of issuers to become "reporting issuers" by filing a securities exchange take-over bid (paragraph (b.1) of the definition of "reporting issuer").

<sup>3</sup> The *Securities Act* was amended in December 1999 to broaden the Commission's power to deem that a reporting issuer has ceased to be a reporting issuer by removing the requirement that an applicant must have fewer than fifteen security holders whose latest address is shown on the books of the company as in Ontario (amendment to section 83).

**1.1.4 Policy Reformulation Project - Summary of Publications**

**SUMMARY OF PUBLICATIONS**

**PUBLICATION BY DATE PUBLISHED**

January 7, 2000

- (2000) 23 OSCB 3 Declaration on Cooperation and Supervision of International Futures Markets and Clearing Organizations
- (2000) 23 OSCB 7 Short Notice of Proposed Rule and Companion Policy – Over-The-Counter Derivatives **91-504**
- (2000) 23 OSCB 8 CSA Staff Notice – Sale of Insurance Products by Dually Employed Salespersons **33-305**
- (2000) 23 OSCB 51 Notice of Proposed Rule **91-504** and Companion Policy **91-504CP** – Over-The-Counter Derivatives/**Request for Comments**

January 14, 2000

- (2000) 23 OSCB 193 Staff Notice – Table of Concordance for the Reformulation Project **11-704**
- (2000) 23 OSCB 245 Staff Notice – Networking Applications **33-718**
- (2000) 23 OSCB 245 Short Notice of Final Amendments to Rules under the Securities Act Extending the Expiration Date to December 31, 2000 and July 1, 2001
- (2000) 23 OSCB 285 Amendment to the Ontario Securities Commission Rule In the Matter of Limitations on a Registrant Underwriting Securities of a Related Issuer or Connected Issuer of the Registrant
- (2000) 23 OSCB 285 Amendment to the Ontario Securities Commission Rule In the Matter of Certain Advisors
- (2000) 23 OSCB 286 Amendment to Ontario Securities Commission Rule In the Matter of Rules for Shelf Prospectus Offerings and for Pricing Offerings after the Prospectus is Received
- (2000) 23 OSCB 286 Amendment to Ontario Securities Commission Rule In the Matter of Prompt Offering Qualification System
- (2000) 23 OSCB 287 Amendment to Ontario Securities Commission Rule In the Matter of National Policy Statement **No. 47** and the Solicitation of Expressions of Interest.
- (2000) 23 OSCB 287 Amendment to the Ontario Securities Commission Rule In the Matter of Certain Reporting Issuers
- (2000) 23 OSCB 288 Amendment to the Ontario Securities Commission Rule In the Matter of Certain Reporting Issuers [including National Policy **No. 41**]
- (2000) 23 OSCB 288 Amendment to the Ontario Securities Commission Rule In the Matter of Going Private Transactions
- (2000) 23 OSCB 289 Amendment to the Ontario Securities Commission Rule In the Matter of Insider Bids, Issuer Bids and Take-Over Bids in Anticipation of Going Private Transactions
- (2000) 23 OSCB 289 Amendment to Ontario Securities Commission Rule Certain Reporting Issuers

January 28, 2000

- (2000) 23 OSCB 583 Toronto Stock Exchange – Rule Book and Policies of The TSE Inc. – Notice of Commission Approval
- (2000) 23 OSCB 583 Short Notice of Proposed Amendments to National Instrument **81-102** Mutual Funds and Companion Policy **81-102CP** and to Forms **81-101F1** – Contents of Simplified Prospectus, Form **81-101F2** – Contents of Annual Information Form
- (2000) 23 OSCB 584 Short Notice of Minister of Finance Approval of Final Rule under the Securities Act – Mutual Funds **81-102**
- (2000) 23 OSCB 584 Short Notice of Minister of Finance Approval of Final Rule – Mutual Fund Prospectus Disclosure **81-101** and Forms **81-101F1** and **81-101F2**
- (2000) 23 OSCB 585 Short Notice of Amendment to Regulation **1015** in connection with National Instrument **81-101** Mutual Fund Prospectus Disclosure, Form **81-101F1** and Form **81-101F2**, and National Instrument **81-102** Mutual Funds
- (2000) 23 OSCB 585 Canadian Derivatives Clearing Corporation – CDCC Rule Amendment – Rule **B-9** – Index Participation Unit Options – Notice of Commission Approval
- (2000) 23 OSCB 633 Concept Proposal for an Integrated Disclosure System/**Request for Comments**
- (2000) 23 OSCB 711 Regulations to Amend Regulation **1015** of the Revised Regulations of Ontario, 1990 made under the Securities Act
- (2000) 23 OSCB(Supp) 3 Mutual Fund Prospectus Disclosure **81-101**
- (2000) 23 OSCB(Supp) 11 Mutual Fund Prospectus Disclosure – Companion Policy **81-101CP**
- (2000) 23 OSCB(Supp) 20 Forms – Contents of Simplified Prospectus **81-101F1**
- (2000) 23 OSCB(Supp) 42 Forms – Contents of Annual Information Form **81-101F2**
- (2000) 23 OSCB(Supp) 59 Mutual Funds **81-102**
- (2000) 23 OSCB(Supp) 116 Mutual Funds – Companion Policy **81-102CP**

- (2000) 23 OSCB(Supp) 135 Notice of Proposed Amendments to National Instrument **81-102** and Companion Policy **81-102CP** – Mutual Funds – and to Forms **81-102F1** Contents of Simplified Prospectus and Form **81-102F2** – Contents of Annual Information Form
- (2000) 23 OSCB(Supp) 148 Proposed Amendments to National Instrument – Mutual Funds **81-102**
- (2000) 23 OSCB(Supp) 156 Proposed Amendments to Companion Policy – Mutual Funds **81-102CP**
- (2000) 23 OSCB(Supp) 160 Proposed Amendments to Forms – Contents of Simplified Prospectus **81-101F1**; Contents of Annual Information Form **81-101F2**
- February 11, 2000
- (2000) 23 OSCB 901 Short Notice Final Rule and Companion Policy – Insider Bids, Issuer Bids, Going Private Transaction and Related Party Transactions **61-501**; **61-501CP**
- (2000) 23 OSCB 905 CSA Staff Notice – Dual Reporting of Financial Information **42-301** and **42-302**
- (2000) 23 OSCB 965 Notice of Rule **61-501** and Companion Policy **61-501CP**– Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions
- (2000) 23 OSCB 971 Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions **61-501**
- (2000) 23 OSCB 1000 Companion Policy **61-501CP**
- February 18, 2000
- (2000) 23 OSCB 1130 Staff Accounting Notice – Income Statement Presentation of Goodwill Charges **52-709**
- February 25, 2000
- (2000) 23 OSCB 1311 Assignment of Certain Powers and Duties of the OSC
- (2000) 23 OSCB 1312 Assignment of Certain Powers and Duties of the OSC
- (2000) 23 OSCB 1314 Short Notice Final Rule – Control Block Distribution Issues **62-101**
- (2000) 23 OSCB 1314 Short Notice Final Rule – Disclosure of Outstanding Share Data **62-102**
- (2000) 23 OSCB 1315 Short Notice Final Rule – The Early Warning System and Related Take-Over Bid and Insider Reporting Issues **62-103**
- (2000) 23 OSCB 1315 Short Notice of Amendment to Regulation **1015** in Connection with **62-103**
- (2000) 23 OSCB 1367 Control Block Distribution Issues **62-101**
- (2000) 23 OSCB 1370 Disclosure of Outstanding Share Data **62-102**
- (2000) 23 OSCB 1372 The Early Warning System and Related Take-Over Bid and Insider Reporting Issues **62-103**
- March 10, 2000
- (2000) 23 OSCB 1731 Declaration on Cooperation and Supervision of International Futures Markets and Clearing Organizations: Ministerial Approval
- (2000) 23 OSCB 1732 TSE By-law No. **701** – A By-law to Permit Trading After Hours at the Closing Price – Notice of Commission Approval
- (2000) 23 OSCB 1732 Short Notice of Rule **51-501** and Companion Policy **51-501CP** AIF and MD&A and Proposed Recission of OSC Policy Statement **5.10**
- (2000) 23 OSCB 1733 Short Notice of Proposed Rule **52-501** and Companion Policy **52-501CP** – Financial Statements and Proposed Recission of OSC Policy Statement **5.10**
- (2000) 23 OSCB 1783 Notice of Proposed Rule **51-501** and Companion Policy **51-501CP** AIF, and MD&A and Proposed Recission of OSC Policy Statement No. **5.10** Annual Information Form and Management's Discussion and Analysis of Financial Condition and Results of Operations/**Request for Comments**
- (2000) 23 OSCB 1793 Notice of Proposed Rule **52-501** and Companion Policy **52-501CP** – Financial Statements
- March 17, 2000
- (2000) 23 OSCB 1935 Short Notice - Proposed Rule Prospectus Disclosure in Certain Information Circulars **54-501**
- (2000) 23 OSCB 1936 Short Notice - The Toronto Stock Exchange – By-law No. **704** – Introduction of Anonymous Trading and Undisclosed Volume – Notice of Commission Approval
- (2000) 23 OSCB 1936 CSA Notice – Proposal for Uniform Terms of Escrow Applicable to Initial Public Distributions **46-301**
- (2000) 23 OSCB 1979 Notice of Rule **54-501** – Prospectus Disclosure in Certain Information Circulars/**Request for Comments**
- March 24, 2000
- (2000) 23 OSCB 2116 Short Notice – National Instrument **43-101** Standards of Disclosure for Mineral Projects, Proposed Form **43-101FI** Technical Reports, Proposed Companion Policy **43-101CP** – Notice of Proposed Changes
- (2000) 23 OSCB 2116 Short Notice – The Toronto Stock Exchange – By-law No. **702** – Removal of Restrictions on Trading Listed Securities on Nasdaq

- (2000) 23 OSCB 2159 National Instrument 43-101 – Standards of Disclosure for Mineral Projects/**Request for Comments**
- March 31, 2000  
(2000) 23 OSCB 2316 Short Notice – Statement of Priorities for Fiscal Year ending March 31, 2001/**Request for Comments**  
(2000) 23 OSCB 2320 Short Notice - Local Policy 57-603 Defaults by Reporting Issuers in Complying with Financial Statement Filing Requirements  
(2000) 23 OSCB 2363 Statement of Priorities for Fiscal Year ending March 31, 2001  
(2000) 23 OSCB 2368 Local Policy 57-603 – Defaults by Reporting Issuers in Complying with Financial Statement Filing Requirements
- April 7, 2000  
(2000) 23 OSCB 2486 Staff Notice – Disclosure by Mutual Funds of Changes in Calculation of Management Expense Ratio **81-306**  
(2000) 23 OSCB 2488 Notice of Commission Approval – TSE: Suspension and Delisting Policy – Changes to Continued Listing Requirements and Suspension Review Process  
(2000) 23 OSCB 2489 Short Notice of Commission Approval and Publication for Comment: Amendment to IDA Policy 6 – Part 1, Proficiency Requirements  
(2000) 23 OSCB 2627 IDA – Proposed Policy No. 6, Part 1 – Proficiency Requirements  
(2000) 23 OSCB 2490 Toronto Stock Exchange Inc. –Recognition Order
- April 14, 2000  
(2000) 23 OSCB 2642 Policy Reformulation Project – Quarterly Summary of Publications  
(2000) 23 OSCB 2652 Policy Reformulation Project – Table of Concordance  
(2000) 23 OSCB 2679 Short Notice of Minister of Finance Approval of Final Rule – Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions **61-501**  
(2000) 23 OSCB 2680 Short Notice: SRO Membership – Securities Dealers and Brokers/**Request for Comments 31-507**  
(2000) 23 OSCB 2719 Rule **61-501** - Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions  
(2000) 23 OSCB 2755 Rule **31-507** – SRO Membership – Securities Dealers and Brokers/**Request for Comments**
- April 28, 2000  
(2000) 23 OSCB 3034 Five-Year Review of Securities Legislation in Ontario/**Request for Comments**
- May 19, 2000  
(2000) 23 OSCB 3512 Staff Notice – Registrant Regulatory Filings **33-713**  
(2000) 23 OSCB 3627 IDA – Amendment to General Notes and Definitions of Form 1 to Allow Dual Trade Date/Settlement Date Margining  
(2000) 23 OSCB 3629 IDA - Composition of the IDA Board  
(2000) 23 OSCB 3634 IDA – Small Investments by Industry Investors in Another Member or Holding Company  
(2000) 23 OSCB 3636 IDA - Manipulative or Deceptive Trading
- May 26, 2000  
(2000) 23 OSCB 3650 IDA – Amendment to Policy 6 – Part 1, Proficiency Requirements –Notice of Commission Approval
- June 2, 2000  
(2000) 23 OSCB 3791 Short Notice – National Instrument **81-104** Commodity Pools and Companion Policy **81-104CP** Commodity Pools – Notice of Proposed Changes  
(2000) 23 OSCB 3855 Notice of Proposed Changes to National Instrument **81-104** and Companion Policy **81-104CP** Commodity Pools/**Request for Comments**
- June 16, 2000  
(2000) 23 OSCB 4121 Short Notice – Mutual Fund Dealers Association of Canada – including Proposed Rule **31-506** SRO Membership – Mutual Fund Dealers and the MFDA Recognition Application  
(2000) 23 OSCB 4122 Short Notice of Proposed Amendment to National Instrument **81-102** and Companion Policy **81-102CP** (Mutual Funds) and to National Instrument **81-101** and Companion Policy **81-101CP** (Mutual Fund Prospectus Disclosure)  
(2000) 23 OSCB 4122 Short Notice of National Instrument **55-101** Exemption from Certain Insider Reporting Requirements

- (2000) 23 OSCB 4123 Short Notice – Proposed National Instrument **55-102** System for Electronic Data on Insiders (SEDI)
- (2000) 23 OSCB 4123 Staff Notice – Implementation of Reporting Issuer Continuous Disclosure Review Program **51-703**
- (2000) 23 OSCB 4195 Notice of Proposed Amendments to National Instrument **81-102** and Companion Policy **81-102CP** Mutual Funds and to National Instrument **81-101** and Companion Policy **81-101CP** Mutual Fund Prospectus Disclosure, and Form **81-101FI** Contents of Simplified Prospectus and Form **81-101F2** Contents of Annual Information Form/**Request for Comments**
- (2000) 23 OSCB 4212 Notice of Proposed Changes to National Instrument **55-101** and Companion Policy **55-101CP** Exemption from Certain Insider Reporting Requirements and Rescission of OSC Policy **10.1** Applications for Exemption from Insider Reporting Obligations for Insiders of Subsidiaries and Affiliated Issuers/**Request for Comments**
- (2000) 23 OSCB 4227 Notice of Proposed National Instrument **55-102**, Forms **55-102F1**, **55-102F2**, **55-102F3**, **55-102F4** and **55-102F5**, Companion Policy **55-102CP** System for Electronic Data on Insiders (SEDI)
- (2000) 23 OSCB 4315 Toronto Stock Exchange- Alternative Trading Systems/Proprietary Electronic Trading Systems/**Request for Comments**
- (2000) 23 OSCB(Supp) 163 Notice of Proposed Changes to Proposed Rule **31-506** SRO Membership – Mutual Fund Dealers
- June 23, 2000
- (2000) 23 OSCB 4337 Short Notice of Rule **31-502** and Companion Policy **31-502CP** Proficiency Requirements for Registrants
- (2000) 23 OSCB 4337 Short Notice of Proposed Rule **35-502** Non-Resident Advisers
- (2000) 23 OSCB 4381 Rule **31-502** and Companion Policy **35-502CP** Proficiency Requirements for Registrants, and Revocation of Regulations - Notice of Rule under the Securities Act
- (2000) 23 OSCB 4393 Notice of Proposed Rule **35-502** Non-Resident Advisers/**Request for Comments**
- (2000) 23 OSCB 4467 Regulation to Amend Regulation **1015** of the Revised Regulations of Ontario, 1990 Made Under the Securities Act
- (2000) 23 OSCB 4467 Regulation to Amend Regulation **90** of the Revised Regulations of Ontario, 1990 Made Under the Commodity Futures Act
- June 30, 2000
- (2000) 23 OSCB 4498 Staff Notice **61-701** Applications for Exemptive Relief under Rule 61-501
- (2000) 23 OSCB 4501 CSA Staff Request for Comment **13-401** Request for Changes, Additions or Improvements for a Revised SEDAR System
- (2000) 23 OSCB 4503 Short Notice of Rule **31-507** SRO Membership - Securities Dealers and Brokers
- (2000) 23 OSCB 4565 Rule **31-507** SRO Membership - Securities Dealers and Brokers
- July 7, 2000
- (2000) 23 OSCB 4668 Staff Notice **11-705** Policy Reformulation Project - Table of Concordance
- July 21, 2000
- (2000) 23 OSCB 4939 Short Notice of Proposed National Instrument **33-102** Registrant Dealings with Clients
- (2000) 23 OSCB 4983 National Instrument **33-102** and Proposed Companion Policy **33-102CP** Registrant Dealings with Clients/**Request for Comments**
- July 28, 2000
- (2000) 23 OSCB 5097 Short Notice - Alternative Trading System Proposal: Proposed National Instrument **21-101**, Companion Policy **21-101CP** and Forms **21-101F1**, **21-102F2**, **21-103F3**, **21-104F4** and **21-105F5** - Marketplace Operation, Proposed National Instrument **23-101** and Proposed Companion Policy **23-101CP** Trading Rules, Proposed OSC Rule **23-501** Designation as Market Participant and Proposed OSC Rule **23-502** and Proposed Companion Policy **23-502CP** The Reported Market
- (2000) 23 OSCB 5098 Staff Notice **53-701** Staff Report on Corporate Disclosure Survey
- (2000) 23 OSCB (Supp) 297 Notice - Alternative Trading System Proposal: Proposed National Instrument **21-101**, Companion Policy **21-101CP** and Forms **21-101F1**, **21-102F2**, **21-103F3**, **21-104F4** and **21-105F5** - Marketplace Operation, Proposed National Instrument **23-101** and Proposed Companion Policy **23-101CP** Trading Rules, Proposed OSC Rule **23-501** Designation as Market Participant and Proposed OSC Rule **23-502** and Proposed Companion Policy **23-502CP** The Reported Market
- (2000) 23 OSCB (Supp) 343 Proposed National Instrument **21-101**, Proposed Companion Policy **21-101CP** and Forms - Market Place Operation/**Request for Comments**

- (2000) 23 OSCB (Supp) 387 Proposed National Instrument **23-101** and Proposed Companion Policy **23-101CP** Trading Rules/**Request for Comments**
- (2000) 23 OSCB (Supp) 407 Proposed OSC Rule **23-501** Designation as Market Participant/**Request for Comments**
- (2000) 23 OSCB (Supp) 411 Proposed OSC Rule **23-502** and Proposed Companion Policy **23-502CP** The Reported Market/**Request for Comments**
- August 4, 2000
- (2000) 23 OSCB 5269 Short Notice of CSA Staff Notice **31-401** Registration Form Relating to the National Registration Database
- (2000) 23 OSCB 5269 Staff Notice **81-704** Limited Powers of Attorney and Letters of Authorization Used in the Sale of Mutual Funds
- (2000) 23 OSCB 5271 TSE Inc. - Amendments to the In-House Client Priority Rule **4-501**
- (2000) 23 OSCB 5271 TSE Inc. - Recognition of Indexes and Trading of Securities Similar to Index Participation Funds
- (2000) 23 OSCB 5329 CSA Staff Notice **31-401** Registration Forms Relating to the National Registration Database/**Request for Comments**
- August 11, 2000
- (2000) 23 OSCB 5508 CSA Staff Notice **12-304** National Policy 12-201 Mutual Reliance Review System for Exemptive Relief Applications Frequently Occurring Issues
- (2000) 23 OSCB 5547 Notice of Proposed Changes to Proposed National Instrument **45-101**, Companion Policy **45-101CP** and Form **45-101F1** Rights Offering and Rescission of Certain Policies/**Request for Comments**
- August 18, 2000
- (2000) 23 OSCB 5628 Notice of Minister of Finance Approval of Final Rule - OSC Rule **31-507** SRO Membership - Securities Dealers and Brokers
- (2000) 23 OSCB 5628 Notice of Minister of Finance Approval of Final Rule and Amendment to Regulation 1015 - OSC Rule **31-502** Proficiency Requirements for Registrants
- (2000) 23 OSCB 5657 OSC Rule **31-507** SRO Membership - Securities Dealers and Brokers
- (2000) 23 OSCB 5658 OSC Rule **31-502**, Companion Policy **31-502CP**, Staff Notice **31-702** of Ontario Securities Commission Designation of Course under Rule 31-502 and Regulation - Proficiency Requirements for Registrants
- September 1, 2000
- (2000) 23 OSCB 5884 Short Notice of Publication of Materials: Canadian Venture Exchange Inc.'s Request for an Exemption from Recognition as a Stock Exchange under s.21 of the Securities Act
- (2000) 23 OSCB 5886 Short Notice of Proposed National Instrument **54-101**, Forms **54-101F1** to **54-101F9**, Companion Policy **54-101CP**, and Rescission of National Policy Statement No. 41
- (2000) 23 OSCB 5937 Communication with Beneficial Owners of Securities of a Reporting Issuer
- (2000) 23 OSCB 6055 Notice of Proposed Changes to Proposed National Instrument **54-101**, Forms **54-101F1**, **54-101F2**, **54-101F3**, **54-101F4**, **54-101F5**, **54-101F6**, **54-101F7**, **54-101F8** and **54-101F9** and Companion Policy **54-101CP** and Rescission of National Policy Statement No. 41
- (2000) 23 OSCB 6110 Canadian Venture Exchange - Request for Exemption
- (2000) 23 OSCB 6110 CDN - Transfer of CDN Securities to New Trading Systems and Access to TSE/CATS System During Interim Trading Period
- September 8, 2000
- (2000) 23 OSCB 6138 TSE - Listing Policy - Proposed New Original Listing Requirements for Technology Companies Applying Under the Industrial Category - Notice of Commission Approval
- (2000) 23 OSCB 6138 Short Notice of Request for Comments - Proposed Rule **45-501** Exempt Distributions (Revised), Companion Policy **45-501CP** (Revised), Form **45-501F1** (Revised), Form **45-501F2** (Revised) and Form **45-501F3**, and Notice of Proposed Rescission of Rule **45-501** Exempt Distributions and Companion Policy **45-501CP**, and Rule **45-504** Prospectus Exemption for Distributions of Securities to Portfolio Advisers on Behalf of Fully Managed Accounts
- (2000) 23 OSCB 6139 Short Notice of OSC Rule **91-504** Over-The-Counter Derivatives - Notice of Final Rule Under the Securities Act
- (2000) 23 OSCB 6139 Short Notice of Proposed Multilateral Instrument **45-102** Resale of Securities, Companion Policy **45-102CP** and Forms **45-102F1**, **45-102F2** and **45-102F3**
- (2000) 23 OSCB 6140 Short Notice of Proposed Multilateral Instrument **72-101** and Companion Policy **72-101CP** and Form **72-101F1** - Distributions Outside of the Local Jurisdiction
- (2000) 23 OSCB 6189 Notice of Final Rule and Policy Under the Securities Act - Rule **91-504** Over-The-Counter Derivatives and Companion Policy **91-504CP**



- (2000) 23 OSCB 6205 Notice of Rule **45-501** Exempt Distributions (Revised), Companion Policy **45-501CP** (Revised), Form **45-501F1** (Revised), Form **45-501F2** (Revised), Form **45-501F3** (Revised) and Rescission of Existing Rule **45-501** and Companion Policy **45-501CP** and Rule **45-504** Prospectus Exemption for Distributions of Securities to Portfolio Advisers on Behalf of Fully Managed Accounts/**Request for Comments**
- (2000) 23 OSCB 6235 Notice of Proposed Multilateral Instrument **45-102**, Companion Policy **45-102CP**, and Forms **45-102F1**, **45-102F2** and **45-102F3** - Resale of Securities/**Request for Comments**
- (2000) 23 OSCB 6260 Notice of Proposed Multilateral Instrument **72-101**, Companion Policy **72-101CP**, and Form **72-101F1** - Distributions Outside of the Local Jurisdiction/**Request for Comments**

September 22, 2000

- (2000) 23 OSCB 6494 Notice of Commission Approval of Memorandum of Understanding with the Alberta Securities Commission and the British Columbia Securities Commission
- (2000) 23 OSCB 6494 Memorandum of Understanding Regarding the Oversight of the Canadian Venture Exchange Inc. by the Alberta Securities Commission and the British Columbia Securities Commission
- (2000) 23 OSCB 6497 Short Notice - Toronto Stock Exchange - Amendments to Rule **4-104(2)(a)** of the Toronto Stock Exchange Inc. Proprietary Electronic Trading Systems Notice of Commission Approval
- (2000) 23 OSCB 6497 Short Notice - Rule **35-502** Non-Resident Advisers
- (2000) 23 OSCB 6541 Notice of Rule **35-502** Non-Resident Advisers and Amendment of Regulations - includes rescission of OSC Policy **4.8**

September 29, 2000

- (2000) 23 OSCB 6652 Notice of Commission Decision Temporarily Exempting the Montreal Exchange from Recognition
- (2000) 23 OSCB 6653 Short Notice of Final Amendments to Rules Under the Securities Act Extending the Expiration Date to December 31, 2001 and July 1, 2002
- (2000) 23 OSCB 6653 Notice of Ontario Securities Commission Rule In the Matter of the Limitations on a Registrant Underwriting Securities of a Related Issuer or Connected Issuer of the Registrant
- (2000) 23 OSCB 6725 Amendment to Ontario Securities Commission Rule In the Matter of Certain Reporting Issuers [including National Policy Statement No. **41**]
- (2000) 23 OSCB 6726 Amendment to Rule Under the Securities Act In the Matter of Certain Reporting Issuers
- (2000) 23 OSCB 6727 Amendment to Rule Under the Securities Act In the Matter of Regulation 1015, .R.R.O. 1990, As Amended, and In the Matter of Certain International Offerings by Private Placement in Ontario

October 6, 2000

- (2000) 23 OSCB 6818 Policy Reformulation Project - Summary of Publications
- (2000) 23 OSCB 6836 Staff Notice **11-707** - Policy Reformulation Project - Table of Concordance
- (2000) 23 OSCB 6857 Short Notice - TSE Inc. - Electronic Volume Weighted Average Price Trading System
- (2000) 23 OSCB 6861 Staff Notice **11-706** - Withdrawal of Staff Notices
- (2000) 23 OSCB 6862 Notice of Commission Decision Temporarily Exempting the Montreal Exchange from Recognition
- (2000) 23 OSCB 6953 TSE Inc. - Electronic Volume Weighted Average Price Trading System

October 13, 2000

- (2000) 23 OSCB 6984 Staff Notice - Processing Prospectuses Before Year End
- (2000) 23 OSCB 6984 Recognition of Certain Stock Exchanges - s.154(1) of the Regulation
- (2000) 23 OSCB 6985 Short Notice of Commission Approval of Rule **54-501** Prospectus Disclosure
- (2000) 23 OSCB 6986 Short Notice of Commission Approval of Rule **31-506** SRO Membership - Mutual Fund Dealers
- (2000) 23 OSCB 6986 Short Notice of National Instrument **44-101** Short Form Prospectus Distributions, Form **44-101F1**, Form **44-101F2**, Form **44-101F3**, Companion Policy **44-101CP** and National Instrument **44-102** Shelf Distributions, Companion Policy **44-102CP** and National Instrument **44-103** Post-Receipt Pricing, Companion Policy **44-103CP**
- (2000) 23 OSCB 6987 Short Notice of Rule **41-501** General Prospectus Requirements, Form **41-501F1**, Form **41-501F2**, Form **41-501F3**, Form **41-501F4**, Companion Policy **41-501CP** and National Instrument **41-101** Prospectus Disclosure Requirements
- (2000) 23 OSCB 7011 Notice of Rule **54-501** Prospectus Disclosure in Certain Information Circulars
- (2000) 23 OSCB 7013 Notice of Rule **31-506** SRO Membership - Mutual Fund Dealers
- (2000) 23 OSCB(Supp) 421 Notice of National Instrument **44-101**, Forms **44-101F1**, **44-101F2** and **44-101F3** and Companion Policy **44-101CP** Short Form Prospectus Distributions
- (2000) 23 OSCB(Supp) 567 Notice of National Instrument **44-102** and Companion Policy **44-102CP** Shelf Distributions
- (2000) 23 OSCB(Supp) 601 Notice of National Instrument **44-103** and Companion Policy **44-103CP** Post-Receipt Pricing

- (2000) 23 OSCB(Supp) 621 Notice of National Instrument **41-101** Prospectus Disclosure Requirements and Rescission of National Policy Statements **Nos. 12, 13, 32 and 35**
- (2000) 23 OSCB(Supp) 631 Notice of Rule **41-501** General Prospectus Requirements, Form **41-501F1** Information Required in a Prospectus, Form **41-501F2** Authorization of Indirect Collection of Personal Information, Form **41-501F3** Issuer Form of Submission to Jurisdiction and Appointment of Agent for Service of Process, Companion Policy **41-501CP** General Prospectus Requirements and Rescission of Portions of OSC Policy 5.7 and Portions of OSC Policy 5.1
- October 20, 2000  
(2000) 23 OSCB 7086 CSA Staff Notice **12-305** Exemptive Relief Application and Year End
- October 27, 2000  
(2000) 23 OSCB 7239 IDA By-Law **29** Regarding Valuation Disclosure Standards for Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions - Notice of Ontario Securities Commission Approval of Amendments
- (2000) 23 OSCB 7283 Notice of Rule **51-501** AIF and MD&A and Companion Policy **51-501CP** and Rescission of OSC Policy Statement No. **5.10** Annual Information Form and Management's Discussion and Analysis of Financial Condition and Results of Operations
- (2000) 23 OSCB 7296 Notice of Rule **52-501** Financial Statements and Companion Policy **52-501CP**
- November 3, 2000  
(2000) 23 OSCB 7383 CSA Notice **53-302** Proposal for a Statutory Civil Remedy for Investors in the Secondary Market and Response to the Proposed Change to the Definitions of "Material Fact" and "Material Change"
- (2000) 23 OSCB 7445 The Toronto Stock Exchange - Amendments to the Rules of the Toronto Stock Exchange - Recognition of Indexes and Trading of Securities Similar to Index Participation Funds - Notice of Commission Approval
- November 10, 2000  
(2000) 23 OSCB 7589 OSC Staff Notice **45-701** Paragraph 35(2)144
- November 17, 2000  
(2000) 23 OSCB 7757 Short Notice - Proposed Rule **32-501** Direct Purchase Plans/**Request for Comments**  
(2000) 23 OSCB 7757 CSA Notice **55-302** National Instrument **55-102** System for Electronic Disclosure by Insiders (SEDI) Implementation Date Postponed
- (2000) 23 OSCB 7758 Short Notice - National Instrument **43-101** Standards of Disclosure for Mineral Projects, Form **43-101F1** Technical Report and Companion Policy **43-101CP**
- (2000) 23 OSCB 7759 Short Notice - National Instrument **35-101** Conditional Exemption from Registration for United States Broker-Dealers and Agents and Companion Policy **35-101CP**
- (2000) 23 OSCB 7759 OSC Staff Notice **45-701** Paragraph 35(2) 14 of the Securities Act (Ontario)
- (2000) 23 OSCB 7815 National Instrument **43-101** Standards of Disclosure for Mineral Projects, Form **43-101F1** Technical Report and Companion Policy **43-101CP**
- (2000) 23 OSCB 7855 National Instrument **35-101** and Companion Policy **35-101CP** Conditional Exemption from Registration for United States Broker-Dealers and Agents
- (2000) 23 OSCB 7867 Notice of Proposed Rule **32-501** Direct Purchase Plans/**Request for Comments**
- (2000) 23 OSCB 7929 CSA Notice **43-301** CSA Mining Technical Advisory and Monitoring Committee
- November 24, 2000  
(2000) 23 OSCB 7941 Short Notice - Rule **35-502** Non-Resident Advisers  
(2000) 23 OSCB 7989 Rule **35-502** Non-Resident Advisers  
(2000) 23 OSCB 8002 Amendment of Regulation **1015**
- December 1, 2000  
(2000) 23 OSCB 8077 Notice for Rule **91-504** Over-The-Counter Derivatives
- December 8, 2000  
(2000) 23 OSCB 8213 Short Notice - Proposed Policy **51-601** Reporting issuer Defaults/**Request for Comments**  
(2000) 23 OSCB 8213 Short Notice of Amendment to Rules Under the Securities Act Extending the Expiration Date to December 31, 2001 and July 1, 2002
- (2000) 23 OSCB 8244 Amendment to Ontario Securities Commission Rule In the Matter of Certain Reporting Issuers [including National Policy Statement No. **41**]
- (2000) 23 OSCB 8244 Amendment to Rule Under the Securities Act In the Matter of Certain Reporting Issuers

(2000) 23 OSCB 8244	Amendment to Rule Under the Securities Act in the Matter of Regulation 1015, R.R.O. 1990, as amended, and In the Matter of Certain International Offerings by Private Placement in Ontario Notice of Proposed Policy 51-601 and Rescission of OSC Policy 2.5 Reporting Issuer Defaults/ Request for Comments
(2000) 23 OSCB 8266	
<u>December 15, 2000</u>	
(2000) 23 OSCB 8309	Short Notice - Rule 41-501 General Prospectus Requirements - Notice of Minister of Finance Approval
(2000) 23 OSCB 8309	Short Notice - National Instrument 41-101 Prospectus Disclosure Requirements - Notice of Minister of Finance Approval
(2000) 23 OSCB 8310	Notice of Commission Approval - TSE Rule Amendments, Retail Access to the Exchange
(2000) 23 OSCB 8311	Notice of Commission Approval - TSE Rule Amendments, Trading in Penny Increments
(2000) 23 OSCB 8311	Short Notice - Rule 51-501 AIF and MD&A - Notice of Minister of Finance Approval
(2000) 23 OSCB 8312	Short Notice - Rule 52-501 Financial Statements - Notice of Minister of Finance Approval
(2000) 23 OSCB 8365	Rule 51-501 AIF and MD&A
(2000) 23 OSCB 8372	Rule 52-501 Financial Statements
(2000) 23 OSCB 8409	Amendment to Regulation 1015 - Re OSC Rule 41-501 General Prospectus Requirements
(2000) 23 OSCB 8410	Amendment to Regulation 1015 - Re National Instrument 41-101 Prospectus Disclosure Requirements
(2000) 23 OSCB 8410	Amendment to Regulation 1015 - Re OSC Rule 52-501 Financial Statements
(2000) 23 OSCB (Supp) 759	National Instrument 41-101 Prospectus Disclosure Requirements
(2000) 23 OSCB (Supp) 765	Rule 41-501 General Prospectus Requirements
(2000) 23 OSCB (Supp) 795	Forms Related to Rule 41-501 General Prospectus Requirements
(2000) 23 OSCB (Supp) 837	Companion Policy 41-501CP General Prospectus Requirements
<u>December 22, 2000</u>	
(2000) 23 OSCB 8437	Notice of Commission Approval - Canadian Venture Exchange Exemption from Recognition as a Stock Exchange Under Section 21 of the Act
(2000) 23 OSCB 8465	Short Notice - National Instrument 35-101 and Companion Policy 35-101CP Conditional Exemption from Registration Requirements for United States Broker-Dealers and Agents - Notice of Minister of Finance Approval (includes Rescission of CSA Notice 35-301 Conditional Exemption from Registration for United States Broker-Dealers and Agents)
(2000) 23 OSCB 8465	Short Notice - Rule 54-501 Prospectus Disclosure in Certain Information Circulars - Notice of Minister of Finance Approval
(2000) 23 OSCB 8466	Notice Regarding Rule 31-506 SRO Membership - Mutual Fund Dealers
(2000) 23 OSCB 8470	Short Notice - National Instrument 44-101 Short Form Prospectus Distributions - Notice of Minister of Finance Approval
(2000) 23 OSCB 8470	Short Notice - National Instrument 44-102 Shelf Distributions - Notice of Minister of Finance Approval
(2000) 23 OSCB 8471	Short Notice - National Instrument 44-103 Post-Receipt Pricing - Notice of Minister of Finance Approval - Notice of Amendment to Regulation 1015
(2000) 23 OSCB 8471	Notice of Amendment to Corporate Finance Accountants' Practice Manual
(2000) 23 OSCB 8511	National Instrument 35-101 and Companion Policy 35-101CP Conditional Exemption from Registration Requirements for United States Broker-Dealers and Agents
(2000) 23 OSCB 8519	OSC Rule 54-501 Prospectus Disclosure in Certain Information Circulars
(2000) 23 OSCB 8561	Amendment to Regulation 1015 - Re National Instrument 44-102 Shelf Distributions
(2000) 23 OSCB 8561	Amendment to Regulation 1015 - Re National Instrument 44-103 Post-Receipt Pricing
(2000) 23 OSCB (Supp) 869	National Instrument 44-101 Short Form Prospectus Distributions
(2000) 23 OSCB (Supp) 915	Forms Related to National Instrument 44-101 Short Form Prospectus Distributions
(2000) 23 OSCB (Supp) 953	Companion Policy 44-101CP Short Form Prospectus Distributions
(2000) 23 OSCB (Supp) 985	National Instrument 44-102 Shelf Distributions
(2000) 23 OSCB (Supp) 1005	Companion Policy 44-102CP Shelf Distributions
(2000) 23 OSCB (Supp) 1015	National Instrument 44-103 Post-Receipt Pricing
(2000) 23 OSCB (Supp) 1025	Companion Policy 44-103CP Post-Receipt Pricing

A.

**NOTICES**

**Local Notices**

January 14, 2000

(2000) 23 OSCB 193  
(2000) 23 OSCB 245

Staff Notice 11-704 – Table of Concordance for the Reformulation Project  
Staff Notice 33-718 – Networking Applications

February 18, 2000

(2000) 23 OSCB 1130

Staff Accounting Notice 52-709 – Income Statement Presentation of Goodwill Charges

May 19, 2000

(2000) 23 OSCB 3512

Staff Notice 33-713 – Registrant Regulatory Filings

June 16, 2000

(2000) 23 OSCB 4123

Staff Notice 51-703 – Implementation of Reporting Issuer Continuous Disclosure Review Program

June 30, 2000

(2000) 23 OSCB 4498

Staff Notice 61-701 - Applications for Exemptive Relief under Rule 61-501

July 7, 2000

(2000), 23 OSCB 4668

Staff Notice 11-705 - Policy Reformulation Project - Table of Concordance

July 28, 2000

(2000) 23 OSCB 5098

Staff Notice 53-701 - Staff Report on Corporate Disclosure Survey

August 4, 2000

(2000) 23 OSCB 5269

Staff Notice 81-704 - Limited Powers of Attorney and Letters of Authorization Used in the Sale of Mutual Funds

October 6, 2000

(2000) 23 OSCB 6836  
(2000) 23 OSCB 6861

Staff Notice 11-707 - Policy Reformulation Project - Table of Concordance  
Staff Notice 11-706 - Withdrawal of Staff Notices

October 13, 2000

(2000) 23 OSCB 6984

Staff Notice - Processing Prospectuses Before Year End

November 10, 2000

(2000) 23 OSCB 7589

OSC Staff Notice 45-701 Paragraph 35(2)144

November 17, 2000

(2000) 23 OSCB 7759

OSC Staff Notice 45-701 Paragraph 35(2) 14 of the Securities Act (Ontario)

**Canadian Securities Administrators' Notices**

January 7, 2000

(2000) 23 OSCB 8

CSA Staff Notice 33-305 – Sale of Insurance Products by Dually Employed Salespersons

February 11, 2000

(2000) 23 OSCB 905

CSA Staff Notice 42-301 and 52-302 – Dual Reporting of Financial Information

March 17, 2000

(2000) 23 OSCB 1936

CSA Notice 46-301 – Proposal for Uniform Terms of Escrow Applicable to Initial Public Distributions

April 7, 2000

(2000) 23 OSCB 2486

CSA Staff Notice 81-306 – Disclosure by Mutual Funds of Changes in Calculation of Management Expense Ratio

June 30, 2000

(2000) 23 OSCB 4501

CSA Staff Request for Comment 13-401 - Request for Changes, Additions or Improvements for a Revised SEDAR System

August 4, 2000

(2000) 23 OSCB 5269

Short Notice of CSA Staff Notice **31-401** Registration Form Relating to the National Registration Database

(2000) 23 OSCB 5329

CSA Staff Notice **31-401** Registration Forms Relating to the National Registration Database/**Request for Comments**

August 11, 2000

(2000) 23 OSCB 5508

CSA Staff Notice **12-304** National Policy 12-201 Mutual Reliance Review System for Exemptive Relief Applications Frequently Occurring Issues

October 20, 2000

(2000) 23 OSCB 7086

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

November 3, 2000

(2000) 23 OSCB 7383

CSA Notice **53-302** Proposal for a Statutory Civil Remedy for Investors in the Secondary Market and Response to the Proposed Change to the Definitions of "Material Fact" and "Material Change"

November 17, 2000

(2000) 23 OSCB 7757

CSA Notice **55-302** National Instrument **55-102** System for Electronic Disclosure by Insiders (SEDI) Implementation Date Postponed

(2000) 23 OSCB 7929

CSA Notice **43-301** CSA Mining Technical Advisory and Monitoring Committee

**B.**

**MEMORANDUM OF UNDERSTANDING**

January 7, 2000

(2000) 23 OSCB 3

Declaration on Cooperation and Supervision of International Futures Markets and Clearing Organizations: Ministerial Approval

March 10, 2000

(2000) 23 OSCB 1731

Declaration on Cooperation and Supervision of International Futures Markets and Clearing Organizations

September 22, 2000

(2000) 23 OSCB 6494

Notice of Commission Approval of Memorandum of Understanding with the Alberta Securities Commission and the British Columbia Securities Commission

(2000) 23 OSCB 6494

Memorandum of Understanding Regarding the Oversight of the Canadian Venture Exchange Inc. by the Alberta Securities Commission and the British Columbia Securities Commission

**C.**

**RESCISSION OF POLICY STATEMENTS**

**Rescission of Ontario Securities Commission Policy Statement 2.5**

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December 8, 2000

(2000) 23 OSCB 8266

Notice of Proposed Policy **51-601** and Rescission of OSC Policy **2.5** Reporting Issuer Defaults/**Request for Comments**

**Rescission of Ontario Securities Commission Policy Statement No. 4.8**

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September 22, 2000

(2000) 23 OSCB 6541

Notice of Rule **35-502** Non-Resident Advisers and Amendment of Regulations - includes rescission of OSC Policy **4.8**

**Rescission of Portions of Ontario Securities Commission Policy Statement No. 5.7 and Portions of Ontario Securities Commission Policy Statement No. 5.1**

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October 13, 2000

(2000) 23 OSCB(Supp)  
631

Notice of Rule **41-501** General Prospectus Requirements, Form **41-501F1** Information Required in a Prospectus, Form **41-501F2** Authorization of Indirect Collection of Personal Information, Form **41-501F3** Issuer Form of Submission to Jurisdiction and Appointment of Agent for Service of Process, Companion Policy **41-501CP** General Prospectus Requirements and Rescission of Portions of OSC Policy **5.7** and Portions of OSC Policy **5.1**

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**Rescission of Ontario Securities Commission Policy Statement No. 5.10**

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March 10, 2000

(2000) 23 OSCB 1783

Notice of Proposed Rule 51-501 and Companion Policy 51-501CP AIF, and MD&A and Proposed Rescission of OSC Policy Statement No. 5.10 Annual Information Form and Management's Discussion and Analysis of Financial Condition and Results of Operations

October 27, 2000

(2000) 23 OSCB 7283

Notice of Rule 51-501 AIF and MD&A and Companion Policy 51-501CP and Rescission of OSC Policy Statement No. 5.10 Annual Information Form and Management's Discussion and Analysis of Financial Condition and Results of Operations

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**Rescission of Ontario Securities Commission Policy Statement No. 6.2 and Uniform Act Policy 2-05**

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August 11, 2000

(2000) 23 OSCB 5547

Notice of Proposed Changes to Proposed National Instrument 45-101 Rights Offering, Companion Policy 45-101CP and Form 45-101F1 and Rescission of Certain Policies

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**Rescission of Ontario Securities Commission Policy Statement No. 10.1**

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June 16, 2000

(2000) 23 OSCB 4212

Notice of Proposed Changes to National Instrument 55-101 and Companion Policy 55-101CP Exemption from Certain Insider Reporting Requirements and Rescission of OSC Policy 10.1 Applications for Exemption from Insider Reporting Obligations for Insiders of Subsidiaries and Affiliated Issuers/Request for Comments

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**Rescission of National Policy No. 2-A**

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March 24, 2000

(2000) 23 OSCB 2159

National Instrument 43-101 Standards of Disclosure for Mineral Projects/Request for Comments [includes Rescission of National Policy 2-A]

November 17, 2000

(2000) 23 OSCB 7815

National Instrument 43-101 Standards of Disclosure for Mineral Projects [includes Rescission of NP 2-A]

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**Rescission of National Policy Statements Nos. 12, 13, 32 and 35**

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October 13, 2000

(2000) 23 OSCB(Supp)  
621

Notice of National Instrument 41-101 Prospectus Disclosure Requirements and Rescission of National Policy Statements Nos. 12, 13, 32 and 35

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**Rescission of National Policy Statement No. 41**

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September 1, 2000

(2000) 23 OSCB 5886

Short Notice of Proposed National Instrument 54-101, Forms 54-101F1 to 54-101F9, Companion Policy 54-101CP, and Rescission of National Policy Statement No. 41 Communication with Beneficial Owners of Securities of a Reporting Issuer

(2000) 23 OSCB 5937

Notice of Proposed Changes to Proposed National Instrument 54-101, Forms 54-101F1, 54-101F2, 54-101F3, 54-101F4, 54-101F5, 54-101F6, 54-101F7, 54-101F8 and 54-101F9 and Companion Policy 54-101CP and Rescission of National Policy Statement No. 41

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**Rescission of Companion Policy 45-501CP**

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September 8, 2000

(2000) 23 OSCB 6138

Short Notice of Request for Comments - Proposed Rule 45-501 Exempt Distributions (Revised), Companion Policy 45-501CP (Revised), Form 45-501F1 (Revised), Form 45-501F2 (Revised) and Form 45-501F3, and Notice of Proposed Rescission of Rule 45-501 Exempt Distributions and Companion Policy 45-501CP, and Rule 45-504 Prospectus Exemption for Distributions of Securities to Portfolio Advisers on Behalf of Fully Managed Accounts

(2000) 23 OSCB 6205 Notice of Rule 45-501 Exempt Distributions (Revised), Companion Policy 45-501CP (Revised), Form 45-501F1 (Revised), Form 45-501F2 (Revised) and Form 45-501F3, and Rescission of Existing Rule 45-501 and Companion Policy 45-501CP, and Rule 45-504 Prospectus Exemption for Distributions of Securities to Portfolio Advisers on Behalf of Fully Managed Accounts/Request for Comments

D. PROCEDURE AND RELATED MATTERS

E. CERTAIN CAPITAL MARKET PARTICIPANTS

21-101 21-101CP 21-101F1 21-101F2 21-101F3 21-101F4 21-101F5 Marketplace Operation

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July 28, 2000

(2000) 23 OSCB 5097 Short Notice - Alternative Trading System Proposal: Proposed National Instrument 21-101, Companion Policy 21-101CP and Forms Marketplace Operation, Proposed National Instrument 23-101 and Proposed Companion Policy 23-101CP Trading Rules, Proposed OSC Rule 23-501 Designation as Market Participant and Proposed OSC Rule 23-502 and Proposed Companion Policy 23-502CP The Reported Market

(2000) 23 OSCB (Supp) 297 Notice - Alternative Trading System Proposal: Proposed National Instrument 21-101, Companion Policy 21-101CP and Forms Marketplace Operation, Proposed National Instrument 23-101 and Proposed Companion Policy 23-101CP Trading Rules, Proposed OSC Rule 23-501 Designation as Market Participant and Proposed OSC Rule 23-502 and Proposed Companion Policy 23-502CP The Reported Market

(2000) 23 OSCB (Supp) 343 Proposed National Instrument 21-101, Proposed Companion Policy 21-101CP and Forms - Marketplace Operations/Request for Comments

23-101 23-101CP Trading Rules

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July 28, 2000

(2000) 23 OSCB 5097 Short Notice - Alternative Trading System Proposal: Proposed National Instrument 21-101, Companion Policy 21-101CP and Forms - Marketplace Operation, Proposed National Instrument 23-101 and Proposed Companion Policy 23-101CP Trading Rules, Proposed OSC Rule 23-501 Designation as Market Participant and Proposed OSC Rule 23-502 and Proposed Companion Policy 23-502CP The Reported Market

(2000) 23 OSCB (Supp) 297 Notice - Alternative Trading System Proposal: Proposed National Instrument 21-101, Companion Policy 21-101CP and Forms - Marketplace Operation, Proposed National Instrument 23-101 and Proposed Companion Policy 23-101CP Trading Rules, Proposed OSC Rule 23-501 Designation as Market Participant and Proposed OSC Rule 23-502 and Proposed Companion Policy 23-502CP The Reported Market

(2000) 23 OSCB (Supp) 387 Proposed National Instrument 23-101 and Proposed Companion Policy 23-101CP Trading Rules/Request for Comments

23-501 Designation as Market Participant

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July 28, 2000

(2000) 23 OSCB 5097 Short Notice - Alternative Trading System Proposal: Proposed National Instrument 21-101, Companion Policy 21-101CP and Forms 21-101F1, 21-102F2, 21-103F3, 21-104F4 and 21-105F5 - Marketplace Operation, Proposed National Instrument 23-101 and Proposed Companion Policy 23-101CP Trading Rules, Proposed OSC Rule 23-501 Designation as Market Participant and Proposed OSC Rule 23-502 and Proposed Companion Policy 23-502CP The Reported Market

(2000) 23 OSCB (Supp) 297 Notice - Alternative Trading System Proposal: Proposed National Instrument 21-101, Companion Policy 21-101CP and Forms - Marketplace Operation, Proposed National Instrument 23-101 and Proposed Companion Policy 23-101CP Trading Rules, Proposed OSC Rule 23-501 Designation as Market Participant and Proposed OSC Rule 23-502 and Proposed Companion Policy 23-502CP The Reported Market

(2000) 23 OSCB (Supp) 407 Proposed OSC Rule 23-501 Designation as Market Participant/Request for Comments

**23-502 23-502CP The Reported Market**

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July 28, 2000

(2000) 23 OSCB 5097

Short Notice - Alternative Trading System Proposal: Proposed National Instrument 21-101, Companion Policy 21-101CP and Forms 21-101F1, 21-102F2, 21-103F3, 21-104F4 and 21-105F5 - Marketplace Operation, Proposed National Instrument 23-101 and Proposed Companion Policy 23-101CP Trading Rules, Proposed OSC Rule 23-501 Designation as Market Participant and Proposed OSC Rule 23-502 and Proposed Companion Policy 23-502CP The Reported Market

(2000) 23 OSCB (Supp)  
297

Notice - Alternative Trading System Proposal: Proposed National Instrument 21-101, Companion Policy 21-101CP and Forms 21-101F1, 21-102F2, 21-103F3, 21-104F4 and 21-105F5 - Marketplace Operation, Proposed National Instrument 23-101 and Proposed Companion Policy 23-101CP Trading Rules, Proposed OSC Rule 23-501 Designation as Market Participant and Proposed OSC Rule 23-502 and Proposed Companion Policy 23-502CP The Reported Market

(2000) 23 OSCB (Supp)  
411

Proposed OSC Rule 23-502 and Proposed Companion Policy 23-502CP The Reported Market/Request for Comments

**43-101 43-101F1 43-101CP Standards of Disclosure for Mineral Projects**

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November 17, 2000

(2000) 23 OSCB 7815

National Instrument 43-101 Standards of Disclosure for Mineral Projects, Form 43-101F1 Technical Report and Companion Policy 43-101CP

F.

**REGISTRATION REQUIREMENTS AND RELATED MATTERS**

**31-502 31-502CP Proficiency Requirements for Registrants**

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June 23, 2000

(2000) 23 OSCB 4337

Short Notice of OSC Rule 31-502 and Companion Policy 31-502CP Proficiency Requirements for Registrants

(2000) 23 OSCB 4381

OSC Rule 31-502 and Companion Policy 31-502C Proficiency Requirements for Registrants, and Revocation of Regulations - Notice of Rule under the Securities Act

August 18, 2000

(2000) 23 OSCB 5628

Notice of Minister of Finance Approval of Final Rule and Amendment to Regulation 1015 - OSC Rule 31-502 Proficiency Requirements for Registrants

(2000) 23 OSCB 5658

OSC Rule 31-502, Companion Policy 31-502CP, Staff Notice 31-702 Ontario Securities Commission Designation of Course under Rule 31-502 and Regulation - Proficiency Requirements for Registrants

**31-506 SRO Membership – Mutual Fund Dealers**

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June 16, 2000

(2000) 23 OSCB 4121

Short Notice – Mutual Fund Dealers Association of Canada – including Proposed Rule 31-506 SRO Membership – Mutual Fund Dealers and the MFDA Recognition Application

(2000) 23 OSCB(Supp)  
163

Notice of Proposed Changes to Proposed OSC Rule 31-506 SRO Membership – Mutual Fund Dealers

October 13, 2000

(2000) 23 OSCB 6986

Short Notice of Commission Approval of Rule 31-506 SRO Membership - Mutual Fund Dealers

(2000) 23 OSCB 7013

Notice of Rule 31-506 SRO Membership - Mutual Fund Dealers

December 22, 2000

(2000) 23 OSCB 8466

Notice Regarding Rule 31-506 SRO Membership - Mutual Fund Dealers

**31-507 SRO Membership – Securities Dealers and Brokers**

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April 14, 2000

(2000) 23 OSCB 2680

Short Notice: SRO Membership – Securities Dealers and Brokers/Request for Comments

(2000) 23 OSCB 2755

OSC Rule 31-507 – SRO Membership – Securities Dealers and Brokers/Request for Comments



June 30, 2000

(2000) 23 OSCB 4503  
(2000) 23 OSCB 4565

Short Notice of Rule **31-507** SRO Membership - Securities Dealers and Brokers  
OSC Rule **31-507** SRO Membership - Securities Dealers and Brokers

August 18, 2000

(2000) 23 OSCB 5628  
(2000) 23 OSCB 5657

Notice of Minister of Finance Approval of Final Rule - OSC Rule **31-507** SRO Membership - Securities Dealers and Brokers  
OSC Rule **31-507** SRO Membership - Securities Dealers and Brokers

**32-501 Direct Purchase Plans**

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November 17, 2000

(2000) 23 OSCB 7757  
(2000) 23 OSCB 7867

Short Notice - Proposed Rule **32-501** Direct Purchase Plans/**Request for Comments**  
Notice of Proposed Rule **32-501** Direct Purchase Plans/**Request for Comments**

**33-102 33-102CP Registrant Dealings with Clients**

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July 21, 2000

(2000) 23 OSCB 4939  
(2000) 23 OSCB 4983

Short Notice of Proposed National Instrument **33-102** Registrant Dealings with Clients  
Proposed National Instrument **33-102** and Proposed Companion Policy **33-102CP**  
Registrant Dealings with Clients/**Request for Comments**

**33-105 Underwriting Conflicts**

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January 14, 2000

(2000) 23 OSCB 245

Short Notice of Final Amendments to Rules Under the Securities Act Extending Expiration Date to December 31, 2000

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 amended by (1998) 21 OSCB 6431 and (2000) 23 OSCB 285

(2000) 23 OSCB 285

Amendment to the Ontario Securities Commission Rule In the Matter of Limitations on a Registrant Underwriting Securities of a Related Issuer or Connected Issuer of the Registrant

**35-101 35-101CP Conditional Exemption from Registration for United States Broker-Dealers and Agents**

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November 17, 2000

(2000) 23 OSCB 7759

Short Notice - National Instrument **35-101** Conditional Exemption from Registration for United States Broker-Dealers and Agents and Companion Policy **35-101CP**

(2000) 23 OSCB 7855

National Instrument **35-101** and Companion Policy **35-101CP** Conditional Exemption from Registration for United States Broker-Dealers and Agents

December 22, 2000

(2000) 23 OSCB 8465

Short Notice - National Instrument **35-101** and Companion Policy **35-101CP** Conditional Exemption from Registration Requirements for United States Broker-Dealers and Agents - Notice of Minister of Finance Approval (includes Rescission of CSA Notice **35-301** Conditional Exemption from Registration for United States Broker-Dealers and Agents)

(2000) 23 OSCB 8511

National Instrument **35-101** and Companion Policy **35-101CP** Conditional Exemption from Registration Requirements for United States Broker-Dealers and Agents

**35-502 Non-Resident Advisers**

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January 14, 2000

(2000) 23 OSCB 245

Short Notice of Final Amendments to Rules Under the Securities Act Extending Expiration Date to December 31, 2000

In the Matter of Certain Advisors (1997) 20 OSCB 1217 as amended by (1998) 21 OSCB 6432 and (2000) 23 OSCB 285

(2000) 23 OSCB 285

Amendment to the Ontario Securities Commission Rules In the Matter of Certain Advisors

June 23, 2000

(2000) 23 OSCB 4337  
(2000) 23 OSCB 4393

Short Notice of Proposed Rule **35-502** Non-Resident Advisers

Notice of Proposed Rule **35-502** Non-Resident Advisers/**Request for Comments**

September 22, 2000

(2000) 23 OSCB 6497

(2000) 23 OSCB 6541

Short Notice - Rule **35-502** Non-Resident Advisers

Notice of Rule **35-502** Non-Resident Advisers and Amendment of Regulations - includes rescission of OSC Policy 4.8

November 24, 2000

(2000) 23 OSCB 7941

(2000) 23 OSCB 7989

(2000) 23 OSCB 8002

Short Notice - Rule **35-502** Non-Resident Advisers

Rule **35-502** Non-Resident Advisers

Amendment of Regulation 1015

G.

DISTRIBUTION REQUIREMENTS

41-101 Prospectus Disclosure Requirements

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October 13, 2000

(2000) 23 OSCB(Supp)  
621

(2000) 23 OSCB 6987

Notice of National Instrument **41-101** and Rescission of National Policy Statements **Nos. 12, 13, 32 and 35**

Short Notice of Rule **41-501** General Prospectus Requirements, Form **41-501F1**, Form **41-501F2**, Form **41-501F3**, Form **41-501F4**, Companion Policy **41-501CP** and National Instrument **41-101** Prospectus Disclosure Requirements

December 15, 2000

(2000) 23 OSCB 8309

(2000) 23 OSCB 8410

(2000) 23 OSCB (Supp)  
759

Short Notice - National Instrument **41-101** Prospectus Disclosure Requirements - Notice of Minister of Finance Approval

Amendment to Regulation 1015 - Re National Instrument **41-101** Prospectus Disclosure Requirements

National Instrument **41-101** Prospectus Disclosure Requirements

41-501 General Prospectus Requirements

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October 13, 2000

(2000) 23 OSCB 6987

(2000) 23 OSCB(Supp)  
631

Short Notice of Rule **41-501** General Prospectus Requirements, Form **41-501F1**, Form **41-501F2**, Form **41-501F3**, Form **41-501F4**, Companion Policy **41-501CP** and National Instrument **41-101** Prospectus Disclosure Requirements

Notice of Rule **41-501** General Prospectus Requirements, Form **41-501F1** Information Required in a Prospectus, Form **41-501F2** Authorization of Indirect Collection of Personal Information, Form **41-501F3** Issuer Form of Submission to Jurisdiction and Appointment of Agent for Service of Process, Companion Policy **41-501CP** General Prospectus Requirements and Rescission of Portions of OSC Policy 5.7 and Portions of OSC Policy 5.1

December 15, 2000

(2000) 23 OSCB 8309

(2000) 23 OSCB 8409

(2000) 23 OSCB (Supp)  
765

(2000) 23 OSCB (Supp)  
795

(2000) 23 OSCB (Supp)  
837

Short Notice - Rule **41-501** General Prospectus Requirements - Notice of Minister of Finance Approval

Amendment to Regulation 1015 - Re OSC Rule **41-501** General Prospectus Requirements

Rule **41-501** General Prospectus Requirements

Forms Related to Rule **41-501** General Prospectus Requirements

Companion Policy **41-501CP** General Prospectus Requirements

43-101 43-101CP 43-101F1 Standards of Disclosure for Mineral Projects

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March 24, 2000

(2000) 23 OSCB 2116

(2000) 23 OSCB 2159

Short Notice - National Instrument **43-101** Standards of Disclosure for Mineral Projects, Proposed Form **43-101F1** Technical Reports, Proposed Companion Policy **43-101CP** - Notice of Proposed Changes

National Instrument **43-101** - Standards of Disclosure for Mineral Projects/**Request for Comments**

November 17, 2000

(2000) 23 OSCB 7758

Short Notice - National Instrument **43-101** Standards of Disclosure for Mineral Projects, Form **43-101F1** Technical Report and Companion Policy **43-101CP**

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**44-101 Prompt Offering Qualification System**

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October 13, 2000

(2000) 23 OSCB 6986

Short Notice of National Instrument **44-101** Short Form Prospectus Distributions, Form **44-101F1**, Form **44-101F2**, Form **44-101F3**, Companion Policy **44-101CP** and National Instrument **44-102** Shelf Distributions, Companion Policy **44-102CP** and National Instrument **44-103** Post-Receipt Pricing, Companion Policy **44-103CP**

(2000) 23 OSCB(Supp)  
421

Notice of National Instrument **44-101**, Forms **44-101F1**, **44-101F2** and **44-101F3** and Companion Policy **44-101CP** Short Form Prospectus Distributions

December 22, 2000

(2000) 23 OSCB 8470

Short Notice - National Instrument **44-101** Short Form Prospectus Distributions - Notice of Minister of Finance Approval

(2000) 23 OSCB (Supp)  
869

National Instrument **44-101** Short Form Prospectus Distributions

(2000) 23 OSCB (Supp)  
915

Forms Related to National Instrument **44-101** Short Form Prospectus Distributions

(2000) 23 OSCB (Supp)  
953

Companion Policy **44-101CP** Short Form Prospectus Distributions

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**44-102 44-102CP Shelf Distributions**

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January 14, 2000

(2000) 23 OSCB 245

Short Notice of Final Amendment to Rules Under the Securities Act Extending Expiration Date to December 31, 2000

In the Matter of Rules for Shelf Prospectus Offerings and for Pricing Offerings After the Prospectus is Received (1991); 14 OSCB 1824 [including National Policy Statement No. 44 (1991), 14 OSCB 1844], as amended by (1998), 21 OSCB 7209 and (2000) 23 OSB 286  
Amendment to the Ontario Securities Commission Rule In the Matter of Rules for Shelf Prospectus Offerings and for Pricing Offerings after the Prospectus is Received

(2000) 23 OSCB 286

October 13, 2000

(2000) 23 OSCB(Supp)

567

(2000) 23 OSCB 6986

Notice of National Instrument **44-102** and Companion Policy **44-102CP** Shelf Distributions

Short Notice of National Instrument **44-101** Short Form Prospectus Distributions, Form **44-101F1**, Form **44-101F2**, Form **44-101F3**, Companion Policy **44-101CP** and National Instrument **44-102** Shelf Distributions, Companion Policy **44-102CP** and National Instrument **44-103** Post-Receipt Pricing, Companion Policy **44-103CP**

December 22, 2000

(2000) 23 OSCB 8470

Short Notice - National Instrument **44-102** Shelf Distributions - Notice of Minister of Finance Approval

(2000) 23 OSCB 8561

Amendment to Regulation 1015 - Re National Instrument **44-102** Shelf Distributions

(2000) 23 OSCB (Supp)

985

(2000) 23 OSCB (Supp)

1005

Companion Policy **44-102CP** Shelf Distributions

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**44-103 44-103CP Post-Receipt Pricing**

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October 13, 2000

(2000) 23 OSCB(Supp)

601

Notice of National Instrument **44-103** and Companion Policy **44-103CP** Post-Receipt Pricing

(2000) 23 OSCB 6986

Short Notice of National Instrument **44-101** Short Form Prospectus Distributions, Form **44-101F1**, Form **44-101F2**, Form **44-101F3**, Companion Policy **44-101CP** and National Instrument **44-102** Shelf Distributions, Companion Policy **44-102CP** and National Instrument **44-103** Post-Receipt Pricing, Companion Policy **44-103CP**

December 22, 2000

(2000) 23 OSCB 8471

Short Notice - National Instrument **44-103** Post-Receipt Pricing - Notice of Minister of Finance Approval - Notice of Amendment to Regulation **1015**

(2000) 23 OSCB 8561

Amendment to Regulation **1015** - Re National Instrument **44-103** Post-Receipt Pricing

(2000) 23 OSCB (Supp) 1015

National Instrument **44-103** Post-Receipt Pricing

(2000) 23 OSCB (Supp) 1025

Companion Policy **44-103CP** Post-Receipt Pricing

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**44-401, 51-401 Concept Proposal for an Integrated Disclosure System**

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January 28, 2000

(2000) 23 OSCB 633

Concept Proposal for an Integrated Disclosure System/Request for Comments

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**45-101 45-101CP 45-101F1 Rights Offering**

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August 11, 2000

(2000) 23 OSCB 5547

Notice of Proposed Changes to Proposed National Instrument **45-101**, Companion Policy **45-101CP** and Form **45-101F1** Rights Offering and Rescission of Certain Policies/Request for Comments

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**45-102 45-102CP 45-101F1 45-101F2 45-101F3 Resale of Securities**

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September 8, 2000

(2000) 23 OSCB 6139

Short Notice of Proposed Multilateral Instrument **45-102**, Companion Policy **45-102CP** and Forms **45-102F1**, **45-102F2** and **45-102F3** Resale of Securities

(2000) 23 OSCB 6235

Notice of Proposed Multilateral Instrument **45-102**, Companion Policy **45-102CP**, and Forms **45-102F1**, **45-102F2** and **45-102F3** Resale of Securities/Request for Comments

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**45-501 45-501CP 45-501F1 45-501F2 45-501F3 (Revised) Exempt Distributions and Rule 45-504 Prospectus Exemption for Distributions of Securities to Portfolio Advisers on Behalf of Fully Managed Accounts**

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September 8, 2000

(2000) 23 OSCB 6138

Short Notice of Request for Comments - Proposed Rule **45-501** Exempt Distributions (Revised), Companion Policy **45-501CP** (Revised), Form **45-501F1** (Revised), Form **45-501F2** (Revised) and Form **45-501F3**, and Notice of Proposed Rescission of Rule **45-501** Exempt Distributions and Companion Policy **45-501CP**, and Rule **45-504** Prospectus Exemption for Distributions of Securities to Portfolio Advisers on Behalf of Fully Managed Accounts

(2000) 23 OSCB 6205

Notice of Rule **45-501** Exempt Distributions (Revised), Companion Policy **45-501CP** (Revised), Form **45-501F1** (Revised), Form **45-501F2** (Revised) and Form **45-501F3**, and Rescission of Existing Rule **45-501** and Companion Policy **45-501CP**, and Rule **45-504** Prospectus Exemption for Distributions of Securities to Portfolio Advisers on Behalf of Fully Managed Accounts/Request for Comments

H.

**ONGOING REQUIREMENTS FOR ISSUERS AND INSIDERS**

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**51-501 51-501CP Annual Information Form and Management's Discussion and Analysis**

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March 10, 2000

(2000) 23 OSCB 1732

Short Notice of Rule **51-501** and Companion Policy **51-501CP** AIF and MD&A and Proposed Rescission of OSC Policy Statement **5.10**

(2000) 23 OSCB 1783

Notice of Proposed Rule **51-501** and Companion Policy **51-501CP** AIF and MD&A and Proposed Rescission of OSC Policy Statement No. **5.10** Annual Information Form and Management's Discussion and Analysis of Financial Condition and Results of Operations/Request for Comments

October 27, 2000

(2000) 23 OSCB 7283

Notice of Rule **51-501** AIF and MD&A and Companion Policy **51-501CP** and Rescission of OSC Policy Statement No. **5.10** Annual Information Form and Management's Discussion and Analysis of Financial Condition and Results of Operations

(2000) 23 OSCB 7296

Notice of Rule **52-501** Financial Statements and Companion Policy **52-501CP**

December 15, 2000

(2000) 23 OSCB 8311

(2000) 23 OSCB 8365

Short Notice - Rule 51-501 AIF and MD&A - Notice of Minister of Finance Approval  
Rule 51-501 AIF and MD&A

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**51-502 Exemptions from Continuous Disclosure Requirements for Certain Reporting Issuers**

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January 14, 2000

(2000) 23 OSB 245

Short Notice of Final Amendments to Rules Under the Securities Act Extending Expiration Date to July 1, 2001

In the Matter of Certain Reporting Issuers (1997) 20 OSCB 1218 and 1219, as amended by (1998) 21 OSCB 6436 and (2000) 23 OSCB 289 (3 rules)

(2000) 23 OSCB 289

Amendment to Ontario Securities Commission Rule In the Matter of Certain Reporting Issuers

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**51-601 Reporting Issuer Defaults**

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December 8, 2000

(2000) 23 OSCB 8213

(2000) 23 OSCB 8266

Short Notice - Proposed Policy 51-601 Reporting issuer Defaults/**Request for Comments**  
Notice of Proposed Policy 51-601 and Rescission of OSC Policy 2.5 Reporting Issuer Defaults/**Request for Comments**

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**52-501 52-501CP Financial Statements**

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March 10, 2000

(2000) 23 OSCB 1733

(2000) 23 OSCB 1783

Proposed Rule 52-501 and Companion Policy 52-501CP – Financial Statements

Notice of Proposed Rule 51-501 and Companion Policy 51-501CP AIF, and MD&A and Proposed Rescission of OSC Policy Statement No. 5.10 Annual Information Form and Management's Discussion and Analysis of Financial Condition and Results of Operations

(2000) 23 OSCB 1793

Notice of Proposed Rule 52-501 and Companion Policy 52-501CP – Financial Statements

October 27, 2000

(2000) 23 OSCB 7296

Notice of Rule 52-501 Financial Statements and Companion Policy 52-501CP

December 15, 2000

(2000) 23 OSCB 8312

(2000) 23 OSCB 8372

(2000) 23 OSCB 8410

Short Notice - Rule 52-501 Financial Statements - Notice of Minister of Finance Approval  
Rule 52-501 Financial Statements

Amendment to Regulation 1015 - Re OSC Rule 52-501 Financial Statements

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**54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer**

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January 14, 2000

(2000) 23 OSCB 245

Short Notice of Final Amendments to Rules Under the Securities Act Extending Expiration Date to December 31, 2000

In the Matter of Certain Reporting Issuers [including National Policy No. 47] (1997), 20 OSCB 1219, as amended by (1998), 21 OSCB 6437 and (2000) 23 OSCB 288

(2000) 23 OSB 288

Amendment to the Ontario Securities Commission Rule In the Matter of Certain Reporting Issuers [including National Policy No. 41]

September 1, 2000

(2000) 23 OSCB 5886

Short Notice of Proposed National Instrument 54-101, Forms 54-101F1 to 54-101F9, Companion Policy 54-101CP, and Rescission of National Policy Statement No. 41 Communication with Beneficial Owners of Securities of a Reporting Issuer

(2000) 23 OSCB 5937

Notice of Proposed Changes to Proposed National Instrument 54-101, Forms 54-101F1, 54-101F2, 54-101F3, 54-101F4, 54-101F5, 54-101F6, 54-101F7, 54-101F8 and 54-101F9 and Companion Policy 54-101CP and Rescission of National Policy Statement No. 41

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**54-501 Prospectus Disclosure in Certain Information Circulars**

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March 17, 2000

(2000) 23 OSCB 1935

(2000) 23 OSCB 1979

Short Notice - Proposed Rule 54-501 Prospectus Disclosure in Certain Information Circulars  
Rule 54-501 – Prospectus Disclosure in Certain Information Circulars – Notice of Rules Under the Securities Act/**Request for Comments**

October 13, 2000

- (2000) 23 OSCB 6985 Short Notice of Commission Approval of Rule 54-501 Prospectus Disclosure in Certain Information Circulars
- (2000) 23 OSCB 7011 Notice of Rule 54-501 Prospectus Disclosure in Certain Information Circulars

December 22, 2000

- (2000) 23 OSCB 8465 Short Notice - Rule 54-501 Prospectus Disclosure in Certain Information Circulars - Notice of Minister of Finance Approval
- (2000) 23 OSCB 8519 OSC Rule 54-501 Prospectus Disclosure in Certain Information Circulars

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**55-101 Exemption from Certain Insider Reporting Requirements**

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June 16, 2000

- (2000) 23 OSCB 4122 Short Notice of National Instrument 55-101 Exemption from Certain Insider Reporting Requirements
- (2000) 23 OSCB 4212 Notice of Proposed Changes to National Instrument 55-101 and Companion Policy 55-101CP Exemption from Certain Insider Reporting Requirements and Rescission of OSC Policy 10.1 Applications for Exemption from Insider Reporting Obligations for Insiders of Subsidiaries and Affiliated Issuers/Request for Comments

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**55-102 System for Electronic Data on Insiders**

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June 16, 2000

- (2000) 23 OSCB 4123 Short Notice – Proposed National Instrument 55-102 System for Electronic Data on Insiders (SEDI)
- (2000) 23 OSCB 4227 Notice of Proposed National Instrument 55-102, Forms 55-102F1, 55-102F2, 55-102F3, 55-102F4 and 55-102F5, Companion Policy 55-102CP System for Electronic Data on Insiders (SEDI)

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**57-603 Defaults by Reporting Issuers in Complying with Financial Statement Filing Requirements**

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March 31, 2000

- (2000) 23 OSCB 2320 Short Notice - Local Policy 57-603 Defaults by Reporting Issuers in Complying with Financial Statement Filing Requirements
- (2000) 23 OSCB 2368 Local Rule 57-603 – Defaults by Reporting Issuers in Complying with Financial Statement Filing Requirements

I.

**TAKE-OVER BIDS AND SPECIAL TRANSACTIONS**

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**61-501 61-501CP Insider Bids, Issuer Bids, and Going Private Transactions and Related Party**

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January 14, 2000

- (2000) 23 OSCB 245 Short Notice of Final Amendments to Rules Under the Securities Act Extending Expiration Date to December 31, 2000  
In the Matter of Going Private Transactions (1997) 20 OSCB 1219, as amended by (1998), 21 OSCB 2338; (1998) 21 OSCB 7751 and (2000) 23 OSCB 288
- (2000) 23 OSCB 245 Short Notice of Final Amendments to Rules Under the Securities Act Extending Expiration Date to December 31, 2000  
In the Matter of Insider Bids, Issuer Bids and Take-Over Bids in Anticipation of Going Private Transactions (1997) 20 OSCB 1219, as amended by (1998) 21 OSCB 2338; (1998), 21 OSCB 7752 and (2000) 23 OSCB 289
- (2000) 23 OSCB 288 Amendment to the Ontario Securities Commission Rule In the Matter of Going Private Transactions
- (2000) 23 OSCB 289 Amendment to the Ontario Securities Commission Rule In the Matter of Insider Bids, Issuer Bids and Take-Over Bids in Anticipation of Going Private Transactions

February 11, 2000

- (2000) 23 OSCB 901 Rule 61-501 and Companion Policy 61-501CP – Insider Bids, Issuer Bids, Going Private Transaction and Related Party Transactions
- (2000) 23 OSCB 965 Rule 61-501 – Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions

April 14, 2000

(2000) 23 OSCB 2679

Short Notice of Minister of Finance Approval of Final Rule – Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions **61-501**

(2000) 23 OSCB 2719

Rule **61-501** - Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions

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**62-101 Control Block Distribution Issues, 62-102 Disclosure of Outstanding Share Data, 62-103 The Early Warning System and Related Take-Over Bid and Insider Reporting Issues**

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February 25, 2000

(2000) 23 OSCB 1314

Short Notice Final Rule – NI **62-101** – Control Block Distribution Issues

(2000) 23 OSCB 1314

Short Notice Final Rule – NI **62-102** – Disclosure of Outstanding Share Data

(2000) 23 OSCB 1315

Short Notice Final Rule – NI **62-103** – The Early Warning System and Related Take-Over Bid and Insider Reporting Issues

(2000) 23 OSCB 1315

Short Notice of Amendment to Regulation **1015** in Connection with OSC – Rule NI **62-103** – The Early Warning System and Related Take-Over Bid and Insider Reporting Issues

(2000) 23 OSCB 1367

NI **62-101** – Control Block Distribution Issues

(2000) 23 OSCB 1370

NI **62-102** – Disclosure of Outstanding Share Data

(2000) 23 OSCB 1372

NI **62-103** – The Early Warning System and Related Take-Over Bid and Insider Reporting Issues

J.

**SECURITY TRANSACTIONS OUTSIDE THE JURISDICTION**

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**72-101 72-101CP 72-101F1 Distributions Outside of the Local Jurisdiction**

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September 8, 2000

(2000) 23 OSCB 6140

Short Notice of Proposed Multilateral Instrument **72-101**, Companion Policy **72-101CP** and Form **72-101F1** - Distributions Outside of the Local Jurisdiction

(2000) 23 OSCB 6240

Notice of Proposed Multilateral Instrument **72-101**, Companion Policy **72-101CP** and Form **72-101F1** - Distributions Outside of the Local Jurisdiction/**Request for Comments**

(2000) 23 OSCB 6260

Notice of Proposed Multilateral Instrument **72-101**, Companion Policy **72-101CP** and Form **72-101F1/ Request for Comments**

K.

**MUTUAL FUNDS**

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**81-101 81-101CP Mutual Fund – Simplified Prospectus Disclosure System**

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January 28, 2000

(2000) 23 OSCB 584

Short Notice of Minister of Finance Approval of Final Rule under the Securities Act – National Instrument **81-101** Mutual Fund Prospectus Disclosure and Forms **81-101F1** and **81-101F2**

(2000) 23 OSCB 585

Short Notice of Amendment to Regulation **1015** – National Instrument **81-101**, Form **81-101F1** and Form **81-101F2**, and National Instrument **81-102**

(2000) 23 OSCB 711

Regulations to Amend Regulation **1015** of the Revised Regulations of Ontario, 1990 made under the Securities Act

June 16, 2000

(2000) 23 OSCB 4122

Short Notice of Proposed Amendment to National Instrument **81-102** and Companion Policy **81-102CP** (Mutual Funds) and to National Instrument **81-101** and Companion Policy **81-101CP** (Mutual Fund Prospectus Disclosure)

(2000) 23 OSCB 4195

Notice of Proposed Amendments to National Instrument **81-102** and Companion Policy **81-102CP** Mutual Funds and to National Instrument **81-101** and Companion Policy **81-101CP** Mutual Fund Prospectus Disclosure, and Form **81-101F1** Contents of Simplified Prospectus and Form **81-101F2** Contents of Annual Information Form/**Request for Comments**

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**81-102 81-102CP Mutual Fund**

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January 28, 2000

(2000) 23 OSCB 583

Short Notice of Proposed Amendments to National Instrument **81-102** and Companion Policy **81-102CP** and to Forms **81-101F1**, Form **81-101F2**, National Instrument **81-102**

(2000) 23 OSCB 584

Short Notice of Minister of Finance Approval of Final Rule under the Securities Act – National Instrument **81-102** Mutual Funds

June 16, 2000

(2000) 23 OSCB 4122

Short Notice of Proposed Amendment to National Instrument **81-102** and Companion Policy **81-102CP** (Mutual Funds) and to National Instrument **81-101** and Companion Policy **81-101CP** (Mutual Fund Prospectus Disclosure)

(2000) 23 OSCB 4195

Notice of Proposed Amendments to National Instrument **81-102** and Companion Policy **81-102CP** Mutual Funds and to National Instrument **81-101** and Companion Policy **81-101CP** Mutual Fund Prospectus Disclosure, and Form **81-101F1** Contents of Simplified Prospectus and Form **81-101F2** Contents of Annual Information Form/**Request for Comments**

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**81-104 81-104CP Commodity Pools**

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June 2, 2000

(2000) 23 OSCB 3791

Short Notice of National Instrument **81-104** Commodity Pools and Companion Policy **81-104CP** Commodity Pools – Notice of Proposed Changes

(2000) 23 OSCB 3855

Notice of Proposed Changes to National Instrument **81-104** and Companion Policy **81-104CP** - Commodity Pools/**Request for Comments**

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**81-306 Disclosure by Mutual Funds of Changes in Calculation of Management Expense Ratio**

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April 7, 2000

(2000) 23 OSCB 2486

Staff Notice – Disclosure by Mutual Funds of Changes in Calculation of Management Expense Ratio

L.

**DERIVATIVES**

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**91-504 Over-the-Counter Derivatives**

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January 7, 2000

(2000) 23 OSCB 7

Short Notice of Proposed Rule and Companion Policy – Rule **91-504** – Over-the-Counter Derivatives

(2000) 23 OSCB 51

Proposed Rule **91-504** – Over-The-Counter Derivatives

September 8, 2000

(2000) 23 OSCB 6139

Short Notice of OSC Rule **91-504** Over-The-Counter Derivatives - Notice of Final Rule Under the Securities Act

(2000) 23 OSCB 6189

Notice of Final Rule and Policy Under the Securities Act - Rule **91-504** Over-The-Counter Derivatives and Companion Policy **91-504CP**

December 1, 2000

(2000) 23 OSCB 8077

Notice for Rule **91-504** Over-The-Counter Derivatives

M.

**MISCELLANEOUS**

January 28, 2000

(2000) 23 OSCB 585

Canadian Derivatives Clearing Corporation – CDCC Rule Amendment – Rule **B-9** – Index Participation Unit Options – Notice of Approval

February 25, 2000

(2000) 23 OSCB 1311

Assignment of Certain Powers and Duties of the OSC

(2000) 23 OSCB 1312

Assignment of Certain Powers and Duties of the OSC

March 31, 2000

(2000) 23 OSCB 2316

Short Notice – Statement of Priorities for Fiscal Year ending March 31, 2001/**Request for Comments**

(2000) 23 OSCB 2363

Statement of Priorities for Fiscal Year ending March 31, 2001

June 23, 2000

(2000) 23 OSCB 4467

Regulation to Amend Regulation **1015** of the Revised Regulations of Ontario, 1990 Made Under the Securities Act

(2000) 23 OSCB 4467

Regulation to Amend Regulation **90** of the Revised Regulations of Ontario, 1990 Made Under the Commodity Futures Act



September 1, 2000

(2000) 23 OSCB 5884

Short Notice of Publication of Materials: Canadian Venture Exchange Inc.'s Request for an Exemption from Recognition as a Stock Exchange under s.21 of the Securities Act  
Canadian Venture Exchange - Request for Exemption  
CDN - Transfer of CDN Securities to New Trading Systems and Access to TSE/CATS System During Interim Trading Period

September 29, 2000

(2000) 23 OSCB 6652

(2000) 23 OSCB 6653

Notice of Commission Decision Temporarily Exempting the Montreal Exchange from Recognition  
Notice of Ontario Securities Commission Rule In the Matter of the Limitations on a Registrant Underwriting Securities of a Related Issuer or Connected Issuer of the Registrant

October 6, 2000

(2000) 23 OSCB 6862

Notice of Commission Decision Temporarily Exempting the Montreal Exchange from Recognition

October 13, 2000

(2000) 23 OSCB 6984

Recognition of Certain Stock Exchanges - s.154(1) of the Regulation

December 22, 2000

(2000) 23 OSCB 8437

(2000) 23 OSCB 8471

Notice of Commission Approval - Canadian Venture Exchange Exemption from Recognition as a Stock Exchange Under Section 21 of the Act  
Notice of Amendment to Corporate Finance Accountants' Practice Manual

N.

**RULES AND POLICIES OF SROs AND RECOGNIZED EXCHANGES**

January 28, 2000

(2000) 23 OSCB 583

Toronto Stock Exchange – Rule Book and Policies of The TSE Inc. – Notice of Commission Approval

March 10, 2000

(2000) 23 OSCB 1732

TSE By-law No. 701 – A By-law to Permit Trading After Hours at the Closing Price – Notice of Commission Approval

March 17, 2000

(2000) 23 OSCB 1936

Short Notice - The Toronto Stock Exchange – By-law No. 704 – Introduction of Anonymous Trading and Undisclosed Volume – Notice of Commission Approval

March 24, 2000

(2000) 23 OSCB 2116

The Toronto Stock Exchange – By-law No. 702 – Removal of Restrictions on Trading Listed Securities on Nasdaq

April 7, 2000

(2000) 23 OSCB 2488

(2000) 23 OSCB 2489

(2000) 23 OSCB 2490

(2000) 23 OSCB 2627

TSE – Suspension and Delisting Policy – Changes to Continued Listing Requirements and Suspension Review Process – Notice of Commission Approval  
Amendment to IDA Policy No. 6 – Part 1, Proficiency Requirements – Short Notice of Commission Approval and Publication for Comment  
Toronto Stock Exchange Inc. – Recognition Order  
IDA – Amendment to IDA Policy No. 6 – Part 1, Proficiency Requirements

May 19, 2000

(2000) 23 OSCB 3627

(2000) 23 OSCB 3629

(2000) 23 OSCB 3634

(2000) 23 OSCB 3636

IDA – Amendment to General Notes and Definitions of Form 1 to Allow Dual Trade Date/Settlement Date Margining  
IDA - Composition of the IDA Board  
IDA – Small Investments by Industry Investors in Another Member or Holding Company  
IDA - Manipulative or Deceptive Trading

May 26, 2000

(2000) 23 OSCB 3650

IDA – Amendment to Policy 6 – Part 1, Proficiency Requirements – Notice of Commission Approval

June 16, 2000

(2000) 23 OSCB 4315

Toronto Stock Exchange- Alternative Trading Systems/Proprietary Electronic Trading Systems/**Request for Comments**

August 4, 2000

(2000) 23 OSCB 5271

TSE Inc. - Amendments to the In-House Client Priority Rule **4-501**

(2000) 23 OSCB 5271

TSE Inc. - Recognition of Indexes and Trading of Securities Similar to Index Participation Funds

September 8, 2000

(2000) 23 OSCB 6138

TSE - Listing Policy - Proposed New Original Listing Requirements for Technology Companies Applying Under the Industrial Category - Notice of Commission Approval

September 22, 2000

(2000) 23 OSCB 6497

Short Notice - Toronto Stock Exchange - Amendments to Rule **4.104(2)(a)** of the Toronto Stock Exchange Inc. Proprietary Electronic Trading Systems Notice of Commission Approval

October 6, 2000

(2000) 23 OSCB 6857

Short Notice - TSE Inc. - Electronic Volume Weighted Average Price Trading System

(2000) 23 OSCB 6953

TSE Inc. - Electronic Volume Weighted Average Price Trading System

October 27, 2000

(2000) 23 OSCB 7239

IDA By-Law **29** Regarding Valuation Disclosure Standards for Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions - Notice of Ontario Securities Commission Approval of Amendments

November 3, 2000

(2000) 23 OSCB 7445

The Toronto Stock Exchange - Amendments to the Rules of the Toronto Stock Exchange - Recognition of Indexes and Trading of Securities Similar to Index Participation Funds - Notice of Commission Approval

December 15, 2000

(2000) 23 OSCB 8310

Notice of Commission Approval - TSE Rule Amendments, Retail Access to the Exchange

(2000) 23 OSCB 8311

Notice of Commission Approval - TSE Rule Amendments, Trading in Penny Increments

**O. RULES THAT WERE EXTENDED FROM DECEMBER 31, 1999 TO JULY 01, 2001**

January 14, 2000

(2000) 23 OSCB 245

Short Notice of Final Amendments to Rules under the Securities Act Extending the Expiration Date to December 31, 1999 and July 1, 2001

(2000) 23 OSCB 289

Amendment to the Ontario Securities Commission Rule In the Matter of Certain Reporting Issuers

**P. RULES THAT WERE EXTENDED FROM DECEMBER 31, 1999 TO DECEMBER 31, 2000**

January 14, 2000

(2000) 23 OSCB 245

Short Notice of Final Amendments to Rules under the Securities Act Extending the Expiration Date to December 31, 1999 and July 1, 2001

(2000) 23 OSCB 285

Amendment to the Ontario Securities Commission Rule In the Matter of Limitations on a Registrant Underwriting Securities of a Related Issuer or Connected Issuer of the Registrant

(2000) 23 OSCB 285

Amendment to the Ontario Securities Commission Rule In the Matter of Certain Advisors

(2000) 23 OSCB 286

Amendment to the Ontario Securities Commission Rule In the Matter of Rules for Shelf Prospectus Offerings and for Pricing Offerings after the Prospectus is Received

(2000) 23 OSCB 286

Amendment to the Ontario Securities Commission Rule In the Matter of Prompt Offering Qualification System

(2000) 23 OSCB 287

Amendment to the Ontario Securities Commission Rule In the Matter of National Policy Statement **No. 47** and the Solicitation of Expressions of Interest

(2000) 23 OSCB 287

Amendment to the Ontario Securities Commission Rule In the Matter of Certain Reporting Issuers

(2000) 23 OSCB 288

Amendment to the Ontario Securities Commission Rule In the Matter of Certain Reporting Issuers [including National Policy **No. 41**]

(2000) 23 OSCB 288

Amendment to the Ontario Securities Commission Rule In the Matter of Going Private Transactions

(2000) 23 OSCB 289

Amendment to the Ontario Securities Commission Rule In the Matter of Insider Bids, Issuer Bids and Take-Over Bids in Anticipation of Going Private Transactions

**Q. RULES THAT WERE EXTENDED FROM DECEMBER 31, 2000 TO DECEMBER 31, 2001**

September 29, 2000

(2000) 23 OSCB 6653

Short Notice of Final Amendments to Rules Under the Securities Act Extending the Expiration Date to December 31, 2001 and July 1, 2002

(2000) 23 OSCB 6725

Amendment to Ontario Securities Commission Rule In the Matter of Certain Reporting Issuers [including National Policy Statement No. 41]

December 8, 2000

(2000) 23 OSCB 8213

Short Notice of Amendment to Rules Under the Securities Act Extending the Expiration Date to December 31, 2001 and July 1, 2002

(2000) 23 OSCB 8244

Amendment to Ontario Securities Commission Rule In the Matter of Certain Reporting Issuers [including National Policy Statement No. 41]

**R. RULES THAT WERE EXTENDED FROM JULY 1, 2001 TO JULY 1, 2002**

September 29, 2000

(2000) 23 OSCB 6653

Short Notice of Final Amendments to Rules Under the Securities Act Extending the Expiration Date to December 31, 2001 and July 1, 2002

(2000) 23 OSCB 6726

Amendment to Rule Under the Securities Act In the Matter of Certain Reporting Issuers

(2000) 23 OSCB 6727

Amendment to Rule Under the Securities Act In the Matter of Regulation 1015, R.R.O. 1990, As Amended, and In the Matter of Certain International Offerings by Private Placement in Ontario

December 8, 2000

(2000) 23 OSCB 8213

Short Notice of Amendment to Rules Under the Securities Act Extending the Expiration Date to December 31, 2001 and July 1, 2002

(2000) 23 OSCB 8244

Amendment to Rule Under the Securities Act In the Matter of Certain Reporting Issuers

(2000) 23 OSCB 8244

Amendment to Rule Under the Securities Act in the Matter of Regulation 1015, R.R.O. 1990, as amended, and In the Matter of Certain International Offerings by Private Placement in Ontario

1.1.5 Staff Notice 11-708 Policy Reformulation Project - Table of Concordance

OSC STAFF NOTICE 11-708

**POLICY REFORMULATION PROJECT - TABLE OF CONCORDANCE**

To assist market participants in identifying the current status of instruments that existed before the Reformulation Project, Staff has prepared a table of concordance. The table shows the treatment of each National Policy, Uniform Act Policy, OSC Policy, Blanket Ruling, CSA Notice, OSC Notice, Principles of Regulation, Staff Accounting Registration Section Clarification Note and Interpretation Note. The table indicates whether it has been published for comment as a new instrument under the Policy Reformulation Project, finalized as a new instrument or whether it has been or is proposed to be repealed or is under consideration. In addition, the table only indicates the primary instrument and does not indicate the corresponding companion policy or forms where applicable. The final pages of the chart show new instruments that are new initiatives that were developed separately from the Reformulation Project.

Within the table, a reference to the instrument being "Under Consideration", "In the process of being reformulated as", "To Be Retained" or "To Be Repealed" indicates that the determination as to the appropriate treatment of the instrument has not been finalized and represents Staff's views at this time so that it is subject to the Commission's approval and otherwise to change.

Item Key			
BR	-	Blanket Ruling	
CSAN	-	Notice of CSA	
IN	-	Interpretation Note	
NP	-	National Policy	
OSCN	-	Notice of OSC or OSC Staff	
OSC	-	OSC Policy	
PR	-	Principles of Regulation	
REG	-	Registration Section Clarification Note	
SAC	-	Staff Accounting Communiqué	
UAP	-	Uniform Act Policy	

NOTE: The third digit of each instrument represents the following: 1-National/Multilateral Instrument; 2-National/Multilateral Policy; 3-CSA Notice; 4-Concept Release; 5-Local Rule; 6-Local Policy; 7-Local Notice; 8-Implementing Instrument; 9-Miscellaneous

Pre-Reformulation		Reformulation		
INSTRUMENT	TITLE	NUMBER	TITLE	STATUS AS AT DECEMBER 31, 2000
<b>NATIONAL POLICY</b>				
NP 1	Clearance of National Issues RESCINDED JANUARY 1, 2000	43-201	Mutual Reliance Review System for Prospectus and Initial AIFs	<i>CAME INTO FORCE JAN 1/00</i>
NP 2-A	Guide for Engineers, Geologists and Prospectors Submitting Reports on Mining Properties to Canadian Provincial Securities Administrators TO BE RESCINDED FEBRUARY 1, 2001	43-101	Standards of Disclosure for Mineral Exploration and Development and Mining Properties	<i>To come into force Feb 1/01</i>
NP 2-B	Guide for Engineers and Geologists Submitting Oil and Gas Reports to Canadian Provincial Securities Administrators		Guide for Engineers and Geologists Submitting Oil and Gas Reports	<i>In the process of being reformulated as 43-102</i>
NP 3	Unacceptable Auditors			<i>Under Consideration</i>
NP 4	Conditions for Dealer Sub-Underwriting			<i>Repealed Apr 1/99</i>
NP 12	Disclosure of "Market Out" Clauses in Underwriting Agreements in Prospectuses RESCINDED DECEMBER 31, 2000	41-101	Prospectus Disclosure Requirements	<i>CAME INTO FORCE DEC 31/00</i>
NP 13	Disclaimer Clause on Prospectus RESCINDED DECEMBER 31, 2000	41-101	Prospectus Disclosure Requirements	<i>CAME INTO FORCE DEC 31/00</i>

Pre-Reformulation		Reformulation		
INSTRUMENT	TITLE	NUMBER	TITLE	STATUS AS AT DECEMBER 31, 2000
NP 14	Acceptability of Currencies in Material Filed with Securities Regulatory Authority	52-102	Use of Currencies	<i>Published for comment May 29/98</i>
NP 15	Conditions Precedent to Acceptance of Scholarship or Educational Plan Prospectuses		Scholarship Plans	<i>In the process of being reformulated as 46-102</i>
NP 16	Maintenance of Provincial Trading Records			<i>Repealed Apr 1/99</i>
NP 17	Violations of Securities Laws of Other Jurisdictions - Conduct Affecting Fitness for Continued Registration RESCINDED OCTOBER 16, 1998	34-201	Breach of Requirements of Other Jurisdictions	<i>CAME INTO FORCE OCT 16/98</i>
NP 18	Conflict of Interest - Registrants Acting as Corporate Directors RESCINDED SEPTEMBER 25, 1998	34-202	Registrants Acting as Corporate Directors	<i>CAME INTO FORCE OCT 16/98</i>
NP 20	Trading in Unqualified Securities - Securities in Primary Distribution in Other Jurisdictions			<i>Repealed Apr 1/99</i>
NP 21	National Advertising - Warnings			<i>Under Consideration</i>
NP 22	Use of Information and Opinion Re Mining and Oil Properties by Registrants and Others	43-101	Standards of Disclosure for Mineral Exploration and Development and Mining Properties	<i>To come into force Feb 1/01</i>
NP 25	Registrants: Advertising: Disclosure of Interest			<i>Under Consideration</i>
NP 27	Canadian Generally Accepted Accounting Principles		Auditor's Report	<i>In the process of being reformulated as 52-104</i>
NP 29	Mutual Funds Investing in Mortgages		Mutual Funds Investing in Mortgages	<i>In the process of being reformulated as 81-103</i>
NP 30	Processing of "Seasoned Prospectuses"	43-201	Mutual Reliance Review System for Prospectus and Initial AIFs	<i>CAME INTO FORCE JAN 1/00</i>
NP 31	Change of Auditor of a Reporting Issuer	52-103	Change of Auditor	<i>Published for comment May 29/98</i>
NP 32	Prospectus Warning Re: Scope of Distribution RESCINDED DECEMBER 31, 2000	41-101	Prospectus Disclosure Requirements	<i>CAME INTO FORCE DEC 31/00</i>
NP 33	Financing of Film Productions			<i>Repealed Apr 11/97</i>

Pre-Reformulation		Reformulation		
INSTRUMENT	TITLE	NUMBER	TITLE	STATUS AS AT DECEMBER 31, 2000
NP 34	Unincorporated Issuers: Requirement to Maintain a Register of Security Holders RESCINDED FEBRUARY 1, 2000	81-102	Mutual Funds	<i>CAME INTO FORCE FEB 1/00; Amendments published for comment Jan 28/00; Amendments published for comment June 16/00</i>
NP 35	Purchaser's Statutory Rights RESCINDED DECEMBER 31, 2000	41-101	Prospectus Disclosure Requirements	<i>CAME INTO FORCE DEC 31/00</i>
NP 36	Mutual Funds - Simplified Prospectus Qualification System  REPEALED FEBRUARY 1, 2000	81-101	Mutual Fund Prospectus Disclosure	<i>CAME INTO FORCE FEB 1/00; Amendments published for comment Jan 28/00; Amendments published for comment June 16/00</i>
NP 37	Take-Over Bids: Reciprocal Cease Trading Orders RESCINDED AUGUST 4, 1997	62-201	Bids Made Only in Certain Jurisdictions	<i>CAME INTO FORCE AUG 4/97</i>
NP 38	Take-Over Bids - Defensive Tactics RESCINDED AUGUST 4, 1997	62-202	Take-Over Bids - Defensive Tactics	<i>CAME INTO FORCE AUG 4/97</i>
NP 39	Mutual Funds RESCINDED FEBRUARY 1, 2000	81-102	Mutual Funds	<i>CAME INTO FORCE FEB 1/00; Amendments published for comment Jan 28/00; Amendments published for comment June 16/00</i>
NP 40	Timely Disclosure			<i>Under Consideration</i>
NP 41	Shareholder Communication FORMER DEEMED RULE EXTENDED UNTIL DECEMBER 31, 2001	54-101	Communication with Beneficial Owners of Securities of a Reporting Issuer	<i>Republished for comment Sep 1/00</i>
		54-102	Supplemental Mailing List and Interim Financial Statement Exemption	<i>Published for comment Feb 27/98</i>
NP 42	Advertising of Securities on Radio or Television (Interim)			<i>Under Consideration</i>
NP 43	(DRAFT) Advertisements of Securities and Related Sales Practices			<i>Under Consideration</i>
NP 44	Rules for Shelf Prospectus Offerings and Pricing Offerings After the Final Prospectus is Received EXPIRED DECEMBER 31, 2000	44-102	Shelf Distributions	<i>CAME INTO FORCE DEC 31/00</i>

Pre-Reformulation		Reformulation		
INSTRUMENT	TITLE	NUMBER	TITLE	STATUS AS AT DECEMBER 31, 2000
		44-103	Post-Receipt Pricing	<i>CAME INTO FORCE DEC 31/00</i>
NP 45	Multijurisdictional Disclosure System EXPIRED NOVEMBER 1, 1998	71-101	The Multijurisdictional Disclosure System	<i>CAME INTO FORCE NOV 1/98</i>
NP 47	Prompt Offering Qualification System EXPIRED DECEMBER 31, 2000	44-101	Short Form Prospectus Distributions	<i>CAME INTO FORCE DEC 31/00</i>
NP 48	Future-Oriented Financial Information	52-101	Future-Oriented Financial Information	<i>Published for comment Jul 18/97</i>
NP 49	Self-Regulatory Organization Membership			<i>Under Consideration</i>
NP 50	Reservations in an Auditor's Report		Auditor's Report	<i>In the process of being reformulated as 52-104</i>
NP 51	Changes in the Ending Date of a Financial Year and in Reporting Status		Change in the Ending Date of a Financial Year	<i>In the process of being reformulated as 52-105</i>
NP 53	(DRAFT) - Foreign Issuers		Foreign Issuer Prospectus and Continuous Disclosure System	<i>To be retained</i>
NP 54	(DRAFT) - Expedited Registration System for Advisers	31-101	Mutual Reliance Review System for Registration	<i>Published for comment Jun 19/98</i>
<b>UNIFORM ACT POLICY</b>				
UAP 2-01	"Undertakings" - Extra-provincial Companies			<i>Repealed Jan 1/99</i>
UAP 2-02	Prospectuses - Annual Re-Filings			<i>Repealed Jan 1/99</i>
UAP 2-03	Prospectuses and Amendments - Certification (section 52[53]) Supporting Documentation REPEALED JANUARY 1/99	41-501	General Prospectus Requirements	<i>CAME INTO FORCE DEC 31/00</i>
UAP 2-04	Consent of Solicitors - Disclosure of Interest REPEALED JANUARY 1/99	41-501	General Prospectus Requirements	<i>CAME INTO FORCE DEC 31/00</i>
UAP 2-05	Applications under s. 34(1)14 [35(1)14] and 71(1)(h)[72(1)(h)] of the Securities Act by a Company Wishing to Sell Additional Securities to its Security Holders	45-101	Rights Offerings	<i>Republished for comment Aug 11/00</i>
UAP 2-06	Use of Shareholders' Lists by Registrants			<i>Repealed Jan 1/99</i>
UAP 2-07	Surrender of Registration - Other than Salesman RESCINDED APRIL 7, 1998	33-501	Surrender of Registration	<i>CAME INTO FORCE APR 7/98</i>
UAP 2-08	Declaration as to Short Position - Listed and Unlisted Securities			<i>Repealed Jan 1/99</i>
UAP 2-09	Insider Trading Reports - Loan and Trust Companies			<i>Repealed Jan 1/99</i>

Pre-Reformulation		Reformulation		
INSTRUMENT	TITLE	NUMBER	TITLE	STATUS AS AT DECEMBER 31, 2000
UAP 2-10	Insider Trading Reports - Persons Required to Report in More Than One Capacity			<i>Repealed May 1/98</i>
UAP 2-11	Policy Statement in Connection with Applications to the Commission for an Order Under Section 79(a)[80(a)] of the Securities Act (Ontario)			<i>Repealed Apr 3/98</i>
UAP 2-13	Advertising During Waiting Period Between Preliminary and Final Prospectuses			<i>To be retained</i>
<b>OSC POLICY</b>				
OSC 1.1	O.S.C. Policy Statements --- General			<i>Repealed Mar 1/99</i>
OSC 1.3	Restricted Shares RESCINDED OCTOBER 27, 1999	56-501	Restricted Shares	<i>CAME INTO FORCE OCT 25/99</i>
OSC 1.4	Reciprocal Enforcement of Cease Trading Orders			<i>Under Consideration</i>
OSC 1.6	Strip Bonds RESCINDED MAY 1, 1998	91-501	Strip Bonds	<i>CAME INTO FORCE MAY 1/98</i>
OSC 1.7	The Securities Advisory Committee to the OSC			<i>Under consideration</i>
OSC 1.9	Use By Dealers of Brokerage Commissions as Payment for Goods or Services Other than Order Execution Services ("Soft Dollar" Deals)			<i>Under Consideration</i>
OSC 2.1	Applications to the Ontario Securities Commission		Applications to the OSC	<i>In the process of being reformulated as 12-601</i>
OSC 2.2	Public Availability of Material Filed under the Securities Act			<i>To be retained</i>
OSC 2.3	Joint Hearings with Other Provincial Administrators - Conditions Precedent and Costs REPEALED JULY 1/97		Rules of Practice	<i>CAME INTO FORCE JUL 1/97</i>
OSC 2.4	Conflict of Interest Guidelines for Members of the Ontario Securities Commission and Staff REPEALED APRIL 16/98	By-law No. 2	A By-law relating to conflicts of interest in connection with the conduct of the affairs of the Securities Commission	<i>CAME INTO FORCE JAN 18/98</i>
OSC 2.5	Certificates of No Default under Section 72(8) and List of Defaulting Issuers under Section 72(9) of the Securities Act	51-601	Certificates of No-Default Under Subsection 72(8) and List of Defaulting Reporting Issuers Under s.72(9), of the Act	<i>Republished for comment Dec 8/00</i>
OSC 2.6	Applications for Exemption from Preparation and Mailing of Interim Financial Statements, Annual Financial Statements and Proxy Solicitation Material	52-601	Exemption re: Mailing of Financial Statements and Proxy Solicitation Material	<i>To be retained</i>



Pre-Reformulation		Reformulation		
INSTRUMENT	TITLE	NUMBER	TITLE	STATUS AS AT DECEMBER 31, 2000
OSC 2.7	Appeals to the Ontario Securities Commission By Way of Hearing and Review REPEALED JULY 1/97		Rules of Practice	CAME INTO FORCE JUL 1/97
OSC 2.8	Applications for Ontario Securities Commission Consent to Obtain Transcripts of Evidence Taken During Investigations or Hearings REPEALED JULY 1/97		Rules of Practice	CAME INTO FORCE JUL 1/97
OSC 2.9	Cease Trading Orders - Applications for Partial Revocation to Permit a Securityholder to Establish a Tax Loss for Income Tax Purposes RESCINDED FEBRUARY 24, 1998	57-602	Cease Trading Orders - Application for Partial Revocation to Permit a Securityholder to Establish a Tax Loss	CAME INTO FORCE FEB 24/98
OSC 2.10	Restrictions on Practice Before the Commission and its Staff Upon Termination of the Appointments of Members of the Commission and its Staff REPEALED APR 16/98	By-law No. 2	A By-law relating to conflicts of interest in connection with the conduct of the affairs of the Ontario Securities Commission	CAME INTO FORCE JAN 18/98
OSC 2.11	Conflicts of Interest of Members of the Ontario Securities Commission REPEALED APR 16/98	By-law No. 2	A By-law relating to conflicts of interest in connection with the conduct of the affairs of the Ontario Securities Commission	CAME INTO FORCE JAN 18/98
OSC 2.12	Televising of Ontario Securities Commission Hearings REPEALED JUL 1/97		Rules of Practice	CAME INTO FORCE JUL 1/97
OSC 3.1	Recognition by the Commission of Stock Exchanges, etc. PORTIONS REPLACED	21-901	Recognition Order - In the Matter of the Recognition of Certain Stock Exchanges (1997), 20 O.S.C.B. 1034	CAME INTO FORCE MAR 1/97  AMENDMENT PUBLISHED AUG 29/00
		62-904	Recognition Order - In the Matter of the Recognition of Certain Jurisdictions [ss. 93(1)(e) and ss. 93(3)(h) of the Act] (1997), 20 O.S.C.B. 1035	CAME INTO FORCE MAR 1/97
		45-501	Exempt Distributions [replaces subsection 25(2) of Regulation 1015]	CAME INTO FORCE DEC 22/98  Revised version published for comment Sep 8/00
		45-502	Dividend or Interest Reinvestment and Stock Dividend Plans	CAME INTO FORCE JUN 10/98
OSC 4.1	Public Ownership of Dealers, Conditions of Registration and Institutional Ownership			Repealed Mar 1/99
OSC 4.2	Suspension of Registration - Criminal Charges Pending			To be retained

Pre-Reformulation		Reformulation		
INSTRUMENT	TITLE	NUMBER	TITLE	STATUS AS AT DECEMBER 31, 2000
OSC 4.3	Self-Directed RRSPs and Other Plans Recognized by the Commission for Purposes of this Policy Statement and Administered by Brokers or Investment Dealers on Behalf of Authorized Trustees	33-101	Administration of Self-Directed RRSPs, RESPs and RRIFs by Dealers	<i>Published for comment Feb 13/98</i>
OSC 4.4	Dual Registration Under the <i>Securities Act</i>	31-501	Registrant Relationships	<i>CAME INTO FORCE SEP 4/97; Amendments published for comment June 19/98</i>
OSC 4.5	Dual Licensing of Life Insurance Agents			<i>Repealed (1994), 17 O.S.C.B. 6073</i>
OSC 4.6	Registration - Declaration of Personal Bankruptcy			<i>To be retained</i>
OSC 4.7	Registration of Non-Resident Salesmen, Partners or Officers of Registered Dealers	35-501	Registration of Non-Residents	<i>Published for comment Oct 2/98</i>
OSC 4.8	Non-Resident Advisers EXPIRED NOVEMBER 18, 2000	35-502	Non-Resident Advisers	<i>CAME INTO FORCE NOV 18/00</i>
OSC 5.1	Prospectuses - General Guidelines PORTIONS RESCINDED DECEMBER 31, 2000	41-501	General Prospectus Requirements	<i>CAME INTO FORCE DEC 31/00</i>
		48-502	Over-Allotment Options and Underwriters' Compensation	<i>Published for Comment Apr 25/97</i>
OSC 5.1 (24)	Prospectus Disclosure in Information Circulars: Amalgamation, Arrangements, Mergers and Reorganizations RESCINDED DECEMBER 31, 2000	54-501	Prospectus Disclosure in Certain Information Circulars	<i>CAME INTO FORCE DEC 31/00</i>
OSC 5.1 (26)	Trading by Issuers, Selling Security Holders, Underwriters, Dealers and Their Affiliates and Joint Actors During a Distribution by Prospectus of TSE - listed Securities	48-501	Market Stabilization During Distributions	<i>Under Consideration</i>
OSC 5.2	Junior Natural Resource Issuers RULE IN FORCE UNTIL JULY 2001			<i>See Notice published Dec 22/00</i>
OSC 5.3	Mortgage and Real Estate Investment Trusts and Partnerships			<i>Under Consideration</i>
OSC 5.4	"Closed-End" Income Investment Trusts and Partnerships			<i>Under Consideration</i>
OSC 5.7	Preliminary Prospectuses - Preparation, Filing and Frequently Occurring Deficiencies PORTIONS RESCINDED DECEMBER 31, 2000	41-501	General Prospectus Requirements	<i>CAME INTO FORCE DEC 31/00</i>
OSC 5.9	Escrow Guidelines - Industrial Issuers	TBA		<i>Published for comment as Concept Release May 8/98</i>

Pre-Reformulation		Reformulation		
INSTRUMENT	TITLE	NUMBER	TITLE	STATUS AS AT DECEMBER 31, 2000
OSC 5.10	Annual Information Form and Management's Discussion and Analysis of Financial Condition and Results of Operations TO BE RESCINDED MAY 31, 2001	51-501	Annual Information Form and Management's Discussion and Analysis of Financial Condition and Results of Operation	<i>To come into force Jan 1/01</i>
OSC 6.1	Private Placements RESCINDED DECEMBER 22, 1998	45-501	Exempt Distributions	<i>CAME INTO FORCE DEC 22/98</i>  <i>Revised version published for comment Sep 8/00</i>
OSC 6.2	Rights Offerings	45-101	Rights Offerings	<i>Republished for comment Aug 11/00</i>
		45-502	Dividend or Interest Reinvestment and Stock Dividend Plans	<i>CAME INTO FORCE JUN 10/98</i>
OSC 7.1	Application of Requirements of the Securities Act to Certain Reporting Issuers		Exemptions from Continuous Disclosure Requirements for Certain Reporting Issuers	<i>In the process of being reformulated as 51-502</i>
OSC 7.2	Timely Disclosure --- Early Warning			<i>Repealed Mar 1/99</i>
OSC 7.3	Management's Report Disclosing Contingencies and Going Concern Considerations in Financial Statements			<i>Repealed Mar 1/99</i>
OSC 7.4	Business and Asset Combinations	62-602		<i>To be retained</i>
OSC 7.5	Reciprocal Filings	51-603	Certain Required Filings and Reciprocal Filings	<i>To be retained</i>
OSC 7.6	Enforcement of Timely Filings of Financial Statements			<i>Repealed Mar 1/99</i>
OSC 7.7	The Oil and Gas Industry - Application of the Ceiling Test When the Full Cost Method is Used			<i>Repealed Mar 1/99</i>
OSC 7.8	(DRAFT) Reverse Take-overs - Timely Disclosure	46-502	Reverse Take-overs	<i>Under Consideration</i>
OSC 9.1	Disclosure, Valuation, Review and Approval Requirements and Recommendations for Insider Bids, Issuer Bids, Going Private Transactions, and Related Party Transactions	61-501	Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions	<i>CAME INTO FORCE May 1/00</i>
OSC 9.3	Take-Over Bids - Miscellaneous Guidelines	62-601		<i>To be retained</i>
OSC 10.1	Applications for Exemption from Insider Reporting Obligations for Insiders of Subsidiaries and Affiliated Issuers	55-101	Exemptions from Certain Insider Reporting Requirements	<i>Republished for comment June 16/00</i>
OSC 10.2	Guidelines for Establishment of Procedures in Relation to Confidential Information RESCINDED JANUARY 27, 1998	33-601	Guidelines for Policies and Procedures Concerning Inside Information	<i>CAME INTO FORCE JAN 27/98</i>

Pre-Reformulation		Reformulation		
INSTRUMENT	TITLE	NUMBER	TITLE	STATUS AS AT DECEMBER 31, 2000
OSC 11.1	Mutual Fund Trusts: Interim OSC Approval of Mutual Fund Trustees Pursuant to Clause 213(3)(b) of the <i>Loan and Trust Corporations Act, 1987</i> RESCINDED JANUARY 14, 1997	81-901	Approval of Mutual Fund Trustees Under Clause 213(3)(b) of the Loan and Trust Corporations Act	<i>CAME INTO FORCE JAN 14/97</i>
OSC 11.2	Bond Ratings Services - Statements of Investment Portfolio and Statements of Portfolio Transactions of Mutual Funds	81-902	Recognition Order - In the Matter of the Recognition of Certain Rating Agencies (1997), 20 O.S.C.B. 1034	<i>CAME INTO FORCE MAR 1/97</i>
OSC 11.4	Commodity Pool Programs	81-104	Commodity Pools	<i>Republished for Comment Jun 2/00</i>
OSC 11.5	Real Estate Mutual Funds - General Prospectus Guidelines			<i>Repealed Dec 20/96</i>
<b>BLANKET RULING</b>				
BR	Certain Reporting Issuers (1980), 3 O.S.C.B. 54		Exemptions from Continuous Disclosure Requirements for Certain Reporting Issuers	<i>In the process of being reformulated as 51-502</i>
BR	Certain Reporting Issuers (1980), 3 O.S.C.B. 166 FORMER DEEMED RULE EXTENDED UNTIL JULY 1, 2002		Exemptions from Continuous Disclosure Requirements for Certain Reporting Issuers	<i>In the process of being reformulated as 51-502</i>
BR	The Automatic Investment of Dividends or Distributions in Shares or Units of Mutual Funds (1983), 6 O.S.C.B. 1078 RESCINDED OCTOBER 10, 1997	81-501	Mutual Fund Reinvestment Plans	<i>CAME INTO FORCE OCT 10/97</i>
BR	Certain Proposed Amendments (1983), 6 O.S.C.B. 3508 EXPIRED DECEMBER 22, 1998	45-501	Exempt Distributions	<i>CAME INTO FORCE DEC 22/98</i>  <i>Revised version published for comment Sep 8/00</i>
BR	Discount Brokerage and The Role of Financial Institutions (1984), 7 O.S.C.B. 458			<i>Expired Mar 1/97</i>
BR	Trading in Commodity Futures Contracts and Commodity Futures Options Entered Into On Commodity Futures Exchanges Situate Outside Canada Other than Commodity Futures Exchanges in the United States of America (1980), 15 O.S.C.B. 7, as varied by (1984), 7 O.S.C.B. 995*	91-503	Trades in Commodity Futures Contracts and Commodity Futures Options Entered into on Commodity Futures Exchange Situate Outside of Ontario	<i>CAME INTO FORCE MAR 28/97</i>
BR	Order Execution Access Dealers (1984), 7 O.S.C.B. 1520			<i>Expired Mar 1/97</i>
BR	Certain Reporting Issuers (1984), 7 O.S.C.B. 1913 FORMER DEEMED RULE EXTENDED UNTIL JULY 1, 2002		Exemptions from Continuous Disclosure Requirements for Certain Reporting Issuers	<i>In the process of being reformulated as 51-502</i>

Pre-Reformulation		Reformulation		
INSTRUMENT	TITLE	NUMBER	TITLE	STATUS AS AT DECEMBER 31, 2000
BR	Certain Reporting Issuers (1984), 7 O.S.C.B. 3247 FORMER DEEMED RULE EXTENDED UNTIL JULY 1, 2002		Exemptions from Continuous Disclosure Requirements for Certain Reporting Issuers	<i>In the process of being reformulated as 51-502</i>
BR	Zero Coupon Strip Bonds (1984), 7 O.S.C.B. 4085 RESCINDED MAY 1, 1998	91-501	Strip Bonds	<i>CAME INTO FORCE MAY 1/98</i>
BR	Trading in Commodity Futures Contracts and Commodity Futures Options Entered into on Commodity Futures Exchanges in the United States of America (1984), 7 O.S.C.B. 4578 <sup>1</sup>	91-503	Trades in Commodity Futures Contracts and Commodity Futures Options Entered into on Commodity Futures Exchanges Situate Outside of Ontario	<i>CAME INTO FORCE MAR 28/97</i>
BR	Eurosecurity Financing (1984), 7 O.S.C.B. 4897			<i>Expired Mar 1/97</i>
BR	Simplified Prospectus Qualification System for Mutual Funds (1984), 7 O.S.C.B. 5333 EXPIRED FEBRUARY 1, 2000	81-101	Mutual Fund Prospectus Disclosure	<i>CAME INTO FORCE FEB 1/00; Amendments published for comment Jan 28/00; Amendments published for comment June 16/00</i>
BR	Trades In Securities of a Private Company Under The Execution Act (1985), 8 O.S.C.B. 127 EXPIRED DECEMBER 22, 1998	45-501	Exempt Distributions	<i>CAME INTO FORCE DEC 22/98</i>  <i>Revised version published for comment Sep 8/00</i>
BR	Certain Reporting Issuers (1985), 8 O.S.C.B. 2915 EXPIRED DECEMBER 31, 2001	44-101	Short Form Prospectus Distributions	<i>CAME INTO FORCE DEC 31/00</i>
BR	The Mandatory Investment of Dividends or Distributions In Shares or Units of Mutual Funds (1985), 8 O.S.C.B. 4308 EXPIRED OCTOBER 10, 1997	81-501	Mutual Fund Reinvestment Plans	<i>CAME INTO FORCE OCT 10/97</i>
BR	TSE Policy on Small Shareholder Selling/Purchase Arrangements (1987), 10 O.S.C.B. 1455 EXPIRED OCTOBER 22, 1997	32-101	Small Securityholder Selling and Purchase Arrangements	<i>CAME INTO FORCE OCT 22/97</i>
BR	A Policy of the Montreal Exchange on Small Shareholder Selling and Purchase Arrangements (1987), 10 O.S.C.B. 4938 EXPIRED OCTOBER 22, 1997	32-101	Small Securityholder Selling and Purchase Arrangements	<i>CAME INTO FORCE OCT 22/97</i>

<sup>1</sup> This ruling remains in force for purposes of the *Commodity Futures Act*

Pre-Reformulation		Reformulation		
INSTRUMENT	TITLE	NUMBER	TITLE	STATUS AS AT DECEMBER 31, 2000
BR	Certain Proposed Amendments (1987), 10 O.S.C.B. 5936 EXPIRED DECEMBER 22, 1998	45-501	Exempt Distributions	<i>CAME INTO FORCE DEC 22/98</i>  <i>Revised version published for comment Sep 8/00</i>
BR	The Business Corporations Act and In the Matter of CDS (1988), 11 O.S.C.B. 542	22-901	Recognition Order - In the Matter of the Recognition of the Canadian Depository for Securities Limited (1997), 20 O.S.C.B. 1033	<i>CAME INTO FORCE MAR 1/97</i>
BR	Certain Reporting Issuers (1987) 10 O.S.C.B. 6306, amended by (1988), 11 O.S.C.B. 1029 RULE EXTENDED UNTIL DECEMBER 31, 2001	54-101	Communication with Beneficial Owners of Securities of a Reporting Issuer	<i>Republished for comment Sep 1/00</i>
		54-102	Supplemental Mailing List and Interim Financial Statement, Exemption	<i>Published for comment Feb 27/98</i>
BR	Certain Trades in Securities of Junior Resource Issuers (1988), 11 O.S.C.B. 1522 TO EXPIRE JULY 1, 2001			<i>Under Consideration</i>
BR	Trading in Recognized Options Cleared Through Recognized Clearing Organizations (1988), 11 O.S.C.B. 4895 EXPIRED MARCH 28, 1997	91-502	Trades in Recognized Options	<i>CAME INTO FORCE MAR 28/97</i>
BR	The Securities Act (1989), 12 O.S.C.B. 2735			<i>Expired Mar 1/97</i>
BR	Trading in Commodity Futures Contracts Entered into on the Montreal Stock Exchange (August 25, 1980) OSCWS 15A, as varied by In the Matter of Trading in Commodity Futures Contracts and Commodity Futures Options Entered into on The Montreal Stock Exchange (1989), 12 O.S.C.B. 3392*	91-503	Trades in Commodity Futures Contracts and Commodity Futures Options Entered into on Commodity Futures Exchanges Situate Outside of Ontario	<i>CAME INTO FORCE MAR 28/97</i>
BR	The TSE (1990), 13 O.S.C.B. 3007			<i>Expired Mar 1/97</i>
BR	Self-Directed RESPs (1990), 13 O.S.C.B. 4793			<i>Expired Mar 1/97</i>
BR	The TSE (1991), 14 O.S.C.B. 881	21-901	Recognition Order - In the Matter of the Recognition of Certain Stock Exchanges (1997), 20 O.S.C.B. 1034	<i>CAME INTO FORCE MAR 1/97</i>  <i>AMENDMENT PUBLISHED AUG 29/00</i>
BR	Rules of Shelf Prospectus Offerings and for Pricing Offerings after the Prospectus Is Received (1991), 14 O.S.C.B. 1824 EXPIRED DECEMBER 31, 2000	44-102	Shelf Distributions	<i>CAME INTO FORCE DEC 31/00</i>
		44-103	Post-Receipt Pricing	<i>CAME INTO FORCE DEC 31/00</i>
BR	The Recognized Options Rationalization Order (1991), 14 O.S.C.B. 2157 EXPIRED MARCH 28, 1997	91-502	Trades in Recognized Options	<i>CAME INTO FORCE MAR 28/97</i>

Pre-Reformulation		Reformulation		
INSTRUMENT	TITLE	NUMBER	TITLE	STATUS AS AT DECEMBER 31, 2000
BR	Multijurisdictional Disclosure System (1991), 14 O.S.C.B. 2863 EXPIRED NOVEMBER 1, 1998	71-101	The Multijurisdictional Disclosure System	<i>CAME INTO FORCE NOV 1/98</i>
		71-801	Implementing The Multijurisdictional Disclosure System	<i>CAME INTO FORCE NOV 1/98</i>
BR	An Assignment to the Director Pursuant to Section 6 of The Securities Act (1991), 14 O.S.C.B. 3439			<i>Expired Mar 1/97</i>
BR	Mutual Fund Securities (1991), 14 O.S.C.B. 3763 EXPIRED SEPTEMBER 30, 1998	33-502	Exceptions to Conflict Rules in the Sale of Mutual Fund Securities	<i>CAME INTO FORCE SEP 30/98</i>
		33-105	Underwriting Conflicts	<i>Published for comment Feb 6/98</i>
BR	First Prospectuses Filed by NP 36 Mutual Funds and Universal Money Market Fund (1991), 14 O.S.C.B. 3475		Now covered by subsection 23(10) of the <i>Red Tape Reduction Act</i>	<i>Expired Jul 1/99</i>
BR	The Recognized Options Rationalization Order (1991), 14 O.S.C.B. 4234 EXPIRED MARCH 28, 1997	91-502	Trades in Recognized Options	<i>CAME INTO FORCE MAR 28/97</i>
BR	Self-Directed Registered Education Plans (1992), 15 O.S.C.B. 613 EXPIRED JUNE 17, 1997	46-501	Self-Directed Registered Education Savings Plans	<i>CAME INTO FORCE JUN 17/97</i>
BR	Certain Advisers (1992), 15 O.S.C.B. 1955 EXPIRED NOVEMBER 18, 2000	35-502	Non-Resident Advisers	<i>CAME INTO FORCE NOV 17/00</i>
BR	Certain Members of the TSE (1992), 15 O.S.C.B. 3354 EXPIRED SEPTEMBER 4, 1997	35-503	Trades By Certain Members of the TSE	<i>CAME INTO FORCE SEP 4/97</i>
BR	Limitations on a Registrant Underwriting Securities of a Related or Connected Issuer (1992), 15 O.S.C.B. 3645 LAPSED DECEMBER 31, 2000	33-105	Underwriting Conflicts	<i>Published for comment Feb 6/98</i>
BR	The Prompt Offering Qualification System (1993), 16 O.S.C.B. 731, 732, 949 EXPIRED DECEMBER 31, 2000	44-101	Short Form Prospectus Distributions	<i>CAME INTO FORCE DEC 31/00</i>
BR	NP 47 and The Solicitation of Expressions of Interests (1993), 16 O.S.C.B. 2832 EXPIRED DECEMBER 31, 2000	44-101	Short Form Prospectus Distributions	<i>CAME INTO FORCE DEC 31/00</i>
BR	Going Private Transactions (1993), 16 O.S.C.B. 3428 EXPIRED MAY 1, 2000	61-501	Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions	<i>CAME INTO FORCE May 1/00</i>
BR	Insider, Issuer and Take-Over Bids in Anticipation of Going Private Transactions (1993), 16 O.S.C.B. 3429 EXPIRED MAY 1, 2000	61-501	Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions	<i>CAME INTO FORCE May 1/00</i>
BR	Ontario Regulation 638/93 and The Disclosure of Executive Compensation and of Indebtedness of Directors, Executive Officers and Senior Officers (1993), 16 O.S.C.B. 5913			<i>Expired Mar 1/97</i>

Pre-Reformulation		Reformulation		
INSTRUMENT	TITLE	NUMBER	TITLE	STATUS AS AT DECEMBER 31, 2000
BR	Blanket Permission Under S.81 of the Regulation Under The Securities Act (Ontario) (1993), 16 O.S.C.B. 5914			<i>Expired Mar 1/97</i>
BR	Dividend Reinvestment and Stock Dividend Plans (1993), 16 O.S.C.B. 5928 EXPIRED JUNE 10, 1998	45-502	Dividend or Interest Reinvestment and Stock Dividend Plans	<i>CAME INTO FORCE JUN 10/98</i>
BR	Certain International Offerings by Private Placement in Ontario (1993), 16 O.S.C.B. 5931 RULE EXTENDED UNTIL JULY 1, 2002	45-501	Exempt Distributions	<i>CAME INTO FORCE DEC 22/98</i>  <i>Revised version published for comment Sep 8/00</i>
		52-101	Future-Oriented Financial Information	<i>Published for comment Jul 18/97</i>
		52-102	Use of Currencies	<i>Published for comment May 29/98</i>
BR	Blanket Permission - International Offerings made by way of Private Placement (1993), 16 O.S.C.B. 5938 TO EXPIRE ON JULY 1, 2001		International Offerings By Private Placement in Ontario	<i>To lapse</i>
BR	Networking Arrangements Governed by the Principles of Regulation (1993), 16 O.S.C.B. 6168 LAPSED DECEMBER 31, 1998	33-102	Registrant Dealings with Clients	<i>Republished for comment Jul 21/00</i>
BR	Networking Arrangements Governed by the Principles of Regulation (1993), 16 O.S.C.B. 6168 LAPSED DECEMBER 31, 1998	33-102	Registrant Dealings with Clients	<i>Republished for comment Jul 21/00 (previously published for comment as 33-103)</i>
BR	A Proposal of The TSE to Foster Capital Formation for Junior Resource and Industrial Enterprises (1994), 17 O.S.C.B. 347			<i>Expired Mar 1/97</i>
BR	The Disclosure of Executive Compensation and of Indebtedness of Directors, Executive and Senior Officers (1994), 17 O.S.C.B. 1176			<i>Expired Mar 1/97</i>
BR	Dividend Reinvestment Plans (1994), 17 O.S.C.B. 1178 EXPIRED DECEMBER 22, 1998	45-501	Exempt Distributions	<i>CAME INTO FORCE DEC 22/98</i>  <i>Revised version published for comment Sep 8/00</i>
BR	Blanket Permission Under S.81 of The Regulation (1994), 17 O.S.C.B. 1187			<i>Expired Mar 1/97</i>



Pre-Reformulation		Reformulation		
INSTRUMENT	TITLE	NUMBER	TITLE	STATUS AS AT DECEMBER 31, 2000
BR	Trades by Issuers In Connection With Securities Exchange Issuer Bids and an Amalgamation, Arrangement or Specified Statutory Procedure (1994), 17 O.S.C.B. 1975 EXPIRED DECEMBER 22, 1998	45-501	Exempt Distributions	<i>CAME INTO FORCE DEC 22/98</i>  <i>Revised version published for comment Sep 8/00</i>
BR	Real Return Bond Strip Bonds (1994), 17 O.S.C.B. 2875			<i>Expired Mar 1/97</i>
BR	Trades by Issuers Upon Exercise of Certain Conversion or Exchange Rights and The First Trade In Securities Acquired Upon Exercise of Such Conversion or Exchange Rights (1994), 17 O.S.C.B. 2877 EXPIRED DECEMBER 22, 1998	45-501	Exempt Distributions	<i>CAME INTO FORCE DEC 22/98</i>  <i>Revised version published for comment Sep 8/00</i>
BR	Trading in Securities of Labour Sponsored Investment Fund Corporations (1994), 17 O.S.C.B. 5505 LAPSED DECEMBER 31, 1998	31-502	Proficiency Requirements for Registrants	<i>CAME INTO FORCE AUGUST 17/00</i>
		31-702	Ontario Securities Commission Designation of Courses Under Rule 31-502	<i>CAME INTO FORCE AUGUST 17/00</i>
BR	The First Trade in Securities Acquired Pursuant to Certain Exemptions, (1994), 17 O.S.C.B. 1978, as amended by (1994), 17 O.S.C.B. 5506 EXPIRED JUNE 10, 1998	72-501	Prospectus Exemption for First Trade Over a Market Outside Ontario	<i>CAME INTO FORCE JUN 10/98</i>
BR	Certain Amendments to Regulation 1015 (1994), 17 O.S.C.B. 5516	32-502	Registration Exemption for Certain Trades by Financial Intermediaries	<i>CAME INTO FORCE JAN 1/97</i> <i>AMENDMENT CAME INTO FORCE APR 9/98</i>
BR	Certain Amendments to Regulation 1015 (1994), 17 O.S.C.B. 5517	32-503	Registration and Prospectus Exemption for Trades by Financial Intermediaries in Mutual Fund Securities to Corporate Sponsored Plans	<i>CAME INTO FORCE JAN 1/97</i> <i>AMENDMENT CAME INTO FORCE APR 9/98</i>
BR	Trades by an Issuer in Securities of its own issue to Senior Officers, Directors, etc. and a Controlling Shareholder in Securities of an Issuer to Employees, Senior Officers, etc. (1994), 17 O.S.C.B. 5518 EXPIRED DECEMBER 22, 1998	45-503	Trades to Employees, Executives and Consultants	<i>CAME INTO FORCE DEC 22/98</i>
<b>NOTICES OF CSA</b>				
CSAN	Audit Committees (1990), 13 O.S.C.B. 4247	52-301	Audit Committees	<i>To be retained as notice</i>

Pre-Reformulation		Reformulation		
INSTRUMENT	TITLE	NUMBER	TITLE	STATUS AS AT DECEMBER 31, 2000
CSAN	Rates of Return on Money Market Mutual Funds (1990), 13 O.S.C.B. 4329	81-102	Mutual Funds	<i>CAME INTO FORCE FEB 1/00; Amendments published for comment Jan 28/00; Amendments published for comment June 16/00</i>
CSAN	Advertising by Money Market Mutual Funds That Have Not Offered Their Securities to the Public For a Full Year (1991), 14 O.S.C.B. 541	81-102	Mutual Funds	<i>CAME INTO FORCE FEB 1/00; Amendments published for comment Jan 28/00; Amendments published for comment June 16/00</i>
CSAN	Soft Dollar Transactions (1992), 15 O.S.C.B. 2714			<i>Under Consideration</i>
CSAN	Applications for Discretionary Orders (1992), 15 O.S.C.B. 3046			<i>Under Consideration</i>
CSAN	Bought Deal Financing (1992), 15 O.S.C.B. 3657			<i>Under Consideration</i>
CSAN	Review of National Policy Statement No. 41 (1992), 15 O.S.C.B. 5289			<i>To be repealed</i>
CSAN	Mutual Funds: Sales Incentives (1993), 16 O.S.C.B. 359			<i>Repealed May 1/98</i>
CSAN	Bought Deals (1993), 16 O.S.C.B. 2820			<i>Under Consideration</i>
CSAN	Pre-Marketing Activities in the Context of Bought Deals (1993), 16 O.S.C.B. 2822			<i>Under Consideration</i>
CSAN	Bought Deals (1993), 16 O.S.C.B. 4811			<i>Under Consideration</i>
CSAN	NP 39 - Mutual Funds: Section 16 Sales Communications (1993), 16 O.S.C.B. 5881 REVOKED	81-102	Mutual Funds	<i>CAME INTO FORCE FEB 1/00; Amendments published for comment Jan 28/00; Amendments published for comment June 16/00</i>
CSAN	An Electronic System for Securities Filings (1994), 17 O.S.C.B. 2857			<i>To be repealed</i>
CSAN	Conflicts of Interest (1995), 18 O.S.C.B. 130			<i>To be repealed</i>

Pre-Reformulation		Reformulation		
INSTRUMENT	TITLE	NUMBER	TITLE	STATUS AS AT DECEMBER 31, 2000
CSAN	Mutual Fund Sales Incentives - Point-of-Sale Disclosure Statement (1995), 18 O.S.C.B. 229			<i>Repealed May 1/98</i>
CSAN	SEDAR (1995), 18 O.S.C.B. 1892			<i>To be repealed</i>
CSAN	Proposed Foreign Issuer Prospectus and Continuous Disclosure System (Draft National Policy Statement No. 53) (1995), 18 O.S.C.B. 1893		Foreign Issuer Prospectus and Continuous Disclosure System	<i>To be retained</i>
<b>NOTICES OF OSC OR OSC STAFF</b>				
OSCN	Premature Announcements of Takeover Bids, Mergers, Amalgamations or Other Corporate Restructuring (1980), O.S.C.B. 2A			<i>Withdrawn Oct 6/00</i>
OSCN	Taxable Equivalent Adjustments (1983), 6 O.S.C.B. 1578			<i>Withdrawn Oct 6/00</i>
OSCN	Canadian Oil & Gas Lands Administration (1984), 7 O.S.C.B. 2675			<i>Withdrawn Oct 6/00</i>
OSCN	Auditors' Consent and Comfort Letters (1984), 7 O.S.C.B. 2993			<i>Withdrawn Oct 6/00</i>
OSCN	Color Your World - Take-over Bid Consideration (1984), 7 O.S.C.B. 3777			<i>Withdrawn Oct 6/00</i>
OSCN	Prospectus Disclosure of Ratings (1984), 7 O.S.C.B. 4362			<i>Withdrawn Oct 6/00</i>
OSCN	Application of Ceiling Test in Financial Statements of Oil and Gas Industry Issuers (1984), 7 O.S.C.B. 5114			<i>Withdrawn Oct 6/00</i>
OSCN	Bill 34 - Freedom of Information and Privacy Act (1984), 7 O.S.C.B. 6143			<i>Withdrawn Oct 6/00</i>
OSCN	Application of OSC Policy 11.4 on Commodity Pools Program (1985), 8 O.S.C.B. 2557	81-104	Commodity Pools	<i>Republished for comment Jun 2/00</i>
OSCN	Prompt Offering Qualification System - "Wrap Around" AIFs (1985), 8 O.S.C.B. 2911			<i>Withdrawn Oct 6/00</i>
OSCN	Prohibition Against Principal Trading by Investment Dealers in Securities of Target Company During Take-Over Bid (1985), 8 O.S.C.B. 3293			<i>Withdrawn Oct 6/00</i>
OSCN	Second Notice Concerning Application of Ceiling Test in Financial Statements of Oil and Gas Industry Issuers (1985), 8 O.S.C.B. 4719			<i>Withdrawn Oct 6/00</i>
OSCN	Disclosure of Executive Compensation - Proxy Circulars (1986), 9 O.S.C.B. 1997			<i>Withdrawn Oct 6/00</i>
OSCN	Enforcement of Timely Filings of Financial Statements: Application of OSC 7.6 (1986), 9 O.S.C.B. 4216			<i>Withdrawn Oct 6/00</i>

Pre-Reformulation		Reformulation		
INSTRUMENT	TITLE	NUMBER	TITLE	STATUS AS AT DECEMBER 31, 2000
OSCN	Leveraged Mutual Fund Purchases (1986), 9 O.S.C.B. 4375			<i>Withdrawn Oct 6/00</i>
OSCN	Fees for Prospectus Offerings Outside of Ontario (1987), 10 O.S.C.B. 1452			<i>Withdrawn Oct 6/00</i>
OSCN	Filing of Prospectuses with the Commission (1987), 10 O.S.C.B. 1730			<i>Withdrawn Oct 6/00</i>
OSCN	Use of Marketing Material During the Waiting Period (1987), 10 O.S.C.B. 2831			<i>To be retained</i>
OSCN	Procedures and Requirements for Implementing Amendments to the Regulation Regarding Entry Into and Ownership of the Ontario Securities Industry (1987), 10 O.S.C.B. 2969	31-503	Limited Market Dealers	<i>CAME INTO FORCE APR 7/98</i>
OSCN	Conditional Registration of Limited Market Dealers (1987), 10 O.S.C.B. 4791			<i>Withdrawn Oct 6/00</i>
OSCN	Regulation of Mortgage Syndications - Proposed Structural Changes (1987), 10 O.S.C.B. 5145			<i>Withdrawn Oct 6/00</i>
OSCN	Pre-Filing Consultation on Innovative or Unusual Financial Reporting (1987), 10 O.S.C.B. 5687			<i>To be retained</i>
OSCN	Report on Financial Statement Review Program (1987), 10 O.S.C.B. 5687			<i>To be retained</i>
OSCN	"Blank Cheque" Preferred Shares (1987), 10 O.S.C.B. 5690	56-501	Restricted Shares	<i>CAME INTO FORCE OCT 25/99</i>
OSCN	Soft Dollars - Exemptions by the Director (1987), 10 O.S.C.B. 6422			<i>Under Consideration</i>
OSCN	Outline of NP 39 (1987), 10 O.S.C.B. 6423			<i>Withdrawn Oct 6/00</i>
OSCN	NP 41 - Shareholder Communication Exemption from Interim Financial Statements (1988), 11 O.S.C.B. 1029			<i>To be repealed</i>
OSCN	Media Articles Appearing During the Waiting Period (1988), 11 O.S.C.B. 1098			<i>To be retained</i>
OSCN	NP 41 - Shareholder Communication/The Canadian Depository for Securities Limited (1988), 11 O.S.C.B. 1242			<i>Withdrawn Oct 6/00</i>
OSCN	Compliance with Section 41 of the Securities Act (1988), 11 O.S.C.B. 2217	33-504	Compliance with Section 42	<i>CAME INTO FORCE APR 7/98</i>
OSCN	Mutual Fund Dealer Registration as Limited Market Dealer (1988), 11 O.S.C.B. 2311			<i>Withdrawn Oct 6/00</i>
OSCN	Applications to the OSC (1988), 11 O.S.C.B. 3107			<i>Withdrawn Oct 6/00</i>
OSCN	NP 41 - Industry Implementation and Monitoring Report (1988), 11 O.S.C.B. 3325			<i>Withdrawn Oct 6/00</i>

Pre-Reformulation		Reformulation		
INSTRUMENT	TITLE	NUMBER	TITLE	STATUS AS AT DECEMBER 31, 2000
OSCN	OSC 5.8 - Dissemination of Future-Oriented Financial Information (1988), 11 O.S.C.B. 3726			<i>Withdrawn Oct 6/00</i>
OSCN	Conditions of Registration - Capital Requirements (1988), 11 O.S.C.B. 3726	33-701	Calculation of Regulatory Capital	<i>CAME INTO FORCE JUN 27/97</i>
OSCN	Residential Real Estate Syndications (1988), 11 O.S.C.B. 4171			<i>To be replaced</i>
OSCN	Noranda/Falconbridge - Take-over Bid/Pre-Bid Integration Rules (1988), 11 O.S.C.B. 4367	62-702		<i>To be retained</i>
OSCN	Further Extension of System of Conditional Registration and other Exemptions of Financial Intermediaries (1988), 11 O.S.C.B. 5137			<i>Withdrawn Oct 6/00</i>
OSCN	OSC 5.2 - Junior Natural Resource Issuers - Standing Liaison Committee (1989), 12 O.S.C.B. 953			<i>Under Consideration</i>
OSCN	1.3 OSC - Restricted Shares Notice Regarding Compliance with Restricted Share Disclosure Requirements and Disclosure Regarding Take-Over Bids (1989), 12 O.S.C.B. 1227	56-501	Restricted Shares	<i>CAME INTO FORCE OCT 25/99</i>
OSCN	Rights Offerings Under a Prospectus (1989), 12 O.S.C.B. 1463	45-101	Rights Offerings	<i>Republished for comment Aug 11/00</i>
OSCN	Use of "Special Warrants" in Connection with Distribution of Securities By Prospectus (1989), 12 O.S.C.B. 2163	46-701	Special Warrants	<i>To be retained</i>
OSCN	Use of "Green Sheets" and other Marketing Material During the Waiting Period (1989), 12 O.S.C.B. 2641			<i>Withdrawn Oct 6/00</i>
OSCN	Supplementary Notice - Application of the Securities Act to Certain Residential Real Estate Offerings (1989) 12 O.S.C.B. 2732			<i>To be replaced</i>
OSCN	Collection of Personal Information - Freedom of Information and Protection of Privacy Act, 1987 (1989), 12 O.S.C.B. 3083	31-504	Applications for Registration	<i>CAME INTO FORCE SEPT 4/97; Amendments published for comment Jun 19/98</i>
OSCN	Final Report on Capital, Financial Reporting and Audit Requirements (1990), 13 O.S.C.B. 493			<i>Withdrawn Oct 6/00</i>
OSCN	Review of Short Form Prospectuses Qualifying Derivative Securities (1990), 13 O.S.C.B. 1559			<i>Withdrawn Oct 6/00</i>
OSCN	Revised Notice of Amendment or Change of Information Form of Dealers and Advisers (1990), 13 O.S.C.B. 2971	33-503	Notification of Changes in Registration Information	<i>Published for comment Sep 17/99</i>

Pre-Reformulation		Reformulation		
INSTRUMENT	TITLE	NUMBER	TITLE	STATUS AS AT DECEMBER 31, 2000
OSCN	Insider Reporting System (1991), 14 O.S.C.B. 260			<i>Withdrawn Oct 6/00</i>
OSCN	Staff Investigation in Respect of Loan by Stelco Inc. to controlling shareholder of Clarus Corporation (1991), 14 O.S.C.B. 1807	62-701	Take-Over Bid Concerns - Loans to Controlling Shareholders	<i>To be retained</i>
OSCN	Debt-like Derivative Securities (1991), 14 O.S.C.B. 3316	91-701	Debt-Like Derivative Securities	<i>CAME INTO FORCE JUN 21/96</i>
OSCN	Disruption of Mail Service (1991), 14 O.S.C.B. 4113			<i>Withdrawn Oct 6/00</i>
OSCN	Market Balancing for a Proposed Multinational Offering (1991), 14 O.S.C.B. 5845			<i>Withdrawn Oct 6/00</i>
OSCN	Deficiency Letters in Respect of Salesperson Registration Applications (1992), 15 O.S.C.B. 6			<i>Withdrawn Oct 6/00</i>
OSCN	Report on Financial Statement Issues (1992), 15 O.S.C.B. 6			<i>To be retained</i>
OSCN	Inter-Dealer Bond Broker Systems (1992), 15 O.S.C.B. 1081			<i>Withdrawn Oct 6/00</i>
OSCN	Confidential Material Change Reports (1992), 15 O.S.C.B. 4555			<i>Under Consideration</i>
OSCN	Report on Capital Adequacy Formula for SRO Members (1992), 15 O.S.C.B. 4750			<i>Withdrawn Oct 6/00</i>
OSCN	Annual Information Form and MD&A of Financial Condition and Results of Operation Re: Small Issuer Exemption (1992), 15 O.S.C.B. 4772	51-501	Annual Information Form and Management's Discussion and Analysis of Financial Condition and Results of Operation	<i>To come into force Jan 1/01</i>
OSCN	Office of the Chief Accountant MD&A Guide (1993), 16 O.S.C.B. 360			<i>To be retained</i>
OSCN	Universal Registration - Extension of Date for Registration of Financial Intermediaries (1993), 16 O.S.C.B. 2818			<i>Withdrawn Oct 6/00</i>
OSCN	Pre-Marketing Activities in the Context of Bought Deals (1993), 16 O.S.C.B. 4812	TBA		<i>Under Consideration</i>
OSCN	The GAAP Report (1993), 16 O.S.C.B. 5117			<i>Under Consideration</i>
OSCN	Labour Sponsored Investment Funds (1993), 16 O.S.C.B. 5283	31-502	Proficiency Requirements for Registrants	<i>CAME INTO FORCE AUGUST 17/00</i>
		31-702	Ontario Securities Commission Designation of Courses Under Rule 31-502	<i>CAME INTO FORCE AUGUST 17/00</i>
OSCN	Contemporaneous Private Placements and Public Offerings and Media Coverage Prior to the Commencement of the Waiting Period (1993), 16 O.S.C.B. 5776			<i>To be retained</i>

Pre-Reformulation		Reformulation		
INSTRUMENT	TITLE	NUMBER	TITLE	STATUS AS AT DECEMBER 31, 2000
OSCN	Misleading Disclosure (1994), 17 O.S.C.B. 5			<i>Withdrawn Oct 6/00</i>
OSCN	Cash Equivalents (1994), 17 O.S.C.B. 489			<i>Withdrawn Oct 6/00</i>
OSCN	Disclosure of Investigations (1990), 13 O.S.C.B. 598	41-501	General Prospectus Requirements	<i>CAME INTO FORCE DEC 31/00</i>
OSCN	Issuance of Receipts for Preliminary Prospectuses and (Final) Prospectuses (1994), 17 O.S.C.B. 1058	41-701	Issuance of Receipts for Preliminary Prospectus and Prospectus	<i>Published May 2/97</i>
OSCN	Executive Compensation Disclosure for Debt Only Issuers (1994), 17 O.S.C.B. 1059	51-702	Executive Compensation Disclosure for Debt-Only Issuers	<i>To be retained</i>
OSCN	Securities Exchange Take-Over Bid Circulars - Reporting Issuer Status (1994), 17 O.S.C.B. 1402	45-501CP	Exempt Distributions	<i>CAME INTO FORCE DEC 22/98</i>  <i>Revised version published for comment Sep 8/00</i>
OSCN	Meetings with a Commissioner Regarding a Prospectus or an Application for Exemption or Registration (1994), 17 O.S.C.B. 3509	15-601	Meetings with a Commissioner	<i>To be retained</i>
OSCN	Electronic Registration Application Forms (1994), 17 O.S.C.B. 3529			<i>To be replaced</i>
OSCN	Residency Requirements for Advisers and Their Partners and Officers (1994), 17 O.S.C.B. 4206			<i>Under Consideration</i>
OSCN	Selective Review of Prospectuses and Other Documents (1994), 17 O.S.C.B. 4385			<i>To be replaced</i>
OSCN	Solicitation Fee Claims (1994), 17 O.S.C.B. 4629			<i>Withdrawn Oct 6/00</i>
OSCN	Expedited Review of Short Form Prospectuses and Renewal AIFs (1994), 17 O.S.C.B. 5210	43-201	Mutual Reliance Review System for Prospectus and Initial AIFs	<i>CAME INTO FORCE JAN 1/00</i>
OSCN	Electronic Registration Forms (1994), 17 O.S.C.B. 6073			<i>To be replaced</i>
OSCN	The Use of Securities Exchange Take-over Bid Circulars to Obtain Reporting Issuer Status (1995), 18 O.S.C.B. 1768	45-501CP	Exempt Distributions	<i>CAME INTO FORCE DEC 22/98</i>  <i>Revised version published for comment Sep 8/00</i>
OSCN	Courier/By Hand Deliveries (1995), 18 O.S.C.B. 2204			<i>Withdrawn Oct 6/00</i>
OSCN	Residency Requirements for Certain Non-Resident Salespersons and Supervisors (1995), 18 O.S.C.B. 3905			<i>Under consideration</i>

Pre-Reformulation		Reformulation		
INSTRUMENT	TITLE	NUMBER	TITLE	STATUS AS AT DECEMBER 31, 2000
OSCN	Registration Residency Requirements for Certain Canadian Dealers (1995), 18 O.S.C.B. 3908			<i>Under consideration</i>
OSCN	Electronic Registration Forms (1995), 18 O.S.C.B. 5922			<i>To be replaced</i>
OSCN	Early Warning Information Publication (1996), 19 O.S.C.B. 1128			<i>Withdrawn Oct 6/00</i>
OSCN	Viatical Settlements (1996) 19 O.S.C.B. 4680			<i>To be repealed</i>
<b>PRINCIPLES OF REGULATION</b>				
PR	Distribution of Mutual Funds by Financial Institutions (1988), 11 O.S.C.B. 4436	33-102	Registrant Dealings with Clients	<i>Republished for comment Jul 21/00 (previously published for comment as 33-103)</i>
PR	Full Service and Discount Brokerage Activities in Branches of Related FIs (1988), 11 O.S.C.B. 4640	33-102	Registrant Dealings with Clients	<i>Republished for comment Jul 21/00</i>
PR	Activities of Registrants Related to Financial Institutions (1990), 13 O.S.C.B. 1779	33-102	Registrant Dealings with Clients	<i>Republished for comment Jul 21/00</i>
PR	Activities of Registrants Related to Financial Institutions (1990), 13 O.S.C.B. 1779	33-102	Registrant Dealings with Clients	<i>Republished for comment Jul 21/00 (previously published for comment as 33-201)</i>
<b>STAFF ACCOUNTING COMMUNIQUÉS</b>				
SAC No. 1	(1989), 12 O.S.C.B. 2458		Staff Accounting Communique No. 1 - Financial Statements to be Filed According to GAAP	<i>To be retained</i>
SAC No. 1.1	(1993), 16 O.S.C.B. 1080		Staff Accounting Communique No. 1.1 - No Requirement to Provide Management Report Under CICA	<i>To be withdrawn</i>
SAC No. 2	Financial Statement Presentation of Corporate Financing Activities		Staff Accounting Communique No. 2 - Financial Statement Presentation of Corporate Financing Activities	<i>To be retained</i>
SAC No. 3	Auditors Report on Comparative Financial Statements		Basis of Accounting, Auditing and Reporting	<i>Under consideration</i>
SAC No. 4	Interest Accrual on Delinquent Loans			<i>To be repealed</i>
SAC No. 5	Filing Extensions for Continuous Disclosure Financial Statements		Staff Accounting Communique No. 5 - Filing Extensions for Continuous Disclosure Financial Statements - Notice	<i>To be retained</i>



Pre-Reformulation		Reformulation		
INSTRUMENT	TITLE	NUMBER	TITLE	STATUS AS AT DECEMBER 31, 2000
SAC No. 6	Income Statement Presentation		Staff Accounting Communique No. 6 - Income Statement Presentation - Notice	<i>To be retained</i>
SAC No. 7	Financial Disclosure in Information Circulars		Staff Accounting Communique No. 7 - Financial Disclosure in Information Circulars	<i>In the process of being reformulated as 54-601</i>
SAC No. 8	Accounting Basis in an Initial Public Offering (I.P.O.)			<i>To be retained as notice</i>
SAC No. 9	Pro Forma Financial Statements (1994), 17 O.S.C.B. 5207		Staff Accounting Communique No. 9 - Pro Forma Financial Statements	<i>To be retained</i>
SAC No. 10	Restructuring and Similar Charges (Including Write Downs of Goodwill) (1994), 17 O.S.C.B. 6074		Staff Accounting Communique No. 10 - Restructuring and Similar Charges (Including Write Downs of Goodwill)	<i>To be retained</i>
<b>REGISTRATION SECTION CLARIFICATION NOTE</b>				
REG Note 1	Supplement to Principles of Regulation Regarding Distribution of Mutual Funds Through Branches of Financial Institutions			<i>To be rescinded</i>
REG Note 2	Registration as an Investment Counsel or Portfolio Manager (IC/PM): Senior and Junior IC/PM Registration	31-502	Proficiency Requirements for Registrants	<i>CAME INTO FORCE AUGUST 17/00</i>
		31-702	Ontario Securities Commission Designation of Courses Under Rule 31-502	<i>CAME INTO FORCE AUGUST 17/00</i>
REG Note 3	Registration of Certain Employees or Independent Agents of Registered Dealers: Recommendations for Supervision of Qualifiers			<i>Under Consideration</i>
REG Note 4	New Procedures for Approving and Recording Amendments to Registration of Dealers and Advisers	33-503	Notification of Changes in Registration Information	<i>Published for comment Sep 17/99</i>
<b>INTERPRETATION NOTE</b>				
Interpretation Note 1	Distribution of Securities Outside Ontario (1983), 6 O.S.C.B. 228	72-101	Distributions Outside of the Local Jurisdiction	<i>Published for comment Sep 8/00</i>
Interpretation Note 2	Prospectus Disclosure of Principal Holders (1983) O.S.C.B. 4536	41-501	General Prospectus Requirements	<i>CAME INTO FORCE DEC 31/00</i>

Item Key

The third digit of each instrument represents the following: 1-National/Multilateral Instrument; 2-National/Multilateral Policy; 3-CSA Notice; 4-Concept Release; 5-Local Rule; 6-Local Policy; 7-Local Notice; 8-Implementing Instrument; 9-Miscellaneous

NEW INSTRUMENTS

NUMBER	TITLE	STATUS AS OF DECEMBER 31, 2000
11-201	Delivery of Documents by Electronic Means	<i>CAME INTO FORCE JAN 1/00</i>
11-301	Canadian Securities Administrators Strategic Plan 1999 - 2001	<i>Published Jul 2/99</i>
11-401	Delivery of Documents by Issuers Using Electronic Media Concept Proposal	<i>Published for comment Jun 13/97</i>
11-702	Notice re Table of Concordance	<i>Published Jan 2/98</i>
11-703	Table of Concordance for the Reformulation Project	<i>Published Jan 8/99</i>
11-704	Table of Concordance for the Reformulation Project	<i>Published Jan 14/00</i>
11-705	Table of Concordance for the Reformulation Project	<i>Published Jul 7/00</i>
11-706	Rescission of Staff Notices	<i>Published Oct 6/00</i>
11-707	Table of Concordance for the Reformulation Project	<i>Published Oct 6/00</i>
12-201	Mutual Reliance Review System for Exemptive Relief Applications	<i>CAME INTO FORCE JAN 1/00</i>
12-302	National Policy 12-201 Mutual Reliance Review System ("MRRS") for Exemptive Relief Applications ("ERA") ERA and Applications for Approval or Exemptions under National Policy No. 39 "Mutual Funds" ("NP 39")	<i>Published Nov 19/99</i>
12-303	Exemptive Relief Applications and Year End	<i>Published Sep 17/99</i>
12-304	Mutual Reliance Review System for Exemptive Relief Applications - Frequently Occurring Issues	<i>Published Aug 11/00</i>
12-305	Exemptive Relief Application and Year End	<i>Published Oct 27/00</i>
12-401	National Application System Concept Proposal	<i>Published for comment Jan 30/98 (extended Jul 3/98)</i>
13-101	SEDAR (Electronic Filing) Rule	<i>CAME INTO FORCE DEC 17/96</i>  <i>AMENDMENT CAME INTO FORCE AUG 27/99</i>
13-301	SEDAR - Use of Incorrect Document Formats	<i>Published May 15/98</i>
13-302	Notice of Changes to SEDAR Filer Software	<i>Published Oct 2/98</i>
13-303	SEDAR Operational Changes	<i>Published Dec 11/98</i>

Item Key

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NEW INSTRUMENTS

NUMBER	TITLE	STATUS AS OF DECEMBER 31, 2000
13-304	Changes to SEDAR Filing Service Charges	<i>Published Feb 5/99</i>
13-305	SEDAR Changes for Mutual Reliance Review Systems for Prospectuses and AIFs	<i>Published Sep 3/99</i>
13-401	Request for Changes, Additions or Improvements for a Revised SEDAR System	<i>Published Jun 30/00</i>
13-501	Payment of Fees	<i>CAME INTO FORCE MAY 5/98</i>
13-701	SEDAR Filings and Year 2000 Contingency Plans	<i>Published Dec 24/99</i>
14-101	Definitions	<i>CAME INTO FORCE APR 1/97</i> <i>AMENDMENT CAME INTO FORCE JUL 1/99</i>
14-501	Definitions	<i>CAME INTO FORCE JUL 29/97</i> <i>AMENDMENT CAME INTO FORCE FEB 13/99</i>
21-101	Marketplace Operation	<i>Republished for comment Jul 28/00</i>
21-301	Canadian Venture Exchange	<i>Published Nov 26/99</i>
23-101	Trading Rules	<i>Republished for comment Jul 28/00</i>
23-501	Designation as Market Participant	<i>Republished for comment Jul 28/00</i>
23-502	Reported Market	<i>Published for comment Jul 28/00</i>
31-301	The Year 2000 Challenge	<i>Published Nov 21/97</i>
31-302	Securities Industry Contingency Planning	<i>Published Feb 19/99</i>
31-303	System Changes for Market Participants After Completion of Year 2000 Testing	<i>Published May 7/99</i>
31-304	Year 2000: Backup of Records	<i>Published Sep 3/99</i>
31-401	Registration Forms Relating to the National Registration Database	<i>Published Aug 4/00</i>
31-505	Conditions of Registration	<i>CAME INTO FORCE DEC 23/98</i>

Item Key

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**NEW INSTRUMENTS**

NUMBER	TITLE	STATUS AS OF DECEMBER 31, 2000
31-506	SRO Membership - Mutual Fund Dealers	See Notice published Dec 22/00
31-507	SRO Membership Securities Dealers	Came into Force Dec 1/00
31-508	Permanent Registration System	Published for comment Jun 26/98
31-703	Year 2000	Withdrawn Oct 6/00
31-704	Application for Registration and Year 2000	Withdrawn Oct 6/00
32-501	Direct Purchase Plans	Published for comment Nov 17/00
32-701	Processing of Equity and Fixed Income Trades by Financial Institutions and Mutual Fund Dealers	Published Nov 12/99
33-102	Registrant Dealings with Clients	Republished for comment Jul 21/00
33-106	Year 2000 Preparation Reporting	Revoked Jul 18/99
33-107	Proficiency Requirements for Registrants Holding Themselves Out as Providing Financial Planning Advise	Published for comment Dec 3/99
33-301	National Instrument 33-106 - Year 2000 Preparation Reporting	Published Feb 12/99
33-302	National Instrument 33-106 Non-Compliant Registered Firms and Possible Terms and Conditions	Published Apr 16/99
33-303	Trust Accounts for Mutual Fund Securities	Published May 14/99
33-304	CSA Distributions Structures Committee Position Paper	Published Aug 27/99
33-305	Sale of Insurance Products by Dually Employed Salespersons	Published Jan 7/00
33-701	Calculation of Regulatory Capital	Published Jun 27/97
33-704	List of Non-Complying Ontario Registered Firms Under National Instrument 33-106	Published Feb 26/99
33-705	List of Non-Complying Ontario Registered Firms Under National Instrument 33-106	Published Mar 5/99
33-706	List of Non-Complying Ontario Registered Firms Under National Instrument 33-106	Published Mar 12/99
33-707	List of Non-Complying Ontario Registered Firms Under National Instrument 33-106	Published Mar 26/99

Item Key

The third digit of each instrument represents the following: 1-National/Multilateral Instrument; 2-National/Multilateral Policy; 3-CSA Notice; 4-Concept Release; 5-Local Rule; 6-Local Policy; 7-Local Notice; 8-Implementing Instrument; 9-Miscellaneous

NEW INSTRUMENTS

NUMBER	TITLE	STATUS AS OF DECEMBER 31, 2000
33-708	List of Non-Complying Ontario Registered Firms Under National Instrument 33-106	<i>Published Apr 9/99</i>
33-709	List of Non-Complying Ontario Registered Firms Under National Instrument 33-106	<i>Published Apr 23/99</i>
33-710	List of Non-Compliant Ontario Registered Firms Under National Instrument 33-106	<i>Withdrawn Oct 6/00</i>
33-711	List of Non-Compliant Ontario Registered Firms Under National Instrument 33-106	<i>Withdrawn Oct 6/00</i>
33-712	Processing of Equity and Fixed Income Trades by Financial Institutions and Mutual Fund Dealers	<i>Published Nov 12/99</i>
33-713	Registrant Regulatory Filings	<i>Published May 19/00</i>
33-718	Networking Applications	<i>Published Jan 14/00</i>
35-101	Conditional Exemption from Registration for United States Broker - Dealers and Agents	<i>To come into force Jan 1/01</i>
35-301	Conditional Exemption from Registration for United States Broker-Dealers and Agents	<i>Published Jul 16/99</i>
41-301	The Year 2000 Challenge - Disclosure Issues	<i>Published Jan 30/98</i>
41-502	Prospectus Requirements for Mutual Funds	<i>Published for comment Jun 27/97</i>
42-301	Dual Reporting of Financial Information	<i>Published Feb 11/00</i>
43-301	CSA Mining Technical Advisory and Monitoring Committee	<i>Published Nov 17/00</i>
44-401	CSA Notice and Request for Comment: Concept Proposal for an Integrated Disclosure System	<i>Published Jan 28/00</i>
45-102	Resale of Securities	<i>Published for comment Sep 8/00</i>
45-504	Prospectus Exemption for Distributions of Securities to Portfolio Advisers on Behalf of Fully Managed Accounts	<i>CAME INTO FORCE FEB 20/98</i>
45-701	Paragraph 35(2)14 of the Securities Act (Ontario)	<i>Published Nov 10/00</i>
46-301	Escrows - Proposal for Uniform Terms of Escrow Applicable to Initial Public Distributions	<i>Published Mar 17/00</i>
47-201	The Use of the Internet and Other Electronic Means of Communication to Facilitate Trading in Securities	<i>CAME INTO FORCE JAN 1/00</i>
48-701	Notice of Lapse of SEC No-Action Letter regarding US Trading Rules and MJDS Transactions	<i>Published Jun 27/97</i>

Item Key		
The third digit of each instrument represents the following: 1-National/Multilateral Instrument; 2-National/Multilateral Policy; 3-CSA Notice; 4-Concept Release; 5-Local Rule; 6-Local Policy; 7-Local Notice; 8-Implementing Instrument; 9-Miscellaneous		
NEW INSTRUMENTS		
NUMBER	TITLE	STATUS AS OF DECEMBER 31, 2000
51-301	Conversion of Corporate Issuers to Trusts	<i>Published Oct 10/97</i>
51-302	The Year 2000 Challenge - Disclosure Issues	<i>Published Jan 30/98</i>
51-303	CSA Follow-up of Inadequate Year 2000 Disclosure	<i>Published Feb 19/99</i>
51-401	CSA Notice and Request for Comment: Concept Proposal for an Integrated Disclosure System	<i>Published Jan 28/00</i>
51-703	Implementation of Reporting Issuer Continuous Disclosure Review Program	<i>Published June 16/00</i>
51-901	Report of the Toronto Stock Exchange Committee on Corporate Disclosure and Proposed Changes to the Definitions of "Material Fact" and "Material Change"	<i>Published for comment Nov 7/97</i>
51-902	Proposal for a Statutory Civil Remedy for Investors in the Secondary Market	<i>Published for comment May 29/98</i>
52-302	Dual Reporting of Financial Information	<i>Published Feb 11/00</i>
52-501	Financial Statements	<i>CAME INTO FORCE DEC 12/00 (replaces s. 7 to 11 of the Regulation)</i>
52-708	Staff Accounting Communiqué - Initial Offering Costs of Closed-End Investment Funds	<i>Published Dec 5/97</i>
52-709	Income Statement Presentation of Goodwill Charges	<i>Published Feb 18/00</i>
53-301	CSA Notice - Task Force on Civil Remedies	<i>Published Sep 12/97</i>
53-302	Proposal for a Statutory Civil Remedy for Investors in the Secondary Market and Response to the Proposed Change to the Definitions of "Material Fact" and "Material Change"	<i>Published Nov 10/00</i>
53-701	Staff Report on Corporate Disclosure Survey	<i>Published July 28/00</i>
55-102	System for Electronic Data on Insiders	<i>Published for comment Jun 16/00</i>
55-301	Filing Insider Reports By Facsimile and Exemption Where Minimal Connection to Jurisdiction	<i>Published Jan 24/97</i>
55-302	National Instrument 55-102 System for Electronic Disclosure by Insiders (SEDI) Implementation Date Postponed	<i>Published Nov 17/00</i>
55-501	Insider Report Form	<i>CAME INTO FORCE JAN 28/96</i>
55-502	Facsimile Filing or Delivery of Insider Reports	<i>CAME INTO FORCE MAY 5/98</i>

## Item Key

The third digit of each instrument represents the following: 1-National/Multilateral Instrument; 2-National/Multilateral Policy; 3-CSA Notice; 4-Concept Release; 5-Local Rule; 6-Local Policy; 7-Local Notice; 8-Implementing Instrument; 9-Miscellaneous

## NEW INSTRUMENTS

NUMBER	TITLE	STATUS AS OF DECEMBER 31, 2000
57-603	Defaults by Reporting Issuers in Complying with Financial Statement Filing Requirements	<i>Published for comment Mar 31/00</i>
61-301	Staff Guidance on the Practice of "Mini-Tenders"	<i>Published Dec 10/99</i>
61-701	Applications for Exemptive Relief under Rule 61-501	<i>Published June 30/00</i>
62-101	Control Block Distribution Issues	<i>CAME INTO FORCE MAR 15/00</i>
62-102	Disclosure of Outstanding Share Data	<i>CAME INTO FORCE MAR 15/00</i>
62-103	The Early Warning System and Related Take-over Bid and Insider Reporting Issues	<i>CAME INTO FORCE MAR 15/00</i>
81-105	Mutual Fund Sales Practices	<i>CAME INTO FORCE MAY 1/98</i>
81-301	Mutual Fund Prospectus Disclosure System Concept Proposal	<i>Revoked</i>
81-302	Sales of Mutual Funds in Current RRSP Season	<i>Published Dec 12/97</i>
81-303	Year 2000 Disclosure for Mutual Funds	<i>Published Apr 30/99</i>
81-304	Trust Accounts for Mutual Fund Securities	<i>Published May 14/99</i>
81-305	National Policy 12-201 Mutual Reliance Review System ("MRRS") for Exemptive Relief Applications ("ERA") ERA and Applications for Approval or Exemptions under National Policy No. 39 "Mutual Funds" ("NP 39")	<i>Published Nov 19/99</i>
81-306	Disclosure by Mutual Funds of Changes in Calculation of Management Expense Ratio	<i>Published Apr 7/00</i>
81-704	Limited Powers of Attorney and Letters of Authorization Used in the Sale of Mutual Funds	<i>Published Aug 4/00</i>
91-504	Over-the-Counter Derivatives	<i>See Notice published Dec 1/00</i>
	Non-SRO Electronic Trading Systems and Market Fragmentation	<i>Published for comment May 16/97; replaced by 21-101 and 23-101</i>

**1.2 News Releases**

**1.2.1 EFA Software Services Ltd. and CDNX**

**NEWS RELEASE**                      **FOR IMMEDIATE RELEASE**  
December 21, 2000

Toronto -- EFA Software Services Ltd. (EFA) and the Canadian Venture Exchange Inc. (CDNX) have been selected by the Canadian Securities Administrators (CSA) to establish and operate a data consolidation system in connection with the implementation of the CSA's ATS proposal.

The CSA will begin contract negotiations with EFA and the CDNX with an aim to having the data consolidation system operational in the fourth quarter of 2001. The CSA is an umbrella organization made up of securities regulators from Canada's 13 provinces and territories.

"This is an important first step towards introducing alternative trading systems into Canada," said Rande Pavalow, Chair of the CSA Staff Committee on ATSS.

"In order for investors to benefit from the competition presented by alternative trading systems, we first need to ensure that trading data is properly consolidated and distributed."

The Alternative Trading System Proposal is designed to establish a framework for different types of market places, including ATSSs, to operate in Canada, to provide information transparency in the securities market in Canada, and to introduce the concepts of information consolidation and market integration. The ATS proposal was first published July 2, 1999 and was republished July 28, 2000.

As part of the ATS Proposal, the CSA proposed to establish a data consolidator to collect pre-trade and post-trade information and produce and disseminate a consolidated feed to the market. To select the party that would design and operate the data consolidation system, the CSA issued a Request for Proposal (RFP) on July 28, 2000.

For information, please contact:

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Executive Assistant to the Chair  
British Columbia Securities Commission  
(604) 899-6538 or (800) 373-6393 (in B.C.)

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British Columbia Securities Commission  
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Glenda Campbell  
Vice-Chair  
Alberta Securities Commission  
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Rande Pavalow  
Manager, Market Regulation  
Ontario Securities Commission  
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## Chapter 2

# Decisions, Orders and Rulings

### 2.1 Decisions

#### 2.1.1 TD Securities Inc. and DataRadio Inc. - MRRS Decision

##### Headnote

Section 233 of Regulation - Issuer is a connected issuer of one of the underwriters - Related underwriter exempted from clause 224(1)(b) of Regulation where there is participation by an independent agent corresponding to that required by section 2.1 of proposed Multi-Jurisdictional Instrument 33-105 Underwriting Conflicts.

##### Applicable Ontario Statute

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

##### Applicable Ontario Regulation

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

##### Applicable Ontario Rule

Proposed Multi-Jurisdictional Instrument 33-105 Underwriting Conflicts, (1998), 21 OSCB 788, as amended (1999), 22 OSCB 149.

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

**AND**

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

**AND**

**IN THE MATTER OF  
TD SECURITIES INC. AND DATARADIO INC.**

**MRRS DECISION DOCUMENT**

**WHEREAS** an application has been received by the securities commission (the "Decision Maker") of Quebec, British Columbia, Alberta, Ontario and Newfoundland (the "Jurisdictions") from TD Securities Inc. ("TDSI") for a decision pursuant to the securities legislation of Quebec, British Columbia, Alberta, Ontario and Newfoundland (the "Legislation") that the requirements to comply with the rule against acting as an Underwriter in connection with a

distribution of securities of a connected issuer of the underwriter (the "Independent Underwriter Requirement") contained in the Legislation shall not apply to TDSI in connection with a proposed initial public offering of common shares by Dataradio Inc. (the "Issuer") (the "Offering") to be made by means of a prospectus (the "Prospectus");

**WHEREAS** pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "ERA") the Quebec Securities Commission is the principal regulator for this application;

**AND WHEREAS** the Issuer and TDSI have represented to the Decision Makers that:

1. The Issuer is a designer and manufacturer of wireless data equipment for the private network wireless data communications industry.
2. The Issuer is a corporation resulting from an amalgamation under the Canada Business Corporations Act ("CBCA") on September 6, 1985, of Dataradio Inc., a company incorporated under the CBCA on September 6, 1983, and Presud Communications Inc., a company incorporated under the CBCA on December 8, 1981. The head office of the Issuer is located in Québec.
3. The Issuer filed a preliminary prospectus dated October 20<sup>th</sup>, 2000 (the "Preliminary Prospectus") in all Canadian provinces. The Issuer currently has an authorized capital consisting of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series, of which 20,000,000 common shares and no preferred shares are outstanding on the date hereof..
4. On May 5, 2000, the Issuer entered into a \$1,500,000 secured revolving credit facility (the "Committed Revolver") and a \$4,500,000 commercial instalment loan (the "Commercial Loan" and collectively with the Committed Revolver, the "Credit Facilities") with the Toronto Dominion Bank (the "Bank").
5. Pursuant to an agreement dated October 5, 2000, the Bank agreed to increase the Committed Revolver to \$3,000,000 and extend the term for the Committed Revolver to October 5, 2001. This agreement was subject, amongst other things, to the acceptance by the Issuer that the final repayment date for the outstanding balance of the Commercial Loan be changed from December 31, 2001 to November 30, 2000.
6. TDSI is a wholly-owned subsidiary of the Bank.

**Decisions, Orders and Rulings**

- 7. As of September 30, 2000, the amount drawn by the Issuer on the Committed Revolver was \$ 914,000.
- 8. As of September 30, 2000, the amount drawn by the Issuer on the Commercial Loan was \$ 724,000.
- 9. It is possible that a total of up to \$3,641,000 will be drawn by the Issuer on the Credit Facilities before the closing of the transaction.
- 10. By virtue of the Credit Facilities, the Issuer may, in connection with the Offering, be considered a "Connected Issuer" of TDSI in accordance with the Multi-Jurisdictional Instrument 33-105 and Companion Policy 33-105 – Underwriting Conflicts ("**33-105**"). The Issuer is not a "Related Issuer" as defined in 33-105.
- 11. It is anticipated that the Offering will be approximately \$50 million.
- 12. Part of the proceeds of the Offering will be used by the Issuer to repay the amounts drawn under the Credit Facilities.
- 13. No default has been reported under the Credit Facilities.
- 14. The audited consolidated balance sheet of the Issuer as at July 31, 2000 indicates that shareholders' equity is \$9,808,000. Based on the audited consolidated balance sheet of the Issuer as at July 31, 2000, the sum of the Credit Facilities outstanding at September 30, 2000 represents 16.70% of the Issuer's shareholders' equity. Based on the audited consolidated balance sheet of the Issuer as at July 31, 2000 and the possible \$3,641,000 to be drawn on the Credit Facilities before the closing of the transaction, the sum of the Credit Facilities could represent 37.12% of the Issuer's shareholders' equity. The Issuer is not in a Minor Debt Relationship as defined in 33-105.
- 15. Pursuant to an agreement (the "**Underwriting Agreement**") to be made between the Issuer, TDSI, CIBC World Markets Inc. ("**CIBC WM**"), National Bank Financial Inc. ("**National**") and BMO Nesbitt Burns Inc. ("**Nesbitt**") (collectively the "**Underwriters**"), the Underwriters will purchase the common shares under the Offering on the terms and conditions described therein.
- 16. The Issuer is neither a "Connected Issuer" nor a "Related Issuer" of CIBC WM for the purposes of the Offering.
- 17. CIBC WM will underwrite at least 20% of the dollar value of the Offering, will participate in the structuring and pricing of the Offering and has and will continue to participate in the due diligence activities performed by the Underwriters for the Offering.
- 18. The Preliminary Prospectus and the Prospectus will contain a certificate signed by the Underwriters.

- 19. TDSI will not receive any benefits from the Offering other than the payment of its fees in connection therewith.
- 20. Each of the Underwriters will be, at the time of final receipt of the Prospectus, registered as a dealer in the categories of "broker" and "investment dealer" in all provinces and territories.
- 21. The Preliminary Prospectus and the Prospectus will disclose the nature of the relationship between the Issuer, TDSI and the Bank and the existence of the Credit Facilities as specified in Appendix "C" of 33-105.
- 22. The Underwriters will subscribe to the offering according to the following table:

Underwriter	Percentage of Offering
TD Securities Inc.	47%
CIBC World Markets Inc.	25%
National Bank Financial Inc.	18%
BMO Nesbitt Burns Inc.	10%
- 23. The decision to make the Offering, including the terms and conditions of distribution, were made through negotiations between the Issuer and the Underwriters without the involvement of the Bank.
- 24. The Issuer is not in financial difficulty, is not under immediate financial pressure to proceed with the Offering and is not in default in any of its obligations. The Issuer is not a "specified party" as such term is defined in 33-105.

**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 Independent Underwriter Requirement shall not apply to TDSI in connection with the Offering provided that:

- a) CIBC WM underwrites at least 20% of the Offering;
- b) CIBC WM participates in the due diligence, prospectus drafting and pricing in relation to the Offering and the extent of its participation is fully described in the Prospectus;
- c) CIBC WM signs the underwriters certificate in the Prospectus;

- d) the Prospectus contains the disclosure stated in paragraph 21 above; and
- e) the relationship between the Issuer and TD will be disclosed in the Prospectus.

November 24, 2000.

(s) Jean Lorrain

M<sup>e</sup> Jean Lorrain

Le Directeur de la Conformité et application

## **2.1.2 CIBC Investor Services 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 CIBC INVESTOR SERVICES 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 CIBC Investor Services Inc. (the "Filer") regarding the operation of the separate division, Investor's Edge (the "Division"), for:

1. a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirements of the Legislation requiring the Division and its registered salespersons, partners, officers and directors ("Registered Representatives") to make inquiries of each client of the Division 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 Division 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 Division and its Registered Representatives to make inquiries of each client of the Division 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 Division 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* and is a wholly-owned subsidiary of the Canadian Imperial Bank of Commerce ("CIBC");
2. except as provided by paragraph 8 and 17 below, the Division is a distinct internal operating division of the Filer;
3. the head office of the Filer is located in Ontario and the Division also maintains offices and has Registered Representatives in Ontario, Quebec and British Columbia;
4. the Filer is registered under the Legislation as an investment dealer and broker (or the equivalent) and is a member of the IDA;
5. Investor's Edge is a trade name of CIBC registered with each of the Jurisdictions and the other division of the Filer operates under the trade name Imperial Investor Service;
6. the Division's clients can place trades by any of the following means:
  - (i) placing a trade by telephoning a toll-free line and speaking to a registered representative of the Division (known as "Investor's Edge Registered Telephone Representatives"),
  - (ii) placing a trade by telephoning a toll-free line through the Division's Interactive Voice Response (IVR) system, and
  - (iii) placing a trade online through the Internet;
7. clients of Imperial Investor Service can place trades by any of the following means:
  - (i) placing a trade by telephoning a toll-free line and speaking to a registered representative of Imperial Investor Service (known as "Imperial Investor Service Registered Telephone Representatives"),
  - (ii) placing a trade by telephoning a toll-free line through the Imperial Investor Service's Interactive Voice Response (IVR) system, and
  - (iii) placing a trade online through the Internet;
8. registered salespersons of the Filer (known as "Registered Electronic Representatives") process the trades that are placed through the IVR system and through the Internet for clients of the Division and for clients of Imperial Investor Service;
9. the Division operates independently using its own letterhead, accounts, Registered Telephone Representatives and account documentation and, commencing June 30, 2001, its own Registered Electronic Representatives;
10. the Division and its Registered Representatives do not and will not, except as provided in paragraph 19 below, provide advice or recommendations regarding the purchase or sale of any security and the Filer and the Division have adopted policies and procedures to ensure the Division and the Division's Registered Representatives do not and will not, with such exception, provide advice or recommendations regarding the purchase or sale of any security;
11. when the Division 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;
12. clients who request the Division or its Registered Representatives to provide advice or recommendations or advice as to suitability will be referred to another division of the Filer or another dealer;
13. the Division does not and will not compensate its Registered Representatives on the basis of transactional values;
14. each client of the Division 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 Division or its Registered Representatives regarding the purchase or sale of any security, and
  - (b) the Division 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");
15. the Client Acknowledgement will provide the client with sufficient detail and will explain to each client the significance of not receiving either investment advice or a recommendation from the Filer, including the significance of the Filer not determining the general investment needs and objectives of the client or the suitability of a proposed purchase or sale of a security for the client;
16. each client of the Division will be advised that he or she has the option of transferring his or her account or accounts to another division of the Filer or another dealer at no cost to the client if the client does not wish to provide a Client Acknowledgement (the "Account Transfer Option");
17. until June 30, 2001, Registered Electronic Representatives of the Filer may process trades that are placed through the IVR system or through the Internet for clients of the Division or clients of Imperial Investor Service but the Registered Electronic Representatives do not and will not have any direct contact with clients of Imperial Investor Service and will refer any issues associated with the processing of an order for a client of Imperial Investor Service to an appropriately registered representative of the Filer that is not a Registered Representative;
18. commencing June 30, 2001, the Division will maintain its own Registered Electronic Representatives and such representatives will only process trades that are placed by clients of the Division;
19. the Division 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 until June 30, 2001;
20. commencing June 30, 2001 the Division 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;
21. all prospective clients of the Division will be advised and required to acknowledge that:
- (a) no advice or recommendations will be provided by the Division or its Registered Representatives regarding the purchase or sale of any security, and
- (b) the Division 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 Division opening an account for such prospective client;
22. the Prospective Client Acknowledgement will provide the client with sufficient detail and will explain to each client the significance of not receiving either investment advice or a recommendation from the Filer, including the significance of the Filer not determining the general investment needs and objectives of the client or the suitability of a proposed purchase or sale of a security for the client;
23. 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 Division 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,
- (c) for any client of the Division who does not provide a Client Acknowledgement and chooses to exercise the client's Account Transfer Option, the Division will transfer the client's account in an expeditious manner and at no cost to the client, and
- (d) Registered Electronic Representatives do not have any direct contact with clients of Imperial Investor Service and will refer any issues associated with the processing of an order for a client of Imperial Investor Service to an appropriately registered representative of the Filer that is not a Registered Representative; and
24. the Filer has adopted policies and procedures to ensure that:
- (a) subject to paragraph 8 and 17 above, the Division operates separately from any other division of the Filer using its own letterhead, accounts, account documentation and Registered Representatives (other than persons who exclusively perform supervisory or compliance functions),
- (b) subject to paragraph 8 and 17 above, Registered Representatives of the Division (other than persons who exclusively perform supervisory or compliance functions), are clearly employed by the Division and do not handle the business or clients of any other division of the Filer,
- (c) a current list of Investor's Edge Registered Telephone Representatives, Imperial Investor Service Registered Telephone Representatives, Registered Electronic Representatives and Registered Representatives is maintained at all times, and

(d) commencing June 30, 2001, the Division will maintain its own Registered Electronic Representatives and such representatives will only process trades that are placed by clients of the Division;

**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 Division and its Registered Representatives so long as:

1. except as permitted by term and condition 4 and 8 below, the Division and its Registered Representatives do not provide any advice or recommendations regarding the purchase or sale of any security;
2. clients who request the Division or its Registered Representatives to provide advice or recommendations or advice as to suitability are referred to another division of the Filer or another dealer;
3. except as permitted in term and condition 4 below, the Division operates independently using its own letterhead, accounts, Registered Representatives (other than persons who exclusively perform supervisory or compliance functions) and account documentation;
4. until June 30, 2001, Registered Electronic Representatives of the Filer may process trades that are placed through the IVR system or through the Internet for clients of the Division or clients of Imperial Investor Service provided that the Registered Electronic Representatives do not have any direct contact with clients of Imperial Investor Service and will refer any issues associated with the processing of an order for a client of Imperial Investor Service to an appropriately registered representative of the Filer that is not a Registered Representative;
5. commencing June 30, 2001, the Division will maintain its own Registered Electronic Representatives and such representatives will only process trades that are placed by clients of the Division;
6. the Division does not compensate its Registered Representatives on the basis of transactional values;
7. each client of the Division is advised of the Decision of the Decision Makers and requested to make a Client Acknowledgement or transfer his or her account to another division of the Filer or another dealer if the client does not wish to make a Client Acknowledgement;
8. the Division and its Registered Representatives continue to comply, until June 30, 2001, with their Suitability Requirements and IDA Suitability Requirements for client accounts for which no Client Acknowledgement is received;
9. commencing June 30, 2001 the Division 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;
10. each prospective client of the Division is advised of the Decision of the Decision Makers and required to make a Prospective Client Acknowledgement prior to the Division or its Registered Representatives servicing such prospective client;
11. 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;
12. for any client who elects to exercise the client's Account Transfer Option, the Division transfers such account or accounts to another division of the Filer or another dealer in an expeditious manner and at no cost to the client;
13. the Division 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;
14. the Filer has in force policies and procedures to ensure that:
  - (a) Registered Electronic Representatives do not have any direct contact with clients of Imperial Investor Service and will refer any issues associated with the processing of an order for a client of Imperial Investor Service to an appropriately registered representative of the Filer that is not a Registered Representative,
  - (b) except as permitted in term and condition 4 above, the Division operates separately from any other division of the Filer using its own letterhead, accounts, account documentation and Registered Representatives (other than persons who exclusively perform supervisory or compliance functions),
  - (c) except as permitted in term and condition 4 above, Registered Representatives of the Division (other than those who exclusively perform supervisory or compliance functions) are clearly employed by the Division and do not handle the business or clients of any other division of the Filer,
  - (d) a current list of Investor's Edge Registered Telephone Representatives, Imperial Investor

Service Registered Telephone Representatives, Registered Electronic Representatives and Registered Representatives is maintained at all times,

- (e) commencing June 30, 2001 the Division will maintain its own Registered Electronic Representatives and such representatives shall only process trades that are placed by clients of the Division, and
  - (f) notice is provided on or before June 30, 2001 to each of the Decision Makers that the Division maintains its own Registered Electronic Representatives and such representatives only process trades that are placed by clients of the Division; and
15. 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.

December 20, 2000

"Rebecca Cowdery"

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

- 1. except as permitted by term and condition 4 and 8 below, the Division and its Registered Representatives do not provide any advice or recommendations regarding the purchase or sale of any security;
- 2. clients who request the Division or its Registered Representatives to provide advice or recommendations or advice as to suitability are referred to another division of the Filer or another dealer;
- 3. except as permitted in term and condition 4 below, the Division operates independently using its own letterhead, accounts, Registered Representatives (other than persons who exclusively perform supervisory or compliance functions) and account documentation;
- 4. until June 30, 2001, Registered Electronic Representatives of the Filer may process trades that are placed through the IVR system or through the Internet for clients of the Division or clients of Imperial Investor Service provided that the Registered Electronic Representatives do not have any direct contact with clients of Imperial Investor Service and will refer any issues associated with the processing of an order for a client of Imperial Investor Service to an appropriately registered representative of the Filer that is not a Registered Representative;
- 5. commencing June 30, 2001, the Division will maintain its own Registered Electronic Representatives and such

representatives will only process trades that are placed by clients of the Division;

- 6. the Division does not compensate its Registered Representatives on the basis of transactional values;
- 7. each client of the Division is advised of the Decision of the Decision Makers and requested to make a Client Acknowledgement or transfer his or her account to another division of the Filer or another dealer if the client does not wish to make a Client Acknowledgement;
- 8. the Division and its Registered Representatives continue to comply, until June 30, 2001, with their Suitability Requirements and IDA Suitability Requirements for client accounts for which no Client Acknowledgement is received;
- 9. commencing June 30, 2001 the Division 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;
- 10. each prospective client of the Division is advised of the Decision of the Decision Makers and required to make a Prospective Client Acknowledgement prior to the Division or its Registered Representatives servicing such prospective client;
- 11. 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;
- 12. for any client who elects to exercise the client's Account Transfer Option, the Division transfers such account or accounts to another division of the Filer or another dealer in an expeditious manner and at no cost to the client;
- 13. the Division 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;
- 14. the Filer has in force policies and procedures to ensure that:
  - (a) Registered Electronic Representatives do not have any direct contact with clients of Imperial Investor Service and will refer any issues associated with the processing of an order for a client of Imperial Investor Service to an appropriately registered representative of the Filer that is not a Registered Representative,
  - (b) except as permitted in term and condition 4 above, the Division operates separately from any other division of the Filer using its own letterhead, accounts, account documentation and Registered Representatives (other than

persons who exclusively perform supervisory or compliance functions),

- (c) except as permitted in term and condition 4 above, Registered Representatives of the Division (other than those who exclusively perform supervisory or compliance functions) are clearly employed by the Division and do not handle the business or clients of any other division of the Filer,
  - (d) a current list of Investor's Edge Registered Telephone Representatives, Imperial Investor Service Registered Telephone Representatives, Registered Electronic Representatives and Registered Representatives is maintained at all times,
  - (e) commencing June 30, 2001 the Division will maintain its own Registered Electronic Representatives and such representatives shall only process trades that are placed by clients of the Division, and
  - (f) notice is provided on or before June 30, 2001 to each of the Decision Makers that the Division maintains its own Registered Electronic Representatives and such representatives only process trades that are placed by clients of the Division; and
15. 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.

December 20, 2000

"Howard I. Wetston"

"John A. Geller"

**2.1.3 TD Waterhouse Investor Services Inc. -  
MRRS Decision**

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

**AND**

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

**AND**

**IN THE MATTER OF TD WATERHOUSE INVESTOR  
SERVICES (CANADA) 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 TD Waterhouse Investor Services (Canada) Inc. (the "Filer") regarding the operation of the separate division, TD Waterhouse Direct (the "Division") for:

1. a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirements of the Legislation requiring the Division and its registered salespersons, partners, officers and directors ("Registered Representatives") to make inquiries of each client of the Division 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 Division 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 Division and its Registered Representatives to make inquiries of each client of the Division 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 Division 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 and the Division have represented to the Decision Makers that:

1. the Filer is a corporation incorporated under the *Business Corporations Act* (Ontario) and is an indirect subsidiary of The Toronto-Dominion Bank;
2. the Division is a distinct internal operating division of the Filer;
3. the Filer has 38 branch offices and/or call centres located in all of the provinces of Canada other than Prince Edward Island;
4. the Filer is registered under the Legislation as an investment dealer or equivalent and is a member of the IDA;
5. TD Waterhouse Direct is a trade name of the Filer registered with each of the Jurisdictions;
6. the Division operates independently using its own letterhead, accounts, Registered Representatives and account documentation;
7. the Division and its Registered Representatives do not and will not, except as provided in 14 below, provide advice or recommendations regarding the purchase or sale of any security and the Filer and the Division have adopted policies and procedures to ensure the Division and the Division's Registered Representatives do not and will not, with such exception, provide advice or recommendations regarding the purchase or sale of any security;
8. when the Division 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;
9. clients who request the Division or its Registered Representatives to provide advice or recommendations or advice as to suitability will be referred to another division of the Filer or another dealer;
10. the Division does not and will not compensate its Registered Representatives on the basis of transactional values;
11. 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 Division or its Registered Representatives regarding the purchase or sale of any security, and
  - (b) the Division 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");
12. the Client Acknowledgement will provide the client with sufficient detail and will explain to each client the significance of not receiving either investment advice or a recommendation from the Filer, including the significance of the Filer not determining the general investment needs and objectives of the client;
13. each client of the Filer will be advised that he or she has the option of transferring his or her account or accounts to another division of the Filer or another dealer at no cost to the client if the client does not wish to provide a Client Acknowledgement (the "Account Transfer Option");
14. the Division 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 until June 30, 2001;
15. after June 29, 2001, the Division 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;
16. all prospective clients of the Division will be advised and required to acknowledge that:
  - (a) no advice or recommendations will be provided by the Division or its Registered Representatives regarding the purchase or sale of any security, and
  - (b) the Division 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 Division opening an account for such prospective client;
17. the Prospective Client Acknowledgement will provide the client with sufficient detail and will explain to each client the significance of not receiving either investment advice or a recommendation from the Filer, including the significance of the Filer not determining the general investment needs and objectives of the client, or the suitability of a proposed purchase or sale of a security for the client;
18. the Filer and the Division have 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 Division 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 Division who does not provide a Client Acknowledgement and chooses to exercise the client's Account Transfer Option, the Division will transfer the client's account in an expeditious manner and at no cost to the client; and
19. the Filer has adopted policies and procedures to ensure that:
- (a) the Division will operate separately from any other division of the Filer,
  - (b) Registered Representatives of the Division will be clearly employed by the Division and will not handle the business or clients of any other division of the Filer, and
  - (c) a list of Registered Representatives of the Division is maintained at all times;

**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 Division and its Registered Representatives so long as:

- 1. except as permitted by 6 below, the Division and its Registered Representatives do not provide any advice or recommendations regarding the purchase or sale of any security;
- 2. clients who request the Division or its Registered Representatives to provide advice or recommendations or advice as to suitability are referred to another division of the Filer or another dealer;
- 3. the Division operates independently and operates using its own letterhead, accounts, Registered Representatives and account documentation;
- 4. the Division 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 another division of the Filer or another dealer if the client does not wish to make a Client Acknowledgement;

- 6. the Division and its Registered Representatives continue to comply, until June 30, 2001, with their Suitability Requirements and IDA Suitability Requirements for client accounts for which no Client Acknowledgement is received;
- 7. commencing June 30, 2001, the Division 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 Division is advised of the Decision of the Decision Makers and required to make a Prospective Client Acknowledgement prior to the Division or its Registered Representation 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 another division of the Filer or another dealer in an expeditious manner and at no cost to the client;
- 11. the Division 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;
- 12. the Filer has in force policies and procedures to ensure that:
  - (a) the Division continues to operate separately from any other division of the Filer,
  - (b) Registered Representatives of the Division are clearly employed by the Division and do not handle the business or clients of any other division of the Filer, and
  - (c) a list of Registered Representatives of the Division is maintained at all times; and
- 13. 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.

December 7, 2000

"William R. Gazzard"

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

1. except as permitted by 6 below, the Division and its Registered Representatives do not provide any advice or recommendations regarding the purchase or sale of any security;
2. clients who request the Division or its Registered Representatives to provide advice or recommendations or advice as to suitability are referred to another division of the Filer or another dealer;
3. the Division operates independently and operates using its own letterhead, accounts, Registered Representatives and account documentation;
4. the Division 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 another division of the Filer or another dealer if the client does not wish to make a Client Acknowledgement;
6. the Division and its Registered Representatives continue to comply, until June 30, 2001, with their Suitability Requirements and IDA Suitability Requirements for client accounts for which no Client Acknowledgement is received;
7. commencing June 30, 2001, the Division 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 Division is advised of the Decision of the Decision Makers and required to make a Prospective Client Acknowledgement prior to the Division or its Registered Representation 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 another division of the Filer or another dealer in an expeditious manner and at no cost to the client;
11. the Division 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;

12. the Filer has in force policies and procedures to ensure that:
  - (a) the Division continues to operate separately from any other division of the Filer,
  - (b) Registered Representatives of the Division are clearly employed by the Division and do not handle the business or clients of any other division of the Filer, and
  - (c) a list of Registered Representatives of the Division is maintained at all times; and
13. 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.

December 7, 2000.

"Robert W. Davis"

"Robin W. Korthals"

**2.1.4 Citadel S -1 Income Trust Fund - MRRS Decision**

**Headnote**

Mutual Reliance Review System for Exemptive Relief Applications - Closed-end investment trust exempt from prospectus and registration requirements in connection with issuance of units to existing unitholders pursuant to a distribution reinvestment plan whereby distributions of income are reinvested in additional units of the trust, subject to certain conditions – first trade relief provided for additional units of trust, subject to certain conditions – issuer relieved of certain reporting requirements, subject to certain conditions.

**Statutes Cited**

*Securities Act*, R.S.O. 1990, c.S.5, as am., ss.25, 53, 72(5), 74(1)

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

AND

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

AND

IN THE MATTER OF CITADEL S-1 INCOME TRUST FUND

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland, Nova Scotia, Ontario, Prince Edward Island, Quebec and Saskatchewan (the "Jurisdictions") has received an application from Citadel S-1 Income Trust Fund (the "Filer"), for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation to be registered to trade in a security and to file and obtain a receipt for a preliminary prospectus and a final prospectus (the "Registration and Prospectus Requirements") shall not apply to the distribution of trust units of the Filer pursuant to a distribution reinvestment plan (the "DRIP");

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 the Filer has represented to the Decision Makers that:

1. The Filer is a closed-end investment trust established under the laws of Alberta pursuant to a declaration of trust dated August 11, 2000 (the "Declaration of Trust"). The Trust Company of Bank of Montreal is the trustee of the Filer (in such capacity, the "Trustee").
2. The assets of the Filer consist of a portfolio of securities including Canadian income funds, Canadian and U.S. high yielding investment grade debt and income yielding equity securities as well as cash (the "Assets"). The Filer has been created to provide unitholders of the Filer with an income stream derived from the distribution of income to the Filer from the portfolio of securities that it holds ("Distributable Income").
3. Under the Declaration of Trust, the Filer is authorized to issue an unlimited number of transferable, non-redeemable trust units (the "Trust Units"), of which there were 1,875,625 Trust Units issued and outstanding on October 6, 2000. Each Trust Unit represents an equal fractional undivided beneficial interest in the net assets of the Filer, and entitles its holder to one vote at meetings of unitholders of the Filer ("Unitholders") and to participate equally with respect to any and all distributions made by the Filer, including distributions of net income and net realized capital gains, if any. Rights, warrants and options to subscribe for fully-paid Trust Units may also be issued.
4. The Filer became a reporting issuer or the equivalent thereof in each province of Canada on September 28, 2000 when it obtained a Final Decision Document for its prospectus dated September 28, 2000 (the "Prospectus"). As of the date hereof, the Filer is up to date with all filings required to be made under the Legislation.
5. Citadel S1 Management Ltd. (the "Administrator") is the authorized attorney of the Filer.
6. The Trust Units are listed on The Toronto Stock Exchange.
7. The Trust Units are available in book-entry only form whereby CDS & Co., a nominee of The Canadian Depository for Securities Limited, is the only registered holder of Trust Units.
8. The Filer proposes to establish, subject to regulatory approval, the DRIP to permit Unitholders, at their discretion, to automatically reinvest the Distributable Income paid on their Trust Units in additional Trust Units ("DRIP Units") as an alternative to receiving cash distributions.
9. Distributions due to participants in the DRIP ("DRIP Participants") will be paid to The Trust Company of Bank of Montreal in its capacity as agent under the DRIP (in such capacity, the "DRIP Agent") and applied to the purchase of DRIP Units.
10. No commissions, service charges or brokerage fees will be payable by DRIP Participants in connection with the DRIP.

11. If the weighted average trading price of a Trust Unit on The Toronto Stock Exchange for the 20 trading days immediately preceding the relevant distribution date (plus applicable commissions and brokerage charges on a per Trust Unit basis) (the "Market Price") is less than the net asset value of the Filer per Trust Unit on that distribution date, the DRIP Agent will purchase DRIP Units in the market or from the Filer using distributable cash in accordance with the following paragraph.
  12. Market purchases will be made during the 20 trading day period next following the relevant distribution date, when the trading price per Trust Unit (plus applicable commissions and brokerage charges on a per Trust Unit basis) does not exceed 115% of the Market Price of each Trust Unit as at that distribution date. Upon the expiration of such period, the DRIP Agent will use the unused part, if any, of the distributable cash otherwise payable to DRIP Participants to purchase DRIP Units from the Filer at the higher of (i) the net asset value of the Filer per Trust Unit as at that distribution date; and (ii) the Market Price per Trust Unit (less applicable commissions and brokerage charges on a per Trust Unit basis) less 5%.
  13. If the Market Price equals or is greater than the net asset value of the Filer per Trust Unit on the relevant distribution date, the DRIP Agent will apply the distributable cash otherwise payable to DRIP Participants to purchase DRIP Units from the Filer through the issue of new Trust Units at the higher of (i) the net asset value of the Filer per Trust Unit on the relevant distribution date; and (ii) the Market Price per Trust Unit (less applicable commissions and brokerage charges on a per Trust Unit basis) less 5%.
  14. The DRIP Agent will be purchasing DRIP Units only in accordance with the mechanism described in the DRIP and, accordingly, there is no opportunity for a DRIP Participant or the DRIP Agent to speculate on changes in the net asset value per Trust Unit.
  15. The Filer will invest in the Assets with the objective of providing Unitholders with a high level of sustainable income as well as a cost-effective method of reducing the risk of investing in such securities. Accordingly, the net asset value per Trust Unit should be less volatile than that of a typical equity fund, and the potential for significant changes in the net asset value per Trust Unit over short periods of time is moderate.
  16. The amount of distributions that may be reinvested in DRIP Units issued from treasury is small relative to the Unitholders' equity in the Filer. In addition, if the Market Price of the Trust Units exceeds the net asset value per Trust Unit at the relevant distribution date, the acquisition price of such Trust Units will be the greater of the net asset value per Trust Unit and 95% of the Market Price per Trust Unit (less applicable commissions and brokerage charges on a per Trust Unit basis) at the relevant distribution date. Accordingly, the potential for dilution arising from the issuance of Trust Units by the Filer at the net asset value per Trust Unit on a distribution date is not significant.
  17. The DRIP is open to participation by all Unitholders, so that any Unitholder can ensure protection against potential dilution, albeit insignificant, by electing to participate in the DRIP.
  18. DRIP Participants may terminate their participation in the DRIP by providing 5 days' written notice to the DRIP Agent prior to the applicable record date. The notice must include the name of the securities broker, dealer, bank, trust company or other participant in the depository system of The Canadian Depository for Securities Limited through which the DRIP Participant holds DRIP Units. Such notice, if actually received no later than 5 days prior to the applicable record date, will have effect for the distribution associated with that record date, and if not so received will have effect for the next following distribution.
- 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:
1. the Registration and Prospectus Requirements contained in the Legislation shall not apply to distributions by the Filer of DRIP Units, provided that:
    - (a) no sales charge is payable in respect of the distributions;
    - (b) each participant in the DRIP annually receives a notice of his or her right to withdraw from the DRIP;
    - (c) at the time of such distributions, the Filer is a reporting issuer or the equivalent thereof under the relevant Legislation; and
    - (d) the first trade in DRIP Units acquired by DRIP Participants pursuant to this Decision shall be deemed a distribution or a primary distribution to the public unless:
      - (i) the disclosure of such distribution of DRIP Units is made to the relevant Jurisdictions, as may be required under the Legislation;
      - (ii) no unusual effort is made to prepare the market or to create a demand for the DRIP Units;
      - (iii) no extraordinary commission or consideration is paid to a person or

company other than the vendor of the DRIP Units in respect of the trade;

- (iv) the Filer is a reporting issuer or the equivalent thereof under the relevant Legislation at the time of the first trade;
- (v) prior to September 28, 2001 (the date on which the Filer will have been a reporting issuer or the equivalent thereof for 12 months), the aggregate number of DRIP Units issued shall not exceed 2% of the aggregate number of Trust Units then outstanding;
- (vi) the vendor of the DRIP Units, if in a special relationship (as such term may be defined in the Legislation) with the Filer, has no reasonable grounds to believe that the Filer is in default of any requirement of the Legislation; and
- (vii) in all Jurisdictions other than Quebec, the trade of the DRIP Units is not from the holdings of a person or company or a combination of persons or companies holding a sufficient number of any securities of the Filer so as to affect materially the control of the Filer or more than 20% of the outstanding voting securities of the Filer except where there is evidence showing that the holdings of those securities does not affect materially the control of the Filer;

2. the reporting requirements under the Legislation with respect to clause 1(d)(i) above shall be satisfied provided that the particulars of the date of the distribution of such DRIP Units, the number of such DRIP Units and the purchase price paid or to be paid for such DRIP Units has been disclosed to the relevant Jurisdictions in:

- (a) an information circular or take-over bid circular filed in accordance with the Legislation; or
- (b) a letter filed with the Decision Maker in the appropriate Jurisdiction by a person or company certifying that the person or company has knowledge of the facts contained in the letter

when the Filer distributes such DRIP Units for the first time and not less frequently than annually thereafter unless the aggregate number of DRIP Units so traded in any month exceeds 1% of the Trust Units outstanding at the beginning of a month in which the DRIP Units were traded, in which case a separate report shall be filed in each relevant Jurisdiction (other than Quebec) in respect of that month within ten days of the end of such month.

December 28<sup>th</sup>, 2000

"Howard I. Wetston"

"J.A. Geller"

## 2.1.5 CMP 2000 II Limited Resource Partnership - MRRS Decision

### Headnote

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 CMP 2000 II RESOURCE LIMITED PARTNERSHIP

### 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 CMP 2000 II Resource Limited Partnership (the "Partnership") for a decision pursuant to the securities legislation (the "Legislation") of the Jurisdictions exempting the Partnership from the requirements of the Legislation to file with the Decision Makers and send to its securityholders (the "Limited Partners") interim financial statements for the first and third quarters of each financial year of the Partnership;

**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 Partnership has represented to the Decision Makers that:

1. The Partnership is a limited partnership formed pursuant to the *Limited Partnerships Act* (Ontario) by declaration of partnership filed on September 26, 2000.
2. On October 31, 2000 the Decision Makers issued a receipt for a prospectus (the "Prospectus") dated October 31, 2000 of the Partnership with respect to the offering of units of the Partnership (collectively "Partnership Units").

3. The Partnership was formed for the purpose of investing the proceeds from the issue and sale of the Partnership Units 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.
4. The Partnership Units have not been and will not be listed for trading on a stock exchange.
5. 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 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 the Partnership enter into an agreement with Dynamic CMP Fund Ltd. (the "Mutual Fund"), an open end mutual fund, whereby the assets of the Partnership would be exchanged for shares of the Mutual Fund and upon such dissolution, Limited Partners would then receive their *pro rata* share of the shares of the Mutual Fund.
6. Unless a material change takes place in the business and affairs of the Partnership, the Limited Partners will obtain adequate financial information concerning the Partnership from the semi-annual financial statements and the annual report containing audited financial statements of the Partnership together with the auditors' report thereon distributed to Limited Partners.
7. Given the limited range of business activities to be conducted by the Partnership and the nature of the investment of the Limited Partners in the Partnership, the provision by the Partnership of interim financial statements in respect of the first and third quarters of each financial year of the Partnership will not be of significant benefit to the Limited Partners and may impose a material financial burden on the Partnership.
8. Each of the purchasers of Partnership Units will consent to the exemption requested herein by executing the subscription and power of attorney form in respect of their purchase of Partnership Units.
9. It is disclosed in the Prospectus that Dynamic CMP Funds II Management Inc., as general partner of the Partnership, will apply for the relief granted herein.

**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 Partnership is exempted from the requirement to file with the Decision Makers

interim financial statements for the first and third quarters of each financial year of the Partnership; and

2. The Partnership is exempted from the requirement to send to the Limited Partners interim financial statements for the first and third quarters of each financial year of the Partnership,

provided that these exemptions shall terminate upon the occurrence of a material change in the affairs of the Partnership unless the Partnership satisfies the Decision Makers that the exemptions should continue, which satisfaction shall be evidenced in writing.

December 28<sup>th</sup>, 2000.

"Howard I. Wetston"

"J. A. Geller"

**2.1.6 SNC-Lavalin Group Inc. et al. - MRRS Decision**

**Headnote**

Issuer is a connected issuer, but not a related issuer, in respect of registrants that are underwriters in proposed distribution of securities by the issuer - Underwriters exempt from the independent underwriter requirement in the legislation provided that issuer not in financial difficulty.

**Regulations Cited**

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

**Rules Cited**

Proposed Multi-Jurisdictional Instrument 33-105 *Underwriting Conflicts* (1998), 21 OSCB 788.

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

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

**AND**

**IN THE MATTER OF  
RBC DOMINION SECURITIES INC., BMO NESBITT  
BURNS LTD., SCOTIA CAPITAL INC., NATIONAL BANK  
FINANCIAL INC.  
AND SNC-LAVALIN GROUP INC.**

**MRRS DECISION DOCUMENT**

**WHEREAS** the local securities regulatory authority or regulator (a "Decision Maker") in each of the Provinces of British Columbia, Alberta, Ontario, Québec, and Newfoundland (the "Jurisdictions") has received an application from RBC Dominion Securities Inc. ("RBCDS"), BMO Nesbitt Burns Ltd., Scotia Capital Inc. and National Bank Financial Inc. (collectively the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation regarding acting as an underwriter in connection with a distribution of securities of a connected issuer or the equivalent shall not apply to RBC Dominion Securities Inc., BMO Nesbitt Burns Ltd., Scotia Capital Inc. and National Bank Financial Inc. with respect to the proposed offering of unsecured debentures due in September 2010 by SNC-Lavalin Group Inc.

**AND WHEREAS** under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the *Commission des valeurs mobilières du Québec* is the principal regulator for this application;

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

1. SNC-Lavalin Group Inc. (the "Issuer") was incorporated pursuant to the Canada Business Corporations Act on May 18, 1967. The Issuer's head office is located at 455 René Lévesque Blvd. West, Montreal, Québec H2Z 1Z3.
2. The Issuer is a reporting issuer in all provinces of Canada. The Issuer's outstanding Common Shares are listed on The Toronto Stock Exchange.
3. The proposed Offering will consist in unsecured debentures due in September 2010. The credit rating given to the debentures by approved credit rating agencies is favourable (BBB (high) for CBRS Inc. and BBB for DBRS.
4. The Issuer will enter into an Underwriting Agreement with RBCDS, BMO Nesbitt Burns Ltd., Scotia Capital Inc. and National Bank Financial Inc. (collectively the "Underwriters") in connection with the Offering.
5. The Issuer will file a Short-Form Preliminary Prospectus with the Commission and other similar authorities on August 23, 2000. The Offering consists in unsecured debentures due in September 2010.
6. The Underwriters, pursuant to the Underwriting Agreement, will hold the totality of the Offering. None of the Underwriters will be independent, as such term is defined in the Legislation.
7. The Issuer has entered into a Master Credit Agreement with various financial institutions, including the Canadian chartered banks (the "Banks") which are affiliates of RBCDS, BMO Nesbitt Burns Ltd., Scotia Capital Inc. and National Bank Financial Inc. *The Banks are not part of a banking syndicate.* As of August 18, 2000, from the amount granted to SNC Lavalin Group Inc. of 918 067 233 \$, an amount of 242 244 959 \$ has been already used. In addition, the net proceeds of the Offering will not be used to reduce any indebtedness.
8. The Issuer may be considered a "connected issuer" or the equivalent to the Filer pursuant to the Legislation with RBCDS, BMO Nesbitt Burns Ltd., Scotia Capital Inc. and National Bank Financial Inc. Furthermore, the Underwriters will not comply with the proportional requirements of the Multi-Jurisdictional Instrument 33-105.
9. The nature of the relationship between the Issuer, the Underwriters and the Banks will be described in the Prospectus.
10. The Prospectus will contain a certificate signed by each Underwriter in accordance with Item 20 of Appendix B of National Policy 47.
11. The net proceeds of the Offering will be used for general corporate purposes and will not be used to repay the Banks.



12. The Issuer is not a "related issuer" or the equivalent of any of the Underwriters for purposes of the Multi-Jurisdictional Instrument 33-105. However, by virtue of the Master Credit Agreement described above and the portion of indebtedness owed thereunder to each of the Banks, the Issuer may, in connection with the Offering be a "connected issuer" or the equivalent of the Underwriters applicants for the purposes of the Multi-Jurisdictional Instrument 33-105.
13. The decision to proceed with the Offering, including the determination of the terms of distribution, will be made through negotiation between the Issuer and the Underwriters without involvement of the Banks. The Applicants will participate as a group in such negotiations and in the due diligence process.
14. The Underwriters will not receive any benefit from the Offering other than payment of their fees.
15. The Issuer is not in financial difficulty and is not under any immediate financial pressure to undertake the Offering. The Issuer is not a "specified party" as defined in the proposed Multi-Jurisdictional Instrument 33-105.

**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 Filer is exempt from the requirements of applicable regulations in relation with the requirements contained in the Legislation regarding acting as an underwriter in connection with a distribution of securities of a connected party in respect of the Offering with the following conditions:

1. The Issuer shall disclose in its prospectus the information required by Appendix C of Multi-Jurisdictional Instrument 33-105.
2. The prospectus shall describe the relation between the Issuer and the Underwriters. The information shall appear in bold text on the face page and in the body of the prospectus.

September, 8<sup>th</sup>, 2000.

"Jean Lorrain"

## 2.1.7 Jawz Inc. and Jawz Acquisition Canada Corp. - MRRS Decision

### Headnote

Mutual Reliance Review System for Exemptive Relief Applications -relief from the registration and prospectus requirements to facilitate an exchangeable share structure

### Applicable Ontario Statutes Cited

Securities Act, R.S.O. 1990,c.S.5,as am.,ss. 25, 35, 53,72(1),74(1)

### IN THE MATTER OF THE SECURITIES LEGISLATION OF ALBERTA AND ONTARIO

AND

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

AND

### IN THE MATTER OF JAWZ INC. AND JAWS ACQUISITION CANADA CORP.

### MRRS DECISION DOCUMENT

1. **WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta and Ontario (collectively, the "Jurisdictions") has received an application from Jawz Inc. ("Jawz") and Jaws Acquisition Canada Corp. ("JACC") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirements under the Legislation to be registered to trade in a security (the "Registration Requirement") and to file and obtain a receipt for a preliminary prospectus and a prospectus (the "Prospectus Requirement") shall not apply to certain trades of common shares of Jawz and exchangeable shares of JACC;
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** Jawz and JACC have represented to the Decision Makers that:
  - 3.1 Jawz is a corporation incorporated under the laws of the State of Nevada;
  - 3.2 the head office of Jawz is in Calgary, Alberta;
  - 3.3 the authorized capital of Jawz includes 95,000,000 shares of common stock ("Jawz Common Stock");

- 3.4 as of October 10, 2000, there were 30,959,089 shares of Jawz Common Stock issued and outstanding;
- 3.5 the Jawz Common Stock is quoted for trading on the National Association of Securities Dealers Automated Quotation System ("NASDAQ");
- 3.6 Jawz is subject to the reporting requirements under the *Securities Exchange Act of 1934* in the United States of America;
- 3.7 Jawz is a reporting issuer in the Jurisdictions, but has been granted relief from its reporting obligations under the Legislation on condition that it file with the Decision Makers certain continuous disclosure that it is required to file with securities regulatory authorities in the United States of America;
- 3.8 JACC is a corporation incorporated under the *Business Corporations Act* (Alberta);
- 3.9 the head office of JACC is located in Calgary, Alberta;
- 3.10 JACC is not a reporting issuer in the Jurisdictions;
- 3.11 no securities of JACC are listed on a stock exchange or traded over the counter in Canada or elsewhere;
- 3.12 the authorized capital of JACC consists of an unlimited number of common shares ("JACC Common Shares") and an unlimited number of exchangeable shares ("Exchangeable Shares");
- 3.13 as of October 30, 2000, there were 100 JACC Common Shares issued and outstanding;
- 3.14 all of the issued and outstanding JACC Common Shares are owned by Jawz;
- 3.15 as of October 30, 2000, there were 4,825,874 Exchangeable Shares issued and outstanding;
- 3.16 on July 31, 2000, JACC issued 1,731,932 Exchangeable Shares to the former common shareholders of Pace Systems Group Inc. in exchange for an equal number of exchangeable shares of Jaws Acquisition Corp. ("JAC"), a subsidiary of Jawz, held by them (the "Pace Transaction");
- 3.17 the Pace Transaction was completed by means of a reorganization involving Jawz, JACC, JAC and the former common shareholders of Pace Systems Group Inc.;
- 3.18 on August 15, 2000, JACC issued 1,548,838 Exchangeable Shares to the shareholders of 4Comm.com Inc. ("4Comm") in exchange for the shares of 4Comm held by them (the "4Comm Transaction");
- 3.19 on August 15, 2000, JACC issued 389,104 Exchangeable Shares to the shareholders of General Network Services Inc. ("GNS") in exchange for the shares of GNS held by them (the "GNS Transaction");
- 3.20 on August 22, 2000, JACC issued 1,120,000 Exchangeable Shares to the shareholders of Betach Systems Inc. and Betach Advanced Solutions Inc. (collectively, "Betach") in exchange for the shares of Betach held by them (the "Betach Transaction");
- 3.21 each of 4Comm, GNS and Betach are private issuers or private companies as defined in the Legislation;
- 3.22 4Comm, GNS and Betach are not reporting issuers under the Legislation;
- 3.23 no securities of 4Comm, GNS and Betach are listed on a stock exchange or traded over the counter in Canada or elsewhere;
- 3.24 Jawz and JACC were able to rely on exemptions from the take-over bid requirements contained in the Legislation to complete the 4Comm Transaction, the GNS Transaction and the Betach Transaction;
- 3.25 under the terms of the Exchangeable Shares and certain rights granted in connection with the Pace Transaction, the 4Comm Transaction, the GNS Transaction and the Betach Transaction, holders of Exchangeable Shares may exchange them for Jawz Common Stock on a one for one basis;
- 3.26 under the terms of the Exchangeable Shares and certain rights granted in connection with the Pace Transaction, the 4Comm Transaction, the GNS Transaction and the Betach Transaction, Jawz or JACC may acquire or redeem Exchangeable Shares in exchange for Jawz Common Stock in certain circumstances;
- 3.27 in order to ensure that the Exchangeable Shares remain the economic equivalent of Jawz Common Stock prior to their exchange, the Pace Transaction, the 4Common Transaction, the GNS Transaction and the Betach Transaction provided for:
- 3.27.1 a support agreement between Jawz and JACC which, among other things, restricts Jawz from declaring or paying dividends on Jawz Common Stock unless equivalent dividends are declared and paid on the Exchangeable Shares and from subdividing, consolidating or reclassifying Jawz Common Stock unless economically equivalent changes are made to the Exchangeable Shares;

- 3.27.2 an exchange trust agreement between Jawz and Computershare Investor Services Inc. (the "Depository") which, among other things, granted to the Depository, for the benefit of holders of Exchangeable Shares, the right to require Jawz to indirectly exchange the Exchangeable Shares for Jawz Common Stock upon the occurrence of certain specified events (the "Exchange Rights");
- 3.27.3 the deposit by Jawz of a special voting share (the "Voting Share") with the Depository which effectively provides holders of Exchangeable Shares with voting rights equivalent to those attached to Jawz Common Stock;
- 3.28 the following trades or distributions occurred in connection with the Pace Transaction, the 4Comm Transaction, the GNS Transaction and the Betach Transaction (collectively, the "Transaction Trades"):
- 3.28.1 the issuance by JACC of Exchangeable Shares to the former common shareholders of Pace in exchange for the exchangeable shares of JAC held by them;
- 3.28.2 the issuance by JACC of Exchangeable Shares to the shareholders of 4Comm, GNS and Betach in exchange for the shares of 4Comm, GNS and Betach held by them;
- 3.28.3 the transfer by the former shareholders of Pace of the exchangeable shares of JAC held by them to JACC;
- 3.28.4 the transfer by the shareholders of 4Comm, GNS and Betach of the shares in 4Comm, GNS and Betach held by them to JACC;
- 3.28.5 the grant by Jawz of the Exchange Rights to the Depository;
- 3.28.6 the issuance by Jawz of the Voting Share to the Depository;
- 3.28.7 the grant by holders of Exchangeable Shares to Jawz of certain rights to purchase Exchangeable Shares for Jawz Common Stock (the "Call Rights"); and
- 3.28.8 the grant by Jawz to the holders of Exchangeable Shares of certain rights to require Jawz to purchase Exchangeable Shares for Jawz Common Stock (the "Put Rights");
- 3.29 Jawz, JACC and the holders of the Exchangeable Shares were able to rely on exemptions from the Registration Requirement and the Prospectus Requirement contained in the Legislation to conduct the Transaction Trades;
- 3.30 the following trades or distributions may occur under the terms of the Exchangeable Shares or upon the exercise of the Exchange Rights, the Call Rights or the Put Rights (collectively, the "Exchange Trades"):
- 3.30.1 the issuance by Jawz and delivery by JACC of Jawz Common Stock to holders of Exchangeable Shares upon the exercise of the Exchange Rights;
- 3.30.2 the issuance by Jawz of Jawz Common Stock to holders of Exchangeable Shares upon the exercise of the Call Rights or Put Rights;
- 3.30.3 the issuance by Jawz and delivery by JACC of Jawz Common Stock to holders of Exchangeable Shares upon the exchange or redemption of the Exchangeable Shares under their terms; and
- 3.30.4 the transfer of Exchangeable Shares by the holders thereof to Jawz or JACC in connection with the exercise of the Exchange Rights, the Call Rights or the Put Rights or upon the exchange or redemption of the Exchangeable Shares under their terms;
- 3.31 to date, none of the Exchangeable Shares have been exchanged by their holders or been acquired or redeemed by Jawz or JACC;
- 3.32 Jawz, JACC and the holders of the Exchangeable Shares are not able to rely on any exemptions from the Registration Requirement and the Prospectus Requirement contained in the Legislation to conduct the Exchange Trades;
- 3.33 Jawz concurrently sends to holders of Exchangeable Shares resident in the Jurisdictions all disclosure material it sends to holders of Jawz Common Stock in general;
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 is that the Registration Requirement and the Prospectus Requirement shall not apply to the Exchange Trades;
7. **THE FURTHER DECISION** of the Decision Makers is that the first trade of Jawz Common Stock acquired in

connection with an Exchange Trade shall be deemed to be a distribution under the Legislation of the Jurisdiction in which the trade takes place (the "Applicable Jurisdiction") unless:

- 7.1 at the time the trade occurs, Jawz is a reporting issuer under the Legislation of the Applicable Jurisdiction and has been a reporting issuer under the Legislation of the Applicable Jurisdiction for a period of twelve months;
- 7.2 if the seller is in a special relationship with Jawz, as defined in the Legislation of the Applicable Jurisdiction, the seller has no reasonable grounds to believe that Jawz is in default of any requirement of the Legislation of the Applicable Jurisdiction;
- 7.3 no unusual effort is made to prepare the market or to create a demand for the Jawz Common Stock and no extraordinary commission or consideration is paid in respect of the trade; and
- 7.4 the trade is not a trade from the holdings of any person, company or combination of persons or companies that holds a sufficient number of securities of Jawz or an affiliate of Jawz to affect materially the control of Jawz or holds more than 20 percent of the outstanding voting securities of Jawz in the absence of evidence showing that the holding of those securities does not affect materially the control of Jawz.

DATED at Edmonton, Alberta this 5<sup>th</sup> day of December, 2000.

original signed by

"Eric T. Spirk", Vice-Chair  
"Thomas G. Cooke", Q.C., Member

## 2.1.8 Power Corporation of Canada - MRRS Decision

### Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief for officers and directors of reporting issuer and its subsidiaries from the insiders reporting requirements with respect to the acquisition of securities under an automatic share purchase plan, subject to certain conditions including annual reporting.

### Statutes Cited

Securities Act, R.S.O. 1990, c.S.5, as am. ss.1(1), 107, 108, 121(2)(a)(iii).

### Instruments Cited

Proposed National Instrument 55-101-101 - Exemption From Certain Insider Reporting Requirements (2000), 23 OSCB 4221.

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

AND

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

AND

**IN THE MATTER OF  
POWER CORPORATION OF CANADA**

**MRRS DECISION DOCUMENT**

**WHEREAS** the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of Ontario, Alberta and British Columbia (the "Jurisdictions") has received an application on behalf of Power Corporation of Canada (the "Applicant") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation for an insider of a reporting issuer to file insider reports (the "Insider Reporting Requirement") shall not apply to certain insiders of the Applicant with respect to their acquisition of subordinate voting shares of the Applicant (the "Subordinate Voting Shares") under the Applicant's Employee Share Purchase Program (the "Program") subject to certain conditions;

**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** the Applicant has represented to the Decision Makers that:

1. The Applicant is incorporated pursuant to the laws of Canada and is a diversified management and holding corporation.

2. The authorized capital of the Applicant consists of an unlimited number of Cumulative Redeemable First Preferred Shares, 1986 Series, 6,000,000 Series A First Preferred Shares, an unlimited number of Participating Preferred Shares and an unlimited number of Subordinate Voting Shares. At December 31, 1999 approximately 1,299,878 Cumulative Redeemable First Preferred Shares, 1986 Series, 6,000,000 Series A First Preferred Shares, 24,427,386 Participating Preferred Shares and 196,516,872 Subordinate Voting Shares were issued and outstanding.
  3. The Applicant is a reporting issuer in each of the Jurisdictions and is not in default of any of the requirements of the Legislation. The Subordinate Voting Shares of the Applicant are listed and posted for trading on The Toronto Stock Exchange.
  4. Subject to certain limitations, participants in the Program may contribute a percentage of their regular pay to the Program through automatic payroll deductions and through an annual lump sum payment. The Applicant (or a participating subsidiary) provides a matching contribution to the Program equal to either 50% or 100% of the participating employee's contribution up to a specified maximum per calendar year. Under the terms of the Program, contributions are to be deposited with the trustee under the Program and used to acquire Subordinate Voting Shares.
  5. The Program is an employee share purchase plan under which the timing of the share acquisitions, the number of shares purchased, and the price paid for the shares are established by procedures under the Program. The Program is an "automatic securities purchase plan" as such term is defined in proposed National Instrument 55-101 - Exemption From Certain Insider Reporting Requirements (2000), 23 OSCB 4221 ("NI 55-101") which has a "lump sum provision" as defined in that proposed instrument.
  6. Acquisitions of Subordinate Voting Shares under the Program are made by an independent administrator in the open market.
  7. Acquisitions of Subordinate Voting Shares under the Program are reported to participants in the Program quarterly, or on such other periodic basis as the Applicant may decide.
1. The Subordinate Voting Shares are not acquired with a payment made under the lump sum provision of the Program;
  2. The insider files a report disclosing, in the form prescribed under the Insider Reporting Requirement, all acquisitions of Subordinate Voting Share under the Program that have not previously been reported by or on behalf of the insider:
    - a. if any shares acquired under the Program during a calendar year are disposed of or transferred during the calendar year, within the time required by the Legislation for reporting the disposition or transfer; and
    - b. if any shares acquired under the Program, either during a calendar year or following the last disposition or transfer in a calendar year, are not disposed of or transferred, within 90 days of the end of the calendar year;
  3. The insider does not beneficially own, directly or indirectly, voting securities of the Applicant, or exercise control or direction over voting securities of the Applicant, or a combination of both, that carry more than 10 per cent of the voting rights attaching to all outstanding voting securities of the Applicant; and
  4. The Subordinate Voting Shares are acquired prior to the date that NI 55-101 comes into effect.

December 21st, 2000.

"Margo Paul"  
Manager, Corporate Finance

**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 Insider Reporting Requirement shall not apply to an insider of the Applicant with respect to acquisitions of Subordinate Voting Shares of the Applicant pursuant to the Program provided that:

**2.1.9 Acanthus Real Estate Corporation - MRRS Decision**

**Headnote**

Mutual Reliance Review System for Exemptive Relief Applications - Issuer has only one security holder - issuer deemed to have ceased being a reporting issuer.

**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 BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,  
ONTARIO, QUEBEC, NOVA SCOTIA  
AND NEWFOUNDLAND**

**AND**

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

**AND**

**IN THE MATTER OF  
ACANTHUS REAL ESTATE CORPORATION**

**MRRS DECISION DOCUMENT**

**WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Ontario, Quebec, Nova Scotia and Newfoundland (each a "Jurisdiction", collectively, the "Jurisdictions") has received an application from Acanthus Real Estate Corporation (the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the Filer be deemed to have ceased to be a reporting issuer, or the equivalent thereof, under the Legislation;

**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** the Filer has represented to the Decision Makers that:

1. The Filer is a corporation governed under the laws of Canada. The Filer was originally formed under the *Business Corporations Act* (Ontario) on June 17, 1996, under the name 1184143 Ontario Limited, and changed its name to Acanthus Real Estate Corporation on July 8, 1997. On October 2, 1997, the Filer was continued under the *Canada Business Corporations Act* (the "CBCA").
2. The Filer's head office and principal place of business is located in Toronto, Ontario.

3. The Filer is a reporting issuer or the equivalent in each of the Jurisdictions and is not in default of any of the requirements of the Legislation.
4. As a result of a take-over bid and the subsequent compulsory acquisition procedures under the CBCA, Acadim Inc. became the Filer's sole security holder.
5. The common shares of the Filer have been delisted from The Toronto Stock Exchange and no securities of the Filer are listed or quoted on any exchange or market.
6. The Filer has no securities, including debt securities, outstanding other than the common shares.
7. The Filer does not intend to seek public financing by way of an offering of its securities.

**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 Filer is deemed to have ceased to be a reporting issuer, or the equivalent thereof, under the Legislation.

November 29th, 2000.

"John Hughes"  
Manager, Continuous Disclosure

## 2.1.10 Esvlan Inc. - MRRS Decision

### Headnote

MRRS - relief granted from registration and prospectus requirements for distribution by issuer to franchisees of parent company of issuer - franchisees provided with SEC registration statement and paid \$0.35 per share by issuer - franchisees required to enter into participation agreement with parent company of issuer - agreement negotiated by franchisee's owner's association - also deminimus distribution in Canada.

### Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 25, 35 (1) 19, 53, 72(1)(n), 73(1)(a), 74(1).

### Rules Cited

45-503 - Trades to Employees, Executives and Consultants.

### IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH COLUMBIA, ALBERTA, 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 ESYLVAN, INC.

### MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Manitoba, Ontario, Nova Scotia and Newfoundland (collectively, the "Jurisdictions") has received an application from eSylvan, Inc. (the "Applicant") for a decision under the securities legislation of the Jurisdictions (the "Legislation") exempting the Applicant from:

1. The registration and prospectus requirements of the Legislation in each of the Jurisdictions in connection with the proposed offering (the "Offering") by the Applicant of up to 172, 045 shares of Class A convertible common stock (the "Class A Shares") to Canadian franchisees of its affiliated company, Sylvan Learning Systems, Inc. ("Sylvan") (the "Offering Requirements").
2. The registration and prospectus requirements of the Legislation in the provinces of British Columbia and Manitoba in connection with the automatic conversion of Class A Shares into common shares of the Applicant upon the occurrence of certain events (the "Conversion Requirements").

3. The prospectus requirements of the Legislation in the provinces of Nova Scotia and Newfoundland in connection with the resale of common shares of the Applicant received upon automatic conversion of Class A Shares (the "Resale Requirements").

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 Applicant has represented to the Decision Makers that:

### eSylvan, Inc.

1. The Applicant was incorporated under the laws of Maryland on February 3, 2000 and is a majority-owned subsidiary of Sylvan.
2. The Applicant was founded by Sylvan to deliver individualized supplemental education to families and children through a variety of internet applications. The Applicant plans to pursue this goal by establishing a website, developing or acquiring appropriate technology for the delivery of educational services over the Internet and then enrolling students.
3. The Applicant is not, and has no current intention of becoming, a reporting issuer (or the equivalent) in any of the Jurisdictions.
4. The authorized capital of the Applicant consists of 70 million common shares (the "Common Shares"), 10 million Class A Shares and 20 million Series A preferred shares (the "Preferred Shares"), of which 14 million Common Shares, no Class A Shares and no Preferred Shares were outstanding as of the close of business on July 28, 2000.
5. 97.96% of the outstanding Common Shares are held by Sylvan Ventures, LLC ("Ventures"), a majority-owned subsidiary of Sylvan.
6. On June 30, 2000, the Applicant entered into an agreement with Ventures pursuant to which the Applicant has agreed to issue to Ventures an aggregate of 10,526,316 Preferred Shares in six separate closings beginning on September 30, 2000 and ending on December 31, 2001 for an aggregate purchase price of US\$20 million.
7. None of the securities of the Applicant is listed on any stock exchange or quotation system. The Applicant has no current plans to list any of its securities on any stock exchange or quotation system.

### Sylvan

8. Sylvan, a company incorporated under the laws of Maryland, provides a variety of educational services to families and schools.
9. The common shares of Sylvan are traded on the Nasdaq National Market. Sylvan Learning Centers, one

of Sylvan's business segments, designs and delivers individualized tutorial programs to school age children through franchised and company-owned centres.

10. Sylvan currently has approximately 751 franchised centres and approximately 81 company-owned centres worldwide. As of July 28, 2000, 45 franchisees resident in Canada (the "Canadian Franchisees") operated franchised centres.
11. The initial cost to open a typical franchised Sylvan Learning Center ranges from approximately US\$150,000 to US\$200,000, including the franchise licence fee, furniture, equipment and an initial supply of certain items required under the franchise agreement. Franchisees pay an annual royalty to Sylvan of 8% or 9% of gross revenues, depending on the number of school age children in the geographic territory covered by the franchise agreement.
12. Sylvan provides a variety of services to its franchisees, including initial intensive training in Sylvan Learning Center operations and Sylvan's educational programs, annual training and conferences, regional meetings and video training via satellite television. Sylvan also employs field operations managers that provide assistance to franchisees in technology implementation, business development, marketing, education and operations. These employees also facilitate regular communications between franchisees and Sylvan.

#### The Offering

13. The Offering is being made only to franchisees and potential franchisees of Sylvan (collectively, the "Franchisees"). Up to 2,850,000 Class A Shares and up to 150,000 Class A Shares are being offered with respect to franchise licence agreements or area development agreement territories located in the United States and Canada, respectively. A maximum of 172,045 Class A Shares are being offered to Canadian Franchisees. In the United States, the Class A Shares are being registered with the Securities and Exchange Commission (the "SEC") on Form S-1. The initial registration statement relating to the Offering was filed with the SEC on July 28, 2000 and an amended registration statement (the "Amended Registration Statement") was filed with the SEC on September 27, 2000.
14. Each Franchisee is being offered a specific number of Class A Shares, based on a formula which takes into consideration the student age population in the territory covered by the Franchisee's licence agreement(s) (or area development agreement(s) in the case of a potential franchisee). This formula and the other terms by which the Franchisees may participate in the Offering, including the terms of the subscription agreement to be used in connection with the Offering and the Participation Agreement (defined below), were determined through more than nine months of negotiations between representatives of the Applicant and the board of directors of Sylvan Franchise Owners

Association, Inc. ("FOA"). FOA was chartered by Franchisees to share information, represent the views of Franchisees to Sylvan's management and to participate with Sylvan in the management of critical resources. Membership in FOA is open to all Franchisees and a majority of Franchisees are currently members. The board of directors of FOA is composed of up to ten FOA members representing its member Franchisees in four regions in the United States and one region in Canada.

15. Neither the Applicant nor its affiliates will receive any proceeds in connection with the Offering. Each Franchisee who chooses to participate (1) will be required to enter into a subscription agreement with the Applicant irrevocably agreeing to participate in the Offering; (2) will be required to enter into a participation agreement with Sylvan (the "Participation Agreement"), a copy of the form of which is included as Annex B to the Amended Registration Statement; and (3) will be issued the number of Class A Shares offered to such franchisee and paid an amount in cash equal to US\$0.35 multiplied by such number of Class A Shares.
16. By executing the Participation Agreement, a Franchisee will be making an irrevocable offer to participate in the business of the Applicant on the terms and conditions set forth therein. Under the terms of the Participation Agreement, each participating Franchisee will represent, warrant, acknowledge and agree, among other things, as follows:
  - (a) to adhere to Sylvan's reasonable directives concerning promotion of the Applicant's business, including displaying posters or other promotional materials at the Franchisee's centre that promote the Applicant's business;
  - (b) the Applicant's business is separate and distinct from Sylvan and the rights granted to the Franchisee as licensee under its franchise licence agreement or potential licensee under its area development agreement with Sylvan;
  - (c) nothing in the Franchisee's franchise licence agreement or area development agreement with Sylvan or the relationship created thereby prevents or restricts Sylvan from establishing the Applicant's business, seeking independent investors in such business, licensing to the Applicant the right to use Sylvan proprietary rights, including all Sylvan trademarks, service marks, copyrighted materials, know how, programs, systems, teaching techniques, diagnostic tests and academic and prescriptive educational courses or programs for the Applicant to use in developing its business; and
  - (d) the Franchisee shall not assert any claim it may now or in the future have against Sylvan or the Applicant with respect to the establishment or development of the Applicant's business or the offering of the Applicant's products and services to the public in accordance with the Participation



Agreement and the Applicant's agreements with Sylvan.

17. A copy of the prospectus filed with the SEC in connection with the Offering will be provided to the Canadian Franchisees and continuous disclosure documents filed with the SEC in compliance with United States securities laws will be provided to Canadian Franchisees who choose to participate in the Offering concurrently with the provision of such documents to shareholders in the United States. Canadian Franchisees will also be provided with a notice advising that the Canadian Franchisees will not have rights against the Applicant under the Legislation and, as a result, must rely on other remedies which may be available, including common law rights of action for damages or rescission or rights of action under the civil liability provisions of U.S. federal securities laws.
18. The Applicant's U.S. counsel has advised it that, assuming delivery of the prospectus filed with the SEC in connection with the Offering, in an action properly brought in a United States federal or state court of competent jurisdiction against the Applicant by a Canadian Franchisee who purchases Class A Shares in the Offering, such a purchaser of Class A Shares should be entitled to the benefits provided by Sections 11 and 12 of the United States *Securities Act of 1933*.
19. The Canadian Franchisees are under no obligation to participate in the Offering and have not been and will not be induced to participate by expectation of existing or future status as a franchisee of Sylvan.

#### Class A Shares

20. The Applicant's charter contains the following provisions with respect to the Class A Shares:
  - (a) The Class A Shares convert into Common Shares in certain circumstances, including certain public offerings of the capital stock of the Applicant, certain change of control transactions involving the Applicant and upon the listing of shares of the Applicant on the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market.
  - (b) A holder's Class A Shares are redeemable at the option of the Applicant upon the occurrence of certain events, including the death or dissolution of the holder, any transfer of such Class A Shares to any party other than the Applicant and the termination or transfer by the Franchisee of the applicable franchise agreement or area development agreement.
  - (c) Any transfer of Class A Shares to any party other than the Applicant will be null and void except that transfer is permitted upon (1) the death of a holder of Class A Shares, in which case such deceased holder's Class A Shares may be transferred to a member of the deceased holder's immediate family who becomes a party to such holder's franchise

licence agreement or area development agreement, as applicable and (2) the transfer of a franchise licence agreement or area development agreement to a third party (each of (1) and (2) a "Third Party Transfer"), in which case the transferor's Class A Shares may be transferred to the transferee of the franchise licence agreement or area development agreement, as applicable. The restrictions on the transferability of Class A Shares will terminate on September 30, 2010 or earlier upon the occurrence of certain events, including the cessation of the Applicant's business and the bankruptcy of the Applicant.

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

**AND WHEREAS** each Decision Maker is satisfied that the tests contained in the Legislation that provide such Decision Maker with the jurisdiction to make the Decision have been met;

**THE DECISION** of the Decision Makers under the Legislation is that the Offering Requirements, the Conversion Requirements, and the Resale Requirements shall not apply to the Applicant provided that:

1. a copy of the prospectus filed with the SEC in connection with the Offering will be provided to the Canadian Franchisees;
2. the first trade in Class A Shares acquired pursuant to this Decision, other than a Third Party Transfer, shall be deemed a distribution or primary distribution to the public under the Legislation of such Jurisdiction (the "Applicable Legislation") unless:
  - (a) at the time of the first trade, the Applicant is and has been a reporting issuer or the equivalent under the Applicable Legislation for the 12 months immediately preceding the trade;
  - (b) no unusual effort is made to prepare the market or to create a demand for the Class A Shares;
  - (c) no extraordinary commission or consideration is paid to a person or company in respect of the trade;
  - (d) if the seller of the securities is an insider or officer of the Applicant, the seller has no reasonable grounds to believe that the Applicant is in default of any requirement of the Applicable Legislation; and
  - (e) the first trade is not from the holdings of a person or company or a combination of persons or companies holding a sufficient number of any securities of the Applicant so as to affect materially the control of the Applicant or more than 20% of the outstanding voting securities of the Applicant, except where there is evidence showing that the holding of those

securities does not affect materially the control of the Applicant; and

3. the first trade in Common Shares received upon conversion of Class A Shares acquired pursuant to this Decision in a Jurisdiction shall be deemed a distribution or a primary distribution to the public under the Legislation of such Jurisdiction (the "Applicable Legislation") unless such first trade is executed on an exchange or market outside Canada.

December 22nd, 2000.

"Howard I. Wetston"

"G. A. Geller"

## 2.1.11 Taylor Gas Liquids Fund - MRRS Decisions

### Headnote

Mutual Reliance Review System for Exemptive Relief Applications - application to be deemed to have ceased to be a reporting issuer by a trust upon conversion into a limited partnership.

### Applicable Alberta Statutory Provisions

Securities Act, S.A., 1981, c.S-6.1, as amended, s. 125

**IN THE MATTER OF  
THE SECURITIES LEGISLATION  
OF ALBERTA, BRITISH COLUMBIA, 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 TAYLOR GAS LIQUIDS FUND**

**MRRS DECISION DOCUMENT**

1. **WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in the Provinces of Alberta, British Columbia, Saskatchewan, Ontario, Québec, Nova Scotia and Newfoundland (the "Jurisdictions") has received an application from Taylor Gas Liquids Fund (the "Trust") for a decision under the securities legislation of the Jurisdictions (collectively the "Legislation") deeming the Trust to have ceased to be a reporting issuer, or the equivalent, in the Jurisdictions;
2. **AND WHEREAS** under the Mutual Reliance Review System (the "System"), the Alberta Securities Commission is the principal regulator for this application;
3. **AND WHEREAS** the Trust has represented to the Decision Makers that:
  - 3.1 the Trust is a trust formed under the laws of Alberta and became a reporting issuer, or the equivalent, in each province of Canada upon obtaining a receipt for its prospectus on July 19, 1996;
  - 3.2 the Trust is not in default of any of its obligations as a reporting issuer, or the equivalent, under the Legislation save for its failure to file its most recent interim financial statements on November 29, 2000;
  - 3.3 on August 16, 2000, the Trust converted to a limited partnership structure (the "Conversion") pursuant to which each holder of units in the

Trust (the "Trust Units") received one unit (an "LP Unit") of a new limited partnership, Taylor NGL Limited Partnership (the "Limited Partnership") for each Trust Unit;

- 3.4 the Limited Partnership carries on the business formerly carried on by the Trust;
  - 3.5 the Trust continues to exist only to hold the shares of Taylor Ltd., a corporation acting as general partner of the Limited Partnership;
  - 3.6 following completion of the Conversion, the LP Units were listed on The Toronto Stock Exchange;
  - 3.7 the Trust Units were listed and traded on The Toronto Stock Exchange on July 30, 1996, but were delisted on August 23, 2000;
  - 3.8 the Trust has no securities, including debt securities, issued and outstanding;
  - 3.9 pursuant to a decision document dated June 29, 2000, and granted by the Jurisdictions, excluding Newfoundland, under the System, the Limited Partnership became a reporting issuer, or the equivalent, in the Jurisdictions, excluding Newfoundland, upon the closing of the Conversion;
  - 3.10 the Trust does not intend to seek public financing by way of an offering of securities.
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 the Trust is deemed to have ceased to be a reporting issuer, or the equivalent, under the Legislation effective as of the date of this Decision Document.

**Dated** at the City of Calgary  
in the Province of Alberta  
this 18<sup>th</sup> day of December, 2000

"original signed by"

Patricia M. Johnston  
Director, Legal Services and Policy Development

## 2.1.12 Phillips, Hager and North Investment Management Ltd.

### Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Trades by mutual funds of additional units to existing unitholders who hold units having an aggregate acquisition cost or aggregate net asset value of at least \$150,000 exempted from sections 25 & 53 of the Act.

Trades by mutual funds exempt from requirement to file a report of such trades within the days of the trade provided that reports are filed and fees paid yearly.

### Applicable Ontario Statutes

*Securities Act*, R.S.O. 1990, c.S.5, as am., ss. 25, 53, 74(1), 72(3), 147.

### Applicable Ontario Rules

Rule 45-501 - *Exempt Distributions* (1998) 21 O.S.C.B. 6548

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

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

**AND IN THE MATTER OF PHILLIPS, HAGER & NORTH INVESTMENT MANAGEMENT LTD.**

**MRRS DECISION DOCUMENT**

**WHEREAS** the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of the Provinces and Territories of Canada other than the Province of Quebec and the Yukon Territory (the "Jurisdictions") has received an application from Phillips, Hager & North Investment Management Ltd. ("PH&N") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that:

1. Certain trades in Subscribed Units and Reinvested Units (as defined below) of the Funds (as defined below) to existing holders of units ("Units") in the Funds are not subject to the prospectus requirements contained in the Legislation, other than the Legislation of the Provinces of British Columbia, Alberta, Saskatchewan, Nova Scotia, the Northwest Territories and the Nunavut Territory, (the "Prospectus Requirements") and the dealer registration requirements contained in the Legislation, other than the Legislation of the Provinces of British Columbia, Alberta, Saskatchewan, Nova Scotia, the Northwest Territories and the Nunavut Territory, (the "Registration Requirements"); and

2. Trades in Units, including Subscribed Units and Reinvested Units, are not subject to certain of the reporting requirements of the applicable Legislation, subject to certain conditions;

**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** PH&N has represented to the Decision Makers that:

1. PH&N is the manager, principal portfolio advisor, principal distributor and promoter of the Phillips, Hager & North Balanced Pension Trust, Phillips, Hager & North Canadian Equity Pension Trust, Phillips, Hager & North Euro-Pacific Equity Trust, Phillips, Hager & North High Grade Corporate Bond Fund, Phillips, Hager & North High Yield Bond Fund, Phillips, Hager & North Investment Grade Corporate Bond Trust, Phillips, Hager & North Long Bond Pension Trust, Phillips, Hager & North Small Float Fund, Phillips, Hager & North U.S. Pooled Pension Fund, Phillips, Hager & North Unicorn Fund and Phillips, Hager & North Institutional S.T.I.F. and will be the manager, principal portfolio advisor, principal distributor and promoter of additional unit investment trusts which may be established from time to time (collectively, the "Funds").
2. PH&N is registered under the Legislation as an adviser in the categories of investment counsel and portfolio manager or its equivalent category. In addition, PH&N is registered under the Legislation as a dealer in the category of mutual fund dealer or its equivalent under the Legislation in Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Newfoundland, Prince Edward Island, the Yukon Territory and the Northwest Territories, and has applied for similar registration in Nova Scotia and the Nunavut Territory.
3. Each of the Funds is or will be established as a trust pursuant to a separate trust indenture or other trust document ("Trust Document").
4. Each of the Funds is or will be a "mutual fund" within the meaning of the Legislation.
5. None of the Funds is or currently intends to become a "reporting issuer" (or equivalent) as defined in the Legislation.
6. Each of the Funds is or will be authorized to issue an unlimited number of non-transferrable Units which are redeemable at the option of the holder for an amount equal to the net asset value of the Units as determined in accordance with the terms of the Trust Document.
7. Units of the Funds are or will be offered pursuant to the exemptions from Prospectus Requirements and the Registration Requirements contained in the Legislation which exempt from such requirements the purchase of securities with an acquisition price of not less than a minimum prescribed amount (the "Prescribed Amount",

and such purchase being an "Initial Investment") or pursuant to other exemptions from the Registration Requirements and the Prospectus Requirements.

8. Following an Initial Investment, it is proposed that Unitholders be able to purchase additional Units ("Subscribed Units") of a Fund in increments of less than the Prescribed Amount, provided that at the time of such subsequent acquisition the investor holds Units of that Fund with an aggregate acquisition cost or aggregate net asset value of at least the Prescribed Amount.
9. Each Fund proposes to distribute additional Units ("Reinvested Units") by way of automatic reinvestment of distributions to Unitholders of such Fund.
10. Subscribed Units and Reinvested Units will be offered for sale to existing Unitholders at their net asset value per Unit as determined in accordance with the terms of each Fund's Trust Document.
11. The Legislation of certain of the Jurisdictions does not provide for exemptions from the Prospectus Requirements and the Registration Requirements in respect of the issuance of Reinvested Units to Unitholders pursuant to reinvestment as contemplated in paragraph 9 or the issuance of Subscribed Units to Unitholders pursuant to an additional investment as contemplated in paragraph 8.
12. The Funds are subject to the reporting requirements under certain of the Legislation pursuant to which they must file a report of an Initial Investment and any subsequent trade in Units within 10 days of such trade (the "Report Filing Requirements").

**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 Makers with the jurisdiction to make the decision has been met;

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

1. the Prospectus Requirements and the Registration Requirements do not apply to the purchase of Reinvested Units or Subscribed Units (together, "Additional Units") provided that:
  - (a) this Decision, as it relates to the jurisdiction of a Decision Maker, shall terminate 90 days after the publication in final form of any legislation or rule of that Decision Maker regarding trades in securities of exempt funds;
  - (b) at the time of the acquisition of Subscribed Units, the Unitholder who made the Initial Investment in the Fund of at least the Prescribed Amount then owns Units of that Fund having an

aggregate purchase price or net asset value of not less than the Prescribed Amount;

(c) no sales charge is payable with respect to the purchase of Reinvested Units; and

(d) at the time of the acquisitions of Additional Units, PH&N or any party assisting PH&N in selling the Units, where required under the applicable Legislation, is registered under the applicable Legislation as an adviser in the appropriate category and such registration is in good standing.

2. except in the Province of Manitoba, the Report Filing Requirements under the applicable Legislation do not apply to trades in Units, including Additional Units, of the Funds, provided that within 30 days after each financial year end of the Funds:

(a) PH&N files a report of trade in accordance with the form requirements prescribed by the respective Decision Maker in respect of trades in Units, including Additional Units, of the Funds during such financial year; and

(b) PH&N remits the applicable fee on behalf of the Funds.

December 19<sup>th</sup>, 2000.

"Howard I. Wetston"

"J.A. Geller"

## 2.1.13 Plains Energy Services Limited - MRRS Decision

### Headnote

Mutual Reliance Review System for Exemptive Relief Applications - decision deeming a corporation to have ceased to be a reporting issuer after the acquisition of all of its issued and outstanding securities by another corporation

### 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, SASKATCHEWAN,  
ONTARIO AND QUEBEC**

**AND**

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

**AND**

**IN THE MATTER OF PLAINS ENERGY SERVICES LTD.**

**MRRS DECISION DOCUMENT**

1. **WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Saskatchewan, Ontario and Quebec (the "Jurisdictions") has received an application from Plains Energy Services Ltd. ("Plains") for a decision pursuant to the securities legislation of each of Jurisdictions (the "Legislation") that Plains 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** Plains has represented to the Decision Makers that:
  - 3.1 Plains exists under Articles of Incorporation filed under the provisions of the *Business Corporations Act* (Alberta) on October 8, 1996;
  - 3.2 the authorized capital of Plains consists of an unlimited number of common shares (the "Common Shares"), an unlimited number of first preferred shares and an unlimited number of second preferred shares, of which 22,667,068 Common Shares are currently issued and outstanding;
  - 3.3 Plains is a reporting issuer, or its equivalent, in each of the Jurisdictions, and is not in default of

any of its obligations as a reporting issuer under the Legislation;

- 3.4 pursuant to an offer to purchase on May 19, 2000, (as amended) and a subsequent compulsory acquisition under the provisions of the *Business Corporations Act* (Alberta), on July 11, 2000, Precision Drilling Corporation ("Precision") became the holder of all of the issued and outstanding Common Shares of Plains;
  - 3.5 Precision is the sole security holder of Plains and there are no securities, including debt obligations, currently issued and outstanding other than the Common Shares;
  - 3.6 the Common Shares were delisted from The Toronto Stock Exchange at the close of business on July 12, 2000 and there are no securities of Plains listed on any exchange or organized market in Canada or elsewhere;
  - 3.7 Plains does not intend to seek public financing by way of an offering of securities;
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 Plains is deemed to have ceased to be a reporting issuer or the equivalent thereof in each of the Jurisdictions as of the date of this Decision.

DATED at Calgary, Alberta this 21<sup>st</sup> day of December, 2000.

"original signed by"  
Patricia Johnston  
Director, Legal Services & Policy Development

## 2.1.14 Nova Bancorp Wealth Management - MRRS Decision

### Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Reporting issuer deemed to have ceased to be a reporting issuer - only two related security holders remaining.

Subsection 1(6) of the OBCA - Issuer deemed to have ceased to be offering its securities to the public under the *Business Corporations Act* (Ontario).

### Applicable Ontario Statutory Provisions

*Securities Act*, R.S.O. 1990, c.S.5, as am., ss.1(1), 6(3) and 83.

*Business Corporations Act*, R.S.O. 1990, c.B.16, as am., s.1(6).

### IN THE MATTER OF THE SECURITIES LEGISLATION OF ONTARIO, QUEBEC AND NOVA SCOTIA

AND

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

AND

### IN THE MATTER OF NOVA BANCORP WEALTH MANAGEMENT LTD.

### MRRS DECISION DOCUMENT

**WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of Ontario, Quebec and Nova Scotia (the "Jurisdictions") has received an application from Nova Bancorp Wealth Management Ltd. ("NBWML") for: (i) a decision under the securities legislation of the Jurisdictions (the "Legislation") that NBWML be deemed to have ceased to be a reporting issuer under the Legislation; and, in Ontario only, (ii) an order from the Ontario Securities Commission (the "Commission") under the *Business Corporations Act* (Ontario) (the "OBCA") that NBWML be deemed to have ceased to be offering its securities to the public;

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

**AND WHEREAS** NBWML has represented to the Decision Makers that:

1. NBWML is a corporation existing under the OBCA and its head office is located in Toronto, Ontario.
2. NBWML became a reporting issuer or the equivalent under the Legislation on June 8, 2000 by reason of the

fact that Strategic Value Corporation ("SVC") was a reporting issuer under the Legislation for at least 12 months at the time of the amalgamation referred to in paragraph 6 below.

3. Apart from the failure to file interim financial statements for the period ending June 30, 2000, which were due on August 29, 2000, NBWML is not in default of any requirements of the Legislation in any of the Jurisdictions.
4. Pursuant to a plan of arrangement under section 182 of the OBCA (the "Arrangement"), which became effective June 8, 2000, Nova Bancorp Wealth Management Ltd. ("Nova Wealth") acquired all of the outstanding shares in the capital of SVC.
5. The Arrangement was previously approved at a special meeting of SVC's shareholders on May 26, 2000 and a final order approving the Arrangement under the OBCA was issued by the Ontario Superior Court of Justice on May 31, 2000. A certificate of arrangement was issued by the Director appointed under the OBCA on June 8, 2000.
6. Pursuant to the Arrangement, Nova Wealth amalgamated with SVC on June 8, 2000 and continued under the name "Nova Bancorp Wealth Management Ltd."
7. All of the issued and outstanding securities of NBWML are held by Nova Bancorp Investments Ltd ("NBI"). There are no issued and outstanding securities of NBWML, including debt securities, other than the securities held by NBI.
8. No securities of NBWML are listed or quoted on any stock exchange or market.
9. NBWML does not have any intention of distributing its securities to the public.

**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 that Decision Maker with the jurisdiction to make the Decision has been met;

The decision of the Decision Maker under the Legislation is that NBWML is deemed to have ceased to be a reporting issuer under the Legislation.

December 20, 2000.

John Hughes  
Manager, Continuous Disclosure

**AND IT IS HEREBY ORDERED** by the Commission under subsection 1(6) of the OBCA, that NBWML is deemed to have ceased to be offering its securities to the public for the purposes of the OBCA.

December 22, 2000.

"J. A. Geller"

"R. Stephen Paddon"

**2.1.15 Oncolytics Biotech Inc. - MRRS Decision**

**Headnote**

Mutual Reliance Review System for Exemptive Relief Applications - Waiver granted pursuant to section 4.5 of National Policy Statement No. 47 to enable issuer to participate in the POP System when it did not meet the "public float" test in the last calendar month of its most recent financial year-end in respect of which its Initial Annual Information Form will be filed provided that it does meet the "public float" test at a date within 60 days before the filing of its preliminary short form prospectus.

**Policies Cited**

National Policy Statement No. 47 Prompt Offering Qualification System, ss. 4.1 and 4.5.

**Instruments Cited**

Proposed National Instrument 44-101 Short Form Prospectus Distributions

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

**AND**

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

**AND**

**IN THE MATTER OF ONCOLYTICS BIOTECH INC.**

**MRRS DECISION DOCUMENT**

1. **WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia and Ontario (the "Jurisdictions") has received an application from Oncolytics Biotech Inc. (the "Filer") for a decision pursuant to the securities legislation of each of Jurisdictions (the "Legislation") that the requirement (the "Eligibility Requirement"), under National Policy Statement No. 47 (the "POP Requirements"), that the calculation of the aggregate market value of an issuer's outstanding equity securities be based upon the average closing prices during the last calendar month of the issuer's most recently completed financial year shall not apply to the Filer so as to permit the Filer to participate in the prompt offering qualification system (the "POP System");
2. **AND WHEREAS** pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Executive Director of the Alberta Securities Commission is the principal regulator for this application;

3. **AND WHEREAS** the Filer has represented to the Decision Makers that:

- 3.1 the Filer was incorporated on April 2, 1998 pursuant to the *Business Corporations Act* (Alberta);
- 3.2 the principal business office of the Filer is located at 301, 1211 Kensington Road N.W., Calgary, Alberta T2N 3P6. The registered office of the Filer is located at 4500 Bankers Hall East, 855 - 2nd Street S.W., Calgary, Alberta T2P 4K7;
- 3.3 the Filer became a reporting issuer in the provinces of Alberta, British Columbia and Ontario on October 28, 1999. To the best of its knowledge, the Filer is not in default under any securities legislation in any of the provinces of Canada;
- 3.4 the Filer's financial year-end is December 31
- 3.5 the common shares of the Filer are listed and posted for trading on the facilities of The Toronto Stock Exchange (the "TSE") and have been since June 1, 2000. The Filer voluntarily delisted its common shares from the Canadian Venture Exchange (the "CDNX") on August 24, 2000;
- 3.6 as at December 31, 1999 (being the Filer's most recent financial year end), the Filer had 13,669,997 common shares issued and outstanding, being the only class of securities of the Filer that carry a residual right to participate in earnings of the Filer and, upon liquidation or winding up of the Filer, in its assets;
- 3.7 the Filer's common shares are widely held and to the best of Filer's knowledge, based upon public records, none of its common shares are required to be excluded in accordance with subclause 4.1(2)(a) of NP 47 except for 6,750,000 common shares registered in the name of SYNSORB Biotech Inc.;
- 3.8 as at December 31, 1999, the aggregate market value of the Filer's common shares was approximately \$16,469,593 (based on an arithmetic average of the closing trading prices for the month of December, 1999 of \$2.38, as calculated in accordance with NP 47 and excluding the shares registered in the name of SYNSORB Biotech Inc.);
- 3.9 the Filer completed a private placement of 3,000,000 special warrants on February 15, 2000 resulting in the issue of an additional 3,000,000 common shares of the Filer. The Filer filed and received final receipts in March, 2000 from each of the Decision Makers for a prospectus in respect of the distribution of such common shares;



3.10 based upon information available from the CDNX and TSE, since March 31, 1999, the arithmetic average of the monthly closing trading prices of the Filer's common shares has been consistently higher than the arithmetic average which would enable the Filer to meet the market value test under subclause 4.1(1)(c) of NP 47;

3.11 as at July 31, 2000, the Filer had 17,189,800 common shares issued and outstanding and the aggregate market value of the Filer's common shares was approximately \$138,536,146 (based on an arithmetic average of the closing trading prices for the month of July, 2000 of \$13.27, as calculated in accordance with NP 47 and excluding the shares registered in the name of SYNSORB Biotech Inc.);

3.12 the Filer currently would fulfil the eligibility requirements of the POP System and the Legislation to enable it to file an Initial AIF but for the fact the Filer has not been a reporting issuer for at least 12 months and the aggregate market value of its common shares for the month of December, 1999 was less than \$75,000,000;

3.13 the Filer would be eligible to participate in the POP System upon the filing and acceptance of its Initial AIF under Proposed National Instrument 44-101 which would replace the current time period for calculating an issuer's aggregate market value under NP 47 for its Initial AIF with a calculation as of a date within sixty (60) days of filing the issuer's preliminary short form prospectus; and

3.14 the Filer intends to file an Initial AIF shortly and may wish to effect an offering prior to the end of its current financial year and is of the view that in its circumstances, a short form prospectus would be the most appropriate vehicle for such an offering;

4. **AND WHEREAS** under the System, this 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 the Eligibility Requirements shall not apply to Filer provided that:

6.1 the Filer complies with all of the filing requirements and procedures and each of the other eligibility requirements of NP 47;

6.2 the aggregate market value of the common shares of the Filer, calculated in accordance with subsection 4.1(2) of NP 47, on a date within sixty (60) days before the date of the filing of the

Filer's preliminary short form prospectus is at least \$75,000,000;

6.3 the eligibility certificate required to be filed in connection with the Filer's initial annual information form shall provide that the Filer satisfies the Market Capitalization Requirement in accordance with this Decision; and

6.4 this waiver terminates on the earlier of:

6.4.1 140 days after the end of the Filer's financial year ended December 31, 2000; and

6.4.2 the date a renewal annual information form is filed by the Filer in respect of its financial year ended December 31, 2000.

**DATED** at Edmonton, Alberta this 30<sup>th</sup> day of October, 2000.

Agnes Lau, C.A.  
Deputy Director, Capital Markets

**2.1.16 Prudential Steel Limited - MRRS Decision**

**Headnote**

Mutual Reliance Review System for Exemptive Relief Applications - corporation deemed to have ceased to be a reporting issuer after all issued and outstanding securities acquired by another issuer

**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, SASKATCHEWAN,  
ONTARIO, QUEBEC, NOVA SCOTIA AND  
NEWFOUNDLAND**

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

**AND**

**IN THE MATTER OF PRUDENTIAL STEEL LTD.**

**MRRS DECISION DOCUMENT**

1. **WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Ontario, Quebec, Nova Scotia and Newfoundland (collectively, the "Jurisdictions") has received an application from Prudential Steel Ltd. ("Prudential") for a decision under the securities legislation of each of the Jurisdictions (the "Legislation") that Prudential be deemed to have ceased to be a reporting issuer or the equivalent thereof under the Legislation;
2. **AND WHEREAS** under 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** Prudential has represented to the Decision Makers that:
  - 3.1 Prudential was incorporated under the laws of Alberta on April 4, 1966;
  - 3.2 the head office of Prudential is in Calgary, Alberta;
  - 3.3 Prudential's authorized capital consists of an unlimited number of common shares (the "Common Shares"), 31,660,192 of which were outstanding as of September 22, 2000.
  - 3.4 Prudential is a reporting issuer, or the equivalent thereof, under the Legislation;
- 3.5 Prudential is not in default of any of the requirements under the Legislation;
- 3.6 Pursuant to a statutory plan of arrangement, Maverick Tube Corporation acquired all of the issued and outstanding Common Shares on September 22, 2000 and is Prudential's sole security holder;
- 3.7 the Common Shares were delisted from The Toronto Stock Exchange on September 27, 2000, and Prudential no longer has any of its securities listed or traded on any exchange or market in Canada;
- 3.8 Prudential has no securities, including debt securities, outstanding other than the Common Shares;
- 3.9 Prudential does not intend to seek public financing by way of an issue of securities.
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 Prudential is deemed to have ceased to be a reporting issuer or the equivalent thereof under the Legislation in each of the Jurisdictions.

**DATED** at Calgary, Alberta this 27<sup>th</sup> day of November, 2000.

"original signed by"  
Patricia M Johnston  
Director  
Legal Services & Policy Development

**2.1.17 Optimum General Inc. - MRRS Decision**

**Headnote**

Mutual Reliance Review System for Exemptive Relief Applications - Insider reporting relief granted to certain directors and senior officers of certain subsidiaries and affiliates of insiders of the applicant. Relief consistent with proposed National Instrument 55-101 Exemption from Certain Insider Reporting Requirements.

**Applicable Ontario Statutes**

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 121(2)(a)(ii).

**Applicable Ontario Regulations**

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am.

**Applicable Policies**

National Policy 12-201 – Mutual Reliance Review System for Exemptive Relief Applications

Proposed National Policy 55-101 – Exemption from Certain Insider Reporting Requirements

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

**AND**

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

**AND**

**IN THE MATTER OF OPTIMUM GENERAL INC.  
MRRS DECISION DOCUMENT**

**WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Ontario and Québec (the "Jurisdictions") has received an application from Optimum General Inc. (the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirement in the Legislation for an insider of a reporting issuer or the equivalent thereof to file insider reports disclosing the insider's direct or indirect beneficial ownership of, or control or direction over, securities of the reporting issuer (the "Insider Reporting Requirement") shall not apply to certain directors and senior officers of certain subsidiaries and affiliates of insiders of the Filer;

**AND WHEREAS** under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Commission des valeurs mobilières du Québec is the principal regulator for this application;

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

1. The Filer was incorporated under the *Canada Business Corporations Act* on July 31, 1985 under the name National Insurance Group Inc. The name of the Filer was changed to Optimum General Inc. by certificate of amendment issued on February 27, 1996.
2. The principal and registered office of the Filer is located in Montreal, Québec.
3. The Filer is a reporting issuer under the Legislation of all of the Jurisdictions and is not in default of the requirements contained in the Legislation.
4. The Class A Subordinate Voting Shares of the Filer (the "Subordinate Voting Shares") are listed and posted for trading on The Toronto Stock Exchange.
5. The list of companies in the attached appendix (the "Appendix") includes (A) all subsidiaries of the Filer that have, as reflected in the most recent annual audited financial statements of the Filer, either: (i) assets, on a consolidated basis with its subsidiaries, representing ten percent (10%) or more of the consolidated assets of the Filer shown on the balance sheet, or, (ii) revenues, on a consolidated basis with its subsidiaries, representing ten percent (10%) or more of the consolidated revenues of the Filer shown on the statement of income and losses (each, a "Major Subsidiary") and (B) all insider companies and affiliates of insiders of the Filer which (y) do not control, individually or in concert, the Filer or (z) do not supply to the Filer or to its Major Subsidiaries material or services, the essential nature and scale of which are such that factors affecting this supply would or would reasonably be expected to have a significant effect on the market price or value of the securities of the Filer (each a "Qualified Affiliated Insider").
6. With the exception of the directors and senior officers of the Filer and of the Major Subsidiaries and certain other directors and senior officers (who will not benefit from the exemptive relief sought herein), none of the directors and senior officers of any of the subsidiaries of the Filer or of the Qualified Affiliated Insiders either: (i) participate in the day-to-day management or operation of the Filer, or, (ii) receive or have access to, in the ordinary course of business, information respecting material facts or material changes with respect to the Filer prior to general disclosure of such material facts or material changes.
7. The Filer undertakes to maintain a list of directors and senior officers exempted by this Decision (as hereafter defined) and the basis upon which each director or senior officer comes within the terms of the Decision; to maintain a continuing review of the facts contained in the representations upon which this Decision is made; to promptly advise the Decision Makers of any changes in such facts; and, upon the request of any of the Decision Makers or their staff, to provide any information necessary to determine whether a director

or senior officer of any subsidiary of the Filer is or is not exempted by this Decision.

8. The Filer undertakes to promptly advise the Commission des valeurs mobilières du Québec of the name of every director and senior officer who becomes, or ceases to be, exempted by this Decision.

**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 Insider Reporting Requirement shall not apply to a director or senior officer of a subsidiary of the Filer, other than a Major Subsidiary, and a director or a senior officer of a Qualified Affiliate Insider of the Filer, except in Québec, in respect of securities of the Filer provided that, in each case:

1. The director or senior officer (for subsidiaries)
  - (a) in the ordinary course does not receive or have access to information as to material facts or material changes concerning the Filer before the material facts or material changes are generally disclosed;
  - (b) is not a director or senior officer of a major subsidiary of the Filer; for the purposes of this Decision, the term "major subsidiary" means a subsidiary of the Filer for which either or both of the following are true:
    - (i) the value of the assets of the subsidiary, on a consolidated basis with its subsidiaries, as reflected in the most recent annual audited balance sheet of the Filer that the Filer has filed, represents 10 percent or more of the consolidated assets of the Filer shown on that balance sheet, or
    - (ii) the revenues of the subsidiary, on a consolidated basis with its subsidiaries, as reflected in the most recent annual audited statement of income and loss of the Filer that the Filer has filed, are 10 percent or more of the consolidated revenues of the Filer shown on that statement of income and loss; and
  - (c) is not an insider of the Filer in a capacity other than as a director or senior officer of a subsidiary of the Filer; or
  - (d) who is denied the exemptions contained in this Decision by another decision of the Decision Maker.

2. The director or senior officer (for the qualified affiliates – does not apply in Québec)
  - (a) In the ordinary course does not receive or have access to information as to material facts or material changes concerning the Filer before the material facts or material changes are generally disclosed;
  - (b) is not an insider of the Filer in a capacity other than as a director or senior officer of an affiliate of an insider of the Filer; and
  - (c) is not a director or senior officer of a company that supplies goods or services to the Filer or to a subsidiary of the Filer or has contractual arrangements with the Filer or a subsidiary of the Filer, and the nature and scale of the supply or the contractual arrangements could reasonably be expected to have a significant effect on the market price or value of the securities of the Filer; or
  - (d) who are denied the exemptions contained in this decision by another decision of the Decision Maker.
3. The Filer maintains a list of all directors and senior officers of subsidiaries of the Filer hereby exempted from the Insider Reporting Requirement and a list of all directors and senior officers of affiliates of an insider of the Filer hereby exempted from the Insider Reporting Requirement.

**AND PROVIDED** also that this Decision shall terminate in each Jurisdiction on the day that is 90 days after the earlier of:

- (i) the date of implementation in the Jurisdiction of a National Instrument dealing with the subject matter of the draft National Instrument 55-101; or
- (ii) publication in the Jurisdiction of a notice by the Decision Maker of the Jurisdiction to the effect that a National Instrument dealing with the subject matter of the draft National Instrument 55-101 will not be implemented in the Jurisdiction.

Dated December 19, 2000.

"Jean-François Bernier"  
Director of Capital Markets

APPENDIX

Major Subsidiaries

The Major Subsidiaries of Optimum General Inc. as disclosed in the Decision Document dated December 19, 2000 are:

1. Optimum Frontier Insurance Company (formerly National Frontier Insurance Company)
2. Optimum West Insurance Company (formerly The British Columbia Insurance Company)
3. Optimum Insurance Company Inc. (formerly National Insurance Company) Optimum Farm Insurance Inc.

Qualified Affiliated Insiders

The Qualified Affiliated Insiders of Optimum General Inc. as disclosed in the Decision Document dated December 19, 2000 are:

Real Estate

1. Optimum Foncier Inc.
2. L'immobilière Le St-Laurent Inc.
3. Immeubles Sol-Par Inc.
4. Optimum Realities Inc.
5. Quéfran Inc.
6. Optifran S.A.
7. Norbec S.A.

Life Insurance

8. Optimum International Inc.
9. Optimum Vie
10. Blondeau & Compagnie (France) S.A.
11. Optimum Gestion Financière
12. Selecta Insurance Inc.
13. Optimum International (U.S.) Inc.
14. Windsor Life Insurance Company

Life Reinsurance

15. St. Lawrence Financial Corporation
16. ORL Holdings Inc.
17. Optimum Re Life Corporation
18. Optimum Re Corporation
19. Optimum Re Corporation (Canada)
20. Optimum Re Insurance Company
21. Optimum Reassurance Inc.

Consultation

22. Optimum Holdings Inc.
23. Optimum Asset Management Inc.
24. Optimum Investments Inc.
25. Optimum Consultants & Actuaries Inc.
26. Optimum Risk Management Inc.
27. Optimum Informatique Inc.
28. Optigetec Inc.
29. Optimum Consultants Holdings Inc.
30. Optimum Training Consultants, Inc.

2.1.18 AIC Funds and 1450473 Ontario Inc. - MRRS Decision

IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,  
MANITOBA, ONTARIO, QUEBEC, 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  
AIC LIMITED  
1450473 ONTARIO INC.  
AIC ADVANTAGE FUND  
AIC ADVANTAGE FUND II  
AIC CANADIAN FOCUSED FUND  
AND  
AIC DIVERSIFIED CANADIAN FUND

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (collectively, the "Decision Makers") in each of the Provinces of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, Nova Scotia, Newfoundland, and Prince Edward Island (collectively, the "Jurisdictions") has received an application (the "Application") from AIC Limited ("AIC") and 1450473 Ontario Inc. ("Bidco"), which will become the direct or indirect parent company of AIC, and on behalf of AIC Advantage Fund, AIC Advantage Fund II, and AIC Canadian Focused Fund (the "AIC Fund Mackenzie Shareholders"), and on behalf of AIC Diversified Canadian Fund (all of them collectively, the "Applicants"), for a decision (the "Decision") pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the following provisions of the Legislation do not apply to one or more of the Applicants, as the case may be, in connection with the proposed cash and securities exchange offer to purchase all of the common shares (the "Mackenzie Shares") of Mackenzie Financial Corporation ("Mackenzie") by way of a formal take-over bid by Bidco (the "Bidco Offer"), or by C.I. Fund Management Inc. ("C.I.") (the "C.I. Offer"):

- (i) except in Quebec and Manitoba, the provision prohibiting a mutual fund from knowingly making or holding an investment in a person or company who is a substantial security holder of the mutual fund, its management company or distribution company, a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial security holder, or

an issuer in which

(A) any officer or director of the mutual fund, its management company or distribution company or an associate of any of them or

(B) 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 (the "Investment Restriction");

(ii) except in Quebec and Manitoba, the provision prohibiting a portfolio manager or, in British Columbia, the mutual fund or "responsible person", from knowingly causing an investment portfolio managed by it to

invest in any issuer in which a responsible person (as defined in the Legislation) or, if applicable, an associate of a responsible person 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, or

purchase or sell the securities of any issuer from or to the account of a responsible person and, if applicable, any associate of a responsible person or the portfolio manager (the "Portfolio Manager Restriction");

(iii) the provisions

requiring an offeror to offer identical consideration to all holders of the same class of securities where a take-over bid is made (the "Identical Consideration Requirement"), and

prohibiting an offeror making or intending to make a take-over bid and any person or company acting jointly or in concert with the offeror from entering into any collateral agreement, commitment or understandings with any holder or beneficial owner of securities of the offeree issuer that has the effect of providing the holder or owner a consideration of greater value than that offered to other holders of the same class of securities (the "Prohibition on Collateral Agreements"); and

(iv) the provision that, where a take-over bid that is a formal bid is made by an offeror and, within the period of ninety days immediately preceding the bid, the offeror or a person or company acting jointly or in concert with the offeror acquired beneficial ownership of securities of the class subject to the bid pursuant to a transaction not generally available on identical terms to holders of that class of securities, the offeror shall offer consideration for securities deposited under the bid at least equal to the highest consideration that was paid on a per security basis under any of such prior transactions or the offeror shall offer at least the cash equivalent of such consideration and for at least the same percentage (the "Pre-Bid Integration Requirement");

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

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

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

1. AIC is a private company incorporated under the laws of Ontario. AIC acts as the trustee, manager and portfolio manager (the "Fund Manager") of a number of mutual funds including the AIC Fund Mackenzie Shareholders (collectively, the "AIC Funds") and, as such, is responsible for the management of the AIC Funds. AIC is not a reporting issuer in any province or territory in Canada.
2. Bidco is incorporated under the *Business Corporations Act* (Ontario) for the purpose of implementing the Bidco Offer and will be significantly owned directly or indirectly by
  - (a) Michael Lee-Chin or companies or trusts related to him, who are the controlling shareholders of AIC (the "AIC Controlling Shareholders"), and
  - (b) Services Financiers CDPQ Inc. ("CDPQ"), a joint venturer and wholly-owned subsidiary of the Caisse de Depot et Placement du Quebec, that is expected to have a substantial minority interest in Bidco.
3. The authorized capital of Bidco includes an unlimited number of common shares (the "Bidco Shares"), which are expected to be listed on The Toronto Stock Exchange (the "TSE") following successful completion of the Bidco Offer. Bidco does not, and will not have, authorized as part of its authorized capital or issue in connection with the Bidco Offer or have outstanding at the completion thereof any "restricted shares" within the meaning of Ontario Securities Commission Rule 56-501.
4. One or more of the directors and officers of AIC will also be directors and officers of Bidco.
5. Mackenzie is a public company incorporated under the *Business Corporations Act* (Ontario). The Mackenzie Shares are listed on the TSE and quoted on NASDAQ in the United States. Mackenzie is registered with the Ontario Securities Commission, the Alberta Securities Commission and the Manitoba Securities Commission as an investment counsel and portfolio manager. Mackenzie is a reporting issuer in all applicable provinces and territories of Canada.
6. Mackenzie's authorized capital consists of an unlimited number of Mackenzie Shares. As at September 30, 2000, there were 128,826,393 issued and outstanding Mackenzie Shares, according to publicly available information. As at September 30, 2000, on a fully-diluted basis, for the prior 6 months there were an average of 138,360,433 issued and outstanding Mackenzie Shares, according to publicly available information.

7. Mackenzie has no controlling shareholder. As of November 3, 2000, approximately 19.1% of the outstanding Mackenzie Shares (approximately 17.7% on a fully-diluted basis) were held by the AIC Fund Mackenzie Shareholders. AIC itself beneficially owns approximately 5.41%, which were acquired in the marketplace prior to August 1, 2000. CDPQ also beneficially owns approximately 5.27% of Mackenzie Shares as of November 3, 2000, which were also acquired in the marketplace prior to August 1, 2000.
8. As of November 13, 2000, to the knowledge of the Applicants after reasonable inquiry, there were fifteen registered shareholders of Mackenzie resident in the United States of America (the "U.S. Shareholders"), collectively holding approximately 1.48 million Mackenzie Shares (or approximately 1% of the outstanding Mackenzie Shares).
9. In order to assist in the funding of the Bidco Offer, and in furtherance of its role as a joint venturer, CDPQ or its affiliates are expected to
  - (a) provide cash funding in excess of \$300 million to Bidco to be used in the Bidco Offer, and
  - (b) commit to roll their current approximately 5% interest in Mackenzie Shares into Bidco,in return for Bidco Shares, conditional upon the successful completion of the Bidco Offer. Funding for the Bidco Offer will also be obtained via committed bank debt.
10. In addition, the shareholders of AIC (the "AIC Shareholders"), are expected to commit to roll their shares of AIC into Bidco in return for Bidco Shares, conditional upon the successful completion of the Bidco Offer. Bidco is expected to also acquire an additional 14,154 Mackenzie Shares (representing 0.01% of the outstanding shares) from the AIC Controlling Shareholders in return for additional Bidco Shares, conditional upon the successful completion of the Bidco Offer. (The transactions described in paragraph 9 and in this paragraph are collectively referred to as the "Bidco Roll-Over Transactions").
11. As a result of its acquisition of AIC, Bidco will automatically indirectly acquire the approximately 5.41% interest of AIC in Mackenzie.
12. All of the Bidco Roll-Over Transactions will be effected at fair market value and will be based on an arm's length negotiation among the AIC Controlling Shareholders and CDPQ. In no event will the price paid or payable by Bidco for the Mackenzie Shares acquired from CDPQ or its affiliates and the AIC Shareholders exceed the price offered to the public under the Bidco Offer, except that cash will not be provided.
13. Cash is not being provided to the AIC Shareholders and CDPQ under the Bidco Roll-Over Transactions in order to maximize the cash being provided to the Mackenzie shareholders who will be tendering under the Bidco Offer, to provide improved tax treatment for the Mackenzie Shares being rolled into Bidco and to maximize their equity positions in Bidco.
14. Bidco, CDPQ and/or the AIC Controlling Shareholders will also enter into a Bidding Agreement, a Sub-advisory Agreement, and a Shareholders Agreement, and Michael Lee-Chin may enter into an Employment Agreement with Bidco, in addition to the agreements to effect the Bidco Roll-Over Transactions (collectively, the "Related Agreements").
15. The Bidding Agreement will cover the parties' rights and obligations in connection with and during the Bidco Offer and will contain customary terms.
16. The Sub-advisory Agreement will provide for an affiliate of CDPQ with a demonstrated superior track record to act as a sub-advisor to certain of the Mackenzie funds going forward at market rates and on arm's length terms.
17. The Employment Agreement, if entered into, will be on market terms and will provide for compensation to Michael Lee-Chin on market terms having regard to his contribution under the agreement. He is a key employee, and any compensation would be a small fraction of the value he will have invested in Bidco.
18. The Shareholders Agreement will govern the relationship between CDPQ and the AIC Controlling Shareholders going forward. The Shareholders Agreement among the AIC Controlling Shareholders and CDPQ will, among other things, provide each party with certain rights of first refusal and tag-along rights as well as pre-emptive - type rights, and provide for mutual board representation. It will have a maximum term of 5 years.
19. The Related Agreements are not designed to increase the value of the consideration paid to CDPQ or the AIC Controlling Shareholders for their Mackenzie Shares, but are essential elements of the proposed joint venture. Their terms will be fully disclosed in the Bidco Offer, such that Mackenzie shareholders will be fully aware of them prior to determining whether or not to accept the Bidco Offer. In the event that the terms of the Related Agreements are materially amended from those set forth above or new agreements are entered into between CDPQ and the AIC Controlling Shareholders, new or varied relief will be sought from the Decision Makers.
20. Assuming successful completion of the Bidco Offer, Bidco will be held by the public and by CDPQ and the AIC Shareholders.
21. Pursuant to the Bidco Offer, Bidco will prepare a take-over bid circular (the "Bid Circular") containing, among other things, prospectus-level disclosure regarding Bidco (including AIC) and a detailed description of the Bidco Offer, the Bidco Roll-Over Transactions and the Related Agreements. Bidco will distribute the Bid Circular to all Mackenzie shareholders in accordance with the Legislation.

22. Subject to the TSE not objecting to its inclusion, and relief being obtained where necessary, the Bid Circular and associated documents and statements will contain substantially the following representation: "Application will be made for the Bidco Shares to be listed on the TSE".
23. The Bidco Offer will be subject to the condition, which cannot be waived by Bidco, that listing approval for the Bidco Shares is received from the TSE. The receipt of such listing approval will be promptly announced by way of a news release and otherwise as appropriate.
24. Under the terms of the Bidco Offer, Mackenzie shareholders will receive, for every Mackenzie Share deposited under the Bidco Offer,
- (a) an amount in cash subject to pro-ration (the "Cash Option"), or
  - (b) Bidco Shares, subject to pro-ration (the "Share Option"), or
  - (c) any combination of the Cash Option and the Share Option, again subject to pro-ration.
25. The Bidco Shares that may be issued under the Bidco Offer to the U.S. Shareholders have not been and will not be registered or otherwise qualified for distribution under the securities legislation of the United States of America. Accordingly, the delivery of Bidco Shares to U.S. Shareholders under the Bidco Offer without further action by Bidco may constitute a violation of the laws of the United States of America.
26. To the extent that the U.S. Shareholders elect to receive or are allocated Bidco Shares in exchange for their Mackenzie Shares, Bidco proposes to deliver the Bidco Shares to a trust company in Canada (the "Depositary"), instead of to the U.S. Shareholders, for sale of such Bidco Shares on behalf of the U.S. Shareholders. The Depositary will, as soon as possible after such delivery, pool and sell the Bidco Shares on behalf of the U.S. Shareholders. Such sale will be done through the facilities of the TSE in a manner that is intended to minimize any adverse effect on the market price of Bidco Shares. As soon as possible after the completion of such sale, the Depositary will send to each U.S. Shareholder a cheque equal to such U.S. Shareholder's *pro rata* share of the proceeds of the sale of all Bidco Shares by the Depositary, net of sales commissions and any applicable withholding taxes.
27. AIC Advantage Fund, AIC Advantage Fund II, and AIC Diversified Canadian Fund ("AIC Fund C.I. Shareholders") hold shares of C.I. (the "C.I. Shares") to which are attached approximately 18% of the voting rights attached to all the voting securities of C.I. currently outstanding. C.I. has made the C.I. Offer and has offered C.I. Shares as partial consideration under the C.I. Offer.
28. Without prejudice to any determination that is required to be made under paragraph 31 below, the Bidco Offer, when made, will be financially superior to the C.I. Offer for the holders of Mackenzie Shares.
29. Any decision by the Fund Manager of the AIC Fund Mackenzie Shareholders
- (a) whether or not to accept the Bidco Offer, the C.I. Offer or any other offer or alternative transaction,
  - (b) whether or not to opt for cash consideration, share consideration, or a combination of cash and share consideration,
  - (c) whether to act in another manner, such as to dissent or sell their Mackenzie Shares in the marketplace or otherwise, or
  - (d) concerning the timing of the announcement of any decisions referred to above,
- will be made in a manner consistent with the Fund Manager's fiduciary obligations towards the security holders of the AIC Fund Mackenzie Shareholders.
30. In this case, the fiduciary obligation of the Fund Manager is to maximize the returns for the security holders of the AIC Fund Mackenzie Shareholders. Therefore, the Fund Manager will make those decisions which maximize returns in respect of the Mackenzie Shares held by AIC Fund Mackenzie Shareholders.
31. In order to ensure that the decisions referred to in paragraph 29 are made in accordance with the fiduciary obligations referred to in paragraph 29 and 30, the Fund Manager has or will put in place a mechanism to provide for an independent consideration by a qualified and independent financial advisor of the matters referred to in paragraph 29.
32. In the absence of the Decision, the AIC Fund Mackenzie Shareholders may essentially be precluded from accepting the Bidco Offer in consideration of the Share Option or combination of the Cash Option and Share Option, because the Investment Restriction prohibits them from acquiring and holding Bidco Shares.
33. In the absence of the Decision, the AIC Fund Mackenzie Shareholders would essentially be precluded from accepting the C.I. Offer in consideration of C.I. Shares or a combination of a cash and C.I. Shares, because the Investment Restriction prohibits the AIC Funds as a group from acquiring or holding C.I. Shares to which are attached more than 20% of the voting rights attached to all the voting securities of C.I. currently outstanding (the "20% Limit"). Since the AIC Fund C.I. Shareholders currently hold 18% of the outstanding C.I. Shares, it is possible that the tender of 19.1% Mackenzie Shares held by the AIC Fund Mackenzie Shareholders for C.I. Shares as full or partial consideration would result in the AIC Funds as a group exceeding the 20% Limit.



34. In the absence of the Decision, the Fund Manager would be prohibited by the Portfolio Manager Restriction from causing the AIC Fund Mackenzie Shareholders

- (a) to effectively invest in Bidco by electing to receive Bidco Shares under the Bidco Offer, given that Bidco and AIC have common directors and officers, unless certain requirements are met, or
- (b) to effectively sell their holding of Mackenzie Shares to Bidco and to effectively purchase Bidco Shares from Bidco under the Bidco Offer, given that Bidco is a "responsible person" as defined in the Legislation.

35. CDPQ and the AIC Controlling Shareholders will receive consideration from Bidco for their Mackenzie Shares under the Bidco Roll-Over Transactions that is not identical to the consideration to be offered to the other shareholders of Mackenzie. In the absence of the Decision, the Bidco Roll-Over Transactions and the Related Agreements could potentially constitute a violation of the Identical Consideration Requirement, the Prohibition on Collateral Agreements and the Pre-bid Integration Requirement.

36. The Bidco Roll-Over Transactions and the Related Agreements are necessary for business purposes related to the structuring and the making of the Bidco Offer, and not for the purpose of increasing the value of the consideration to be paid to CDPQ and the AIC Controlling Shareholders for their Mackenzie Shares.

**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:

- (a) except in Quebec and Manitoba, if the AIC Fund Mackenzie Shareholders accept the Bidco Offer, the AIC Fund Mackenzie Shareholders are exempt from the Investment Restriction solely to enable them to tender to such offer, provided that,
  - (i) except as otherwise permitted by this Decision or any exemption granted under National Instrument 81-102 - Mutual Funds, the AIC Fund Mackenzie Shareholders will in no case acquire more Bidco Shares than is legally permissible under the Legislation,
  - (ii) the Fund Manager will take all necessary steps to ensure that the AIC Fund Mackenzie Shareholders will divest all or a portion of such Bidco Shares as quickly as it is commercially reasonable, so that, no later than 24 months from the date of acquisition of such Bidco

Shares, the AIC Fund Mackenzie Shareholders do not hold Bidco Shares, and

(iii) the Fund Manager will ensure that such Bidco Shares are not voted at any meeting of Bidco shareholders;

(b) except in Quebec and Manitoba, if the AIC Fund Mackenzie Shareholders accept the C.I. Offer, the AIC Fund Mackenzie Shareholders are exempt from the Investment Restriction solely to enable them to tender to such offer, provided that, if the aggregate of C.I. Shares received under the C.I. Offer and the existing holdings of AIC Fund C.I. Shareholders exceeds the 20% Limit, the Fund Manager will take all necessary steps to ensure that the AIC Funds will divest all or a portion of the C.I. Shares in excess of the 20% Limit as quickly as it is commercially reasonable, so that, no later than 24 months from the date of the acquisition of such C.I. Shares, the AIC Funds as a group do not hold C.I. Shares in excess of the 20% Limit;

(c) except in Quebec and Manitoba, the Fund Manager is exempt from the Portfolio Manager Restriction, solely to enable the AIC Fund Mackenzie Shareholders to tender their holdings of Mackenzie Shares to the Bidco Offer and to elect (or be deemed to elect) to receive Bidco Shares as full or partial consideration;

(d) in connection with the Bidco Offer, Bidco is exempt from the Identical Consideration Requirement insofar as U.S. Shareholders who accept the Offer may receive cash proceeds from the Depositary's sale of Bidco Shares in accordance with the procedure set out in paragraph 26 above instead of Bidco Shares; and

(e) the Bidco Roll-Over Transactions and the Related Agreements are made for purposes other than to increase the value of the consideration paid to CDPQ and the AIC Controlling Shareholders for their Mackenzie Shares, and may be entered into notwithstanding the Prohibition on Collateral Agreements, the Identical Consideration Requirement and the Pre-Bid Integration Requirement.

December 7th, 2000.

"Robert W. Korthals"

"J.A. Geller"

## 2.1.19 Credential Funds - MRRS Decision

### Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Relief granted from certain of the self dealing requirements regarding investments for specified purposes by mutual funds in securities of mutual funds that are under common management.

### Applicable Ontario Provisions

Securities Act, R.S.O. 1990, c. S.5 as am., s. 111(2)(6) and s. 117(1)(a).

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

**AND**

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

**AND**

**IN THE MATTER OF CREDENTIAL SELECT BALANCED  
PORTFOLIO, CREDENTIAL SELECT GROWTH  
PORTFOLIO, CREDENTIAL SELECT HIGH GROWTH  
PORTFOLIO**

### MRRS DECISION DOCUMENT

**WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia, Prince Edward Island, Newfoundland, and the Yukon Territory (the "Jurisdictions") has received an application from Ethical Funds Inc. ("EFI") in its capacity as Manager of the Credential Select Growth Fund, Credential Select Balanced Fund and Credential Select High Growth Fund (the "Credential Select Funds") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that;

1. the provision contained in the Legislation prohibiting a mutual fund 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 securityholder;
2. the requirement contained in the Legislation for a mutual fund manager to file a report in the required form for each mutual fund to which the mutual fund manager provides services or advice respecting a purchase or sale of securities between the mutual fund and any related person; and
3. other than in Ontario, the provision contained in the Legislation prohibiting a mutual fund or responsible person or if applicable, a portfolio manager, from

knowingly causing the mutual fund 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, if applicable, the written consent of the client to the investment is obtained before the purchase;

(the "Applicable Requirements") shall not apply to investments by the Credential Select Funds directly in securities of certain third party or EFI managed mutual funds (the "Underlying Funds");

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

**AND WHEREAS** EFI has represented to the Decision Makers that:

1. EFI is a corporation established under the laws of Canada and is the manager of the Credential Select Funds; the head office for EFI is located in Vancouver, British Columbia;
2. EFI is registered as an investment counsel and portfolio manager under the Legislation in British Columbia;
3. the Credential Select Funds will be comprised of three open-ended mutual fund trusts, each of which will be established under the laws of British Columbia and will be qualified for distribution in all Jurisdictions by means of a simplified prospectus and annual information form (the "Prospectus"); upon obtaining the receipt for the Prospectus, each of the Credential Select Funds will become a reporting issuer or the equivalent under the Legislation of the Jurisdictions;
4. under the Prospectus, each Credential Select Fund will offer Class A units;
5. each of the Credential Select Funds will invest specified percentages (the "Fixed Percentages") of its assets in units of third party or EFI managed Underlying Funds and may not deviate more than 2.5% above or below the Fixed Percentages (the "Permitted Range");
6. the Underlying Funds are or will be qualified for distribution in the Jurisdictions under a simplified prospectus and annual information form; none of the Underlying Funds include investing directly or indirectly in other mutual funds in its investment objective;
7. the Prospectus will contain disclosure with respect to the investment objectives, investment policies, Fixed Percentages, Permitted Range, maximum management fees and risk profiles of the Credential Select Funds, as well as the name, manager, investment objectives, management expense ratio and risks of each Underlying Fund;

8. each of the Credential Select Funds will have different investment objectives, which will determine the investment allocation among the Underlying Funds;
9. if at any time the investment of a Credential Select Fund in an Underlying Fund deviates from the Permitted Range, the necessary changes will be made to the Credential Select Fund's investment portfolio as at the next valuation date in order to bring its investments in accordance with the Fixed Percentage;
10. the Fixed Percentages and the Underlying Funds disclosed in the Prospectus will not be changed unless the Prospectus is amended to reflect the proposed change and the amended Prospectus is filed with and received by the Decision Makers and existing unitholders of the applicable Credential Select Fund are given at least 60 days prior notice of the proposed change; each purchaser of units of the applicable Credential Select Fund who acquires units following the delivery of such written notice to existing unitholders will be provided with an amended Prospectus;
11. the purchase and sale of securities of an Underlying Fund by a Credential Select Fund will represent the business judgment of responsible persons uninfluenced by considerations other than the best interests of the Credential Select Fund;
12. except to the extent evidenced by this decision and specific approvals granted by the Decision Makers under National Instrument 81-102, the investments by the Credential Select Funds in the Underlying Funds have been structured to comply with the investment restrictions of the Legislation and National Instrument 81-102;
13. in the absence of this Decision, under the Legislation, the Credential Select 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, the Credential Select Funds would be required to divest themselves of any investments referred to in subsections (a) and (b) hereof; and
14. in the absence of this Decision, the Legislation requires EFl to file a report on every purchase or sale of securities of the Underlying Funds by the Credential Select Funds;

**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 jurisdiction to make the Decision has been met;

The Decision of the Decision Makers under the Legislation is that the Applicable Requirements shall not apply to the Credential Select Funds investing in, or redeeming the securities of, the Underlying Funds:

**PROVIDED THAT IN RESPECT OF** the investment by the Credential Select Funds directly in securities of the Underlying Funds:

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 matters in section 2.5 of National Instrument 81-102; and
2. this Decision shall only apply in respect of investments made by the Credential Select Funds in compliance with the following conditions:
  - a) securities of the Credential Select Funds and the Underlying Funds are offered for sale in the jurisdiction of the Decision Maker under a prospectus that has been filed with and received by the Decision Maker;
  - b) each Credential Select Fund invests its assets (exclusive of cash and cash equivalents) in the Underlying Funds in accordance with the Fixed Percentages, subject to a permitted variation above or below such Fixed Percentages to account for market fluctuations of not more than 2.5% of the net asset value of the Credential Select Fund;
  - c) the Prospectus will disclose the intent of each Credential Select Fund to invest in securities of the Underlying Funds, the names of the Underlying Funds, the Fixed Percentages, and the Permitted Ranges within which such Fixed Percentages may vary;
  - d) the investment by each Credential Select Fund in the Underlying Funds is compatible with the fundamental investment objective of the Credential Select Fund;
  - e) the Fixed Percentages and the Underlying Funds which are disclosed in the Prospectus may be changed only if the Prospectus is amended, or a new prospectus is filed, and received and in either event, if the unitholders of the Credential Select Fund are given at least 60 days notice of the proposed change;
  - f) if at any time the investment of a Credential Select Fund in an Underlying Fund deviates from the Permitted Range, the necessary changes are made to the Credential Select

Fund's investment portfolio as at the next valuation date in order to bring its investments in accordance with the Fixed Percentage;

- g) there are compatible dates for the calculation of the net asset value of the Credential Select Funds and the Underlying Funds for the purpose of the issue and redemption of the securities of such mutual funds;
- h) in the event of the provision of any notice to unitholders of an Underlying Fund, as required by the constating documents of or the laws applicable to the Underlying Fund, such notice will also be delivered to the unitholders of each Credential Select Fund that holds securities of the Underlying Fund; all voting rights attached to the securities of the Underlying Funds that are directly owned by a Credential Select Fund will be passed through to the unitholders of the Credential Select Fund;
- i) in the event that a meeting is called for the unitholders of an Underlying Fund, all of the disclosure and notice material prepared in connection with such meeting and received by a Credential Select Fund will be provided to its unitholders, and such unitholders will be entitled to direct a representative of the Credential Select Fund to vote its holdings in the Underlying Fund in accordance with their direction; the representative of the Credential Select Fund will not be permitted to vote its holdings in the Underlying Fund except to the extent the unitholders of the Credential Select Fund so direct;
- j) no sales charges are payable by the Credential Select Funds in relation to purchases of securities of the Underlying Funds;
- k) no fees and charges of any sort are paid by the Credential Select Funds and the Underlying Funds, their respective managers or principal distributors, or by any affiliate or associate of any of the foregoing entities to anyone in respect of the Credential Select Fund's purchase, holding or redemption of the securities of the Underlying Funds;
- l) the arrangements between or in respect of the Credential Select Funds and the Underlying Funds are such as to avoid the duplication of management fees;
- m) any management fee rebates received from the Underlying Funds will be retained by the Credential Select Fund for the benefit of the unitholders of the Credential Select Fund;

- n) the simplified prospectus of the Credential Select Funds discloses that the simplified prospectus and annual information forms of the Underlying Funds are available upon request and unitholders will receive the annual and, upon request, the semi-annual financial statements of the Credential Select Fund together with (i) appropriate summary disclosure in the financial statements of the Credential Select Fund concerning each Underlying Fund in which it invests; or (ii) upon request, the annual and semi-annual financial statements of each applicable Underlying Fund in either a combined report containing both the Credential Select Fund and Underlying Fund financial statements, or in a separate report containing Underlying Fund financial statements; and
- o) the Credential Select Funds do not invest in any mutual funds (including RSP clone funds) that include investing directly or indirectly in other mutual funds as their investment objective.

DATED December 1, 2000.

Brenda Leong  
Director

## 2.2 Orders

### 2.2.1 BMO Funds et al. - s.144

#### Headnote

Section 144 – Partial revocation of cease trade order granted to permit trades solely for the purpose of establishing a tax loss for income tax purposes, in accordance with OSC Policy 57-602.

#### Statutes Cited

*Securities Act*, R.S.O. 1990, c.S.5, as am., ss. 6(3), 127 and 144.

#### Policies Cited

OSC Policy 57-602.

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

**AND**

**IN THE MATTER OF BMO EQUITY INDEX FUND, BMO  
PRECIOUS METALS FUND, AND BMO RESOURCE FUND**

**AND**

**CINAR CORP., YBM MAGNEX INTERNATIONAL, INC.,  
ANVIL RANGE MINING CORPORATION AND ICE  
DRILLING ENTERPRISES INC.  
ORDER(Section 144)**

**WHEREAS** the securities of Cinar Corp. ("Cinar") currently are subject to an Order of the Ontario Securities Commission (the "Commission") made on June 20, 2000 (the "Cinar Cease Trade Order") pursuant to section 127 of the Act, ordering that trading in any securities of Cinar cease;

**AND WHEREAS** the securities of YBM Magnex International, Inc. ("YBM") currently are subject to an Order of the Commission made on May 28, 1998 (the "YBM Cease Trade Order") pursuant to section 127 of the Act, extending a Temporary Cease Trade Order of the Commission made on May 13, 1998, ordering that trading in any securities of YBM cease until a hearing is concluded, which hearing was ordered adjourned sine die by the Commission on August 17, 1998, not to be brought back on by YBM unless and until YBM has filed with the Commission audited statements;

**AND WHEREAS** the securities of Anvil Range Mining Corporation ("Anvil") currently are subject to an Order of the Commission made on May 25, 1998 (the "Anvil Cease Trade Order") pursuant to section 127 of the Act, ordering that trading in any securities of Anvil cease;

**AND WHEREAS** the securities of Ice Drilling Enterprises Inc. ("Ice") currently are subject to an Order of the Commission made on April 15, 1999 (the "Ice Cease Trade Order") pursuant to section 127 of the Act, ordering that trading in any securities of Ice cease;

**AND WHEREAS** BMO Equity Index Fund (the "Index Fund"), BMO Precious Metals Fund (the "Metals Fund"), and BMO Resource Fund (the "Resource Fund") (collectively, the "Vendors") have made application to the Commission pursuant to section 144 of the Act (the "Application") for an order varying the Cinar Cease Trade Order, YBM Cease Trade Order, Anvil Cease Trade Order and Ice Drilling Cease Trade Order (collectively, the "Cease Trade Orders") in order to allow for the disposition by the Index Fund of 18,900 common shares of Cinar and 30,800 securities of YBM, the Metals Fund of 296,800 common shares of Anvil and the Resource Fund of 1,627,900 shares of Ice Drilling respectively (the "Securities") for the purpose of establishing a tax loss;

**AND WHEREAS** Ontario Securities Commission Policy 57-602 provides that the Commission is prepared to vary an outstanding cease trade order to permit the disposition of securities subject to the cease trade order for the purpose of establishing a tax loss where the Commission is satisfied that the disposition is being made, so far as the securityholder is concerned, solely for the purpose of that securityholder establishing a tax loss and provided that the securityholder provides the purchaser with a copy of the cease trade order and the variation order;

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

**AND UPON** the Vendors having represented to the Commission that:

The Vendors acquired the Securities prior to the issuance of the Cease Trade Orders;

The Vendors will effect the proposed disposition of the Securities (the "Disposition") solely for the purpose of establishing a tax loss in respect of such Disposition;

TD Securities Inc. has agreed to purchase the securities of YBM from the Index Fund at an aggregate purchase price of \$1.00;

TD Securities Inc. will purchase and hold the securities of YBM as principal; and

The Vendors will provide the purchasers with a copy of the Cease Trade Orders and this Order;

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

**IT IS ORDERED** pursuant to section 144 of the Act that the Cease Trade Orders be and are hereby varied in order to permit the Disposition.

December 18th, 2000.

"John Hughes"

**2.2.2 Collin Fraser, George A.T. Williams,  
Frederic Lapointe and Royal Oak Ventures -  
s. 144**

**Headnote**

Partial revocation of cease trade order pursuant to section 144 of the Act granted to permit trades solely for the purpose of establishing a tax loss income tax purposes, in accordance with OSC Policy 57-602.

**Status Cited**

*Securities Act*, R.S.O. 1990, c.S. 5, as am., ss. 6(3) 127 and 144.

**Policies Cited**

OSC Policy 57-602.

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

**AND**

**IN THE MATTER OF  
COLLIN FRASER, GEORGE A.T. WILLIAMS and  
FREDERIC LAPOINTE**

**AND**

**ROYAL OAK VENTURES INC.**

**ORDER  
(Section 144)**

**WHEREAS** the securities of Royal Oak Ventures Inc., formerly Royal Oak Mines Inc, are subject to an Order of the Ontario Securities Commission (the "Commission") dated March 1, 2000 (the "Cease Trade Order") pursuant to section 127 of the Act, extending a Temporary Order of the Commission dated February 16, 2000 made under section 127 of the Act, ordering that trading in securities of Royal Oak Ventures Inc. cease;

**AND WHEREAS** Colin Fraser, George A.T. Williams and Frederic Lapointe ( the "Vendors") have made an application to the Commission pursuant to section 144 of the Act (the "Application") for an order varying the Cease Trade Order in order to allow for the disposition by the said Colin Fraser, George A. T. Williams and Frederic Lapointe of 5,000, 3,000 and 160 common shares of Royal Oak Ventures Inc. (the "Securities") respectively for the purpose of establishing a tax loss;

**AND WHEREAS** Ontario Securities Commission Policy 57-602 provides that the Commission is prepared to vary an outstanding cease trade order to permit the disposition of securities subject to the cease trade order for the purpose of establishing a tax loss where the Commission is satisfied that the disposition is being made, so far as the securityholder is concerned, solely for the purpose of that securityholder establishing a tax loss and provided that the securityholder

provides the purchaser with a copy of the cease trade order and the variation order;

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

**AND UPON** the Vendors having represented to the Commission that:

- (i) The Vendors acquired the Securities prior to the issuance of the Cease Trade Order;
- (ii) The Vendors will effect the proposed disposition of the Securities (the "Disposition") solely for the purpose of establishing a tax loss in respect of such Disposition; and
- (iii) The Vendors have provided purchaser Etel Grunberg (the "Purchaser") with a copy of the Cease Trade Order and will provide the Purchaser with a copy of the present Order; and
- (iv) The Vendors have purchased the Securities for an average cost per share of \$ 1.7713 for Colin Fraser, \$ 0.87667 for George A. T. Williams and \$ 6.0525 for Frederic Lapointe, and the Purchaser has agreed to purchase the Securities for a total consideration of \$1.00 to each of the Vendors; and
- (v) The Vendors have represented that they have no relation with the issuer Royal Oak Ventures Inc.;

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

**IT IS ORDERED** pursuant to section 144 of the Act that the Cease Trade Order be and is hereby varied in order to permit the Disposition.

December 20th, 2000

"John Hughes"  
Manager, Continuous Disclosure

**2.2.3 BT Capital Advisors - s. 78(1) CFA**

**Headnote**

Section 78(1) - Variation of an Order made on December 29, 1999 pursuant to subsection 38(1) of the CFA, exempting BTCA and its officers, for a period of one year, from the requirement in paragraph 22(1)(b) of the CFA in respect of advising certain mutual funds and non-redeemable investment funds in Ontario in respect of trades in commodity futures contracts traded on commodity futures exchanges outside Canada and cleared through clearing corporations outside Canada, by replacing the reference to "one year" with "two years starting on December 29, 2000".

**Statutes Cited**

Commodity Futures Act, R.S.O. 1990. c C20, as am., ss.38(1), 78(1)

**IN THE MATTER OF THE COMMODITY FUTURES ACT,  
R.S.O. 1990, CHAPTER C. 20, AS AMENDED (the "CFA")**

**AND**

**IN THE MATTER OF BT CAPITAL ADVISERS INC.**

**ORDER**

**(Section 78(1) of the CFA)**

**WHEREAS** BT Capital Advisors Inc. ("BTCA") has applied (the "Application") to the Ontario Securities Commission (the "Commission") for an order pursuant to section 78(1) of the CFA varying an order (the "Order") of the Commission dated December 29, 1999, *In the Matter of BT Capital Advisors Inc.*, made under Subsection 38 (1) of the CFA;

**AND UPON** considering the Application and the recommendation of staff of the Commission:

**AND UPON** BTCA having represented to the Commission that:

1. The Order states that BTCA and its officers are not subject to the requirement of paragraph 22 (1) (b) of the CFA in respect of investments in or the use of commodity futures contracts traded on commodity futures exchanges outside Canada and cleared through clearing corporations outside Canada (the "Proposed Advisory Business"), for a period of one year;
2. BTCA desires to continuing its Proposed Advisory Business in Ontario after December 29, 2000 and as a result, is requesting pursuant to section 78(1) of the CFA, that the Order be varied by replacing the reference to "one year" in the last paragraph of the Order with "two years starting on December 29, 2000"; and
3. BTCA has undertaken to continue complying with all the terms and conditions set forth in the Order.

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

**IT IS ORDERED** pursuant to section 78(1) of the CFA, that the Order be varied by replacing the reference to "one year" in the last paragraph of the Order with "two years starting on December 29, 2000".

December 22<sup>nd</sup>, 2000.

"John A. Geller"

"Robin W. Korthals"

**2.2.4 Mobil Corporation - s. 83**

**Headnote**

Issuer deemed to have ceased to be reporting issuer under the Act.

**Statutes Cited**

*Securities Act*, R.S.O. 1990, c.S.5, as am., ss. 1(1), 6(3) and 83.

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

**AND  
IN THE MATTER OF  
MOBIL CORPORATION**

**ORDER  
(Section 83)**

**WHEREAS** Exxon Mobil Corporation ("ExxonMobil"), a corporation formed under the laws of New Jersey, has applied for an order pursuant to section 83 of the Act; on behalf of Mobil Corporation ("Mobil");

**AND UPON** it being represented to the Commission that:

1. Mobil was formed under the laws of the State of Delaware and is a reporting issuer in Ontario since September 15, 1979;
2. Mobil merged with and into Lion Acquisition Subsidiary Corporation, a wholly-owned subsidiary of Exxon Corporation ("Exxon"), on November 30, 1999 (the "Effective Date") and Exxon became the sole shareholder of Mobil as a result of that merger. Also on the Effective Date, Exxon changed its name to ExxonMobil;
3. ExxonMobil currently holds all common shares of Mobil;
4. the common shares of Mobil were listed on The Toronto Stock Exchange until the close of trading on December 6, 1999;
5. no preferred shares of Mobil are outstanding; and
6. no outstanding debt securities of Mobil are publicly traded in Canada.

**AND UPON** the undersigned Manager being satisfied that to grant this order would not be prejudicial to the public interest;

**IT IS ORDERED** pursuant to section 83 of the Act that Mobil is deemed to have ceased to be a reporting issuer for the purposes of the Act.

December, 2000.

**2.2.5 First Federal Capital (Canada) Corporation  
and Monte Freisner - s.127(7)**

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

**- AND -**

**IN THE MATTER OF  
FIRST FEDERAL CAPITAL (CANADA) CORPORATION  
and MONTE MORRIS FRIESNER**

**ORDER  
(Section 127(7))**

**WHEREAS** on December 11, 2000 the Ontario Securities Commission (the "Commission") ordered pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") that all trading in securities by First Federal Capital (Canada) Corporation and Monte Morris Friesner cease for a period of fifteen days from the date thereof (the "Temporary Order");

**AND WHEREAS** on December 12, 2000 the Commission issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Act*;

**AND WHEREAS** the Commission has been advised that the respondents request an adjournment of the hearing and that Staff and the respondents have consented to an order extending the Temporary Order on the terms set out below until the hearing is concluded;

**AND WHEREAS** the Commission is of the opinion that it is in the public interest to do so;

**IT IS THEREFORE ORDERED** pursuant to section 127(7) of the *Act*, that:

- (1) this hearing is adjourned *sine die*, to be brought back before the Commission on 7 days notice by either party; and
- (2) the Temporary Order is extended until this hearing is concluded and a decision rendered or until otherwise ordered by the Commission.

December 20, 2000.

"J.A. Geller"

"R. Stephen Paddon"

"Howard Wetston"



**2.2.6 Global Privacy Management Trust and Robert Cranston - s127(7)**

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

- AND -

IN THE MATTER OF  
GLOBAL PRIVACY MANAGEMENT TRUST and  
ROBERT CRANSTON

ORDER  
(Section 127(7))

**WHEREAS** on December 8, 2000 the Ontario Securities Commission (the "Commission") ordered pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") that all trading in securities by Robert Cranston and Global Privacy Management Trust cease for a period of fifteen days from the date thereof (the "Temporary Order");

**AND WHEREAS** on December 12, 2000 the Commission issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Act*;

**AND WHEREAS** the Commission has been advised that the respondents request an adjournment of the hearing and that Staff and the respondents have consented to an order extending the Temporary Order on the terms set out below until the hearing is concluded;

**AND WHEREAS** the Commission is of the opinion that it is in the public interest to do so;

**IT IS THEREFORE ORDERED** pursuant to section 127(7) of the *Act*, that:

- (1) this hearing is adjourned *sine die*, to be brought back before the Commission on 7 days notice by either party; and
- (2) the Temporary Order is extended until this hearing is concluded and a decision rendered or until otherwise ordered by the Commission.

December 20, 2000.

"J.A. Geller"

"R. Stephen Paddon"

"Howard Wetston"

**2.2.7 Offshore Marketing Alliance and Warren English - s.127(7)**

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

- AND -

IN THE MATTER OF  
OFFSHORE MARKETING ALLIANCE and WARREN  
ENGLISH

ORDER  
(Section 127(7))

**WHEREAS** on December 11, 2000 the Ontario Securities Commission (the "Commission") ordered pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") that all trading in securities by Offshore Marketing Alliance and Warren English cease for a period of fifteen days from the date thereof (the "Temporary Order");

**AND WHEREAS** on December 12, 2000 the Commission issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Act*;

**AND WHEREAS** the Commission has been advised that the respondents request an adjournment of the hearing and that Staff and the respondents have consented to an order extending the Temporary Order on the terms set out below until the hearing is concluded;

**AND WHEREAS** the Commission is of the opinion that it is in the public interest to do so;

**IT IS THEREFORE ORDERED** pursuant to section 127(7) of the *Act*, that:

- (1) this hearing is adjourned *sine die*, to be brought back before the Commission on 7 days notice by either party; and
- (2) the Temporary Order is extended until this hearing is concluded and a decision rendered or until otherwise ordered by the Commission.

December 20, 2000.

"J. A. Geller"

"R. Steohen Paddon"

"Howard Wetston"

**2.2.8 Terry G. Dodsley - s. 127(7)**

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

**- AND -**

**IN THE MATTER OF TERRY G. DODSLEY**

**ORDER  
(Section 127(7))**

**WHEREAS** on December 7, 2000 the Ontario Securities Commission (the "Commission") ordered pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") that all trading in securities by Terry G. Dodsley cease for a period of fifteen days from the date thereof (the "Temporary Order");

**AND WHEREAS** on December 12, 2000 the Commission issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Act*;

**AND WHEREAS** the Commission has been advised that the respondent requests an adjournment of the hearing and that Staff and the respondent has consented to an order extending the Temporary Order on the terms set out below until the hearing is concluded;

**AND WHEREAS** the Commission is of the opinion that it is in the public interest to do so;

**IT IS THEREFORE ORDERED** pursuant to section 127(7) of the *Act*, that:

- (1) this hearing is adjourned *sine die*, to be brought back before the Commission on 7 days notice by either party; and
- (2) the Temporary Order is extended until this hearing is concluded and a decision rendered or until otherwise ordered by the Commission.

December 20, 2000.

"J. A. Geller"

"R. Stephen Paddon"

"Howard Wetston"

**2.2.9 Scaffold Connection Corporation - s. 144**

**Headnote**

Section 144 - revocation of cease trade order upon remedying do default, updating of public disclosure record and delivering financial statements to shareholders.

**Statutes Cited**

Securities Act, R.S.O. 1990, c.S.5, as am., s. 127 and 144.

**Regulations Cited**

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am.,

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

**AND**

**IN THE MATTER OF  
SCAFFOLD CONNECTION CORPORATION**

**ORDER  
(Section 144)**

**WHEREAS** the securities of Scaffold Connection Corporation ("Scaffold") are subject to a Temporary Order of the Director dated May 29, 2000 and extended by Order the Director dated June 9, 2000 made under section 127 of the Act (collectively, the "Cease Trade Order") directing that trading in the securities of Scaffold cease;

**WHEREAS** Scaffold has made application to the Ontario Securities Commission (the "Commission") pursuant to section 144 of the Act for an order to revoke the Cease Trade Order;

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

**AND UPON** the Corporation having represented to the Commission that:

1. Scaffold is a corporation continued under the laws of the Province of Alberta on October 5, 1995 and its head office is located in Fort Saskatchewan, Alberta;
2. Scaffold is a reporting issuer under the Act;
3. the authorized share capital of Scaffold consists of an unlimited number of common shares (the "Common Shares"), an unlimited number of non-voting common shares, an unlimited number of first preferred shares issuable in series, and an unlimited number second preferred shares issuable in series, of which 22,498,058 Common Shares were issued and outstanding as of the date hereof;
4. the Common Shares are listed on The Toronto Stock Exchange (the "TSE") but are currently suspended from trading over the TSE (the "TSE Suspension");

5. on August 26, 1999, Scaffold announced that a payroll audit revealed an error in the recording of Scaffold's payroll related expenses in 1998 (the "Payroll Error") causing Scaffold's earnings before income taxes as reported in the year ended December 31, 1998 financial statements (the "1998 Statements") to be overstated by approximately \$1,750,000;
6. on September 13, 1999, Scaffold issued a press release informing the public (i) of the Payroll Error and its impact of the 1998 Statements, (ii) that Scaffold's auditors had withdrawn their audit report dated May 7, 1999 on the 1998 Statements, and (iii) that the 1998 Statements would be restated;
7. on December 23, 1999, an application was made under the *Companies' Creditors Arrangement Act* (Canada)(the "CCAA") to the Court of Queen's Bench of Alberta (the "Court") by Scaffold's principal lender, the Bank of Montreal, respecting, inter alia, a stay of all actions, suits and proceedings, and the filing of a formal plan of arrangement and compromise (the "Plan of Arrangement") involving Scaffold and its creditors;
8. the resulting Court order (the "Order"), inter alia, appointed KPMG Inc. as monitor and directed that the Plan of Arrangement be filed with the Court within 90 days of the date of the Order;
9. the Court subsequently granted orders extending the date for filing of the Plan of Arrangement with the Court to March 27, 2000 and extending the stay of all actions, suits and proceedings until the earlier of the date the Plan of Arrangement is implemented and January 31, 2001;
10. the Plan of Arrangement was filed with the Court on March 24, 2000, and was amended and restated on April 18, 2000 and June 16, 2000 and was further amended by amendments dated August 4, 2000, August 11, 2000, August 15, 2000, September 15, 2000 and December 7, 2000;
11. the Plan of Arrangement provides, inter alia, that certain of Scaffold's creditors will receive free trading common shares of Scaffold in satisfaction of debt owing to them by Scaffold;
12. Scaffold estimates that the Plan of Arrangement will result in approximately \$20,000,000 of unsecured indebtedness being converted into approximately 35,400,000 Common Shares;
13. the Plan of Arrangement was approved by Scaffold's shareholders on August 18, 2000 and by Scaffold's unsecured creditors on August 15, 2000 and by Scaffold's secured creditors on August 15, 2000; the Court has ordered that those amendments dated August 15, 2000, September 15, 2000 and December 7, 2000 are not prejudicial to and do not materially affect the creditors or shareholders of Scaffold;
14. the Plan of Arrangement was approved by the Court on December 8, 2000;
15. due to delays related to the CCAA process, Scaffold did not file, nor subsequently mail to its shareholders, its restated annual audited financial statements for the year ended December 31, 1998 and its comparative annual financial statements, Management Discussion & Analysis ("MD&A") and Annual Information Form ("AIF") for the year ended December 31, 1999 within the time periods stipulated under Ontario securities law;
16. on May 29, 2000, the Director issued an interim cease trade order pursuant to subsections 127(1) and (5) of the Act directing that trading in the securities of Scaffold cease for a period of 15 days;
17. on June 9, 2000, the Director issued a permanent cease trade order pursuant to subsection 127(8) of the Act directing that trading in the securities of Scaffold cease until revoked by a further order of revocation;
18. the comparative annual financial statements and MD&A for the year ended December 31, 1999, restated comparative annual financial statements for the year ended December 31, 1998 and the interim financial statements for the period ended March 31, 2000 were filed via SEDAR on June 13, 2000 and mailed to the shareholders of Scaffold on June 20, 2000. Scaffold's AIF was filed via SEDAR on June 19, 2000;
19. Scaffold issued a press release on December 8, 2000 and filed a Material Change Report on December 12, 2000 which (i) explain the reasons for the significant changes made to the 1998 Statements and for the delay in filing its comparative annual financial statements, MD&A and AIF for the year ended December 31, 1999, and (ii) outline the steps Scaffold has taken and will take to ensure that future errors do not recur, including the appointment of a new chief financial officer, the addition of two new outside directors following the implementation of the Plan of Arrangement, and the implementing of new tracking and control systems;
20. except for the Cease Trade Order, Scaffold is not in default of any of the requirements of the Act or the rules or regulations made thereunder and has not been subject to any previous cease trade order issued by the Commission; and
21. Scaffold is not considering, nor is it involved in any discussion relating to, a reverse take-over or similar transaction;
22. Scaffold has made a concurrent application to revoke a similar cease trade order imposed by the Alberta Securities Commission (the "Alberta Cease Trade Order");
23. the TSE is expected to automatically lift the TSE Suspension if and when the Cease Trade Order and Alberta Cease Trade Order are revoked;

**AND UPON** the Commission being satisfied that Scaffold has now complied with the continuous disclosure requirements under Part XVIII of the Act and has remedied its default in respect of such requirements;

**AND UPON** the Commission being of the opinion that it would not be prejudicial to the public interest to make the Decision;

**IT IS HEREBY ORDERED** pursuant to Section 144 of the Act that the Cease Trade Order be and is hereby revoked.

December 19<sup>th</sup>, 2000.

"J.A. Geller"

"Howard I. Wetston"

## Chapter 3

# Reasons: Decisions, Orders and Rulings

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IN THIS ISSUE

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## Chapter 4

# Cease Trading Orders

### 4.1.1 Temporary and Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Rescinding Order
ARC International Corporation	12 Dec 00	-	22 Dec 00	-
Coastal Acquisition Corporation	21 Dec 00	2 Jan 01	-	-
Consolidated Trillion Resources Ltd.	12 Dec 00	-	22 Dec 00	-
CTM CAFES INC.	12 Dec 00	-	22 Dec 00	-
Roycefield Resources Ltd.	13 Dec 00	-	22 Dec 00	-
Scaffold Connection Corporation	29 May 00	-	-	19 Dec 00

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**Chapter 5**  
**Rules and Policies**

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## Chapter 6

# Request for Comments

### 6.1 Request for Comments

#### 6.1.1 Ontario Securities Commission Policy No.5.2

##### ONTARIO SECURITIES COMMISSION POLICY STATEMENT NO. 5.2

##### JUNIOR NATURAL RESOURCE ISSUERS

##### DISCUSSION PAPER

OSC Policy Statement No. 5.2 - Junior Natural Resource Issuers, which was remade into a rule entitled *In the Matter of Certain Trades in Securities of Junior Resource Issuers* (1997), 20 OSCB 1220, effective March 1, 1997, (the "Policy") is scheduled to expire on the earlier of the date on which a new rule intended to replace it comes into force and July 1, 2001. The preliminary view of the Commission, subject to considering comments which may be received during a 90 day comment period, is that a new rule not be developed to replace the Policy and, accordingly, that the Policy be permitted to expire on July 1, 2001. The Policy regulates the financing and, to some extent, the operations of non-TSE listed junior natural resource reporting issuers in Ontario. A 90 day comment period is being provided given the pivotal role of the Policy in the regulation of junior natural resource issuers.

##### Background

##### Development of Policy

Since the late 1960's, the Commission has had policies in place that are specific to the junior natural resource sector. Policies relating to maximum offering price, escrow, and vendor consideration for resource properties date back to 1966.

In 1986, an advisory committee chaired by E.G. Thompson (the "Thompson Committee") was invited by the Ministry of Northern Development and Mines to review and make recommendations on the effectiveness and efficiency of Ontario's capital markets in providing capital for the junior natural resource sector and to propose changes to make Ontario competitive with other jurisdictions.

The Thompson Committee conducted an exhaustive review of the junior natural resource sector, focussing mainly on the competitive position of Ontario as compared to the other provinces. Input was sought from a wide range of experts. The Committee observed that the policies of the OSC and the TSE since 1967 were too structured and rigid and did not provide the flexibility required by the junior natural resource sector. In particular, the Committee was of the view that former Policy 3-02 (which related to junior natural resource financing) had resulted in a rigid financing structure that did

not sufficiently reward vendor-prospectors, encouraged broker-dealers to sell paper to the public at the maximum mark-up without proper screening, and resulted in limited amounts of invested capital actually being spent on projects in the field. Policy 3-02 and Policy 3-03 (which related to escrow of shares of junior natural resource issuers) were repealed in 1982, leaving a regulatory vacuum and thereby causing staff of the Commission to review certain attributes of junior natural resource financings on a case-by-case basis.

The proposals of the Thompson Committee led to the adoption of the Policy in 1988 which has remained unchanged since then. The Policy incorporated many of the recommendations of the Thompson Committee and brought together elements of a number of separate existing policies and policy positions relating to junior natural resource issuers.

The provisions of the Policy may be broken down into four general categories: (i) those which were adopted to curb specific abuses which had been occurring in the junior natural resource capital markets, such as unconscionable commissions being charged by broker-dealers and junior natural resource financings in which only a small percentage of invested capital was actually being used for exploration; (ii) those which regulate both arm's-length and non arm's-length transactions such as private placements and vendor consideration in connection with resource property acquisitions; (iii) those which provide exemptive relief for share-for-debt issuances and financial assistance from insiders; and (iv) those which regulate disclosure such as the requirement that a prospectus be accompanied by a Risk Disclosure Statement.

##### Factors Underlying Determination to Rescind the Policy

##### CDNX Application

Following the exchange restructuring which occurred at the beginning of 2000, CDNX made application on March 18, 2000 seeking an amendment to the Policy to provide an exemption for CDNX issuers from the application of the Policy in its entirety or, alternatively, an exemption from the majority of its provisions. The application also sought an amendment to the Blanket Ruling entitled *In the Matter of Certain Trades in Securities of Junior Resource Issuers* to permit CDNX issuers that comply with CDNX policies to avail themselves of the prospectus and registration exemptions provided by the Blanket Ruling.

In connection with the application made by CDNX, staff conducted an examination of CDNX policies and staff practices relative to the provisions of the Policy. Based on its findings, staff concurs with the submission made by CDNX in its application that, "The combination of CDNX Corporate Finance Policies and the requirement for Exchange acceptance for most transactions, together with the general oversight function exercised by CDNX, offers a more flexible

method of providing at least equivalent regulation of CDNX issuers."

While the Policy addresses a broad cross section of market-related and corporate activity, the primary regulatory utilization of the Policy has historically been in the areas of minimum expenditures on resource properties; escrow requirements; vendor consideration for resource properties; offering structure and dealer compensation; private placements; bonuses for loans and guarantees and finder's fees; management remuneration; and interests in adjacent resource properties and retained interests. CDNX has broadly equivalent regulation in all of these areas except for certain facets of regulation related to offering structure and dealer compensation. However, as summarized below, certain of these areas are regulated by other securities regulation, certain areas are best addressed through underwriters exercising their responsibilities and through the discipline imposed by the marketplace, and certain areas are no longer utilized or relevant.

#### **Regulated by other Securities Regulation**

- minimum size of prospectus distribution as it relates to sufficiency of proceeds to accomplish stated purpose of issue
- requirement to hold proceeds of best efforts offering in trust until minimum amount of offering is received
- parameters for extended green shoe option

#### **Underwriters' Responsibilities/Discipline of Marketplace**

- maximum dealer compensation
- minimum size of prospectus distribution
- size and terms of secondary offerings

#### **No longer Utilized/Irrelevant**

- promoter's option
- requirement for market maker for CDN issuer

The balance of the areas addressed by the Policy, generally speaking, relate to more peripheral areas of activity and are more marginal in terms of their regulatory importance.

The CDNX review process facilitates a more flexible approach to regulatory oversight than occurs at the securities commission level, particularly if the governing regulatory instrument is in the form of a rule. The application of CDNX Corporate Finance Policies results in issuer transactions being categorized on the basis of pre-determined criteria which are formulated based on the relative materiality and risk associated with a given transaction. The more material the transaction, or the more risk involved therein, the more thorough the review which is conducted by CDNX corporate finance analysts and the more onerous are the filing requirements. Further, there is the flexibility to apply CDNX policies more or less stringently depending upon the nature of the particular transaction, the players involved, and the financial circumstances of the issuer.

In addition, the imposition of minimum listing requirements, continued listing requirements, and ongoing market surveillance provides CDNX staff with the ability to continually monitor regulatory compliance by its listed companies. In addition to real time market surveillance functions, CDNX utilizes listed company surveillance officers who conduct post-facto reviews of transactions conducted by listed companies and the adequacy of related disclosure. These reviews

facilitate a second assessment, from a broader perspective, of whether issuers are in regulatory compliance.

#### **Developments in the Junior Natural Resource Sector and in the Securities Industry**

As noted above, the Policy was developed in the late 1980s in response to concerns related to the effectiveness and efficiency of Ontario's capital markets in providing capital for the junior natural resource sector. The Policy was designed to, amongst other matters, curb specific abuses which were occurring in the junior natural resource capital markets. These abuses stemmed from the highly speculative nature of resource exploration and the nature of the financings and transactions which were being conducted.

At the time of the development of the Policy, the financings which were being conducted in the junior natural resource sector tended to be small in scale, usually being confined to the province of Ontario. More often than not, broker dealers were involved as underwriters, agents and/or advisors. The combination of a highly speculative industry which, at the time, was the speculation of choice; small Ontario-only financings; the unfettered practices of broker dealers; and unequal bargaining power between small promoters and broker dealers no doubt all contributed to the abuses which had come to characterize the sector.

More recently, there have been significant concerns related to the accuracy and integrity of public disclosure in the mining sector generally. It appears that systemic weakness in the reporting process for mineral exploration projects has generally underlain these concerns, although fraud has been involved in some of the more egregious cases. Recently enacted National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, which upgrades the requirements for technical reporting and disclosure, is designed to address these concerns.

The Policy was not designed to, and does not, address the above noted reporting and fraud related concerns. However, there do not currently appear to be problems in Ontario in those areas regulated by the Policy. It would appear that the introduction of the Policy was the initial impetus for this development. However, it would also appear that other more fundamental factors have been at play: depressed commodity prices; larger financings being conducted both domestically and internationally; the arrival of high tech as the speculation of choice; the regulation of broker dealers; and the development of policies which upgrade the requirements for technical reporting and disclosure, thereby circumscribing the degree of speculation involved in junior natural resource financings eg. National Instrument 43-101.

Therefore, while the Policy appears to have been successful in meeting the objectives of its architects, it appears that other more fundamental factors are primarily responsible for curbing abuse in the junior natural resource sector today.

#### **Recommendations of Small Business Task Force - No Industry Specific Financing Requirements or Regulatory Regimes**

In 1996, the Commission Task Force on Small Business Financing recommended that financing requirements and regulatory regimes not be industry-specific for two reasons:

first, because they felt that securities requirements should not be used to facilitate government policy objectives; and second, because they saw no basis for distinguishing between various industries. For example, the Task Force pointed to the fact that they saw no clear basis upon which to distinguish between a natural resource company with an unexplored property and a bio-tech company with an unproven pharmaceutical product. The Task Force was of the view that abuses should be addressed through Enforcement, not through legislation.

Staff concurs with the observation of the Task Force that there is no clear basis upon which to distinguish between industries. Accordingly, staff is of the view that any regulation which is formulated to facilitate the capital formation process and/or curb abuse should not be, and need not be, industry specific.

#### **Consistent CSA Regulation**

Concern has been expressed by many capital market participants in recent years that securities regulation at the provincial level is inefficient and excessively costly for participants, in large measure due to inconsistent regulation and staff practices across the country. To address these concerns, the CSA has attempted to establish consistent regulation and staff practices across its member jurisdictions. The Policy represents an impediment to this initiative.

#### **The Unlisted Market**

As discussed above, CDNX Corporate Finance Policies and practices address most of the functional areas regulated by the Policy, providing at least equivalent regulatory safeguards. While most junior natural resource issuers in Canada are now listed on CDNX, there remains the unlisted market. The Canadian Dealing Network was phased out of existence on October 10, 2000. Approximately 800 CDN stocks were moved to the Canadian Unlisted Board Inc. ("CUB") which is essentially a reporting system where investment dealers file information regarding their trades using internet technology. There is no public dissemination of data on this market.

Many of the 800 former CDN stocks are small, involving very illiquid domestic companies, while almost half are U.S. issuers which trade infrequently in Canada. It is estimated that there are approximately 150 unlisted mining companies which previously had trades in their securities reported to CDN by Ontario registrants and now have such trades reported to CUB. Approximately 115 of these companies are reporting issuers.

Given the low visibility of the unlisted market and the limited number of mining issuers reported thereon, staff is of the view that its existence does not warrant a separate instrument to regulate the affairs of these mining companies. In this regard, there are no other industry-specific financing requirements or regulatory regimes that apply to the unlisted market.

While the future of automated trading systems ("ATS's") has yet to unfold, it is unlikely that these systems will focus on stocks that trade in the unlisted market. As such, it does not appear that the evolution of ATS's will result in a significant regulatory gap for the junior natural resource sector.

#### **Commission's Preliminary View**

The preliminary view of the Commission, subject to considering comments which may be received during a 90 day comment period, is that a new rule not be developed to replace the Policy and, accordingly, that the Policy be permitted to expire on July 1, 2001.

#### **Request for Comments**

Interested parties are invited to make written submissions with respect to the Request for Comments. Submissions received by March 30, 2001 will be considered.

Submissions should be made, in duplicate, to:

The Secretary  
Ontario Securities Commission  
20 Queen Street West  
Suite 800, Box 55  
Toronto, Ontario M5H 3S8

A diskette containing the submission (in DOS or Windows format, preferably WordPerfect) should also be submitted to the Secretary. Since the Act requires that a summary of written comments received during the comment period be published, confidentiality of submissions cannot be maintained.

Questions regarding the discussion paper may be referred to:

Rick Whiler  
Senior Accountant  
Corporate Finance Branch  
Tel: (416) 593-8127  
Fax: (416) 593-8244  
email: rwhiler@osc.gov.on.ca

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## Chapter 7

# Insider Reporting

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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](http://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](http://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>
14Nov00	1390173 Ontario Inc. - Common Shares	260,000	520,000
13Dec00	789064 Alberta Ltd. - Debentures	10,000,000	10,000,000
14Dec00	ACT Energy Inc. - Units	355,000	355
06Dec00	Acuity Pooled Balanced Fund - Trust Units	200,000	14,386
07Dec00	AFM Hospitality Corporation - Common Shares	4,500,000	2,000,000
06Dec00	AFM Hospitality Corporation - Series II Preferred Shares	2,000,000	888,888
20Oct00	Alcatel - Class O Shares	43,685,162	400,000
11Dec00	Apropos IT Ventures, L.P. - Limited Partnership Units	620,976	620,976
18Dec00	BayStreetDirect.com Inc. - Special Warrants	1,050,000	210,000
15Dec00	Best Pacific Resources Ltd. - Flow Through Common Shares	150,000	130,435
24Nov00	BPI American Opportunities Fund - Units	1,393,195	9,942
17Nov00	BPI American Opportunities Fund - Units	562,313	4,003
01Dec00	British Columbia Public Infrastructure Trust - Asset Backed Note, Number 2	\$23,940,429	\$23,940,429
11Dec00	Burgundy Japan Fund - Units	1,000,000	57,651
22Nov00	Canadian Arrow Mines Limited -	150,000	300,000
14Aug00	Carbite Golf Inc. - Common Shares	300,000	300,000
14Aug00	Carbite Golf Inc. - Common Shares	US\$301,200	792,632
06Dec00	CC&L Money Market Fund -	1,128,422	112,842
06Dec00	CC&L Money Market Fund -	203,514	20,351
04Dec00	CC&L Money Market Fund -	1,186,498	118,648
30Nov00	ChanneLogics, Inc. - Series A Convertible Preferred Stock	US\$1,000,000	500,000
13Dec00	Circuit World Corporation - Common Shares	218,920	85,851
15Dec00	Cybersight Acquisition Co. Inc. - Shares of Common Stock	250,000	125,000
07Dec00	Davent Limited - Ordinary Shares	2,541,777	3,625,408
22Nov00	e-Manufacturing Networks Inc. - Common Shares	150,000	100,000
07Dec00	e-Success Incorporated - Series A Units	500,000	500,000
13Dec00	East West Resource Corporation - Common Shares	2,500	12,500
14Dec00	Elgin Resources Inc. - Special Warrant	165,000	1,100,000
01Nov00 to 30Nov00	Elliott & Page American Growth Fund - Class G Units	432,873	17,203
01Nov00 to 30Nov00	Elliott & Page Balanced Fund - Class G Units	52,066,018	4,077,227



**Notice of Exempt Financings**

<u>Trans. Date</u>	<u>Security</u>	<u>Price (\$)</u>	<u>Amount</u>
01Nov00 to 30Nov00	Elliott & Page Value Equity Fund - Class G Units	473,885	41,309
01Nov00 to 30Nov00	Elliott & Page Sector Rotation Fund - Class G Units	3,393,072	206,893
13Dec00	Empire Energy Inc. - Common Shares	700,000	700,000
14Dec00	Energy Ventures Inc. - 10% Unsecured Debentures and Common Shares Purchase Warrants	250,000	250,000
05Dec00	Filogix Inc. - Series A Preferred Shares	21,015,960	5,805,514
31Dec00	First Leaside Acquisitions 2000 Limited Partnership - Units	1,178,400	800,000
08Dec00 & 12Dec00	GDI Global Data Inc. - Special Warrants	3,466,250	4,621,667
20Nov00	Getty Copper Corp. - Units	10,500	70,000
15Dec00	Grosvenor Services 2000 Limited Partnership - Limited Partnership Units	9,754,570	63
05Dec00	Grosvenor Services 2000 Limited Partnership - Units	3,330,525	21
15Dec00	Grosvenor Services 2000 Limited Partnership - Limited Partnership Units	4,156,355	27
15Dec00	Grosvenor Services 2000 Limited Partnership - Limited Partnership Units	1,141,529	7
08Dec00	Grosvenor Services 2000 Limited Partnership - Limited Partnership Units	44,499,992	289
05Dec00	Grosvenor Services 2000 Limited Partnership - Units	5,327,395	34
05Dec00	GS Beyond Limited Partnership - Class A Units	5,265,600	6,265
05Dec00	GS Jeopardy Limited Partnership - Class A Units	3,291,900	3,291
15Dec00	GS Pretender Limited Partnership - Class A Units	4,396,800	4,396
15Dec00	GS 2Gether Limited Partnership - Class A Units	12,303,100	12,303
08Dec00	GS DSAW Limited Partnership - Class A Units	54,029,200	54,029
15Dec00	GS Dark Angel Limited Partnership - Class A Units	1,340,900	1,340
29Nov00	GTI V, Limited Partnership - A Units (Limited Partner Units)	5,000,000	5,000
14Dec00	Hope Bay Gold Corporation Inc. - Common Shares	5,000,000	10,000,000
04Dec00	Jocsak Energy Ltd. - Units	187,500	187,500
30Nov00	Just Iced Cubed Holdings Inc. - Common Shares	500,000	1,250,000
06Dec00	Karmin Exploration Inc. - Common Shares	1,701,325	5,155,532
30Nov00	Kingwest Avenue Portfolio - Units	3,337,302	213,277
18Dec00	Krystal Bond Inc. - Special Warrants	755,000	2,516,667
08Dec00 & 19Dec00	Liberty Oil & Gas Ltd. - Common Shares	900,000	900,000
18Dec00	Magin Energy Inc. - Common Shares	2,500,000	2,500,000
08Dec00	MetroPhotonics Inc. - Common Shares	438,900	30,000
22Nov00	Moneta Porcupine Mines Inc. - Units	210,000	3,000,000
05Dec00	Northland Systems Training Inc. - Special Warrants	1,249,998	1,666,664
19Dec00	Northway Explorations Limited - Flow-Through Common Shares	350,000	700,000
05Dec00	Ntex Incorporated - Junior Subordinated Notes due 2030	\$1,880,813	\$1,880,813
07Dec00	OAL 2000 Limited Partnership, The - Limited Partnership Units	836,000	22
06Dec00	Opti Canada Inc. - Convertible Debentures	US\$203,570	230,570
11Dec00	Playcentric Corporation - Special Shares	200,000	800,000
01Dec00	PowerCart Systems Inc. - Preferred Shares Convertible into Common Shares	2,800,000	3,888,878
01Dec00	Protected American Fund - Units	953,896	106,703
30Nov00	Quebecor World Inc. - Subordinate Voting Shares	50,000	50,000
18Dec00	Ranchero Energy Inc. - Class A Shares	600,000	545,455
27Sep00	RDM Corporation - Special Warrants	9,497,250	2,532,600
06Dec00	ReBase Corporation - Common Shares	150,000	40,000
19Dec00	Richland Petroleum Corporation - Flow-Through Common Shares	5,000,000	1,000,000
11Dec00 & 12Dec00	Seventh Energy Ltd. - Class A Shares	650,650	1,183,000
29Nov00	SMC Equity Partners 2000 Fund - Units	90,000	900
13Oct00	Soros Real Estate Investors, C.V. - Limited Partnership Interests	US\$25,000,000	25,000,000

**Notice of Exempt Financings**

<u>Trans. Date</u>	<u>Security</u>	<u>Price (\$)</u>	<u>Amount</u>
13Dec00	# Specialty Laboratories, Inc. - Common Shares	1,946,496	80,000
20Dec00	Texar Corporation - Class A Common Shares	1,000,000	1,635,088
15Dec00	Thomson Corporation, The - Common Shares	57,884,438	1,026,622
11Dec00	TichetHippo.com Inc. - Convertible Debenture	379,257	1
30Nov00	Twenty-First Century International Equity Fund - Units	400,000	51,157
30Nov00	Twenty-First Century Canadian Equity Fund - Units	1,050,000	162,944
31Oct00	Twenty-First Century Canadian Equity Fund - Units	58,000	8,522
30Nov00	Twenty-First Century American Equity Fund - Units	300,000	49,231
30Nov00	Venture Coaches Fund LP - Class B Limited Partnership Units	1,250,000	1,250,000
04Dec00	Verano - Series D Shares	5,749,997	1,996,527
20Dec00	Wallbridge Mining Company Limited - Flow Through Common Shares	1,500,000	789,474
30Nov00	YMG Institutional Fixed Income Fund - Units	500,000	49,455
30Nov00	YMG Institutional Fixed Income Fund - Units	466,000	46,092
08Dec00	YMG Opportunities Fund - Units	150,000	150,000

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

<u>Seller</u>	<u>Security</u>	<u>Amount</u>
Timis, Frank	Gabriel Resources Ltd. - Common Shares upon the exercise of Warrants and Common Shares	1,000,000, 1,500,000 Resp.
Jones, Ruth Ann	Gibraltar Springs Capitol Corporation - Common Shares	400,000
Black, Conrad M.	Hollinger Inc. - Series II Preference Shares	1,611,039
SLMsoft.com Inc.	Infocorp Computer Solutions Ltd. - Common Shares	6,814,052
International Capital Inc.	Leisure Canada Inc. - Common Shares	900,000
Gastle, William J.	Microbix Biosystems Inc. - Common Shares	500,000
Malion, Andrew J.	Spectra Inc. - Common Shares	146,500
Faye, Michael R.	Spectra Inc. - Common Shares	160,000
Hawkins, Stanley G.	Tandem Resources Ltd. - Common Shares	2,000,000
Mourin, Stanley	Western Troy Capital Resources Inc. - Common Shares	60,000

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## Chapter 9

# Legislation

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### 9.1 Legislation

#### 9.1.1 Amendments to the Business Corporations Act

##### Amendments to the Business Corporations Act (Ontario) Red Tape Reduction Act, 2000

Schedule B  
Amendments Proposed by the Ministry of Consumer and  
Commercial Relations

#### Business Corporations Act

3. (1) Clause 1(6)(a) of the *Business Corporations Act* is amended by striking out "in respect of any of its securities a prospectus, statement of material facts or securities exchange take-over bid or issuer bid circular" at the beginning and substituting "in respect of any of its securities a prospectus or statement of material facts".  
  
(2) Subsection 1(6) of the Act is amended by striking out "that has fewer than fifteen security holders" in the portion after clause (b).

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## Chapter 11

# IPOs, New Issues and Secondary Financings

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**Issuer Name:**

Admiral Inc.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Prospectus dated December 22nd, 2000  
Mutual Reliance Review System Receipt dated December 27th, 2000

**Offering Price and Description:**

A Minimum of \* Subordinate Voting Shares (\$2,500,000) and  
a Maximum of \* Subordinate Voting Shares (\$3,000,000)

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

Northern Securities Inc.

**Promoter(s):**

Edward A. Bayer  
Project #322671

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**Issuer Name:**

Crystallex International Corporation

**Type and Date:**

Preliminary Short Form Prospectus dated January 2nd, 2001  
Received on January 2nd, 2001

**Offering Price and Description:**

\$2,050,000 - 1,025,000 Common Shares and 1,025,000  
Common Shares Purchase Warrants Issuable upon exercise  
of 1,025,000 Special Warrants

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

Poseidon Financial Partners, Operating as Capital West Group  
CIBC Mellon Trust Company

**Promoter(s):**

Project #323227

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**Issuer Name:**

Canbras Communications Corp.  
Principal Regulator - Quebec

**Type and Date:**

Preliminary Short Form Prospectus dated December 21st,  
2000  
Mutual Reliance Review System Receipt dated December  
27th, 2000

**Offering Price and Description:**

\$\* - issue of Rights to subscribe for up to \* Common Shares

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

BMO Nesbitt Burns Inc.  
CIBC World Markets Inc.

**Promoter(s):**

N/A  
Project #322208

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**Issuer Name:**

Devine Entertainment Corporation

**Type and Date:**

Preliminary Prospectus dated December 21st, 2000  
Received December 22nd, 2000

**Offering Price and Description:**

\$600,000 - 1,200,000 Units issuable upon the exercise of  
previously issued Special Warrants (Each Units Consisting of  
one Common Share and one-half of one Common Shares  
Purchase Warrant) and 835,800 Common Shares Purchase  
Warrants

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

N/A

**Promoter(s):**

N/A  
Project #322223

---

**Issuer Name:**

Copper Ridge Explorations Inc.  
Principal Jurisdiction - British Columbia

**Type and Date:**

Preliminary Prospectus dated December 20th, 2000  
Mutual Reliance Review System Receipt dated December  
22nd, 2000

**Offering Price and Description:**

\$675,749 - Special Warrants Conversion Offering

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

Haywood Securities Inc.

**Promoter(s):**

Gerald G. Carlson  
Project #322280

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**Issuer Name:**

Genetronics Biomedical Ltd.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated December 21st,  
2000

Mutual Reliance Review System Receipt dated December  
22nd, 2000

**Offering Price and Description:**

\$\* - \* Common Shares

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

Canaccord Capital Corporation

**Promoter(s):**

N/A  
Project #322284

**Issuer Name:**

Home Ticket Network Corporation  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Prospectus dated December 21st, 2000  
Mutual Reliance Review System Receipt dated December 28th, 2000

**Offering Price and Description:**

13,279,837 Common Shares Issuable upon the Exercise of  
13,279,837 Special Warrants

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

BayStreetDirect Inc.

**Promoter(s):**

N/A

Project #322747

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**Issuer Name:**

Iceberg Media.com Inc.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Prospectus dated December 20th, 2000  
Mutual Reliance Review System Receipt dated December 21st, 2000

**Offering Price and Description:**

10,000,000 Common Shares Issuable upon the Exercise of  
10,000,000 Special Warrants

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

Griffiths McBurney & Partners  
Yorkton Securities Inc.

**Promoter(s):**

N/A

Project #321843

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**Issuer Name:**

IVRnet Inc. (Formerly Entrepex Technology Corporation)  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Prospectus dated December 28th, 2000  
Mutual Reliance Review System Receipt dated December 29th, 2000

**Offering Price and Description:**

\$2,000,000 to \$4,000,000 - \* to \* Common Shares (Without  
Nominal or Par Value) and \$1,810,000 - 1,448,000 Common  
Shares (Without Nominal Par Value) Issuable upon exercise  
of previously issued Special Warrants

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

Canaccord Capital Corporation

**Promoter(s):**

Robert A. Blackshaw  
Jon G. Constable

Project #323140

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**Issuer Name:**

Northland Systems Training Inc.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Prospectus dated December 22nd, 2000  
Mutual Reliance Review System Receipt dated December 27th, 2000

**Offering Price and Description:**

\$1,500,000 - (1,500,000 Units)

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

Yorkton Securities Inc.

**Promoter(s):**

Jerry Van Ost  
Peter A. Johnston

Project #322653

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**Issuer Name:**

Pethealth Inc.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Prospectus dated December 20th, 2000  
Mutual Reliance Review System Receipt dated December 22nd, 2000

**Offering Price and Description:**

\$7,500,000 - 34,090,909 Common Shares and 34,090,  
Common Shares Purchase Warrants issuable upon the  
exercise of previously issued Special Warrants

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

Thomson Kernaghan & Co. Limited  
Dundee Securities Corporation

**Promoter(s):**

N/A

Project #322089

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**Issuer Name:**

RDM Corporation  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Prospectus dated December 21st, 2000  
Mutual Reliance Review System Receipt dated December 21st, 2000

**Offering Price and Description:**

\$15,000,000 - 4,000,000 Common Shares and 2,000,000  
Shares Purchase Warrants issuable upon the exercise of  
Special Warrants

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

Loewen, Ondaatje, McCutcheon Limited

**Promoter(s):**

N/A

Project #321954

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**Issuer Name:**

Scudder Global Discovery Fund  
Scudder Technology Fund  
Scudder Life Sciences Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated December 29th, 2000  
Mutual Reliance Review System Receipt dated January 2nd, 2001

**Offering Price and Description:**

Mutual Fund Securities - Net Asset Value

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

Scudder Maxxum Co.

**Promoter(s):**

**Project #323230**

**Issuer Name:**

Synergy Global Fund Inc. - Synergy American Growth Class

Synergy Global Fund Inc. - Synergy Global Value Class  
Synergy American Growth RSP Fund  
Synergy Global Value RSP Fund  
Synergy Extreme Global Equity Fund  
Synergy Extreme Global Equity RSP Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated December 22nd, 2000  
Mutual Reliance Review System Receipt dated December 27th, 2000

**Offering Price and Description:**

Mutual Fund Securities - Net Asset Value

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

N/A

**Promoter(s):**

Synergy Asset Management Inc.

**Project #322362**

**Issuer Name:**

Tiomin Resources Inc.

**Type and Date:**

Preliminary Prospectus dated December 28th, 2000  
Received December 29th, 2000

**Offering Price and Description:**

5,882,353 Common Shares Issuable Upon the Exercise of  
Special Warrants

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

Sprott Securities Inc.

**Promoter(s):**

N/A

**Project #323069**

**Issuer Name:**

Transition Therapeutics Inc.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Prospectus dated December 21st, 2000;  
Mutual Reliance Review System Receipt dated December 22nd, 2000

**Offering Price and Description:**

\*\$\* Common Shares

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

Canaccord Capital Corporation

**Promoter(s):**

Tony Cruz

**Project #322296**

**Issuer Name:**

Western Oil Sands Inc.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Prospectus dated December 29th, 2000  
Mutual Reliance Review System Receipt dated December 29th, 2000

**Offering Price and Description:**

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

TD Securities Inc.

**Promoter(s):**

Guy J. Turcotte

Timohty R. Winterer

John Frangos

Allen P. Barber

**Project #323155**

**Issuer Name:**

Leith Wheeler Balanced Fund  
Leith Wheeler Canadian Equity Fund  
Leith Wheeler U.S. Equity Fund  
Leith Wheeler Fixed Income Fund  
Leith Wheeler Money Market Fund  
Principal Regulator - British Columbia

**Type and Date:**

Amendment #1 dated December 27th, 2000 to Simplified  
Prospectus and Annual Information Form dated June 12th,  
2000

Mutual Reliance Review System Receipt dated 29th day of  
December, 2000

**Offering Price and Description:**

Mutual Fund Securities - Net Asset Value

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

Leith Wheeler Investment Counsel Ltd.

**Promoter(s):**

Leith Wheeler Investment Counsel Ltd.

**Project #261402**



**Issuer Name:**

The Goodwood Capital Fund  
Principal Jurisdiction - Ontario

**Type and Date:**

Amendment #1 dated December 15th, 2000 to the Annual Information Form dated December 23rd, 1999  
Mutual Reliance Review System Receipt dated 2nd day of January, 2001

**Offering Price and Description:**

Mutual Fund Securities - Net Asset Value

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

Goodwood Inc.

**Promoter(s):**

Goodwood Inc.

Project #211662

**Issuer Name:**

Templeton Growth Fund, Ltd.  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated December 18th, 2000 to Amended Simplified Prospectus and Annual Information Form dated November 10th, 2000 Amending and Restating the Simplified Prospectus and Annual Information Form dated May 23rd, 2000

Mutual Reliance Review System Receipt dated 22nd day of December, 2000

**Offering Price and Description:**

Mutual Fund Securities - Net Asset Value

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

Franklin Templeton Investments Corp.

**Promoter(s):**

Bissett & Associates Investment Management Ltd.

Project #247311

**Issuer Name:**

Templeton Growth Fund, Ltd.  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 to December 18th to Simplified Prospectus and Annual Information Form dated November 10, 2000  
Mutual Reliance Review System Receipt dated 22nd day of December, 2000

**Offering Price and Description:**

Mutual Fund Units - Net Asset Value

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

Franklin Templeton Investments Corp.

**Promoter(s):**

Bissett & Associates Investment Management Ltd.

Project #299053

**Issuer Name:**

Softchoice Corporation  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Prospectus dated September 8th, 2000  
Closed 19th day of December, 2000

**Offering Price and Description:**

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

BMO Nesbitt Burns Inc.

CIBC World Markets Inc.

National Bank Financial Inc.

**Promoter(s):**

N/A

Project #296800

**Issuer Name:**

AC Energy Inc.  
Principal Regulator - Alberta

**Type and Date:**

Final Prospectus dated December 15th, 2000  
Mutual Reliance Review System Receipt dated 15th day of December, 2000

**Offering Price and Description:**

\$1,000,000.00 (Maximum); \$250,000.00 (Minimum) - Flow-Through Shares

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

Yorkton Securities Inc.

**Promoter(s):**

Timothy Kemp

Alain LeBis

Project #315407

**Issuer Name:**

BakBone Software Incorporated

**Type and Date:**

Final Prospectus dated November 29th, 2000  
Received 14th day of December, 2000

**Offering Price and Description:**

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

Yorkton Securities Inc.

Acumen Capital Finance Partners Ltd.

**Promoter(s):**

N/A

Project #278184

**Issuer Name:**

Book4golf.com Corporation  
Principal Regulator - Ontario

**Type and Date:**

Final Prospectus dated December 21st, 2000  
Mutual Reliance Review System Receipt dated 22nd day of December, 2000

**Offering Price and Description:**

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

Yorkton Securities Inc.

**Promoter(s):**

Phillip DeLeon

Sheldon Pollack

Project #301351

**Issuer Name:**

Contrarian Resource Fund 2000 Limited Partnership  
Principal Regulator - British Columbia

**Type and Date:**

Final Prospectus dated December 20th, 2000  
Mutual Reliance Review System Receipt dated 21st day of  
December, 2000

**Offering Price and Description:**

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

Yorkton Securities Inc.

**Promoter(s):**

Contrarian Resource Fund 2000 Management Limited  
Project #310135

**Issuer Name:**

Covington Fund II Inc.

**Type and Date:**

Final Prospectus dated December 21st, 2000  
Received 27th day of December, 2000

**Offering Price and Description:**

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

N/A

**Promoter(s):**

Covington Capital Corporation  
Project #308420

**Issuer Name:**

Dalsa Corporation

**Type and Date:**

Final Prospectus dated December 20th, 2000  
Received 21st day of December, 2000

**Offering Price and Description:**

\$8,000,000 - 1,000,000 Common Shares and 500,000  
Purchase Warrants Issuable Upon Exercise of 1,000,000  
Special Warrants

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

N/A

**Promoter(s):**

N/A  
Project #310689

**Issuer Name:**

Dominion Citrus Limited

**Type and Date:**

Final Prospectus dated December 22nd, 2000  
Received 27th day of December, 2000

**Offering Price and Description:**

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

Algonquin Mercantile Corporation

**Promoter(s):**

N/A  
Project #304415

**Issuer Name:**

Innova LifeSciences Corporation

**Type and Date:**

Final Prospectus dated December 21st, 2000  
Received 22nd day of December, 2000

**Offering Price and Description:**

\$5,000,025.00 - 6,666,700 Common Shares Upon the  
Exercise of previously issued Special Warrants

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

Octagon Capital Corporation

**Promoter(s):**

N/A  
Project #316513

**Issuer Name:**

Meota Resources Corp.

Principal Regulator - Alberta

**Type and Date:**

Final Prospectus dated December 22nd, 2000  
Mutual Reliance Review System Receipt dated 28th day of  
December, 2000

**Offering Price and Description:**

\$15,000,000 - 4,000,000 Common Shares issuable upon the  
exercise of Special Warrants

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

RBC Dominion Securities Inc.  
Yorkton Securities Inc.  
Scotia Capital Inc.  
FirstEnergy Capital Corp.  
Newcrest Capital Inc.

**Promoter(s):**

Project #315147

**Issuer Name:**

PanGeo Pharma Inc.

Principal Regulator - Ontario

**Type and Date:**

Final Prospectus dated December 21st, 2000  
Mutual Reliance Review System Receipt dated 22nd day of  
December, 2000

**Offering Price and Description:**

\$4,969,020 - 3,549,300 Common Shares and 1,774,650  
Share Purchase Warrants

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

Dundee Securities Corporation

**Promoter(s):**

N/A  
Project #312306

**Issuer Name:**

The VenGrowth II Investment Fund Inc.

**Type and Date:**

Final Prospectus dated December 19th, 2000  
Received 27th day of December, 2000

**Offering Price and Description:**

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

N/A

**Promoter(s):**

APSFVAGFFP Sponsor Corp.  
Project #306332

**Issuer Name:**

VentureLink Fund Inc. (Formerly 360 Venture Fund Inc.)

**Type and Date:**

Final Prospectus dated December 29th, 2000

Received 3rd day of January, 2001

**Offering Price and Description:**

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

CIBC World Markets Inc.

**Promoter(s):**

TCU Sponsor Inc.

360 Venture Partners Inc.

Project #308875

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**Issuer Name:**

Québec-Téléphone

Principal Regulator - Quebec

**Type and Date:**

Final Short Form Shelf Prospectus dated December 22nd, 2000

Mutual Reliance Review System dated 27th day of December, 2000

**Offering Price and Description:**

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

National Bank Financial Inc.

RBC Dominion Securities Inc.

**Promoter(s):**

N/A

Project #320809

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**Issuer Name:**

Keystone Altamira Science and Technology Capital Class

Keystone Altamira e-business Capital Class

Keystone Altamira Global Equity Capital Class

Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectus and Annual Information Form dated December 21st, 2000

Mutual Reliance Review System dated 28th day of December, 2000

**Offering Price and Description:**

Mutual Fund Securities - Net Asset Value

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

N/A

**Promoter(s):**

Mackenzie Financial Corporation

Project #310527

---

**Issuer Name:**

Keystone Altamira Capital Growth Fund

Keystone Altamira Equity Fund

Keystone Altamira RSP Science and Technology Fund

Keystone Altamira RSP e-business Fund

Keystone Altamira RSP Global Equity Fund

Keystone AGF American Fund

Keystone AGF Bond Fund

Keystone AGF Equity Fund

Keystone Beutel Goodman Bond Fund

Keystone C.I. Signature High Income Fund

Keystone Saxon Smaller Companies Fund

Keystone Sceptre Equity Fund

Keystone Sceptre International Equity Fund

Keystone Spectrum American Fund (Formerly Keystone Spectrum United American Fund)

Keystone Spectrum Equity Fund (Formerly Keystone Spectrum United Equity Fund)

Keystone Premier Global Elite 100 Fund

Keystone Premier RSP Global Elite 100 Fund

Keystone Premier Euro Elite 100 Fund

Keystone Premier RSP Euro Elite 100 Fund

Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectus and Annual Information Form dated December 21st, 2000

Mutual Reliance Review System dated 29th day of December, 2000

**Offering Price and Description:**

Mutual Fund Securities - Net Asset Value

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

N/A

**Promoter(s):**

Mackenzie Financial Corporation

Project #310547

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**Issuer Name:**

Royal Global Titans Fund

Royal Global Communications and Media Sector Fund

Royal Global Consumer Trends Sector Fund

Royal Global Financial Services Sector Fund

Royal Global Health Sciences Sector Fund (Formerly Royal Global Health Care Sector Fund)

Royal Global Infrastructure Sector Fund

Royal Global Resources Sector Fund

Royal Global Technology Sector Fund

Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectus and Annual Information Form dated December 20th, 2000

Mutual Reliance Review System Receipt dated 22nd day of December, 2000

**Offering Price and Description:**

Mutual Fund Securities - Net Asset Value

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

Royal Mutual Funds, Inc.

**Promoter(s):**

Royal Mutual Funds, Inc.

Project #308039

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**Issuer Name:**

Sentry Select Canadian Energy Growth Fund  
Sentry Select Precious Metals Growth Fund  
Sentry Select Real Estate Securities Fund  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectus and Annual Information Form  
dated December 21st, 2000  
Mutual Reliance Review System Receipt dated 3rd day of  
January, 2001

**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 #313290

**Issuer Name:**

TDK Resource Fund Inc.  
(Class A Shares, Series 1)  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectus and Annual Information Form  
dated December 29th, 2000  
Mutual Reliance Review System Receipt dated January 2nd,  
2001

**Offering Price and Description:**

Mutual Fund Securities - Net Asset Value

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

Registered Dealer

**Promoter(s):**

TDK Management Fund Inc.

Project #306404

**Issuer Name:**

Sovereign Canadian Equity Pool (formerly, Canadian Equity  
Pool)  
Sovereign US Equity Pool (formerly, US Equity Pool)  
Sovereign Overseas Equity Pool (formerly, Overseas Equity  
Pool)  
Sovereign Global Equity RSP Pool (formerly, Global Equity  
RSP Pool)  
Sovereign Emerging Markets Equity Pool (formerly, Emerging  
Markets Equity Pool)  
Sovereign Canadian Fixed Income Pool (formerly, Canadian  
Fixed Income Pool)  
Sovereign Money Market Pool (formerly, Money Market Pool)  
[Class A (formerly Retail Class), Class B, Class F  
and Class I (formerly Institutional Class) Units]  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectus and Annual Information Form  
dated December 27th, 2000  
Mutual Reliance Review System Receipt dated 28th day of  
December, 2000

**Offering Price and Description:**

Mutual Fund Securities - Net Asset Value

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

RBC Dominion Securities Inc.

**Promoter(s):**

Frank Russell Canada Limited

Project #287335

**Issuer Name:**

Stone & Co. Flagship Money Market Fund Canada  
Stone & Co. Flagship Growth & Income Fund Canada  
Stone & Co. Flagship Global Growth Fund  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectus and Annual Information Form  
dated December 21st, 2000  
Mutual Reliance Review System Receipt dated 2nd day of  
January, 2001

**Offering Price and Description:**

Mutual Fund Securities - Net Asset Value

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

Stone & Co. Limited

**Promoter(s):**

Stone & Co. Limited

Project #314171

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## Chapter 12

# Registrations

### 12.1.1 Securities

Type	Company	Category of Registration	Effective Date
New Registration	Dalton, Greiner, Hartman, Maher & Company Attention: Grant A. Jameson 60 Elgin Street, Ste. 2600 CSC Canada, c/o Gowlings Ottawa, ON K1P 1C3	International Adviser Investment Counsel & Portfolio Manager	Dec 22/00
Change of Name	Assante Asset Management Ltd. c/o 152928 Canada Inc. Attention: Jennifer Northcote Commerce Court West 53 <sup>rd</sup> Floor, P.O. Box 85 Toronto, ON M5L 1B9	From: Loring Ward Investment Counsel Ltd.  To: Assante Asset Management Ltd.	Oct 1/00
Change of Name	MST Trading Canada Co. Attention: Elan Shevel One Queen Street East Suite 1820 Toronto, ON M5C 2W5	From: Main Street Trading (Canada) Co.  To: MST Trading Canada Co.	Nov 1/00
Change of Name	Mediaventures Brokerage Corporation Attention: Bernard Gordon Abrams 1200 Bay Street Suite 400 Toronto, ON M5R 2A5	From: Acme Brokerage Corporation  To: Mediaventures Brokerage Corporation	Nov 7/00

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## Chapter 13

# SRO Notices and Disciplinary Proceedings

### 13.1 SRO Notices and Disciplinary Decisions

#### 13.1.1 Nirvaan Merharchand

December 20, 2000

No. 2000-439

#### APPROVED PERSON DISCIPLINED

##### Person Disciplined

On December 13, 2000, a Hearing Committee Panel of The Toronto Stock Exchange Inc. (the "Exchange") approved an Offer of Settlement made between the Exchange and Nirvaan Merharchand. Mr. Merharchand is an Approved Person who was at all material times employed as a Registered Representative with Peters & Co. Limited, formerly a Member of the Exchange (now a Participating Organization of the Exchange).

##### Rules Violated

Contrary to section 11.67(2) of the Exchange's General By-Law, on four occasions between April 16, 1999 and September 21, 1999, Merharchand executed a customer-principal trade to buy or sell 5,000 shares or less of a listed security without buying at a higher price or selling at a lower price than the price of any order on any Canadian stock exchange on which the security is listed. As of April 3, 2000, section 11.67(2) of the General By-Law was renumbered 4-502(2) of the Rules of the Exchange.

##### Penalty Assessed

Pursuant to the terms of the Offer of Settlement, Mr. Merharchand is required to:

1. pay a fine of \$20,000; and
2. pay \$3,500 towards the cost of the Exchange's investigation.

##### Summary of Facts

On April 16, 1999, Merharchand executed an order to buy from his inventory account shares of an Exchange listed security in a cross-trade with a client of Peters & Co. Limited. The trade was entered at a price of \$39.60 and, at the time, the quotation for the listed security was \$39.60 to \$39.75. Since the client did not receive a better price than the quoted bid of \$39.60, the Market Surveillance Division of the Exchange received an automated alert (a "CPT alert") and the trade was subsequently cancelled by the Exchange.

On June 21, 1999, Merharchand executed an order to buy from his inventory account shares of an Exchange listed security in a cross-trade with a client of Peters & Co. Limited. The trade was entered at a price \$3.95 and, at the time, the quotation for the listed security was \$3.95 to \$4.25. Since the client did not receive a better price than the quoted bid of \$3.95, a CPT alert was generated and the trade was subsequently cancelled by the Exchange.

On August 6, 1999, Merharchand caused a sell order to be executed from his inventory account in a cross-trade with a client of Peters & Co. Limited. The trade was entered at a price of \$15.10 and, at the time, the quotation for the security was \$15.00 to \$15.10. As the client did not pay a lower price than the quoted offer of \$15.10, a CPT alert was generated and the trade was subsequently cancelled by the Exchange.

On September 21, 1999, Merharchand executed an order to sell from his inventory account shares of an Exchange listed security in a cross-trade with a client of Peters & Co. Limited. The trade was executed at a price of \$22.00 and, at the time, the quotation for the security was \$21.90 to \$22.00. As the client did not pay a lower price than the quoted offer of \$22.00, a CPT alert was generated and the trade was subsequently cancelled by the Exchange.

In each of the above cases, Merharchand was advised by a Market Surveillance Officer that the trades were executed in violation of s.11.67(2) of the Exchange's General By-Law.

Following a review of the findings of the Exchange's investigation, the Toronto Stock Exchange Regulation Services Division has determined that there are no grounds for any disciplinary action against Peters & Co. Limited.

Participating Organizations who require additional information should direct their questions to Tom Atkinson, Vice-President, Regulation Services at 416-947-4310.

**LEONARD PETRILLO**  
**VICE PRESIDENT**  
**GENERAL COUNSEL & SECRETARY**



### **13.1.2 Harold Hamilton**

December 13, 2000

No. 2802

#### **By-laws and Regulations**

Discipline Penalties Imposed on Harold Hamilton - Violation of By-law 29.1 and Regulation 1300.1(c)

#### **Person Disciplined**

The Ontario District Council (District Council) of the Investment Dealers Association of Canada (Association) has imposed a discipline penalty on Harold Hamilton, at the relevant time a Registered Representative with Burns Fry Limited (now BMO Nesbitt Burns Inc.) a member of the Association.

#### **By-laws, Regulations, Policies Violated**

On December 6, 2000, the District Council considered, reviewed and accepted a settlement agreement that had been negotiated by Association Enforcement Division staff with Mr. Hamilton. Pursuant to the settlement agreement, Mr. Hamilton admitted that during the period between May 1995 to December 1997 he:

1. Engaged in business conduct or practice that is unbecoming or detrimental to the public interest in that he purchased two securities for the margin account of his client, without the authorization or consent of the client, contrary to By-law 29.1 of the Association.
2. Failed to exercise due diligence to ensure that recommendations made for the account of a client, were appropriate for the client and in keeping with the client's investment objectives, in that he recommended purchases of speculative securities when the client's investment objectives had no allocation for speculative investments and in that he recommended that the client take out a margin loan, contrary to Regulation 1300.1 (c).

#### **Penalty Assessed**

The discipline penalty assessed against Mr. Hamilton is a fine in the amount of \$7,500 and filing with the Association monthly close supervision reports for a period of 6 months. In addition Mr. Hamilton is required to pay \$3,000 toward the Association's costs of investigation of this matter.

#### **Summary of Facts**

In February 1995 Mr. Hamilton opened a margin account for a client which indicated investment objectives of 50% income and 50% moderate growth. On August 13 and 15, 1996, while the client was out of the country, Mr. Hamilton completed trades for the account which were not authorized by the client.

From June 1995 to December 1997 Mr. Hamilton recommended and purchased shares of speculative securities in the account though there was no allocation for speculative investments in the client's investment objectives. In February 1997 Mr. Hamilton advised the client to take out a margin loan

of \$25,000 rather than sell securities to raise money to secure a real estate purchase.

Mr. Hamilton currently works in the capacity of a Registered Representative at Merrill Lynch Canada Inc. in Ottawa.

Suzanne M. Barrett  
Association Secretary

**13.1.3 Harold Hamilton - Settlement Agreement**

**IN THE MATTER OF  
DISCIPLINARY ACTION PURSUANT TO BY-LAW 20  
OF THE INVESTMENT DEALERS ASSOCIATION OF CANADA**

**RE: HAROLD HAMILTON SETTLEMENT AGREEMENT**

**I. Introduction**

1. The staff ("Staff") of the Investment Dealers Association of Canada ("the Association") has conducted an investigation (the "Investigation") into the conduct of Harold Hamilton ("the Respondent").
2. The Investigation discloses matters for which the District Council of the Association ("the District Council") may penalize the Respondent by imposing discipline penalties.

**II. JOINT SETTLEMENT RECOMMENDATION**

3. Staff and the Respondent consent and agree to the settlement of these matters by way of this Settlement Agreement in accordance with By-law 20.25.
4. This Settlement Agreement is subject to its acceptance, or the imposition of a lesser penalty or less onerous terms, or the imposition, with the consent of the Respondent, of a penalty or terms more onerous, by the District Council in accordance with By-law 20.26.
5. Staff and the Respondent jointly recommend that the District Council accept this Settlement Agreement.
6. If at any time prior to the acceptance of this Settlement Agreement, or the imposition of a lesser penalty or less onerous terms, or the imposition, with the consent of the Respondent, of a penalty or terms more onerous, by the District Council, there are new facts or issues of substantial concern in the view of Staff regarding the facts or issues set out in Section III of this Settlement Agreement, Staff will be entitled to withdraw this Settlement Agreement from consideration by the District Council.

**III. STATEMENT OF FACTS**

**(i) Acknowledgment**

7. Staff and the Respondent agree with the facts set out in this Section III and acknowledge that the terms of the settlement contained in this Settlement Agreement are based upon those specific facts.

**(ii) Factual Background**

**(a) The Respondent**

8. The Respondent joined the securities industry as a Registered Representative in 1992 with the firm of Burns Fry Ltd. (now BMO Nesbitt Burns Inc.) ("NBI"). In 1997 the Respondent transferred to Midland Walwyn Capital Inc.. The Respondent joined Merrill Lynch Canada Inc. in 1998 and currently works there in the capacity of a registered representative.

**(b) Christine Fisher**

9. At all material times Christine Fisher ("Fisher") was a client of the Respondent.
10. In February 1995, at the time of opening of accounts with the Respondent, Fisher was a divorced, 55 year old procedural clerk at the House of Commons in Ottawa. She had an annual income of \$55,700.
11. Fisher was a work colleague of the Respondent's spouse and she and the Respondent knew each other socially. Fisher had previously held investments in the form of mutual funds with a company called Financial Concept Group. The Respondent passed on a message to Fisher via his spouse that if Fisher was interested in investing, that the Respondent had left his position as a bank manager to join Burns Fry Ltd. (NBI).
12. Fisher agreed to become a client of the Respondent because she believed that: as a former bank manager the Respondent would be fairly conservative in his investment approach; the Respondent knew Fisher's financial situation and that she needed to build up her investments to augment her pension; and he assured her that he could do better for her than the investments at Financial Concept Group.

## **SRO Notices and Disciplinary Decisions**

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13. Fisher signed a Client Account Agreement ("CAA") dated February 1, 1995 thereby opening a margin account with NBI. Fisher did not know, at that time, what a margin account was and maintains that had she known it meant that she would be going into debt to purchase securities she would not have opted for such an account.
14. The CAA indicated that she had a liquid net worth of \$55,000, no experience with common or preferred shares, bonds, options or commodities/futures and moderate experience with mutual funds and money market investments. Her overall investment knowledge was shown as limited.
15. The investment objectives on the CAA indicated 50% income and 50% moderate growth in the margin account. No portion of the portfolio was allocated for aggressive trading. The Respondent and his branch manager signed the CAA on February 2, 1995.

### **(C) Unauthorized Trading**

16. The agreement between Fisher and the Respondent was that he would always call Fisher to obtain her approval before any purchases or sales of securities were completed. No discretionary trading authorization was given to the Respondent either verbally or in writing.
17. Fisher's mother died on July 6, 1996 and as a result, Fisher traveled to England to attend the funeral. Fisher left for England on July 10, 1996 and returned to Ottawa on July 22, 1996.
18. Fisher had previously planned a trip to England in August of 1996 and had already purchased her ticket. As a result of work commitments, Fisher had to return to Ottawa on July 22, 1996 and then proceed with her planned trip to England in August 1996.
19. On August 13, 1996 Fisher boarded a 6AM train in Ottawa travelling to Toronto in order to catch the plane for England. She did not return to Ottawa until August 30, 1996.
20. Prior to her departure there had been no discussion between her and the Respondent about any purchases in her account. Fisher did not leave a number where she could be reached by the Respondent while in England nor did she contact the Respondent during her absence.
21. On August 13, 1996 the Respondent created a trade ticket indicating that 200 shares of Mylex Corporation ("Mylex") had been purchased for Fisher's margin account. The time stamp on the ticket appears to be 13:06. The order ticket is marked "solicited". Fisher did not authorize this purchase.
22. On August 15, 1996 the Respondent created a trade ticket indicating that 250 shares of Fulcrum Technologies Inc. ("Fulcrum") had been purchased for Fisher's margin account. The order ticket is marked "solicited". Fisher did not authorize this purchase.
23. The total value of the purchases of Mylex and Fulcrum was \$8,616.00. Both were later sold after share prices declined resulting in a capital loss of \$4,185.00.

### **(d) Unsuitable Recommendations**

24. Fisher's CAA indicated 50% income, 50% moderate growth with a risk factor of "some". The net result of trading activity in Fisher's account at the end of the first year of trading activity was an appreciation in the value of the portfolio of approximately \$11,000.00.
25. In February 1996 the Respondent recommended to Fisher and subsequently purchased 200 shares of Bresea Resources Ltd. ("Bresea") in her margin account. In June 1996 he recommended and purchased 200 shares of Bre-X Minerals Ltd. (Bre-X) in Fisher's margin account. A further 300 shares of Bre-X were recommended and purchased in November 1996.
26. The Respondent's recommendations for the purchases of Bre-X and Bresea were based on research by NBI's analysts. By the time of the second purchase of Bre-X in November 1996, Fisher was more aware of the progress of the Bre-X story and had concerns about the Indonesian political situation. She was thus reluctant to make further purchases of Bre-X but was reassured by the Respondent's confidence that it was a good time to buy additional shares.
27. From July 1995 onward and throughout the trading history of Fisher's account, with the exception of an investment in Gandolf Technologies, which Fisher initiated, all investments were made as a result of recommendations by the Respondent.
28. Notwithstanding the fact that Fisher's NAAF had no allocation for speculative securities, from June 1995 to December 1997 there was a great deal of trading activity in speculative investments. Fisher's holdings of speculative securities during this time period can be summarized as follows:

Time Period (as at month end)	Speculative Securities	% of Portfolio (speculative) High & Low		\$ Value (speculative) High & Low	
Jun 95 - Dec 95	Diamond Field Resources Gandolf Technologies Inc. Pallett Pallett Inc.	62.43%	0%	\$17,705.00	\$0
Jan 96 - June 96	Diamond Field Resources Bresea Resources Ltd. Arequipa Resources Ltd. Int'l Canalaska Resources Bre-X Minerals Ltd.	54.39%	16.85%	\$26,052.50	\$5,850.00
July 96 - Dec 96	Bresea Resources Ltd. Bre-X Minerals Ltd. Bro-X Minerals Ltd.	29.01%	17.03%	\$12,975.60	\$7,058.00
Jan 97 - May 97	Bresea Resources Ltd. Bro-X Minerals Ltd. Bre-X Minerals Ltd.	30.24%	0.29%	\$11,916.00	\$24.00
Jun 97 - Dec 97 (shares became worthless)	Bresea Resources Ltd. Bro-X Minerals Ltd. Bre-X Minerals Ltd.		Nil	Nil	Nil

29. In November 1996 Fisher discussed with the Respondent the possibility of selling off shares from her account in order to realize \$25,000 to use toward the purchase of a house. The Respondent encouraged Fisher to withdraw the amount as a margin loan instead of selling off securities. The Respondent reassured her that he was looking out for her best interests and that he would not let her run into debt over this type of withdrawal.
30. The Respondent advised Fisher that he had significant certainty that the Bre-X shares had yet to reach their peak in price and that once that happened, Fisher could then sell the Bre-X, rebuild the portfolio quickly and eliminate the margin debt.
31. In February 1997, \$25,000 was withdrawn as a margin loan from Fisher's account. The account still held a total of 500 shares of Bre-X and 200 shares of Bresea at this time. As a result the amount of risk associated with the portfolio virtually doubled due to the fact that it had become leveraged.
32. By the end of February 1997 the portfolio consisted of \$11,870.00 worth of speculative securities including Bre-X, Bro-X Minerals Ltd. ("Bro-X") and Bresea, and \$27,500.00 of good quality stock including Walt Disney Co. (Walt Disney"), Gillette Co. ("Gillette") and Newbridge Networks Corp. ("Newbridge").
33. In late March 1997 the Bre-X fraud was being exposed and Bre-X, Bro-X and Bresea shares became worthless almost overnight. As a result, Fisher's shares of Walt Disney and Gillette had to be sold to meet margin loan requirements. The net result was a loss of \$13,937.40 in the margin account.
34. As a result of trading activity in Fisher's margin account between May 31, 1995 and December 31, 1997 there was a net profit of \$5,592.77 notwithstanding the losses incurred by Bre-X and Bresea.
35. The Respondent acknowledges that in reaching this agreement consideration was given to his level of income and the financial impact the penalty would have upon him. But for these considerations the penalty may have been higher.

**IV. CONTRAVENTIONS**

36. In or around May, 1995 to December 1997, the Respondent, an approved person employed at the relevant time by Burns Fry Ltd. (now BMO Nesbitt Burns Inc.), a Member of the Association, engaged in business conduct or practice that is unbecoming or detrimental to the public interest in that he purchased two securities, namely Mylex Corporation and Fulcrum Technologies Inc., for the margin account of his client Christine Fisher, without the authorization or consent of the client, contrary to By-law 29.1 of the Association.
37. In or around May, 1995 to December 1997, the Respondent, an approved person employed at the relevant time by Burns Fry (now BMO Nesbitt Burns Inc.), a Member of the Association, failed to exercise due diligence to ensure that recommendations made for the account of a client, namely Christine Fisher, were appropriate for the client and in keeping with her investment objectives, in that he recommended purchases of speculative securities when her investment objectives had no allocation for speculative investments and in that he recommended that she take out a margin loan, contrary to Regulation 1300.1 (c).

## **SRO Notices and Disciplinary Decisions**

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### **V. ADMISSION OF CONTRAVENTIONS AND FUTURE COMPLIANCE**

38. The Respondent admits the contravention of the Statutes or Regulations thereto, By-laws, Regulations, Rulings or Policies of the Association noted in Section IV of this Settlement Agreement. In the future, the Respondent shall comply with these and all By-laws, Regulations, Rulings and Policies of the Association.

### **VI. DISCIPLINE PENALTIES**

39. The Respondent accepts the imposition of discipline penalties by the Association pursuant to this Settlement Agreement as follows:
- (a) for the Contraventions, a fine in the amount indicated below, payable to the Association within one (1) month of the effective date of this Settlement Agreement: Contraventions as set out in Section IV, \$7,500
  - (b) for each Contravention as set out in Section IV, concurrent, as a condition of his continued approval in any capacity with a Member of the Association, filing with the Association monthly close supervision reports for a period of 6 months following the effective date of this Settlement Agreement; and
  - (c) for each Contravention set out in Section IV, concurrent, a condition of continued approval that in the event the Respondent fails to comply with any of these discipline penalties within the time prescribed, the District Council may upon application by the Senior Vice President, Member Regulation and without further notice to the respondent suspend the approval of the Respondent until the penalties are complied with.

### **VII. ASSOCIATION COSTS**

40. The Respondent shall pay the Association's costs of this proceeding in the amount of \$3000.00, payable to the Association within one (1) month of the effective date of this Settlement Agreement.

### **VIII. EFFECTIVE DATE**

41. This Settlement Agreement shall become effective and binding upon the Respondent and Staff in accordance with its terms as of the date of:
- (a) its acceptance; or
  - (b) the imposition of a lesser penalty or less onerous terms; or
  - (c) the imposition, with the consent of the Respondent, of a penalty or terms more onerous,

by the District Council.

### **IX. WAIVER**

42. If this Settlement Agreement becomes effective and binding, the Respondent hereby waives his right to a hearing under the Association By-laws in respect of the matters described herein and further waives any right of appeal or review which may be available under such By-laws or any applicable legislation.

### **X. STAFF COMMITMENT**

43. If this Settlement Agreement becomes effective and binding, Staff will not proceed with disciplinary proceedings under Association By-laws in relation to the facts set out in Section III of the Settlement Agreement.

### **XI. PUBLIC NOTICE OF DISCIPLINE PENALTY**

44. If this Settlement Agreement becomes effective and binding:
- (a) the Respondent shall be deemed to have been penalized by the District Council for the purpose of giving written notice to the public thereof by publication in an Association Bulletin and by delivery of the notice to the media, the securities regulators and such other persons, organizations or corporations, as required by Association By-laws and any applicable Securities Commission requirements; and
  - (b) the Settlement Agreement and the Association Bulletin shall remain on file and shall be disclosed to members of the public upon request.

**XII. EFFECT OF REJECTION OF SETTLEMENT AGREEMENT**

45. If the District Council rejects this Settlement Agreement:

- (a) the provisions of By-laws 20.10 to 20.24, inclusive, shall apply, provided that no member of the District Council rejecting this Settlement Agreement shall participate in any hearing conducted by the District Council with respect to the same matters which are the subject of the Settlement Agreement; and
- (b) the negotiations relating thereto shall be without prejudice and may not be used as evidence or referred to in any hearing.

**AGREED TO** by the Respondent at the "City" of "Ottawa", in the Province of Ontario, this "10th" day of "November", 2000.

"Harold Hamilton"  
RESPONDENT

**AGREED TO** by Staff at the City of Toronto, in the Province of Ontario, this "27th" day of "November", 2000.

"Alice Abbott"  
WITNESS

"Natalija Popovic"  
Enforcement Counsel on behalf of Staff of the Investment Dealers Association of Canada

**ACCEPTED** by the Ontario District Council of the Investment Dealers Association of Canada, at the City of "Toronto", in the Province of Ontario, this "6th" day of "December", 2000.

Investment Dealers Association of Canada  
(Ontario District Council)

Per: "Fred Kaufman" chair

Per: "David Kerr" industry member

Per: "Hugh McNabney" industry member

**13.1.4 Rocco Meliambro**

December 14, 2000

No. 2803

**By-laws and Regulations**

Discipline Penalties Imposed on Rocco Meliambro - Violation of Policy 2

**Person Disciplined**

The Ontario District Council (District Council) of the Investment Dealers Association of Canada (Association) has imposed a discipline penalty on Rocco Meliambro, at the relevant time a Branch Manager with Moss, Lawson & Co. Limited (now HSBC Securities (Canada) Inc.), a member of the Association.

**By-laws, Regulations, Policies Violated**

On December 6, 2000, the District Council considered, reviewed and accepted a settlement agreement that had been negotiated by Association Enforcement Division staff with Mr. Meliambro. Pursuant to the settlement agreement, Mr. Meliambro admitted that during the period between September 1995 through September 1996 he failed to properly supervise Jeffrey Neil Turcotte, a registered representative who was under the Respondent's supervision, in respect of the account of Mr. Turcotte's client, in that he failed to i) review the previous day's trading for lack of suitability; and ii) maintain evidence of his supervisory reviews of the work of Mr. Turcotte. Specifically, the Respondent failed to i) identify and appropriately question the daily transactions which resulted in the client's margin account from September 1995 to September 1996; and ii) evidence any of his supervisory reviews for the period in question, contrary to the Association's Policy II, Sections I.B1., III.A.2 and III.B.

**Penalty Assessed**

The discipline penalty assessed against Mr. Meliambro is a fine in the amount of \$8,000.00 and that he re-write the exam based on the Branch Manager's Course. In addition, Mr. Meliambro is required to pay \$1,000.00 toward the Association's costs of investigation of this matter.

**Summary of Facts**

In July 1995, Mr. Turcotte, a Registered Representative over whom Mr. Meliambro had supervisory responsibility opened a margin account for an elderly client which indicated investment objectives to be 50% income, 25% medium term and 25% speculative investments. In September 1995 Mr. Turcotte started purchasing shares of speculative securities, namely Tee-Comm Electronics Inc. and Multi Corp. Inc., in the margin account. In October 1995 Mr. Turcotte purchased, sold and re-purchased shares of these securities in the margin account; by month end 48% of the margin account consisted of speculative securities.

In November 1995, Mr. Turcotte advised this client to change the investment objectives in the margin account to 75% long term and 25% speculative trading in order to more closely conform to the trading that had already occurred in the account. Mr. Meliambro was responsible for the daily

supervision of Mr. Turcotte's work. Several transactions completed by Mr. Turcotte were outside of the stated investment objectives but were not reviewed for lack of suitability or questioned by Mr. Meliambro.

In addition, Mr. Meliambro failed to maintain evidence of his supervisory reviews for the period in question. Mr. Meliambro currently works as a Branch Manager at Yorkton Securities Inc. in Ottawa.

For disciplinary information regarding Jeffrey Turcotte please see Association Bulletin No. 2781.

Suzanne M. Barrett  
Association Secretary

### 13.1.5. Rocco Meliambro Settlement Agreement

IN THE MATTER OF DISCIPLINE PURSUANT TO BY-LAW 20 OF THE INVESTMENT DEALERS ASSOCIATION OF CANADA

RE: ROCCO MELIAMBRO SETTLEMENT AGREEMENT

#### I. INTRODUCTION

1. The staff ("Staff") of the Investment Dealers Association of Canada ("the Association") has conducted an investigation (the "Investigation") into the conduct of Rocco Meliambro ("the Respondent").
2. The Investigation discloses matters for which the District Council of the Association ("the District Council") may penalize the Respondent by imposing discipline penalties.

#### II. JOINT SETTLEMENT RECOMMENDATION

3. Staff and the Respondent consent and agree to the settlement of these matters by way of this Settlement Agreement in accordance with By-law 20.25.
4. This Settlement Agreement is subject to its acceptance, or the imposition of a lesser penalty or less onerous terms, or the imposition, with the consent of the Respondent, of a penalty or terms more onerous, by the District Council in accordance with By-law 20.26.
5. Staff and the Respondent jointly recommend that the District Council accept this Settlement Agreement.
6. If at any time prior to the acceptance of this Settlement Agreement, or the imposition of a lesser penalty or less onerous terms, or the imposition, with the consent of the Respondent, of a penalty or terms more onerous, by the District Council, there are new facts or issues of substantial concern in the view of Staff regarding the facts or issues set out in Section III of this Settlement Agreement, Staff will be entitled to withdraw this Settlement Agreement from consideration by the District Council.

#### III. STATEMENT OF FACTS

##### (i) Acknowledgment

7. Staff and the Respondent agree with the facts set out in this Section III and acknowledge that the terms of the settlement contained in this Settlement Agreement are based upon those specific facts.

##### (ii) Factual Background

###### a) The Respondent

8. The Respondent was at all material times the branch manager working at the Ottawa office of Moss Lawson & Co. Limited ("Moss Lawson").
9. At all relevant times, the Respondent in his capacity as branch manager, was responsible for the supervision of Jeffrey Neil Turcotte ("Turcotte"), a registered representative.
10. The Respondent was the subject of a TSE discipline proceeding which resulted in a Notice to Members / Approved Person Disciplined dated December 14, 1990 wherein he was fined \$3,000, and was required to pay costs of \$330. While a registered representative, the Respondent was disciplined for exercising discretionary power over the accounts of a client, between February 1983 and January 1986, with the verbal consent of the client. However, he failed to have the proper documentation in place as required by the relevant TSE by-law, nor did he notify his firm of the manner in which the account was being traded.

###### b) Background of Turcotte's clients Eva Giles and George Giles

11. At all material times, Eva Giles and George Giles were clients of Turcotte. Eva Giles had retired from her job as a kindergarten teacher in 1988 and George Giles was retired from a post in the television unit of the CBC. During the relevant time, George Giles worked on a casual part time basis as a travel agent in Ottawa.
12. By letters dated June 2, 1997 and July 22, 1997 the Giles' complained to the OSC and the Association, respectively, alleging that Turcotte made recommendations of speculative securities for their accounts which were not appropriate for them given their conservative investment objectives.



## SRO Notices and Disciplinary Decisions

13. The Giles' were initially clients at J.A. Gifford and Associates ("Giffords") investing primarily in GICs. When Giffords was unable to offer them investments in coupons and strip bonds they were referred to Midland and eventually to Turcotte. As each of the GICs at Gifford's came due, the money would be transferred to Midland and purchases of strip bonds would be made.
14. The Giles' developed a close personal and trusting relationship with Turcotte, so when he contacted them to advise that he had transferred to Moss Lawson and asked that they moved their account in order to continue to work with him, they did so.
15. In addition, Turcotte gave the Giles' a marketing document entitled "Celebrating over 70 Years as a Trusted Advisor to Private Investors" which represented that the "Representative at Moss Lawson was a Specialist in Retirement Planning". Since both of the Giles' were retired this seemed like a firm that would be suitable for their needs.
16. Turcotte opened five accounts for the Giles'; a joint account, a cash account for each (both of which were subsequently changed to margin accounts), as well an RRSP account for each.

### c) Eva Giles' Cash/Margin Account and RRSP Account

17. The NAAFs on file for Eva Giles' accounts can be summarized as follows:

Date	Account	Risk	Investment Objectives	Net Worth	Income	Knowledge
July 1995	Mrs. Giles - Margin	Medium	40% Lt, 40% Mt, 20% Spec	1,000,000	50,000 - 100,000	Good
November 1995	Mrs. Giles - Margin	Medium	75% Lt, 25% Spec	1,000,000	50,000 - 100,000	Good
April 1995	Mrs. Giles - RRSP	N/A	100% Lt	< 200,000	50,000 - 100,000	Good
November 1995	Mrs. Giles - RRSP	Medium	75% Lt, 25% Spec	1,000,000	50,000 - 100,000	Good

The shaded areas were the NAAFs that the client possessed.

18. Notwithstanding the indication on the NAAF that Eva Giles investment knowledge was good, she had no significant experience or training in securities in order to be so classified. She maintains that she did not have an understanding of the meaning of speculation or venture within the context of her accounts. Although she signed the NAAF forms she did not complete them and believes they were completed by Turcotte for her signature.
19. Following the opening of Eva Giles' RRSP account in April 1995, several coupons were transferred in by June 1995 and sold in August 1995. In September 1995 the account purchased shares of Tee-Comm Electronics Inc. ("Tee-Comm") a speculative security. At month end speculative holdings in this account formed 16% of the total value whereas the NAAF had investment objectives of 100% long term growth.
20. Eva Giles' margin account also showed conservative trading until September 1995 when Tee-Comm shares were purchased. At month end speculative holdings in this account formed 11% of the 20% allocated for speculative content on the NAAF.
21. Purchases of another speculative security commenced in October 1995 when shares of Multi-Corp Inc. ("Multi-Corp") were purchased in Eva Giles' margin account.
22. Purchases and sales of Tee-Comm and Multi-Corp. in Eva Giles' RRSP and margin accounts may be summarized as follows:

Account	Settle- ment Date	Security	Volume -Buy (Sell)	Price	Proceeds	Profit/ (Loss)
Margin	09/21/95	Tee-Comm	500	\$13.25	\$6,808.32	N/A
RRSP	09/29/95	Tee-Comm	1,000	\$15.00	\$15,389.24	N/A
Margin	10/05/95	Multi-Corp	500	\$4.60	\$2,382.61	N/A
Margin	10/06/95	Tee-Comm	1,400	\$18.625	\$26,651.98	N/A
Margin	10/26/95	Multi-Corp	(500)	\$6.375	\$3,102.51	\$719.90
Margin	10/26/95	Tee-Comm	(200)	\$15.50	\$7,660.94	\$(1,144.06)
			(300)	\$15.75		
Margin	10/31/95	Multi-Corp	400	\$7.625	\$3,146.89	N/A
Margin	10/31/95	Tee-Comm	500	\$14.625	\$7,470.88	N/A
RRSP	10/26/95	Tee-Comm	(700)	\$15.75	\$15,506.78	117.54
			(300)	\$16.00		
RRSP	10/31/95	Tee-Comm	1,000	\$14.625	\$14,930.10	N/A

23. Sales of TeeComm and Multi-Corp were completed in October 1995 in order to lock in profits prior to the upcoming referendum in Quebec, as it was believed that an unfavourable result of the referendum could adversely affect share prices.

## SRO Notices and Disciplinary Decisions

24. Toward the end of October 1995 Eva Giles was advised by Turcotte to buy back both Tee-Comm and Multi-Corp shares. The purchase of these shares was facilitated by the redemption of a T-Bill. By month end 61% of the margin account consisted of these two securities, the remainder consisted of strip bonds.
25. Purchases of Tee-Comm in Eva Giles' RRSP account resulted in a 20% holding of speculative securities by end of October 1995.
26. Turcotte updated the NAAFs in each of the RRSP and margin accounts in November 1995. The new NAAFs reflected an increase in the speculative component of the accounts, which roughly came into line with trading that had already occurred in the accounts. Specifically, speculative content was increased from zero to 25% in the RRSP account and from 20% to 25% in the margin account.
27. In November 1995 another GIC came due and was deposited into the margin account as cash, which was then used to purchase more coupons. As a result speculative holdings dropped to 34%. The equity in the RRSP account did not change this month. At the suggestion of Turcotte, Eva Giles signed new NAAFs, which showed the amended investment objectives of 25% speculation in each account.
28. In December 1995 Turcotte sold 500 shares of Tee-Comm stock in the margin account and purchased 1,600 Tee-Comm warrants. Turcotte recommended Tee-Comm warrants to Eva Giles and advised that it was expected that they would rise in value from \$4.00 to \$16.00. It was never explained to her that warrants have an intrinsic value. The margin account had a speculative content of 29% at December month end.
29. In the RRSP account, Turcotte sold all Tee-Comm shares and bought 3,300 Tee-Comm warrants. At the end of December 1995 the RRSP account had a speculative content of 18%.
30. The purchases of Tee-Comm warrants in the margin and RRSP accounts can be summarized as follows:

Account	Settlement Date	Security	Volume- Buy (Sell)	Price	Proceeds	Profit/Loss
Margin	12/12/95	Tee-Comm	(500)	\$14.75	\$7,175.84	(1,629.16)
Margin	12/12/95	Tee-Comm Warrants	1,600	\$4.10	\$6,789.12	N/A
RRSP	12/12/95	Tee-Comm	1,000	\$14.75	\$13,983.07	(1,523.71)
RRSP	12/12/95	Tee-Comm Warrants	3,300	\$4.10	\$13,983.07	N/A

31. In March 1996 Turcotte recommended and completed a sale of the Multi-Corp. shares in the margin account and realized a profit of \$1,075.28.
32. Two weeks prior to the expiration of the warrants both Eva Giles and George Giles began phoning Turcotte, almost daily, to seek advice on how to proceed. Turcotte encouraged them to hold the warrants right through the expiration date by advising them that there was to be a take over of Tee-Comm.
33. In November 1997 the Tee-Comm warrants expired unexercised. The loss on this investment was 100% of the cost, which amounted to \$6,789.12 for the margin account and \$13,983.07 in the RRSP account.
34. From December 1995 onward, the percentage of speculative securities held in Eva Giles' margin and RRSP accounts fell due to the sale of Multi-Corp in March 1996 and the expiration of the Tee-Comm warrants in November 1996.

### d) George Giles' Cash/Margin and RRSP Accounts

35. The NAAFs on file for George Giles' accounts can be summarized as follows:

Date	Account	Risk	Investment Objectives	Net Worth	Income	Knowledge
April 1995	Mr. Giles - RRSP	N/A	50% I, 50% Lt	< 200,000	50,000 - 100,000	Good
November 1995	Mr. Giles - RRSP	Medium	75% Lt, 25% Spec	1,000,000	50,000 - 100,000	Good
June 1995	Mr. Giles - Margin	N/A	50% I, 25% Mt, 25%, Spec	< 200,000	50,000 - 100,000	Good
July 1995	Mr. Giles - Margin	Medium	40% I, 40% Mt, 20% Spec	1,000,000	50,000 - 100,000	Good
November 1995	Mr. Giles - Margin	Medium	75% Lt, 25% Spec	1,000,000	50,000 - 100,000	Good

The shaded areas were the NAAFs that the client possessed.

\*The update to the objectives was in the RRSP column on the NAAF, however the account number on the top of the form was for the margin account.

## SRO Notices and Disciplinary Decisions

36. All of the NAAFs for George Giles showed him to be retired although he worked part time on a casual basis as a travel agent throughout the relevant time period.
37. Notwithstanding that the investment knowledge portion of the NAAFs is shown as "Good", George Giles had no significant training or experience to qualify his knowledge as good. Although on one occasion, George Giles did give written instructions to Turcotte in respect of a "stop loss" order, he did not understand that term at the relevant time. Similarly he appears to have had limited understanding of the concepts of venture and speculation. He believed at all relevant times that he would be getting safe growth stocks.
38. George Giles had previously held a speculative security. During the time that Turcotte was his advisor at Midland, George Giles purchased shares of Seprotech Systems Inc. ("Seprotech"), a small-cap growth oriented security. George Giles held shares of Coca-Cola Inc. ("Coke") while at Midland. He had learned via media reports that Seprotech had a relationship with Coke. It was the relationship between the two companies that prompted the purchase of Seprotech rather than an interest in speculative securities. But for the association with Coke, George Giles would not have purchased Seprotech shares.
39. In September 1995, Turcotte purchased shares of Tee-Comm and Multi-Corp in both the RRSP and margin accounts for George Giles. Turcotte had told George Giles: that many of Moss Lawson's clients were purchasing Tee-Comm; that Tee-Comm was a satellite dish manufacturer and that CRTC approval for it was forthcoming; that it was a company that had a computer program which could translate English into Chinese and that it was a winner of a stock".
40. Turcotte agrees that Tee-Comm and Multi-Corp were speculative in nature. Though Turcotte claims to have sent a great deal of information and documentation to the Giles' about these companies, George Giles received considerably less than what was allegedly sent to him. In addition, notwithstanding Turcotte's claim that neither of these companies were recommendations of Moss Lawson, there is a document in the package of information received by the Giles' which is a research report authored by Moss Lawson about Tee-Comm.
41. In October 1995 Turcotte purchased, sold and re-purchased several shares of Tee-Comm and Multi-Corp. By month end 26% of the equity in the RRSP account was in these two securities and the rest in strip coupons and Seprotech. The margin account held 48% equity in Tee-Comm, Multi-Corp and Seprotech.
42. The trading in Tee-Comm and Multi-Corp in George Giles' margin and RRSP accounts can be summarized as follows:

Account	Settlement Date	Security	Volume-Buy (Sell)	Price	Proceeds
Margin	10/05/95	Multi-Corp	1,000	\$4.60	\$4,764.72
Margin	10/06/95	Tee-Comm	1,000	\$18.75	\$19,177.81
Margin	10/26/95	Multi-Corp	(1,000)	\$6.375	\$6,209.17
Margin	10/31/95	Multi-Corp	800	\$7.625	\$6,289.81
RRSP	10/26/95	Multi-Corp	(1,000)	\$6.375	\$6,209.17
RRSP	10/26/95	Tee-Comm	(500)	\$16.00	\$7,834.56
RRSP	10/31/95	Multi-Corp	800	\$7.625	\$6,289.81
RRSP	10/31/95	Tee-Comm	500	\$14.625	\$7,470.88

43. In November 1995, at Turcotte's suggestion the investment objectives for both of George Giles' accounts were changed to 75% long term growth and 25% speculation. George Giles maintains that he did not understand the risks associated with the change of objectives.
44. In December 1995 Turcotte sold all Tee-Comm shares in the RRSP account and purchased 1,600 Tee-Comm warrants. The margin account continued to hold Tee-Comm shares. Turcotte touted the warrants as an excellent investment, which would blossom and make some money after which a decision could be made as to whether to exercise them. At no time was the additional risk associated with warrants explained to George Giles.
45. In March 1996 Multi-Corp was sold from the RRSP account resulting in a profit of \$2,165.86 and a gain of 34% over the purchase price. The proceeds were reinvested in Kinross Gold Corporation ("Kinross"), a mining company and a speculative security. The margin account also sold Multi-Corp resulting in a 34% gain and a credit in the account.
46. In September 1996 Turcotte recommended the purchase of shares of Greystar Resources Ltd. ("Greystar"), a speculative growth venture. Shares were purchased with the proceeds of the sale of BC provincial coupons in the margin account.
47. In November 1996 the Tee-Comm warrants expired unexercised resulting in a 100% loss of \$6,789.12 for the RRSP account.
48. In June 1997 Greystar was sold from the margin account at a loss of \$2,243.93. No further trading took place in either the RRSP or margin account.

49. The trading of Kinross and Greystar can be summarized as follows:

Account	Settlement Date	Security	Volume -Buy (Sell)	Price	Proceeds	Profit/ Loss
Margin	03/15/96	Multi-Corp	(800)	\$10.875	\$8,455.67	\$2,165.86
RRSP	03/15/96	Multi-Corp	(800)	\$10.875	\$8,455.67	\$2,165.86
RRSP	03/15/96	Kinross	850	\$11.39	\$10,261.88	N/A
Margin	09/26/96	Greystar	2,500	\$1.95	\$5,049.54	N/A
Margin	06/05/96	Greystar	(1,500) (1,000)	\$1.16 \$1.17	\$2,805.61	(\$2,243.93)

e) Eva Giles and George Giles Joint Account

50. The NAAF information for the Giles' joint account is as follows:

Date	Account	Risk	Investment Objectives	Net Worth	Income	Knowledge
April 1995	Joint	N/A	25% I, 25% St, 25% Lt, 25% Spec	1,000,000	50,000 - 100,000	Good
July 1995	Joint	Medium	40% I, 40% Mt, 20% Spec	1,000,000	50,000 - 100,000	Good

51. From July 1995 to October 1995 trading patterns in the joint account were the same as the Giles' other accounts at Moss Lawson. In October 1995, Turcotte purchased 500 shares of Tee-Comm at \$18.625 for a cost of \$9,532.17. This purchase represented 13% of account assets at month end. In this account the speculative component stayed within the 20% allocation on the NAAF. These shares were held through to June 1997 by which time they had lost virtually their entire value. No other speculative securities were purchased in this account.

f) Supervision by the Respondent

52. The Respondent was responsible for the daily supervision of the branch office in Ottawa where Turcotte was a registered representative.
53. The Respondent received daily commission runs, which showed all previous days trades for each registered representative in the branch.
54. The Respondent did not evidence any of his reviews of daily commission runs in any manner. All follow up in respect of his daily reviews was completed verbally with the registered representative in question.
55. Several transactions completed by Turcotte were outside of the stated investment objectives for the Giles' accounts and should have been, but were not, questioned by the Respondent during the course of his daily reviews:

Account	Settlement Date	NAAF - Spec	% of Spec (*)	Security	Volume Bought	Price	Total Cost
Mrs. Giles, RRSP	09/29/95	0%	16%	Tee-Comm	1,000	\$15.00	\$15,389.24
Mrs. Giles, Margin	10/06/95	20%	45%	Tee-Comm	1,400	\$18.625	\$26,651.98
Mrs. Giles, Margin	10/31/95	20%	35%	Multi-Corp	400	\$7.625	\$3,102.51
Mrs. Giles, Margin	10/31/95	20%	60%	Tee-Comm	500	\$14.625	\$7,470.88
Mrs. Giles, RRSP	10/31/95	0%	20%	Tee-Comm	1,000	\$14.625	\$14,930.10
Mr. Giles, Margin	10/06/95	25%	62%	Tee-Comm	1,000	\$18.625	\$19,177.81
Mr. Giles, Margin	10/31/95	25%	48%	Multi-Corp	800	\$7.625	\$6,289.81
Mr. Giles, Margin	09/26/96	25%	78%	Greystar	2,500	\$1.95	\$5,049.54

(\*) Calculations of % of speculation for Giles' accounts were approximated given that mid-month values were unavailable on month-end statements. The degree of inaccuracy should be marginal as account equity only dropped approximately \$1,000 from the end of September 1995 to October 1995.

(\*) Mr. Giles' RRSP has been assumed to have 25% speculation from the supervisory perspective. The NAAF update done in July 1995 for the margin account showed the change of objectives in the RRSP column.

56. The Respondent was responsible for the monthly supervision in the branch and received monthly account statements from the head office which identified periods when commissions of \$1000 or more had been generated in any given account.
57. The Respondent did not evidence his monthly reviews in any way. All follow up was completed verbally with registered representative in question.
58. In October 1995 the trading activity in George Giles' RRSP account and Eva Giles' margin account generated \$1000 or more commission and thus should have triggered a review by the Respondent. However, no review was completed.
59. At month end October 1995, Eva Giles margin account indicated that 48% of the account held speculative securities when the NAAF allowed for a maximum of only 20% speculative securities. The Respondent failed to evidence whether he had any discussions with Turcotte in respect of this discrepancy.
60. The Respondent noted that there were several changes in the investment objectives of the various accounts held by the Giles' but could not recall having any direct conversations relating to the NAAFs with Turcotte.
61. The Respondent at no time contacted the clients to discuss the changes in their investment objectives or the trading in their accounts.
62. The Respondent had noticed the transactions in Multi-Corp and Tee-Comm in George Giles' accounts but his discussions with Turcotte in respect of this type of trading gave him the impression that these were unsolicited orders placed by the client.
63. It was the Respondent's belief that the clients' investment objectives had been revised prior to the time that trading that occurred in Multi-Corp and Tee-Comm in the clients' accounts. In fact the revisions occurred after the trading had been completed.
64. The Respondent did not recall; requesting that Turcotte update the clients' investment objectives; questioning the trades in Multi-Corp and Tee-Comm that took place in Eva Giles' account; questioning the purchase of Greystar in September 1996 in George Giles' margin account, even though the speculative holding was 78% of the account when the maximum was to be 25% according to the NAAF.
65. There is no documentary evidence to confirm that any conversations took place between Turcotte and the Respondent in respect of these issues.

**IV. CONTRAVENTIONS**

66. In or around Sept. 1995 to Sept. 1996, the Respondent failed to properly supervise Jeffrey Neil Turcotte, a registered representative who was under the Respondent's supervision, in respect of the account of Turcotte's client, George Giles, in that he failed to i) review the previous day's trading for lack of suitability; and ii) maintain evidence of his supervisory reviews of the work of Jeffrey Neil Turcotte. The Respondent failed in the above in that he failed to i) identify and appropriately question the daily transactions which resulted in George Giles' margin account from Sept. 1995 to Sept. 1996; and ii) evidence any of his supervisory reviews for the period in question, contrary to the Association's Policy II, Sections I.B1., III.A.2 and III.B.

**V. ADMISSION OF CONTRAVENTIONS AND FUTURE COMPLIANCE**

67. The Respondent admits the contravention of the Statutes or Regulations thereto, By-laws, Regulations, Rulings or Policies of the Association noted in Section IV of this Settlement Agreement. In the future, the Respondent shall comply with these and all By-laws, Regulations, Rulings and Policies of the Association.

**VI. DISCIPLINE PENALTIES**

68. The Respondent accepts the imposition of discipline penalties by the Association pursuant to this Settlement Agreement as follows:
- (a) for the Contraventions, a fine in the amount indicated below, payable to the Association within four (4) months of the effective date of this Settlement Agreement:  
  
Contraventions as set out in Section IV, paragraphs 66: \$8,000
  - (b) for the Contraventions as set out in Section IV, as a condition of his continued approval in any capacity with a member of the Association, re-writing and passing the examination based on the Branch Manager's Course, administered by the Canadian Securities Institute within six (6) months following the effective date of this Settlement Agreement;
  - (c) for each Contravention set out in Section IV, a condition of continued approval that in the event the Respondent fails to comply with any of these discipline penalties within the time prescribed, the District Council may upon application

by the Senior Vice President, Member Regulation and without further notice to the Respondent suspend the approval of the Respondent until the penalties are complied with.

**VII. ASSOCIATION COSTS**

69. Respondent shall pay the Association's costs of this proceeding in the amount of \$1000.00, payable to the Association within four (4) months of the effective date of this Settlement Agreement.

**VIII. EFFECTIVE DATE**

70. This Settlement Agreement shall become effective and binding upon the Respondent and Staff in accordance with its terms as of the date of:

- (a) its acceptance; or
- (b) the imposition of a lesser penalty or less onerous terms; or
- (c) the imposition, with the consent of the Respondent, of a penalty or terms more onerous,

by the District Council.

**IX. WAIVER**

71. If this Settlement Agreement becomes effective and binding, the Respondent hereby waives his right to a hearing under the Association By-laws in respect of the matters described herein and further waives any right of appeal or review which may be available under such By-laws or any applicable legislation.

**X. STAFF COMMITMENT**

72. If this Settlement Agreement becomes effective and binding, Staff will not proceed with disciplinary proceedings under Association By-laws in relation to the facts set out in Section III of the Settlement Agreement.

**XI. PUBLIC NOTICE OF DISCIPLINE PENALTY**

73. If this Settlement Agreement becomes effective and binding:

- (a) the Respondent shall be deemed to have been penalized by the District Council for the purpose of giving written notice to the public thereof by publication in an Association Bulletin and by delivery of the notice to the media, the securities regulators and such other persons, organizations or corporations, as required by Association By-laws and any applicable Securities Commission requirements; and
- (b) the Settlement Agreement and the Association Bulletin shall remain on file and shall be disclosed to members of the public upon request.

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## Chapter 25

# Other Information

### 25.1 Securities

#### RELEASE FROM ESCROW

COMPANY NAME	DATE	NUMBER AND TYPE OF SHARES	ADDITIONAL INFORMATION
Eminator Capital Corp.	December 21, 2000	585,527 common shares	for purposes of cancellation

#### TRANSFERS WITHIN ESCROW

COMPANY NAME	DATE	FROM	TO	NO. OF WARRANTS
Toxin Alert Inc.	December 20, 2000	W.T.Bodenhamer	Richard Douglas	15,000
Toxin Alert Inc.	December 20, 2000	W.T.Bodenhamer	759924 Ontario Limited	50,000
Toxin Alert Inc.	December 20, 2000	W.T.Bodenhamer	Eric Fonberg	10,000
Toxin Alert Inc.	December 20, 2000	W.T.Bodenhamer	Kristine Ralevski	1,500
Toxin Alert Inc.	December 20, 2000	W.T.Bodenhamer	Stephen N. Adams	10,000
Toxin Alert Inc.	December 20, 2000	G. Montegu Black	June Black	35,000
Toxin Alert Inc.	December 20, 2000	G. Montegu Black	G. Montegu Black, IV	30,000
Toxin Alert Inc.		G. Montegu Black	Dominic Doull	2,500
Toxin Alert Inc.		G. Montegu Black	Carolyn Campbell	7,500



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