The Ontario Securities Commission

OSC Bulletin

January 19, 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)

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Fax: 18th Floor - 416-593-3681 (Corporate Finance: Take over Bid)
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TODAY'S OSC

Protects investors from unfair, improper or fraudulent practices.
Fosters fair, efficient capital markets in Ontario.
Creates confidence in the integrity of those markets.
Is pro-active, intelligently aggressive and innovative.

Today's OSC **seeks exceptional individuals with the skills, energy and commitment necessary to play a leading role in Ontario's rapidly evolving capital markets.**

Opportunities exist in the Enforcement Branch for:

INVESTIGATION COUNSEL (RESEARCH), INVESTIGATIONS UNIT

The Ontario Securities Commission is seeking a research lawyer with between two and five years of experience conducting research in the areas of corporate/securities law and administrative law. The ideal candidate will possess a good working knowledge of legal research databases; a demonstrated ability to solve legal research problems; strong analysis, communication and writing skills; and a desire to support counsel practicing in a dynamic regulatory sector. The candidate will also be expected to assume responsibility for co-ordinating the work of articling students, continuing education programs and maintaining internal research archives.

INVESTIGATION COUNSEL, CASE ASSESSMENT

In pursuing the Commission's mandate to enforce Ontario securities law, you investigate breaches of Ontario securities law. You provide initial assessments and make recommendations regarding the commencement of investigations and/or proceedings, resolve matters where appropriate and support the investigation of complex matters. As well, you provide legal interpretations of and advice on securities and corporate law matters.

Qualifications for both positions include membership in the Law Society of Upper Canada with experience typically gained at a law firm, a securities firm, in-house at a corporation and/or a securities regulatory agency. You have a sound knowledge of Ontario securities law and administrative law and an understanding of the operations of Canadian capital markets. You demonstrate excellent judgment and analytical abilities, have a track record of "getting up to speed" on issues and have an ability to work well both independently and as part of a team. For the research position, solid research skills are required, as well as the ability to work well at the direction of counsel.

If you thrive in a responsive, performance-based culture and would like to work in the public interest, please submit your résumé, in confidence, by **February 16, 2001,** to Human Resources, Ontario Securities Commission, Suite 1900, Box 55, 20 Queen Street West, Toronto, Ontario, M5H 3S8. You may also fax us at (416) 593-8348 or send e-mail to HR@osc.gov.on.ca

Ontario Securities Commission

Ontario

The Ontario Securities Commission is an equal opportunity employer.

Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

January 19, 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

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

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THE COMMISSIONERS

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Howard Wetston, Q.C. Vice-Chair	—	HW
Kerry D. Adams, FCA	—	KDA
Stephen N. Adams, Q.C.	—	SNA
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. M. Code and Ms. K. Daniels in attendance for staff. Panel: HIW/DB/RWD
Feb 16/2001 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

Apr16/2001- Apr 30/2001 10:00 a.m.	**Philip Services Corp., Allen Fracassi, Philip Fracassi, Marvin Boughton, Graham Hoey, Colin Soule, Robert Waxman and John Woodcroft** s. 127 Ms. K. Manarin & Ms. K. Wootton in attendance for staff. Panel: TBA	
May 7/2001- May 18/2001 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

Terry G. Dodsley

Offshore Marketing Alliance and Warren English

First Federal Capital (Canada) Corporation and Monter Morris Friesner

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
Jan 29/2001 - Jun 22/2001	**John Bernard Felderhof** Mssrs. J. Naster and I. Smith for staff. Courtroom TBA, Provincial Offences Court Old City Hall, Toronto
Jan 25/2000 10:00 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 Notice of Approval of MOU (Canadian Venture Exchange)

Notice of Minister of Finance approval of Memorandum of Understanding between the Alberta Securities Commission, the British Columbia Securities Commission and the Ontario Securities Commission

On November 20, 2000, the Minister of Finance approved a Memorandum of Understanding ("MOU") between the Alberta Securities Commission, the British Columbia Securities Commission and the Ontario Securities Commission setting out the terms of oversight of the Canadian Venture Exchange Inc.

The MOU was published in the OSC Bulletin on September 1, 2000 at (2000) 23 OSCB 6066 and on September 22, 2000 at (2000) 23 OSCB 6494.

1.1.3 Notice of Commission Approval of Rule 41-502 - Prospectus Requirements for Mutual Funds

ONTARIO SECURITIES COMMISSION
RULE 41-502 PROSPECTUS REQUIREMENTS FOR MUTUAL FUNDS

On January 16, 2001, the Commission approved Ontario Securities Commission Rule 41-502 Prospectus Requirements for Mutual Funds (the "Rule"). The Rule was published for comment on June 27, 1997 at (1997) 20 OSCB (Supp 2) 137.

The Rule was sent to the Minister on January 17, 2001. The Rule is being published in Chapter 5 of the Bulletin.

1.2 News Releases

1.2.1 MacDonald Oil Exploration Ltd., MacDonald Mines Exploration Ltd., Mario Miranda and Frank Smeenk

FOR IMMEDIATE RELEASE

January 12, 2001

Toronto - At a hearing held today, the Ontario Securities Commission approved a settlement entered into between staff of the Commission and MacDonald Oil Exploration Ltd., MacDonald Mines Exploration Ltd., Mario Miranda and Frank Smeenk. The Commission issued a Notice of Hearing and Statement of Allegations against the respondents on January 9, 2001

In the settlement agreement, the respondents admitted to conduct that contravened various securities law requirements.

The Commission reprimanded the respondents and ordered MacDonald Oil to submit to a review of its practices and procedures, including its practices relating to compliance by its directors, officers and principal shareholders. The Commission also ordered that Mario Miranda cease trading in all securities for a six month period and Frank Smeenk cease trading in all securities for a twelve month period, subject to a limited exception permitting them to dispose of securities held on the date of the settlement agreement. The Commission prohibited Mario Miranda and Frank Smeenk from serving as the chair of MacDonald Oil's board of directors or as members of the MacDonald Oil board's audit, corporate governance, compliance or executive committees but did not otherwise restrict their ability to serve as directors of MacDonald Oil. The Commission also prohibited Mario Miranda and Frank Smeenk from acting as officers of MacDonald Oil, subject to a limited exception permitting Frank Smeenk to continue to act as MacDonald Oil's executive vice president. Finally, the Commission ordered MacDonald Oil to pay $50,000, MacDonald Mines to pay $15,000, Mario Miranda to pay $5,000 and Frank Smeenk to pay $5,000 to the Commission in respect of a portion of the Commission's costs for this matter.

Copies of the Settlement Agreement and Order of the Commission made today are attached to this news release and will be posted on the Commission's website at www.osc.gov.on.ca.

References:

Rowena McDougall
Senior Communications Officer
(416) 593-8117

1.2.2 CSA News Release - Mutual Fund Calculator

FOR IMMEDIATE RELEASE

January 17, 2001

MUTUAL FUND CALCULATOR REVEALS IMPACT OF FEES

TORONTO - Securities regulators across Canada have joined forces to promote the Mutual Fund Fee Impact Calculator, an interactive web-based tool that allows investors to calculate the impact of fees on their investments over time.

"We want people to see the impact fees can have on a mutual fund before they invest," said Doug Hyndman, chair of the Canadian Securities Administrators, an umbrella organization of Canada's 13 provincial and territorial securities regulators.

"What at first can seem like a small difference in the fee level can have a large impact on an investment's returns over time."

The kinds of fees usually associated with mutual funds are management, loading, transfer and administrative fees:

Management fees are the annual fees of the mutual fund manager. They generally represent between one per cent and three per cent of the fund's net assets. They are paid directly by the fund that then deducts them from its rate of return.

Loading fees are the sales charges or commissions paid by the investor to the broker when the units are purchased (front-end load) or when the units are redeemed (back-end load). The fees are negotiable but generally vary between one per cent and five per cent of the amount invested.

Transfer fees for moving money from one fund to another are negotiable but on average represent two per cent of the amount transferred.

Administrative fees include, among others, legal, audit and registration fees. They vary from one mutual fund to another and are listed in the prospectus.

Some mutual funds do not charge all these fees. To know if this is to your advantage, you must consider the fund's return, management fee ratio and the quality of the service it offers.

Mutual funds are trusts or corporations that sell shares or units to investors so they can pool their funds, usually to buy stocks or bonds. Mutual funds are diversified, accessible and managed by professionals. Units can be redeemed on demand and their performance is easy to follow in newspapers. Mutual funds have been growing in popularity in Canada. Ten years ago, Canadians invested $30 billion in mutual funds. Today that figure has now grown to $400 billion.

The calculator was launched earlier this year as a joint initiative of Industry Canada and the Ontario Securities Commission. It has proved popular with investors.

"We have received many positive comments from the investing public," said Michael Jenkin, director general of Industry Canada's office of consumer affairs. "In the coming weeks as Canadians think about RRSPs and mutual funds, we encourage them to use the Mutual Fund Fee Impact Calculator."

The calculator can be found through links on CSA member websites:

Alberta: www.albertasecurities.com
British Columbia: www.bcsc.bc.ca
Manitoba: www.msc.gov.mb.ca
Ontario: www.osc.gov.on.ca/en/investor.html

It is also posted on Industry Canada's Consumer Connection Web-site

http://consumerconnection.ic.gc.ca.

For more information, please contact:

Nancy Stow
Ontario Securities Commission
(416) 593-8297

Dean Pelkey
B.C. Securities Commission
(604) 899-6880

Denis Dubé
Commission des valeurs mobilières du Québec
(514) 940-2163

Bonnie Beswick
Alberta Securities Commission
(403) 297-2664

Ainsley Cunningham
Manitoba Securities Commission
(204)-945-4733

Suzanne Ball
New Brunswick Securities Administration Branch
(506) 658-3117

1.2.3 Chapters' Shareholder Rights Plan

FOR IMMEDIATE RELEASE

January 18, 2001

OSC TO HOLD HEARING REGARDING CHAPTERS' SHAREHOLDER RIGHTS PLAN

Toronto - The Ontario Securities Commission will hold a hearing to consider the request by Trilogy Retail Enterprises LP to cease-trade the shareholder rights plan adopted by Chapters Inc. The hearing will be held in the large hearing room on the 17th floor of the Commission's offices (20 Queen Street West, Toronto) on Sunday, January 21, 2001 commencing at 10:00 a.m.

Reference:

Rowena McDougall
Senior Communications Officer
(416) 593-8117

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 MacDonald Oil Exploration Ltd., MacDonald Mines Exploration Ltd., Mario Miranda, Frank Smeenk - Settlement Agreement

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

AND

**IN THE MATTER OF
MACDONALD OIL EXPLORATION LTD.,
MACDONALD MINES EXPLORATION LTD.,
MARIO MIRANDA AND FRANK SMEENK**

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. By Notice of Hearing dated January 8, 2001 (the "Notice of Hearing"), the Ontario Securities Commission (the "OSC") announced that it proposed to hold a hearing to consider whether, pursuant to section 127 of the Act, in the OSC's opinion it is in the public interest for the OSC to make an order:

   (a) pursuant to clause 2 of subsection 127(1) of the Act, that trading in any securities by Mario Miranda ("Miranda") and Frank Smeenk ("Smeenk") cease permanently or for such period as may be specified in the order;

   (b) pursuant to clause 4 of subsection 127(1) of the Act, that MacDonald Oil Exploration Ltd. ("MacDonald Oil") submit to a review of its practices and procedures and institute such changes as may be ordered by the OSC;

   (c) pursuant to clause 6 of subsection 127(1) of the Act, that MacDonald Oil, MacDonald Mines Exploration Ltd. ("MacDonald Mines"), Miranda and Smeenk be reprimanded;

   (d) pursuant to clauses 7 and 8 of subsection 127(1) of the Act, that Miranda and Smeenk be prohibited from acting as officer or director of any issuer and that Miranda and Smeenk resign any such office they currently hold;

   (e) pursuant to subsections 127.1(1) and (2) of the Act, that MacDonald Oil, MacDonald Mines, Miranda and Smeenk pay amounts as a contribution in respect of the costs of the investigation that has been conducted by staff of the OSC ("Staff") into the affairs of the respondents and in respect of the costs of this hearing; and

   (f) such further and other order as the OSC may deem appropriate.

II. JOINT SETTLEMENT RECOMMENDATION

2. Staff agree to recommend the settlement of the proceedings initiated in respect of the respondents by the Notice of Hearing in accordance with the terms and conditions set out hereinafter. The respondents agree to the settlement on the basis of the facts agreed to as hereinafter provided and consent to the making of an order (the "Order") in the form attached as Schedule A on the basis of the facts set out below.

3. This agreement will be released to the public only if and when the settlement is approved by the Commission.

III. STATEMENT OF FACTS

A. Acknowledgment

4. Staff and the respondents agree with the facts set out in this Part III.

B. The Respondents

(i) MacDonald Oil

5. MacDonald Oil is a junior resource issuer currently focussed on oil and gas exploration opportunities in Cuba. Its principal asset is a 15% interest in an exploration licence relating to a block of land ("Block 22") in Cuba.

6. MacDonald Oil was continued under the *Business Corporations Act* (Ontario) (the "OBCA") in April 1997. Its head office is located in Ontario.

7. MacDonald Oil was, at all material times since December 1995, a reporting issuer in Ontario. Effective October 2, 2000, MacDonald Oil became a Tier 3 issuer on the Canadian Venture Exchange ("CDNX").

8. MacDonald Mines and Smeenk, among others, founded MacDonald Oil in 1994.

(ii) MacDonald Mines

9. MacDonald Mines was, at all material times, a reporting issuer in Ontario and certain other provinces. Its common shares (the "Mines Shares") are listed and quoted for trading on CDNX.

10. MacDonald Mines was, at all material times until August 2000, a shareholder of MacDonald Oil.

(iii) Smeenk

11. Smeenk was, at all material times, a director of MacDonald Oil and, until July 12, 2000, chairman of the board of directors of MacDonald Oil (the "MacDonald Oil Board"). From November 24, 1994 until January 20, 1995 and again from May 15, 1997 until July 12, 2000, he was MacDonald Oil's president and chief executive officer ("CEO").

12. From February 1993 to October 1997, Smeenk was the president and CEO of MacDonald Mines. At all material times, he has been a director of MacDonald Mines and, since October 1997, he has been the chairman of MacDonald Mines' board of directors.

(iv) Miranda

13. From January 1998 to July 12, 2000, Miranda was a director and the treasurer and chief financial officer ("CFO") of MacDonald Oil.

14. From June 1996 until October 1997, Miranda was the CFO of MacDonald Mines and, since October 1997, he has been the president and CEO of MacDonald Mines. Since January 1998, he also has been a director of MacDonald Mines.

C. Prior Proceedings

15. On June 8, 1999, MacDonald Oil commenced a securities exchange take-over bid (the "Prior Offer") for all of the outstanding common shares (the "Bresea Shares") of Bresea Resources Ltd. The OSC and the Alberta Securities Commission (the "ASC") issued temporary cease-trade orders (the "Temporary Orders") in respect of the Prior Offer shortly before its scheduled expiry time on July 12, 1999. The Temporary Orders were subsequently extended and amended, pending a hearing by the OSC and ASC to consider whether permanent orders in respect of the Prior Offer should be issued. Following the hearing, the OSC and ASC issued permanent orders (the "Permanent Orders"), which, among other things, cease-traded the Prior Offer and directed that trading cease in Bresea Shares by MacDonald Oil, MacDonald Mines, Smeenk, Miranda and certain others (collectively, the "Prior Respondents") until, among other things, the Prior Respondents established to the satisfaction of the Executive Directors of the OSC and ASC that all Bresea Shares tendered to the Prior Offer had been withdrawn by, or returned to, their owners.

16. In October 1999, MacDonald Oil made an application (the"Application") to the OSC and ASC for:

    (a) a variation previously supported by Staff (the "Requested Variation") of the Permanent Orders; and

    (b) exemptive relief (the "Requested Exemptions") to enable it to proceed with a new securities exchange take-over bid (the "Proposed Offer") for the Bresea Shares.

17. In November 1999, Staff advised MacDonald Oil that Staff had concerns about whether MacDonald Oil and its directors, officers and principal shareholders had been complying with Ontario securities law and that these concerns needed to be resolved before Staff would be in a position to determine whether to recommend that the OSC and ASC grant the Requested Exemptions. Staff also asked that MacDonald Oil provide certain information addressing these concerns.

18. (a) Since November 1999, MacDonald Oil has cooperated with Staff and has provided information to Staff in response to Staff's initial request and follow-up requests.

(b) On February 11, 2000 all terms of the Permanent Orders had been met except the Requested Variation.

19. On March 31, 2000, Staff provided a further response to the Application by delivering a memorandum (the "Staff Memorandum") describing in detail Staff's views, based upon information available at that time, regarding possible instances of non-compliance by MacDonald Oil, MacDonald Mines, Miranda and Smeenk with Ontario securities law.

20. In August 2000, MacDonald Oil advised Staff that:

(a) the Staff Memorandum had received extensive review by management of MacDonald Oil;

(b) in addition to taking steps to regularize past filing obligations, MacDonald Oil had undertaken numerous changes including procedural changes, personnel changes, by-law changes and policy changes in order to make every reasonable effort to ensure proper regulatory compliance and ensure that all regulatory filings and other requirements would be maintained on an up-to-date basis;

(c) for various reasons, the Requested Exemptions were no longer required; and

(d) accordingly, MacDonald Oil wished to proceed with that aspect of the Application relating to the Requested Variation.

21. On October 13, 2000, the OSC and ASC issued orders granting the Requested Variation (the "Variation Orders"). The Variation Order issued by the OSC is attached as Schedule B to this Settlement Agreement.

22. On December 21, 2000, MacDonald Oil commenced a new offer to acquire all of the outstanding Bresea Shares (the "New Offer"). The New Offer is scheduled to expire on January 18, 2001.

23. In response to concerns expressed by staff of the OSC, ASC, British Columbia Securities Commission and the Commission des valeurs mobilières du Québec (collectively, the "Commissions") regarding certain disclosure in the take-over bid circular relating to the New Offer (the "New Circular"), MacDonald Oil disseminated a Notice of Change dated January 5, 2001 (the "Notice of Change") containing, among other things, the following disclosure:

> "The proposed sponsor of MacDonald Oil and its take-over bid for Bresea, Jones Gable & Co. Ltd. ("Jones Gable"), has recently come under investigation by the Alberta Securities Commission for non-compliance with Alberta securities law. Although Jones Gable is not registered as a securities dealer in Alberta, it has approximately 98 accounts with Alberta addresses. Jones Gable has had accounts with Alberta addresses since 1984 without being registered as a securities dealer in Alberta. After being apprised of the requirement to be registered in Alberta in order to carry on a brokerage business in Alberta, Jones Gable agreed not to deal with Alberta residents until properly registered and agreed to apply for registration in Alberta. The Alberta Securities Commission has powers similar to the powers of the Ontario Securities Commission described in the foregoing paragraphs. The investigation of Jones Gable's conduct is not yet complete. Jones Gable may be subjected to certain sanctions as a result of such conduct. In addition, Jones Gable may also be considered by the Canadian Venture Exchange to be unacceptable to be the sponsor for MacDonald Oil and its take-over bid and, accordingly, the Exchange may not accept a sponsorship report from Jones Gable."
>
> "An officer and director of the proposed sponsor, Donald M. Ross, has recently come under investigation by the Alberta Securities Commission for non-compliance with Alberta securities law. In late December 1999, Mr. Ross and members of his family directly or indirectly acquired beneficial ownership of, or the power to exercise control or direction over, more than 10% of the outstanding shares of Scaffold Connection Corporation through the facilities of the Toronto Stock Exchange. Mr. Ross issued a press release and filed an insider report with the Ontario Securities Commission. However, he did not make a similar filings with the Alberta Securities Commission. Subsequently from February 9, 2000 to March 22, 2000, Mr. Ross made additional purchases (12,000 shares) and sales (16,500 shares) resulting in net sales of 4,500 of shares of that company. A second insider report was filed with the Ontario Securities Commission on behalf of Mr. Ross (while he was hospitalized in the United States as a result of a major car accident); however, that report was deficient and was not rectified until August 2000. The investigation of Mr. Ross' conduct is not yet complete. The Alberta Securities Commission has powers similar to the powers of the Ontario Securities Commission described in the foregoing paragraph. Mr. Ross may be subject to certain sanctions as a result of such conduct. Policies of the Canadian Venture Exchange prohibit officers and directors of Exchange members who are directors of listed companies from putting themselves in an actual or perceived conflict of interest situation."

"Another proposed director of the Corporation, Thomas F. Bugg, has also recently come under investigation by the Alberta Securities Commission for non-compliance with Alberta securities law. Insider trading reports filed by Mr. Bugg with securities regulatory authorities in 1998 and 1999 contained errors on several occasions or were not filed; other filings may also have been neglected by Mr. Bugg. He subsequently filed an amended insider trading report. The Alberta Securities Commission has powers similar to the powers of the Ontario Securities Commission described in the foregoing paragraphs. The investigation of Mr. Bugg's conduct is not yet complete. Mr. Bugg may be subjected to certain sanctions as a result of his conduct."

24. The Notice of Change also provided disclosure that Donald A. Ross had determined that he would not seek or accept a nomination to the MacDonald Oil Board.

D. Insider Reports and Early Warning Reports

25. MacDonald Mines has represented to Staff that the following table sets forth all transactions in common shares of MacDonald Oil (the "Shares"), warrants to purchase Shares (each warrant entitling the holder to purchase one Share, a "Warrant") and options to purchase Shares (each option entitling the holder to acquire one Share, an "Option") since MacDonald Oil became a reporting issuer in Ontario that gave rise to a filing requirement either under sections 101 and/or 107 of the Act applicable to MacDonald Mines. Aggregate holdings are reported, post-transaction, on an undiluted basis and on a partially-diluted basis (allowing only for the exercise of those Warrants or Options held by MacDonald Mines).

Date	Transaction Details	Reporting Obligation
95-12-20	Aggregate holdings on date MacDonald Oil became a reporting issuer: 1,842,055 Shares and 2,500,000 Warrants (18.4% undiluted and 34.7% partially diluted)	Initial insider report
96-12-24	Disposed of 2,500,000 Warrants. Aggregate holdings: 1,842,055 Shares (18.4% undiluted and partially diluted)	Insider report
97-5-23	Acquired and immediately exercised 1,000,000 Warrants. Aggregate holdings: 2,842,055 Shares (17.2% undiluted and partially diluted)	Insider report Early warning report
97-6-27	Agreed to sell 2,800,000 Shares. Net aggregate beneficial holdings: 42,055 Shares (0.25% undiluted and partially diluted)	Insider report
99-4-15	Acquired 1,692,603 Shares and 1,692,603 Warrants. Aggregate holdings: 1,734,658 Shares and 1,692,603 Warrants (7.4% undiluted and 13.6% partially diluted)	Insider report Early warning report
99-7-8	Disposed of 30,000 Shares. Aggregate holdings: 1,704,658 Shares and 1,692,603 Warrants (7.3% undiluted and 13.5% partially diluted)	Insider report
00-3-1	Acquired 1,692,603 Shares upon exercise of Warrants. Aggregate holdings: 3,397,261 Shares (13.5% undiluted and partially diluted)	Insider report Early warning report
00-8-2	Agreed to dispose of 3,397,261 Shares. Net aggregate beneficial holdings: 0 (0% undiluted and partially diluted)	Insider report

26. In respect of six transactions effected between December 1995 and July 1999, MacDonald Mines failed to file timely insider reports, or filed inaccurate insider reports, contrary to section 107 of the Act.

27. On at least three occasions between May 1997 and March 2000, MacDonald Mines contravened subsections 101(1) or (2) of the Act, by failing to issue and file on a timely basis news releases ("Early Warning Releases") and/or failing to file reports ("Early Warning Reports") containing the information prescribed by the Act and/or regulation made under the Act (the "Regulation").

28. On two occasions, MacDonald Mines acquired beneficial ownership of Shares or securities convertible into Shares in circumstances where the prohibition upon such acquisitions and offers set out in subsection 101(3) of the Act (the "Early Warning Moratorium") applied.

29. On November 23, 1999 MacDonald Mines filed an omnibus insider report in respect of six reportable transactions that occurred between 1995 and 1999.

30. On July 20, 2000 MacDonald Mines filed an omnibus Early Warning Report and an omnibus Early Warning Release in respect of reportable transactions that occurred between 1997 and 2000.

31. MacDonald Mines has represented to Staff that it has now:

(a) filed complete and accurate insider reports in respect of all transactions giving rise to a reporting obligation to which it is subject under section 107 of the Act; and

(b) filed complete and accurate Early Warning Releases and Early Warning Reports in respect of all transactions giving rise to early warning disclosure requirements to which it became subject under section 101 of the Act (the "Early Warning Disclosure Requirements").

32. Smeenk has represented to Staff that the following table sets forth all transactions in Shares, Warrants and Options since MacDonald Oil became a reporting issuer in Ontario that gave rise to a filing requirement under sections 101 and/or 107 of the Act applicable to Smeenk. Aggregate holdings are reported on an undiluted basis and on a partially-diluted basis (allowing only for the exercise of those Warrants and Options held by Smeenk).

Date	Transaction Details	Reporting Obligation
95-12-20	At the time MacDonald Oil became a reporting issuer, Smeenk held 1,163,148 Shares, 60,000 Warrants and 380,000 Options (aggregate holdings: 11.6% undiluted and 15.3% partially diluted)	Initial insider report [Note corporate records are unclear as to whether 180,000 of these Options were granted on 95-7-31 or 96-7-31]
97-1-27	Acquired 30,000 Shares upon exercise of Warrants. Aggregate holdings: 1,193,184 Shares, 30,000 Warrants and 380,000 Options (8.0% undiluted and 10.5% partially diluted)	Insider report Early warning report
97-6-1	30,000 Warrants expired unexercised. Aggregate holdings: 1,193,184 Shares and 380,000 Options (7.2% undiluted and 9.3% partially diluted)	Insider report
97-6-27	Agreed to sell 1,200,000 Shares, subject to certain conditions. Aggregate holdings: 1,193,148 Shares and 380,000 Options (7.2% undiluted and 9.3% partially diluted) subject to an agreement to sell 1,200,000 Shares	Insider report
98-1-15	Acquired 200,000 Options. Aggregate holdings: 1,193,148 Shares and 580,000 Options (7.2% undiluted and 10.3% partially diluted) subject to an agreement to sell 1,200,000 Shares	Insider report
98-6-1	Reacquired beneficial ownership of 1,200,000 Shares. Aggregate holdings: 1,193,148 Shares and 580,000 Options (6.9% undiluted and 9.9% partially diluted)	Insider report
98-6-2	Acquired 600,000 Options. Aggregate holdings: 1,193,148 Shares and 1,180,000 Options (6.9% undiluted and 12.8% partially diluted)	Insider report Early warning report
98-6-6	Acquired 400,000 Shares upon exercise of Options and then sold 400,000 Shares. Aggregate holdings: 1,193,148 Shares and 780,000 Options (6.6% undiluted and 10.4% partially diluted)	Insider report
99-2-16	Acquired 800,000 Shares and 800,000 Warrants. Aggregate holdings: 1,993,148 Shares, 800,000 Warrants and 780,000 Options (10.6% undiluted and 17.6% partially diluted)	Insider report Early warning report
99-6-2	200,000 Options expired unexercised. Aggregate holdings: 1,993,148 Shares, 800,000 Warrants and 580,000 Options (8.5% undiluted and 13.6% partially diluted)	Insider report
99-8-31	Acquired 500,000 Options. Aggregate holdings: 1,993,148 Shares, 800,000 Warrants and 1,080,000 Options (8.5% undiluted and 15.3% partially diluted)	Insider report

Date	Transaction Details	Reporting Obligation
99-9-15	Disposed of 420,000 Warrants. Aggregate holdings: 1,993,148 Shares, 380,000 Warrants and 1,080,000 Options (8.5% undiluted and 13.9% partially diluted)	Insider report
99-11-15	Disposed of 800,000 Shares. Aggregate holdings: 1,193,148 Shares, 380,000 Warrants and 1,080,000 Options (5.1% undiluted and 10.7% partially diluted)	Insider report
00-3-1	Acquired 20,000 Warrants and exercised 400,000 Warrants. Aggregate holdings: 1,593,148 Shares and 1,080,000 Options (5.8% undiluted and 9.4% partially diluted)	Insider report
00-3-24	Exercised 300,000 Options. Aggregate holdings: 1,893,148 Shares and 780,000 Options (6.9% undiluted and 9.4% partially diluted)	Insider report
00-6-1	200,000 Options expired unexercised. Aggregate holdings: 1,893,148 Shares and 580,000 Options (6.9% undiluted and 8.7% partially diluted)	Insider report
00-6-21	200,000 Options expired unexercised. Aggregate holdings: 1,893,148 Shares and 380,000 Options (6.9% undiluted and 8.0% partially diluted)	Insider report
00-8-2	Agreed to sell 693,148 Shares. Aggregate beneficial holdings: 1,200,000 Shares and 380,000 Options (4.3% undiluted and 5.6% partially diluted)	Insider report
00-10-31	Returned 500,000 Shares to treasury for cancellation. Net aggregate holdings: 700,000 Shares and 380,000 Options (12.6% undiluted and 3.8% partially diluted)	Insider report

33. In respect of twelve transactions effected between December 1995 and September 1999, Smeenk either failed to file timely insider reports or filed inaccurate insider reports, contrary to section 107 of the Act.

34. On at least three occasions between January 1997 and February 1999, Smeenk failed to comply with the Early Warning Disclosure Requirements, by failing to issue and file Early Warning Releases and/or failing to file Early Warning Reports on a timely basis.

35. On at least six occasions between January 1998 and March 2000, Smeenk acquired, or offered to acquire, beneficial ownership of Shares or securities convertible into Shares in circumstances where the Early Warning Moratorium applied, contrary to subsection 101(3) of the Act.

36. On November 17, 1999 Smeenk filed an omnibus insider report in respect of a number of reportable transactions that occurred between 1995 and 1999.

37. On July 20, 2000 Smeenk filed an omnibus Early Warning Report and an omnibus Early Warning Release in respect of reportable transactions that occurred between 1998 and 2000.

38. Smeenk has represented to Staff that he has now:

    (a) filed complete and accurate insider reports in respect of all transactions giving rise to a reporting obligation to which he became subject under section 107 of the Act; and

    (b) filed complete and accurate Early Warning Releases and Early Warning Reports in respect of all transactions giving rise to Early Warning Disclosure Requirements to which he became subject under section 101 of the Act.

39. Miranda has represented to Staff that the following table sets forth all transactions in securities of MacDonald Oil since it became a reporting issuer that gave rise to a filing requirement under sections 101 and/or 107 of the Act applicable to Miranda. Aggregate holdings are reported on a post-transaction, undiluted basis and on a partially-diluted basis (allowing only for the exercise of those Warrants and Options held by Miranda).

Date	Transaction Details	Reporting Obligation
96-12-08	Acquired 100,000 Options. Aggregate holdings: 100,000 Options (0% undiluted and 1.0% partially diluted)	Insider report
98-1-15	Acquired 200,000 Options. Aggregate holdings: 300,000 Options (0% undiluted and 1.8% partially diluted)	Insider report
98-5-15	Acquired 100,000 Shares upon exercise of Options and disposed of 100,000 Shares. Aggregate holdings: 200,000 Options (0% undiluted and 1.2% partially diluted).	Insider report
98-6-2	Acquired 200,000 Options. Aggregate holdings: 400,000 Options (0% undiluted and 2.3% partially diluted)	Insider report
99-6-21	200,000 Options expired unexercised. Aggregate holdings: 200,000 Options (0% undiluted and 1.1% partially diluted)	Insider report
99-8-31	Acquired 400,000 Options. Aggregate holdings: 600,000 Options (0% undiluted and 3.2% partially diluted)	Insider report

40. In respect of six transactions effected between December 1996 and August 1999, Miranda failed to file timely insider reports, or filed inaccurate insider reports, contrary to section 107 of the Act.

41. On November 24, 1999 Miranda filed omnibus insider reports in respect of a number of reportable transactions that occurred between 1996 and 1999.

42. Miranda has represented to Staff that he has now filed complete and accurate insider reports in respect of all transactions giving rise to a reporting obligation to which he became subject under section 107 of the Act.

E. Disclosure in Rights Offering Circulars

43. On June 27, 1997, Cubacan Exploration Ltd. ("Cubacan") issued and filed a news release and material change report disclosing that:

(a) it had agreed to acquire from MacDonald Mines and Smeenk approximately 25% of the outstanding Shares, subject to completion of due diligence and regulatory approval (the "Private Purchase Agreement");

(b) it had agreed to appoint Smeenk to its board of directors and that Allan Kent ("Kent"), Cubacan's CEO, would join the MacDonald Oil Board; and

(c) it had entered into tentative agreements with MacDonald Oil to consolidate their operations in Cuba and have Cubacan provide technical and operational support to MacDonald Oil.

44. On the same date, MacDonald Oil issued, but did not file, a news release disclosing similar information, except that the news release issued by MacDonald Oil did not indicate that completion of the Private Purchase Agreement was subject to due diligence and regulatory approval.

45. Immediately prior to the execution of the Private Purchase Agreement, MacDonald Mines and Smeenk were MacDonald Oil's two largest shareholders, holding approximately 17.2% and 7.2% of the outstanding Shares respectively on an undiluted basis and 17.2% and 9.3% respectively on a partially-diluted basis. To the best of the respondents' knowledge, the next largest shareholder at that time, Golden Shield Resources (Nassau) Ltd., held less than 3% of the Shares on a partially-diluted basis.

46. On July 18, 1997, MacDonald Oil filed a circular (the "1997 Rights Offering Circular") relating to the proposed offering (the "1997 Rights Offering") to its existing holders of Shares of rights to acquire Shares and Warrants. The 1997 Rights Offering expired on September 3, 1997.

47. The 1997 Rights Offering Circular stated, among other things, that:

"2. To the knowledge of the Directors of MacDonald Oil, there has been no transfer of shares which has materially affected the control of MacDonald Oil since the date of the last Annual General Meeting [*i.e.*, April 1997].

3. Except as disclosed in this Rights Offering circular, there have been no material changes in the circumstances of MacDonald Oil since November 30, 1996, the date of the quarterly report for the nine months ending September 30, 1996."

48. The 1997 Rights Offering Circular disclosed that Kent had become a director of MacDonald Oil but did not disclose that:

    (a) MacDonald Oil had entered into a tentative agreement with Cubacan to jointly develop MacDonald Oil's sole asset, Block 22; or

    (b) Cubacan had agreed to acquire beneficial ownership of approximately 25% of the outstanding Shares pursuant to the Private Purchase Agreement.

49. MacDonald Oil did not file a material change report with the OSC in respect of the events referred to in paragraph 43 until December 1999, after Staff indicated to MacDonald Oil that such events appeared to constitute a material change that should have been disclosed in a material change report and in the 1997 Rights Offering Circular.

50. MacDonald Oil failed to disclose in the 1997 Rights Offering Circular that:

    (a) MacDonald Oil's two largest shareholders had agreed, subject to due diligence and regulatory approval, to sell substantially all of their interest in MacDonald Oil, representing approximately 25% of the outstanding Shares, to Cubacan; and

    (b) MacDonald Oil and Cubacan had entered into a tentative agreement to jointly develop MacDonald Oil's sole asset, Block 22.

51. MacDonald Oil acted contrary to the public interest when it failed to disclose the information referred to in paragraphs 50 (a) and (b) above in the 1997 Rights Offering Circular.

52. On March 22, 1999, MacDonald Oil filed a circular (the "1999 Rights Offering Circular") relating to the proposed offering (the "1999 Rights Offering") to existing holders of its Shares of rights to acquire Shares and Warrants.

53. The 1999 Rights Offering Circular disclosed that MacDonald Oil intended to use the net proceeds of the 1999 Rights Offering (expected to be approximately $253,000) for working capital and exploration on Block 22. The 1999 Rights Offering Circular also stated that, since the date of MacDonald Oil's last annual meeting, its directors were not aware of any transfer of Shares materially affecting its control.

54. MacDonald Oil's interim financial statements for the three months ended February 28, 1999, disclosed that it had cash resources of US$ 1,759 and a deficit of US$ 512,521.

55. In order to fund the transaction costs of the 1999 Rights Offering, MacDonald Oil effected a private placement of Shares and Warrants, on the same terms provided for in the 1999 Rights Offering, to Smeenk in February 1999.

56. The 1999 Rights Offering expired on April 15, 1999. On the expiry date, MacDonald Mines exercised an over-subscription privilege under the 1999 Rights Offering to acquire 1,692,603 units not otherwise subscribed for, for approximately $101,556. In the aggregate, MacDonald Oil issued 4,683,952 Shares and 4,683,952 Warrants for gross proceeds of approximately $281,000.

57. To induce MacDonald Mines to exercise the over-subscription privilege, MacDonald Oil purchased 1,418,002 common shares of MacDonald Mines (the "Mines Shares") from Northfield Capital Corporation ("Northfield Capital"), a corporation of which Smeenk was a director, at a cost of approximately $141,800 so that Northfield Capital would subscribe for Mines Shares and warrants to purchase Mines Shares.

58. MacDonald Oil failed to disclose to holders of Shares ("MacDonald Oil Shareholders") prior to the expiry of the 1999 Rights Offering that it intended to spend approximately 50% of the proceeds of the 1999 Rights Offering to buy securities of a related party in order to induce that related party to exercise its over-subscription privilege, rather than using the proceeds for working capital, as it had disclosed in the 1999 Rights Offering Circular.

59. MacDonald Oil acted contrary to the public interest when it failed to disclose the information referred to in paragraph 58 above to MacDonald Oil Shareholders prior to the expiry of the 1999 Rights Offering.

F. OSC Policy 5.2 - Junior Resource Issuers

60. At all material times, MacDonald Oil was subject to OSC Policy 5.2 - Junior Resource Issuers, which became a deemed rule in March 1997 (the "Deemed Rule").

(i) **Issuance of Options**

61. From time to time, MacDonald Oil has remunerated its directors and officers by issuing Options to them. MacDonald Oil has represented to Staff that the following table sets out all of the transactions in which Options were issued to directors or officers of MacDonald Oil.

Date	Transaction Details	Exercise Price	Subsequent Treatment
95-7-31	200,000 Options expiring 00-6-1 issued to Russell Martel ("Martel")	$0.20	Exercised on 00-5-11
95-7-31	200,000 Options expiring 00-6-1 issued to A.D.G. Reid ("Reid")	$0.20	Cancelled 99-8-18
95-7-31	200,000 Options expiring 00-6-1 issued to Smeenk	$0.20	Expired on 00-6-1
95-7-31	200,000 Options expiring 00-6-1 issued to Michael K. Cohen	$0.20	Cancelled 97-3-6
95-7-31	200,000 Options expiring 00-6-1 issued to Thomas J. Pladsen	$0.20	Exercised
95-7-31	200,000 Options expiring 00-6-1 issued to Paul R. Ankcorn	$0.20	Exercised
95-7-31	180,000 Options expiring 01-5-1 issued to Martel	$0.20	Exercised on 00-5-11 [Note that there is some uncertainty as to whether these Options were issued on 95-7-31 or 96-7-31]
95-7-31	180,000 Options expiring 01-5-1 issued to Reid	$0.20	Cancelled 99-8-18 [Note that there is some uncertainty as to whether these Options were issued on 95-7-31 or 96-7-31]
95-7-31	180,000 Options expiring 01-5-1 issued to Smeenk	$0.20	180,000 Options outstanding [Note that there is some uncertainty as to whether these Options were issued on 95-7-31 or 96-7-31]
96-12-8	500,000 Options expiring 01-12-1 issued to James Podruski	$0.20	Cancelled 97-7-20
96-12-8	100,000 Options expiring 01-12-1 issued to Miranda	$0.20	Cancelled 00-10-10
97-3-27	50,000 Options expiring 00-4-1 issued to Sheila Martin	$0.40	Cancelled
97-3-27	950,000 Options expiring 00-4-1 issued to James Podruski in trust for employees	$0.40	Cancelled
97-4-21	500,000 Options expiring 01-12-1 issued to A.D. de Werth	$0.17	Cancelled 97-8-13
98-1-15	200,000 Options expiring 02-1-15 issued to Kent	$0.10	Exercised on 98-5-26
98-1-15	200,000 Options expiring 02-1-15 issued to Miranda	$0.10	100,000 exercised on 98-5-15; exercise price reset to $0.20 for remaining 100,000 effective 00-5-2; 100,000 cancelled 00-10-10
98-1-15	200,000 Options expiring 02-1-15 issued to Smeenk	$0.10	Exercise price reset to $0.20 effective 00-5-2

Date	Transaction Details	Exercise Price	Subsequent Treatment
98-1-15	50,000 Options expiring 02-1-15 issued to Sheila Martin	$0.10	Cancelled
98-6-2	200,000 Options expiring 99-6-1 granted to Kent	$0.08	Expired on 99-6-1
98-6-2	200,000 Options expiring 99-6-1 granted to Miranda	$0.08	Expired on 99-6-1
98-6-2	600,000 Options expiring 99-6-1 granted to Smeenk	$0.08	400,000 Options exercised on 98-6-6; 200,000 Options expired on 99-6-1
99-8-30	200,000 Options expiring 00-6-21 granted to Kent	$0.08	Exercise price reset to $0.20 on 00-5-2, expired 00-6-21
99-8-30	200,000 Options expiring 00-6-21 granted to Kent	$0.06	Exercise price reset to $0.20 on 00-5-2, expired 00-6-21
99-8-30	200,000 Options expiring 00-6-21 granted to Miranda	$0.08	Exercise price reset to $0.20 on 00-5-2, expired 00-6-21
99-8-30	200,000 Options expiring 00-6-21 granted to Miranda	$0.06	Exercise price reset to $0.20 on 00-5-2, expired 00-6-21
99-8-30	200,000 Options expiring 00-6-21 granted to Smeenk	$0.08	Exercise price reset to $0.20 on 00-5-2, expired 00-6-21
99-8-30	300,000 Options expiring 00-6-21 granted to Smeenk	$0.06	300,000 Options exercised on 00-2-28
00-2-29	200,000 Options expiring 00-6-21 granted to Cudney	$0.08	Exercise price reset to $0.20 on 00-5-2, expired 00-6-21
00-2-29	75,000 Options expiring 00-6-21 granted to Driedger	$0.06	Exercise price reset to $0.20 on 00-5-2, expired 00-6-21
00-2-29	200,000 Options expiring 00-6-21 granted to Sanderson	$0.08	Exercise price reset to $0.20 on 00-5-2, expired 00-6-21

62. At various times, MacDonald Oil had more than 10% of its then issued and outstanding Shares, calculated on an undiluted basis, reserved for issue upon the exercise of Options granted to its directors and officers.

63. MacDonald Oil contravened section 17.4 of the Deemed Rule when it:

(a) issued Options having exercise prices below the prescribed minimum exercise price of $0.20 specified in the Deemed Rule; and

(b) issued Options in circumstances when the total number of Shares reserved for issue upon the exercise of all of the outstanding Options granted to directors and officers exceeded 10% of its then issued and outstanding Shares calculated on an undiluted basis.

64. Pursuant to agreements entered into between MacDonald Oil and each holder of Options outstanding as of May 2, 2000 (the "Outstanding Options"), each Outstanding Option was repriced to provide for an exercise price of $0.20.

(ii) Financial Assistance

65. Pursuant to a private agreement entered into in February 1999 with MacDonald Oil and approved by the MacDonald Oil Board concurrently with the approval of the 1999 Rights Offering, Smeenk subscribed for 600,000 units, consisting of 600,000 Shares and 600,000 Warrants at a purchase price of $0.06 per unit. The purchase price equalled the price per unit provided for in the 1999 Rights Offering. MacDonald Oil and Smeenk have represented to Staff that the purpose of this transaction was to provide financial assistance to MacDonald Oil and, in particular, to provide it with funds to defray the anticipated transaction costs associated with the 1999 Rights Offering.

66. MacDonald Oil contravened section 18.1 of the Deemed Rule in permitting an insider to acquire Shares at a purchase price per Share below the prescribed minimum price of $0.20 per Share specified in the Deemed Rule.

(iii) Bonus for Loan

67. In June 1998, MacDonald Oil issued 100,000 Shares (having a value of $10,000) to Genoil Inc. ("Genoil") as a bonus for a loan provided to it by Genoil.

68. MacDonald Oil contravened section 12.1 of the Deemed Rule and contravened sections 25 and 53 of the Act by:

(a) issuing bonus Shares at an issue price per Share below the minimum issue price of $0.20 prescribed by the Deemed Rule; and

(b) effecting a distribution of securities for which prospectus and registration exemptions were not available.

(iv) Issuance of Shares for Debt

69. In January 1998, MacDonald Oil issued 222,920 Shares to Russell Martel ("Martel") prior to his resignation as a director of MacDonald Oil in order to obtain his resignation and in order to settle debts aggregating approximately $22,290 owed by MacDonald Oil to companies Martel controlled.

70. MacDonald Oil contravened section 13.1 of the Deemed Rule by issuing Shares in settlement of a debt:

(a) at an issue price per Share below the minimum price of $0.20 prescribed by the Deemed Rule; and

(b) without obtaining disinterested shareholder approval of the proposed transaction.

(v) Management Compensation

71. MacDonald Oil paid compensation to its management for management and professional services (indirectly through their management companies) in amounts aggregating:

(a) US $12,603 for management services in the fiscal year ended August 31, 1996;
(b) US $26,916 for management and US $13,555 for professional services in the fiscal year ended August 31, 1997;
(c) US $6,706 for management and US $18,352 for professional services in the fiscal year ended August 31, 1998;
(d) US $39,730 for management and US $28,200 for professional services in the fiscal year ended August 31, 1999; and
(e) US $16,326 for management services in the fiscal year ended August 31, 2000.

72. MacDonald Oil contravened section 17.1 of the Deemed Rule in paying an aggregate of more than $2,000 per month to its management in the fiscal years ended August 31, 1997, 1998 and 1999 without obtaining the Director's approval pursuant to section 17.2 of the Deemed Rule.

G. Other Filing Requirements: Financial Statements, Proxy Materials and Reports of Exempt Trades

73. MacDonald Oil contravened sections 77 and 78 of the Act in failing to file the following financial statements on a timely basis:

Annual statements for the year ended August 31, 1997
Interim statements for the period ended February 28, 1998
Interim statements for the period ended November 30, 1998
Annual statements for the year ended August 31, 1998

74. In April 1997, MacDonald Oil held an annual meeting of Shareholders (the "1997 Meeting"). It did not file the information circular and form of proxy (collectively, the "1997 Proxy Materials") sent to Shareholders in connection with the 1997 Meeting until September 15, 2000.

75. Miranda and Smeenk did not comply with section 112 of the OBCA by failing to file the 1997 Proxy Materials on a timely basis.

76. The MacDonald Oil Board did not convene an annual meeting of Shareholders between April 9, 1997 and May 4, 2000.

77. Miranda and Smeenk did not comply with section 94 of the OBCA by failing to have the MacDonald Oil Board call an annual meeting of Shareholders within fifteen months after the 1997 Meeting took place.

78. Each of MacDonald Mines, Miranda and Smeenk contravened section 53 of the Act (the "Prospectus Requirement") in effecting trades in securities of MacDonald Oil without satisfying all of the requirements of section 72 of the Act, which requirements apply to certain trades in previously issued securities acquired pursuant to certain exemptions from the Prospectus Requirement.

H. Prior Offer for Bresea

79. MacDonald Oil contravened Ontario securities law in disseminating to Bresea Shareholders a take-over bid circular (the "Prior Circular") that did not comply with the disclosure requirements in Ontario securities law applicable to securities exchange take-over bids.

80. MacDonald Oil took up Bresea Shares in circumstances where it knew that Temporary Orders were being sought by Staff and, if the Temporary Orders were made on that day, it would not be able to pay for the tendered Bresea Shares within the three day period prescribed by Ontario securities law and the terms of the Prior Offer.

81. Smeenk instructed the depositary for the Prior Offer to take up Bresea Shares on MacDonald Oil's behalf in circumstances where he knew that Temporary Orders were being sought by Staff and, if the Temporary Orders were made on that day, MacDonald Oil would not be able to pay for the tendered Bresea Shares within the three day period prescribed by Ontario securities law and the terms of the Prior Offer.

82. MacDonald Oil acted contrary to the public interest in taking up Bresea Shares in the circumstances described in paragraph 80 above and Smeenk acted contrary to the public interest by instructing the depositary for the Prior Offer to take up Bresea Shares on MacDonald Oil's behalf in the circumstances described in paragraph 81 above.

IV POSITION OF THE RESPONDENTS

83. The respondents represent the facts set out in this Part IV to be true. Staff neither acknowledge the facts, nor express an opinion as to the legal propriety or efficacy of the steps represented to have been taken.

84. With respect to paragraphs 59 in Part III above, although the Mines Shares acquired by MacDonald Oil with the proceeds of the 1999 Rights Offering may not have constituted working capital, the purchase of the Mines Shares enabled MacDonald Oil to significantly increase the gross proceeds raised in the 1999 Rights Offering from approximately $180,000 to approximately $280,000 and to significantly increase the aggregate amount of cash and marketable securities held by MacDonald Oil from approximately $180,000 to approximately $420,000.

85. With respect to paragraphs 80, 81 and 82 in Part III above, on the expiry date of the Prior Offer, the officers and directors of MacDonald Oil believed that MacDonald Oil had to take up the Bresea Shares on or before the expiry time - 5:00 PM on July 12, 1999 - and, accordingly, with that in mind, instructed the depositary to take up shares on July 12, 1999. The officers and directors of MacDonald Oil had no assurance that the Temporary Orders would be issued.

86. In response to the concerns raised by Staff, the respondents acknowledged their errors and immediately initiated a process of remedial action. In this regard, the following steps have been taken:

(a) MacDonald Oil, MacDonald Mines, Miranda and Smeenk have taken steps to regularize past filing obligations;

(b) MacDonald Oil has cooperated with Staff by responding to the questions raised by Staff and by providing copies of the documentation requested by Staff;

(c) the issues raised by Staff have received extensive review by management of MacDonald Oil and management has acknowledged its responsibility for ensuring regulatory compliance; and

(d) MacDonald Oil has undertaken numerous changes including procedural changes, personnel changes, by-law changes and policy changes in order to enhance its corporate governance policies and procedures and to make every reasonable effort to ensure proper regulatory compliance and ensure that all ongoing regulatory requirements are complied with.

87. On the same day that issues were first raised by Staff, MacDonald Oil, MacDonald Mines, Miranda and Smeenk initiated a process of updating and regularizing their filing obligations and made the first filings to update and regularize their filings and further initiated a process of reviewing and enhancing MacDonald Oil's corporate governance practices and procedures.

88. By Resolution of the Board of Directors dated February 15, 2000, John P. Sanderson ("Sanderson") and Robert D. Cudney ("Cudney") were appointed directors and Carla D. Driedger ("Driedger") was appointed corporate secretary.

89. On May 2, 2000, MacDonald Oil increased, and every holder of Options agreed to increase, the exercise price of all Options to $0.20 per share to comply with the minimum pricing provisions of the Deemed Rule.

90. At a meeting held on July 12, 2000, the MacDonald Oil Board adopted following resolutions:

(a) Miranda's resignation as a director of MacDonald Oil was accepted and Burton V. Pabst ("Pabst") was appointed to fill the vacancy created by Miranda's resignation;

(b) was appointed chairman of the MacDonald Oil Board;

(c) Cudney was appointed as president and chief executive officer, Thomas J. Pladsen ("Pladsen") was appointed treasurer, Brent J. Peters ("Peters") was appointed chief financial officer, Smeenk was appointed executive vice-president, Allan C. Thorne ("Thorne") was appointed controller and Driedger was appointed/confirmed corporate secretary of MacDonald Oil;

(d) a corporate governance committee was established, with Cudney, Pabst and Sanderson appointed to the committee, and a Corporate Governance Committee By-law ("By-law No. 3") was adopted by the MacDonald Oil Board;

(e) an audit committee was established, with Cudney, Kent and Smeenk appointed to the committee, and an Audit Committee By-law ("By-law No. 4") was adopted by the Board;

(f) a compensation committee was established, with Cudney, Pabst and Sanderson appointed to the committee, and a Compensation Committee By-law ("By-law No. 5") was adopted by the MacDonald Oil Board;

(g) MacDonald Oil's stock option plan was amended (the "Stock Option Plan Amendment") to reduce the maximum number of Shares issuable under such plan to 2,790,000 Shares (representing an amount less than 10% of the Shares issued and outstanding on that date); and

(h) a regulatory compliance policy (the "Compliance Policy") relating to the continuous disclosure and reporting obligations of MacDonald Oil, as well as its directors and officers in their personal capacities, was adopted.

91. The preamble to the Compliance Policy states that " ... concerns have been expressed in the past that MacDonald Oil and certain of its directors and officers did not file, or did not file on a timely basis, various forms, notices, reports, press releases, letters and other documents with the necessary regulatory authorities pertaining to the Corporation, its business, trading in its shares and related matters in accordance with applicable securities legislation, regulations, rules and policies." The Compliance Policy provides that it is a policy of MacDonald Oil that:

(a) each officer and director of MacDonald Oil shall familiarize himself with all securities legislation, regulations, rules and policies relating to the filing on a timely basis of various forms, notices, reports, press releases and other documents (collectively, "Records") pertaining to the trading in shares of MacDonald Oil and related matters by such officer or director;

(b) MacDonald Oil will give, at its own expense, each officer and director access from time to time to MacDonald Oil's legal counsel to assist in that familiarization;

(c) each officer and director shall file with the secretary to MacDonald Oil a duplicate copy of each Record filed by such officer and director pertaining to trading in Shares and related matters concurrently with the filing of such Record with the applicable securities regulatory authority; and

(d) each officer and director shall be requested to sign and acknowledge a form of undertaking (an "Undertaking") approved by the MacDonald Oil Board in respect of the Compliance Policy.

92. Each current officer and director of MacDonald Oil has executed an Undertaking.

93. In or about October 2000, Smeenk returned 500,000 Shares to MacDonald Oil's treasury for cancellation to make the effective exercise price of the Options exercised by him and by Miranda $0.20 per Share. At about the same time, Kent contributed $10,000 to MacDonald Oil's treasury to make the effective exercise price of the Options exercised by him $0.20 per Share.

94. MacDonald Oil has convened its annual shareholders meeting for January 12, 2001 (the "Shareholders Meeting") at which time the shareholders will be asked to approve, among other things, the following:

(a) the adoption of By-law No. 3, By-law No. 4 and By-law No. 5;

(b) the Stock Option Plan Amendment; and

(c) an amendment to the Articles of the Corporation to increase the minimum number of directors to 5 and the maximum number of directors to 11 and to set the current number of directors at 8.

95. At the Shareholders Meeting, the shareholders also will be asked to re-elect the incumbent directors and to expand the board of directors by electing three new independent directors.

V TERMS OF SETTLEMENT

96. The respondents agree to the following terms of settlement:

(a) each of the respondents will be reprimanded by the OSC.

(b) MacDonald Oil will submit to a review by BDO Dunwoody of its practices and procedures, including, without limitation, MacDonald Oil's practices and procedures with respect to compliance by its directors, officers and principal shareholders (the "Review") and will institute such changes as may be recommended by BDO Dunwoody and/or by Staff, all at the sole expense of MacDonald Oil and all within the time frames set out by BDO Dunwoody after consultation with Staff. MacDonald Oil will report in writing to Staff and BDO Dunwoody as to the implementation of the recommendations made by BDO Dunwoody and/or by Staff within the time frames set out by BDO Dunwoody;

(c) MacDonald Oil will, within thirty days of the date of approval of this settlement, make a payment in the amount of $50,000 to the OSC by certified cheque, money order or bank draft in respect of a portion of the OSC's costs with respect to this matter;

(d) MacDonald Mines will, within thirty days of the date of approval of this settlement, make a payment in the amount of $15,000 to the OSC by certified cheque, money order or bank draft in respect of a portion of the OSC's costs with respect to this matter;

(e) Miranda will, within thirty days of the date of approval of this settlement, make a payment in the amount of $5,000 to the OSC by certified cheque, money order or bank draft in respect of a portion of the OSC's costs with respect to this matter;

(f) Smeenk will, within thirty days of the date of approval of this settlement, make a payment in the amount of $5,000 to the OSC by certified cheque, money order or bank draft in respect of a portion of the OSC's costs with respect to this matter;

(g) commencing March 1, 2001, Miranda will cease trading in all securities for a period of six months, with the exception that he may dispose of securities that he held on the date of this agreement during such six month period;

(h) commencing March 1, 2001, Smeenk will cease trading in all securities for a period of one year, with the exception that he may dispose of securities that he held on the date of this agreement during such one year period;

(i) each of Miranda and Smeenk will be prohibited from acting as an officer of MacDonald Oil for a period of two years, with the exception that Smeenk may continue to hold his current position of executive vice-president of MacDonald Oil during such two year period, provided that the position of executive vice-president of MacDonald Oil does not include any of the responsibilities that customarily are associated with the positions of chairman, president, chief executive officer, chief operating officer, chief financial officer, controller, treasurer or secretary of an issuer, and, if either Miranda or Smeenk presently holds any such office, he will resign such office within ten days of the date of approval of this settlement;

(j) each of Miranda and Smeenk will be prohibited from acting as the chair of the board of directors of MacDonald Oil and/or serving as a member of the audit, corporate governance, compliance or executive committees of the board of directors of MacDonald Oil for a period of two years and, if either Miranda or Smeenk presently holds any such office, he will resign such office within ten days of the date of approval of this settlement; and

(k) each of the respondents will deliver an undertaking to cooperate with Staff in connection with the Review and any further investigation of the matters referred to in the Review in the form attached as Schedule C.

VI STAFF COMMITMENT

97. If this settlement is approved by the OSC, Staff will not initiate any complaint to the OSC or request the OSC to hold a hearing or issue any order in respect of any conduct or alleged conduct of the respondents in relation to the facts set out in Part III of this agreement.

VII PROCEDURE FOR APPROVAL OF SETTLEMENT

98. The approval of the settlement as set out in this agreement shall be sought at a public hearing before the OSC to be scheduled for such date as is agreed to by Staff and the respondents.

99. The facts set out in this agreement will constitute the entirety of the evidence to be submitted respecting the respondents in the proceeding commenced by the Notice of Hearing and each of the respondents hereby waives any right to a full hearing and appeal of this matter under the Act.

100. If this settlement is approved by the OSC, none of the parties to this agreement will make any statement that is inconsistent with this agreement.

101. If, for any reason whatsoever, this settlement is not approved by the OSC, or an Order substantially in the form attached as Schedule A is not made by the OSC:

(a) each of the parties to this agreement will be entitled to proceed to a hearing of the allegations in the Notice of Hearing and related Statement of Allegations unaffected by this agreement or the settlement negotiations;

(b) Staff may apply to the OSC for an order cease-trading the New Offer, and in connection with that application, both Staff and the respondents will be at liberty to introduce the facts set out in Part III of this agreement, with the exception of paragraphs 51, 59 and 82, as evidence in the proceeding, and neither Staff nor any of the respondents will object to the admission of such evidence, or ask the OSC to make factual findings inconsistent with such evidence;

(c) subject to paragraphs 101 (a) and (b) above, the terms of this agreement will not be raised in any other proceeding or disclosed to any person except with the written consent of all of the parties to this agreement or as may be otherwise required by law; and

(d) none of the respondents will raise in any proceeding, this agreement or the negotiation or process of approval thereof as a basis for any attack on the OSC's jurisdiction, alleged bias, appearance of bias, alleged unfairness or any other challenge that may otherwise be available.

102. If, prior to the approval of this settlement by the OSC, there are new facts or issues of substantial concern, in the view of Staff, regarding the facts set out in Part III of this agreement, Staff will be at liberty to withdraw from this agreement. Notice of such intention will be provided to the respondents in writing. In the event of such notice being given, the provisions of paragraph 101 in this part will apply as if this agreement had not been approved in accordance with the procedures set out in this agreement.

VIII DISCLOSURE OF SETTLEMENT AGREEMENT

103. Staff or the respondents may refer to any part or all of this agreement in the course of the hearing convened to consider this settlement. Staff or the respondents may also choose to make use of part or all of this agreement in the application contemplated in paragraph 101 (b) above. Otherwise, this agreement and its terms will be treated as confidential by all parties to this agreement until approved by the OSC, and forever if, for any reason whatsoever, this settlement is not approved by the OSC.

104. Any obligation as to confidentiality shall terminate upon the approval of this settlement by the OSC.

IX EXECUTION OF SETTLEMENT AGREEMENT

105. This agreement may be signed in one or more counterparts which together shall constitute a binding agreement on each party executing a counterpart.

January 8, 2001.

SIGNED IN THE PRESENCE OF:

MacDonald Oil Exploration Ltd.
MacDonald Mines Exploration Ltd.
Mario Miranda
Frank Smeenk
"Michael Watson" - Director Enforcement Branch

SCHEDULE "A"

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

AND

IN THE MATTER OF MACDONALD OIL EXPLORATION LTD., MACDONALD MINES EXPLORATION LTD., MARIO MIRANDA AND FRANK SMEENK

ORDER
(Sections 127 and 127.1)

WHEREAS on January 8, 2001, the Ontario Securities Commission ("the Commission") issued a notice of hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended ("the Act"), in respect of MacDonald Oil Exploration Ltd., MacDonald Mines Exploration Ltd., Mario Miranda and Frank Smeenk ("the Respondents");

AND WHEREAS the Respondents entered into a settlement agreement dated January 8, 2001 ("the Settlement Agreement") in which they agreed to a proposed settlement of the proceeding, subject to the approval of the Commission;

AND UPON reviewing the Settlement Agreement and the statement of allegations of Staff of the Commission, and upon hearing submissions from counsel for the Respondents and from Staff of the Commission;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

IT IS ORDERED THAT:

1. The Settlement Agreement, attached to this order, is hereby approved.

2. Each of the Respondents is hereby reprimanded.

3. MacDonald Oil will submit to a review by BDO Dunwoody of its practices and procedures including, without limitation, MacDonald Oil's practices and procedures with respect to compliance by its directors, officers and principal shareholders ("the Review") and will institute such changes as may be recommended by BDO Dunwoody and/or by Staff, all at the sole expense of MacDonald Oil and all within the time frames set out by BDO Dunwoody after consultation with Staff. MacDonald Oil will report in writing to Staff and BDO Dunwoody as to the implementation of the recommendations made by BDO Dunwoody and/or by Staff within the time frames set out by BDO Dunwoody.

4. MacDonald Oil will, within thirty days of the date hereof, make a payment in the amount of $50,000 to the Commission in respect of a portion of the Commission's costs with respect to this matter.

5. MacDonald Mines will, within thirty days of the date hereof, make a payment in the amount of $15,000 to the Commission in respect of a portion of the Commission's costs with respect to this matter.

6. Miranda will, within thirty days of the date hereof, make a payment in the amount of $5,000 to the Commission in respect of a portion of the Commission's costs with respect to this matter.

7. Smeenk will, within thirty days of the date hereof, make a payment in the amount of $5,000 to the Commission in respect of a portion of the Commission's costs with respect to this matter.

8. Commencing March 1, 2001, Miranda will cease trading in all securities for a period of six months, except that he may at any time dispose of any securities held by him on the date of the Settlement Agreement.

9. Commencing March 1, 2001, Smeenk will cease trading in all securities for a period of one year, except that he may at any time dispose of any securities held by him on the date of the Settlement Agreement.

10. Each of Miranda and Smeenk is prohibited from acting as an officer of MacDonald Oil for a period of two years, except that Smeenk may continue to hold his current position of executive vice-president of MacDonald Oil during such two-year period, provided that the position of executive vice-president of MacDonald Oil does not include any of the responsibilities that customarily are associated with the positions of chairman, president, chief executive officer, chief operating officer, chief financial officer, controller, treasurer or secretary of an issuer.

11. If either Miranda or Smeenk is an officer of MacDonald Oil as at the date hereof, he will resign such office within ten days, subject to the exception with respect to Smeenk set out in paragraph 10 above.

12. Each of Miranda and Smeenk is prohibited from acting as the chair of the board of directors of MacDonald Oil and/or serving as a member of the audit, corporate governance, compliance or executive committees of the board of directors of MacDonald Oil for a period of two years. If either Miranda or Smeenk holds any such position as at the date hereof, he will resign that position within ten days.

January 12, 2001.

SCHEDULE "B"

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

AND

IN THE MATTER OF MACDONALD OIL EXPLORATION LTD., MACDONALD TRADING CORPORATION, RUSSELL MARTEL AND BRESEA RESOURCES LTD.

ORDER
(Section 144)

WHEREAS on August 11, 1999, the Ontario Securities Commission (the "Commission") issued an order (the "Order") pursuant to clause 104(1)(c), clauses (2) and (5) of subsection 127(1) and subsection 127(2) of the Act in respect of the offer dated June 8, 1999 (the "Offer") by MacDonald Oil Exploration Ltd. ("MacDonald Oil") to acquire all of the common shares (the "Bresea Shares") of Bresea Resources Ltd. ("Bresea") in exchange for convertible preferred shares and E-Warrants of MacDonald Oil (the "Consideration");

AND WHEREAS paragraph 3(A) of the Order provided that MacDonald Oil was to disseminate to the public a news release forthwith that: (i) advised holders of Bresea Shares (the "Bresea Shareholders") that, as a result of the Order, MacDonald Oil could not acquire the Bresea Shares or issue the Consideration in payment for such tendered Bresea Shares; (ii) specified that withdrawal rights were exercisable and continued to be exercisable; and (iii) summarized the manner in which Bresea Shareholders could exercise their rights of withdrawal pursuant to section 95 of the Act;

AND WHEREAS paragraph 3(B) of the Order (the "Notification Requirement") provided that, within ten days of the Order's issuance, MacDonald Oil was to deliver to every holder of Bresea Shares to whom the Offer was sent a notice that contained the information specified in paragraph 3(A) of the Order (the "Notice");

AND WHEREAS paragraph 6 of the Order provided that trading was to cease in Bresea Shares by MacDonald Oil, any person that was a director, officer, affiliate or associate of MacDonald Oil or acting jointly or in concert with any of the foregoing persons or companies, MacDonald Trading Corporation and Russell Martel (collectively, the "Respondents") unless and until they satisfied the Executive Director of the Commission that: (i) there had been compliance with the orders referred to in paragraphs 3, 4 and 5 of the Order; and (ii) that, with respect to all of the Bresea Shares tendered to the Offer, withdrawal rights had been exercised or such Bresea Shares had been returned to the appropriate Bresea Shareholders;

AND WHEREAS MacDonald Oil has made an application (the "Application") to vary paragraph 3(B) of the Order to permit MacDonald Oil to satisfy the Notification Requirement by having the depositary for the Offer (the "Depositary"):

(a) distribute the Notice by fax to all registered representatives of Bresea Shareholders who delivered, or sent to the Depositary by fax, notices of guaranteed delivery or Bresea Share certificates endorsed for transfer; and

(b) mail the Notice to all other Bresea Shareholders who delivered notices of guaranteed delivery or Bresea Share certificates endorsed for transfer.

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

AND UPON MacDonald Oil having represented to the Commission as follows:

1. MacDonald Oil has complied with paragraphs 1, 2, 3(A) and 4 of the Order.

2. MacDonald Oil's directors and officers have complied with paragraph 5 of the Order.

3. All of the Bresea Shares tendered to the Offer have been returned to the appropriate Bresea Shareholders.

4. After discussions with staff of the Commission regarding MacDonald Oil's request for a variation of the Order in a manner consistent with the terms of this order, MacDonald Oil sent the Notice on August 23, 1999 to every Registered Bresea Shareholder who tendered Bresea Shares to the Offer.

5. In connection with any new offer to acquire Bresea Shares that constitutes a take-over bid, MacDonald Oil will include in the circular to be sent to all holders of Bresea Shares to whom such new offer is made the disclosure required to have been included in the Notice pursuant to paragraph 3(B) of 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 subsection 144(1) of the Act that paragraph 3(B) of the Order is varied so as to permit MacDonald Oil to satisfy the Notification Requirement by having the Depositary:

(a) distribute the Notice by fax to all registered representatives of Bresea Shareholders who delivered, or sent to the Depositary by fax, notices of guaranteed delivery or Bresea Share certificates endorsed for transfer; and

(b) mail the Notice to all other Bresea Shareholders who delivered notices of guaranteed delivery or Bresea Share certificates endorsed for transfer.

October 13, 2000

SCHEDULE "C"

UNDERTAKING

TO: THE ONTARIO SECURITIES COMMISSION

Each of the undersigned hereby undertakes and agrees to cooperate with the staff of the Ontario Securities Commission ("Staff") in connection with the Review (as defined in the settlement agreement of which this undertaking forms a part, the "Settlement Agreement") and any further investigation of the matters referred to in the Review. Such cooperation includes, but is not limited to, arrangements made by the MacDonald Oil Exploration Ltd. to make available a member of the board of directors of MacDonald Oil Exploration Ltd. and/or any person employed by or providing management services to MacDonald Oil Exploration Ltd., on reasonable notice and without service of a summons or subpoena, to cooperate with OSC Staff, to produce any documents within his or her possession, custody or control which are requested by the OSC Staff, and to appear and give truthful and accurate information and testimony in any investigation or proceeding under the Act in connection with the matters referred to herein at which OSC Staff may make requests for such information or testimony.

January 8, 2001.

2.1.2 Montrusco Bolton Inc - MRRS Decision

Headnote

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

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 (collectively, the "Jurisdictions") has received an application from Montrusco Bolton Inc. ("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 under the Legislation.

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, incorporated under the laws of Canada, is a reporting issuer in each of the jurisdictions, other than New Brunswick and Prince Edward Island.

2. Other than a failure to file the financial statements for the quarter ended September 30, 2000 on November 29, 2000, the Filer is not in default of any of the requirements under the Legislation.

3. The Filer's head office is located in Montreal (Québec).

4. The authorized share capital of the Filer consists of an unlimited number of common shares and an unlimited number of preferred shares issuable in series. As of

November 7, 2000 there were 6,969,697 common shares outstanding (the "Common Shares").

5. On August 30, 2000 the Filer entered into an arrangement agreement with First International Asset Management Inc. and its wholly-owned subsidiary, MBI Acquisition Corp. ("MBI") pursuant to which all of the issued and outstanding shares of the Filer were acquired by MBI on November 8, 2000.

6. Other than the Common Shares, MBI has no other outstanding securities, including debt securities, nor any rights or other entitlements which would permit a person to acquire any securities of MBI.

7. MBI has no intention of seeking public financing by way of an offering of securities.

8. The Filer's common shares were de-listed from The Toronto Stock Exchange on November 13, 2000.

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 under the Legislation.

January 4, 2001.

Michel Vadnais
Chef du service de l'information financière

DANS L'AFFAIRE DE LA LÉGISLATION SUR LES VALEURS MOBILIÈRES DE LA COLOMBIE-BRITANNIQUE, DE L'ALBERTA, DE LA SASKATCHEWAN, DE L'ONTARIO, DU QUÉBEC, DE LA NOUVELLE-ÉCOSSE ET DE TERRE-NEUVE

ET DANS L'AFFAIRE DURÉGIME D'EXAMEN CONCERTÉDES DEMANDES DE DISPENSEETDANS L'AFFAIRE DE MONTRUSCO BOLTON INC.

DOCUMENT DE DÉCISION

CONSIDÉRANT QUE l'autorité locale en valeurs mobilières ou l'agent responsable (le « décideur ») de chacune des provinces de la Colombie-Britannique, de l'Alberta, de la Saskatchewan, de l'Ontario, du Québec, de la Nouvelle-Écosse et de Terre-Neuve (collectivement, les « territoires ») a reçu une demande de Montrusco Bolton Inc. (le « déposant ») pour une décision en vertu de la législation sur les valeurs mobilières des territoires (la « législation ») selon laquelle le déposant est réputé ne plus être un émetteur assujetti aux fins de la législation;

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

ET CONSIDÉRANT QUE le déposant a déclaré aux décideurs ce qui suit:

1. Le déposant, constitué en vertu des lois du Canada, est un émetteur assujetti dans chacun des territoires, sauf au Nouveau Brunswick et à l'Ile du Prince Édouard.

2. Autre le fait que les états financiers du trimestre terminé le 30 septembre 2000 n'ont pas été déposés le 29 novembre 2000, le déposant n'est pas en défaut de ses obligations en vertu de la législation.

3. Le siège social du déposant est situé à Montréal (Québec).

4. Le capital actions autorisé du déposant se compose d'un nombre illimité d'actions ordinaires et d'un nombre illimité d'actions privilégiées pouvant être émises en série. En date du 7 novembre 2000, il y avait 6 969 697 actions ordinaires en circulation (les « actions ordinaires »).

5. Le 30 août 2000, le déposant a conclu une convention d'arrangement avec First International Asset Management Inc. et sa filiale en propriété exclusive, MBI Acquisition Corp. (« MBI »), aux termes de laquelle la totalité des actions émises et en circulation du déposant ont été acquises par MBI le 8 novembre 2000.

6. Le déposant n'a aucuns autres titres en circulation, incluant des titres d'emprunt, ni aucuns droits ou autres privilèges qui permettraient à une personne d'acquérir des titres du déposant.

7. Le déposant n'entend pas faire appel public à l'épargne.

8. Les actions ordinaires du déposant ont été dé-listées de la cote de la Bourse de Toronto le 13 novembre 2000.

CONSIDÉRANT QUE, selon le régime, le présent document de décision atteste la décision de chaque décideur (collectivement, la « décision »);

CONSIDÉRANT QUE chacun des décideurs est d'avis que le test prévu de la législation qui accorde le pouvoir discrétionnaire au décideur a été respecté;

LA DÉCISION des décideurs en vertu de la législation est que le déposant est réputé ne plus être un émetteur assujetti aux fins de la législation.

Daté le 4 janvier 2001

Michel Vadnais
Chef de service de l'information financière

2.1.3 Rexel Canada Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Decision declaring corporation to be no longer a reporting issuer following the acquisition of all of its outstanding securities 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, NEWFOUNDLAND, NOVA SCOTIA, ONTARIO, QUÉBEC AND SASKATCHEWAN

AND

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

AND

IN THE MATTER OF REXEL CANADA INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Newfoundland, Nova Scotia, Ontario, Québec and Saskatchewan (the "Jurisdictions") has received an application from Rexel Canada Inc. ("Rexel Canada") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that Rexel Canada Inc. be deemed to have ceased to be a reporting issuer or the equivalent thereof under the Legislation;

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 Rexel Canada has represented to the Decision Makers that:

1. Rexel Canada is a corporation governed by the *Canada Business Corporations Act* (the "CBCA").

2. The head office of Rexel Canada is located in St-Laurent, Québec.

3. Rexel Canada is a reporting issuer, or the equivalent thereof, under the Legislation. Other than a failure to file the financial statements for the quarter ended September 30, 2000 on November 29, 2000, Rexel is not in default of any of the requirements under the Legislation.

4. Rexel Canada is an entity resulting from the amalgamation of Rexel Canada Inc. ("RCI"), a wholly-owned subsidiary of Rexel, S.A., and Westburne Inc., by way of an arrangement under section 192 of the CBCA (the "Arrangement").

5. Pursuant to the amalgamation, the common shares of Westburne Inc. outstanding immediately prior to the amalgamation were cancelled without any repayment of capital and each outstanding common and preferred share of RCI was exchanged for one common share or one preferred share, respectively, of Rexel Canada. The Arrangement was effected by articles of arrangement dated September 25, 2000. As a result of the Arrangement, Rexel Canada is a wholly-owned subsidiary of Rexel, S.A.

6. Rexel Canada's authorized capital consists of an unlimited number of common shares (the "Common Shares") and an unlimited number of preferred shares (the "Preferred Shares"), of which hereof there are 1,000 Common Shares and 279,999,000 Preferred Shares issued and outstanding. Rexel S.A. is the sole beneficial owner of both the issued and outstanding Common Shares and Preferred Shares.

7. The Common shares of Westburne Inc. were delisted from The Toronto Stock Exchange on September 27, 2000 and Rexel Canada does not have any of its securities listed or quoted on any exchange or market in Canada.

8. There are no issued and outstanding securities of Rexel Canada other than the Common Shares and the Preferred Shares held by Rexel S.A. and Rexel Canada has no outstanding debt securities trading in the public.

9. Rexel Canada does not intend to seek public financing by way of an offering of its securities.

AND WHEREAS under the System, this RRS 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 Rexel Canada is deemed to have ceased to be a reporting issuer or the equivalent thereof under the Legislation.

DATED at Montréal, Québec on this 9th day of January 2001.

Michel Vadnais
Le chef du service de l'information financière,

AFFAIRE INTÉRESSANT LA LÉGISLATION EN VALEURS MOBILIÈRES DE L'ALBERTA, DE TERRE-NEUVE, DE LA NOUVELLE-ÉCOSSE, DE L'ONTARIO, DU QUÉBEC ET DE LA SASKATCHEWAN

ET

LE RÉGIME D'EXAMEN CONCERTÉ DES DEMANDES DE DISPENSE

ET

REXEL CANADA INC.

DOCUMENT DE DÉCISION DU REC

CONSIDÉRANT QUE l'autorité locale en valeurs mobilières ou l'agent responsable (le « décideur ») respectif de l'Alberta, de Terre-Neuve, de la Nouvelle-Écosse, de l'Ontario, du Québec et de la Saskatchewan (les « territoires ») a reçu une demande de Rexel Canada Inc. (« Rexel Canada ») pour une décision en vertu de la législation en valeurs mobilières des territoires (la « législation ») selon laquelle Rexel Canada soit réputée avoir cessé d'être un émetteur assujetti ou l'équivalent selon la législation;

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

CONSIDÉRANT QUE Rexel Canada a déclaré aux décideurs ce qui suit :

1. Rexel Canada est une compagnie constituée en vertu de la *Loi canadienne sur les sociétés par actions* («LCSA»).

2. Le siège social de Rexel Canada est situé à St-Laurent, Québec.

3. Rexel Canada est un émetteur assujetti ou l'équivalent, en vertu de la législation. Autre le fait que les états financiers du trimestre terminé le 30 septembre 2000 n'ont pas été déposés le 29 novembre 2000, Rexel n'est pas en défaut de ses obligations en vertu de la Législation.

4. Rexel Canada est une société résultant de la fusion de Rexel Canada Inc. («RCI»), une filiale en propriété exclusive de Rexel S.A., et de Westburne Inc., par voie d'arrangement en vertu de l'article 192 de la LCSA (l'«arrangement»).

5. Dans le cadre de la fusion, les actions ordinaires de Westburne Inc. en circulation immédiatement avant la fusion ont été annulées sans remboursement de capital et chaque action ordinaire et action privilégiée en circulation de RCI a, respectivement, été échangée contre une action ordinaire ou une action privilégiée de Rexel Canada. L'arrangement a été effectué par clauses d'arrangement datées du 25 septembre 2000. À la suite de l'arrangement, Rexel Canada est une filiale en propriété exclusive de Rexel, S.A.

6. Le capital autorisé de Rexel Canada se compose d'un nombre illimité d'actions ordinaires (les « actions ordinaires ») et d'un nombre illimité d'actions privilégiées (les « actions privilégiées »), desquelles 1 000 actions ordinaires et 279 999 000 actions privilégiées sont émises et en circulation. Rexel, S.A. est le seul propriétaire réel des actions ordinaires et des actions privilégiées émises et en circulation.

7. Les actions ordinaires de Westburne Inc. ont été retirées de la cote de la Bourse de Toronto le 27 septembre 2000 et Rexel Canada n'a aucun de ses titres inscrits ou cotés en bourse ou sur un marché au Canada.

8. Il n'y a pas de titres de Rexel Canada émis et en circulation autres que les actions ordinaires et les actions privilégiées détenues par Rexel, S.A. et Rexel Canada n'a aucun titre d'emprunt en circulation.

9. Rexel Canada n'a pas actuellement l'intention d'émettre d'autres titres dans le public.

CONSIDÉRANT QUE, selon le régime, le présent document de décision du REC confirme la décision de chaque décideur (collectivement, la «décision»);

ET CONSIDÉRANT QUE chacun des décideurs est d'avis que les critères prévus dans la législation qui lui accordent le pouvoir discrétionnaire ont été respectés;

LA DÉCISION des décideurs en vertu de la législation est que Rexel Canada soit réputée avoir cessé d'être émetteur assujetti ou l'équivalent en vertu de la législation.

FAIT à Montréal (Québec) le 9e jour de janvier 2001

Michel Vadnais
Le chef du service de l'information financière,

2.1.4 Digital Processing Systems Inc. - 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
DIGITAL PROCESSING SYSTEMS INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in British Columbia, Alberta, Saskatchewan, Ontario, Québec, Nova Scotia and Newfoundland (the "Jurisdictions") has received an application from Digital Processing Systems Inc. (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 under the Legislation;

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 was formed under the laws of the Province of Ontario, is a reporting issuer in each of the Jurisdictions and is not in default of any of the requirements of the Legislation;

2. the Filer's head office is located in Markham, Ontario;

3. the Filer's issued and outstanding securities consist of 13,316,925 common shares (the "DPS Shares");

4. as a result of a take-over bid and the subsequent compulsory acquisition procedures, Leitch Technology Corporation became the sole holder of DPS Shares;

5. the Filer has no securities, including debt securities, outstanding other than the DPS Shares;

6. the DPS Shares were delisted from The Toronto Stock Exchange following the close of trading on October 30, 2000 and no securities of the Filer are listed or quoted on any exchange or market; and

7. the Filer does not intend to seek public financing by way of an offering of its securities.

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 under the Legislation is that the Filer is deemed to have ceased to be a reporting issuer under the Legislation.

December 5, 2000.

John Hughes
Manager, Continuous Disclosure

2.1.5 Technilab Pharma Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Decision declaring corporation to be no longer a reporting issuer following the acquisition of all of its outstanding securities 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
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, ONTARIO, QUÉBEC, NEW BRUNSWICK , NOVA SCOTIAPRINCE EDWARD ISLAND AND NEWFOUNDLAND

AND

THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

TECHNILAB PHARMA INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "**Decision Makers**") in each of British Columbia, Alberta, Saskatchewan, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland (the "**Jurisdictions**") has received an application from Technilab Pharma Inc. ("**Technilab**") for a decision pursuant to the securities legislation of the Jurisdictions (the "**Legislation**") that Technilab be deemed to have ceased to be a reporting issuer or the equivalent under the Legislation;

AND WHEREAS, pursuant to the Mutual Reliance Review System for Exemptive Relief (the "**System**"), la Commission des valeurs mobilières du Québec is the principal regulator for this Application;

AND WHEREAS Technilab has represented to the Decision Makers that:

1. Technilab is a corporation existing under the Canada Business Corporations Act *("**CBCA**");*

2. Technilab is a reporting issuer or the equivalent under the Legislation;

3. Technilab's principal place of business is at 17800 Lapointe Street, Mirabel, Québec, J7J 1P3;

4. The authorized share capital of Technilab consists of an unlimited number of common shares and an unlimited number of preferred shares ("**Technilab Shares**") of which only common shares are issued and outstanding;

5. Technilab is not in default of any of its obligations under the Legislation;

6. Pursuant to takeover bid, Ratiopharm Canada Inc. ("**Ratiopharm**") acquired all of the issued and outstanding common shares of Technilab. The compulsory acquisition has been exercised on August 25, 2000, and Ratiopharm became the sole shareholder of Technilab;

7. Technilab' common shares were de-listed from The Toronto Stock Exchange and no securities of Technilab are listed or quoted on any exchange or market;

8. Technilab has no other securities, including debt securities, outstanding; and

9. Technilab does not intend to seek public financing by way of an offering of securities.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that Technilab is deemed to have ceased to be a reporting issuer or the equivalent thereof under the Legislation.

DATED at Montréal, Québec, November 13, 2000.

Michel Vadnais
Le chef du service de l'information financière

**AFFAIRE INTERÉSSANT
LA LÉGISLATION EN VALEURS MOBILIÈRES
DE LA COLOMBIE-BRITANNIQUE, DE L'ALBERTA, DE
LA SASKATCHEWAN,
DE L'ONTARIO, DU QUÉBEC,
DU NOUVEAU-BRUNSWICK,
DE LA NOUVELLE-ÉCOSSE, DE L'ÎLE-DU-PRINCE-
ÉDOUARD ET DE TERRE-NEUVE**

ET

LE RÉGIME D'EXAMEN CONCERTÉDES DEMANDES DE DISPENSE

ET

TECHNILAB PHARMA INC.

DOCUMENT DE DÉCISION DU REC

CONSIDÉRANT QUE l'autorité locale en valeurs mobilières ou l'agent responsable (le «décideur») respectif de la Colombie-Britannique, de l'Alberta, de la Saskatchewan, de l'Ontario, du Québec, du Nouveau-Brunswick, de la Nouvelle-Écosse, de l'Île-du-Prince-Édouard et de Terre-Neuve (les «**territoires**») a reçu de Technilab Pharma Inc. («**Technilab**») une demande de décision en vertu de la législation en valeurs mobilières des territoires (la «**législation**») selon laquelle Technilab soit réputée avoir cessé d'être un émetteur assujetti ou l'équivalent en vertu de la législation;

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

CONSIDÉRANT QUE, Technilab a déclaré aux décideurs ce qui suit:

1. Technilab est constituée en vertu de la *Loi canadienne sur les sociétés par actions* (« *LCSA* »);

2. Technilab est un émetteur assujetti ou l'équivalent en vertu de la législation;

3. Le principal établissement de Technilab est sis au 17800, rue Lapointe, Mirabel, (Québec) J7J 1P3;

4. Le capital-actions autorisé de Technilab est composé d'un nombre illimité d'actions ordinaires et d'un nombre illimité d'actions privilégiées (« **actions de Technilab** ») duquel il n'y a que des actions ordinaires émises et en circulations;

5. Technilab n'est pas en défaut de ses obligations en vertu de la législation;

6. À la suite d'une offre publique d'achat Ratiopharm Canada Inc. ("**Ratiopharm**") a acquis toutes les actions ordinaires émises et en circulation de Technilab. La clause d'acquisition forcée a été exercée le 25 août 2000, et Ratiopharm est devenue l'unique actionnaire de Technilab;

7. Les actions ordinaires de Technilab ont été retirées de la cote de la Bourse de Toronto et aucun titre de Technilab n'est inscrit ou coté en bourse ou sur un marché;

8. Technilab n'a pas d'autres titres, incluant des titres d'emprunt, en circulation; et

9. Technilab n'a pas l'intention d'émettre d'autres titres dans le public.

CONSIDÉRANT QUE, selon le régime, le présent document de décision confirme la décision de chaque décideur (collectivement, la « **décision** »);

ET CONSIDÉRANT QUE chacun des décideurs est d'avis que les critère prévus dans la législation qui lui accordent le pouvoir discrétionnaire ont été respectés.

LA DÉCISION des décideurs en vertu de la législation est que Technilab soit réputée avoir cessé d'être un émetteur assujetti ou l'équivalent en vertu de la législation.

FAIT à Montréal (Québec), le 13 novembre 2000.

Michel Vadnais
Le chef du service de l'information financière

2.1.6 Shaw Communications Inc. & Moffat Communications Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - take-over bid exempted from requirement in legislation that consideration offered under bid must be at least equal to and in the same form as consideration offered in any purchase not generally available and made within the 90-day period immediately preceding the take-over bid.

Applicable Ontario Statute

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 94(5)(a) and 104(2)(c).

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ALBERTA, BRITISH COLUMBIA, SASKATCHEWAN, MANITOBA, 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 SHAW COMMUNICATIONS INC.

AND

MOFFAT COMMUNICATIONS LIMITED

MRRS DECISION DOCUMENT

1. **WHEREAS** the Canadian securities regulatory authority or regulator (the "Decision Maker") in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and Newfoundland (the "Jurisdictions") have received an application from Shaw Communications Inc. ("Shaw") and 911264 Alberta Ltd. ("Bidco", and together with Shaw, the "Offeror") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirement under the Legislation that an offeror making a take-over bid must offer consideration for the securities deposited under the bid that is at least equal to and in the same form as the highest consideration paid in a transaction that took place within the 90-day period immediately preceding the bid and that was not generally offered to all holders (the "Pre-Bid Integration Rule"), shall not apply to the offer (the "Offer") by the Offeror to acquire all of the issued and outstanding common shares (the "Moffat Shares") of Moffat Communications Limited ("Moffat") in respect of the Prior Transaction (defined below);

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

   3.1 Shaw is incorporated under the laws of Alberta and its head office is located in Calgary;

   3.2 Shaw is a reporting issuer or the equivalent in the Jurisdictions and is not in default of any requirement of the Legislation;

   3.3 the authorized share capital of Shaw consists of an unlimited number of Class A participating shares ("Shaw Class A Shares"), an unlimited number of Shaw Class B Non-Voting Shares (the "Shaw Non-Voting Shares), an unlimited number of Class 1 preferred shares, issuable in series, and an unlimited number of Class 2 preferred shares, issuable in series. As at December 6, 2000, there were issued and outstanding 11,419,972 Shaw Class A Shares, 194,231,342 Shaw Non-Voting Shares and no preferred shares;

   3.4 the Shaw Non-Voting Shares are listed and posted for trading on The Toronto Stock Exchange (the "TSE") and the New York Stock Exchange (the "NYSE");

   3.5 Bidco is an indirect wholly-owned subsidiary of Shaw incorporated under the laws of Alberta. It has not carried on any business other than in respect of the Offer;

   3.6 Moffat is incorporated under the laws of Canada;

   3.7 Moffat is a reporting issuer or the equivalent in the Jurisdictions and is not in default of any of the requirements of the Legislation;

   3.8 the authorized capital of Moffat consists of an unlimited number of Moffat Shares. As at November 30, 2000, 38,689,520 Moffat Shares were issued and outstanding. In addition to the foregoing, as at November 30, 2000, up to 323,000 Moffat Shares may be issued pursuant to outstanding stock option entitlements issued under Moffat's stock option plan;

   3.9 the Moffat Shares are listed and posted for trading on the TSE;

   3.10 on November 1, 2000, Shaw acquired 1,258,312 (approximately 3.3%) of the Moffat Shares in a private transaction at a price of $27.20 cash per Moffat Share (the "Prior Transaction");

   3.11 on December 6, 2000, Shaw entered into a lock-up agreement (the "Lock-Up Agreement") with Randall L. Moffat and his holding company, 177139 Canada Limited (together, the "Sellers"), pursuant to which Shaw agreed to make,

together with Bidco, and the Sellers irrevocably agreed to tender 20,185,725 Moffat Shares to the Offer;

3.12 under the Offer, the Offeror will offer to purchase any and all of the Moffat Shares not currently owned by Shaw and its subsidiaries;

3.13 as consideration for each Moffat Share to be taken up pursuant to the Offer, the Offeror will offer, at the option of the holders of Moffat Shares, either (i) $35.00 cash or (ii) $0.05 plus 1.0508 Shaw Non-Voting Shares having a combined value of $35.00, subject to proration in accordance with the following cash and share limits. The maximum amount of cash payable by the Offeror pursuant to the Offer shall not exceed $400 million (approximately 35% of the total consideration payable by the Offeror under the Offer) and the maximum amount of Shaw Non-voting Shares issuable under the Offer is 23,007,941 (approximately 65% of the total consideration payable by the Offeror under the Offer);

3.14 the $35.00 price offered under the Offer represents a 27% premium to the volume weighted average trading price of the Moffat Shares on the TSE for the 30 trading days prior to the announcement of the Offer on December 7, 2000;

3.15 the consideration to be received by holders of Moffat Shares pursuant to the Offer, including those holders who will receive all or a substantial portion of their consideration in Shaw Non-Voting Shares, represents a significant premium over the consideration paid by Shaw to those shareholders who sold Moffat Shares at $27.20 cash per share pursuant to the Prior Transaction, and Shaw has received an opinion from its financial advisors to that effect;

4. **AND WHEREAS** pursuant to 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 Offeror is exempt from the Pre-Bid Integration Rule with respect to the Prior Transaction in connection with the Offer.

DATED at Edmonton, Alberta this 5th day of January, 2001.

Eric T. Spink
Vice-Chair

Thomas G. Cooke
Q.C., Member

2.1.7 Psion Teklogix International Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Issuer deemed to have ceased to be 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
THEONTARIO BUSINESS
CORPORATIONS ACT (ONTARIO)**

AND

IN THE MATTER OF

**THE MUTUAL RELIANCE REVIEW SYSTEM FOR
EXEMPTIVE RELIEF
APPLICATIONS**

AND

**IN THE MATTER OF
PSION TEKLOGIX INTERNATIONAL INC.
(FORMERLY TEKLOGIX INTERNATIONAL INC.)**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (collectively, the "Decision Makers") in each of the provinces of British Columbia, Alberta, Saskatchewan, Ontario, Quebec, Nova Scotia and Newfoundland (the "Jurisdictions") has received an application from Psion PLC, Psion Canada Inc., Psion Canada Holdings Inc. and Psion Teklogix International Inc. (formerly Teklogix International Inc.) (collectively, the "Applicants") for a decision pursuant to the securities legislation of each of the Jurisdictions (the "Legislation") that Psion Teklogix International Inc. ("Psion Teklogix") be deemed to cease to be a reporting issuer or its equivalent under the Legislation;

AND WHEREAS the Decision Maker in Ontario has received an application from the Applicants for a decision that Psion Teklogix be deemed to have ceased to be offering its securities to the public pursuant to the *Business Corporations Act* (Ontario) (the "OBCA");

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

AND WHEREAS the Applicants have represented to the Decision Makers that:

1. Psion Teklogix was incorporated under the OBCA on March 21, 1983 as Teklogix International Limited. Pursuant to a certificate of amalgamation dated April 30, 1990, Teklogix International Limited amalgamated with TXA Limited and TLX Holdings Limited to form Teklogix International Limited. The company changed its name to Teklogix International Inc. on August 4, 1995 and issued restated articles of incorporation on April 15, 1996. On September 20, 2000, the company changed its name to Psion Teklogix International Inc.

2. Psion Teklogix is a reporting issuer or its equivalent under the Legislation. The head office of Psion Teklogix is in the City of Mississauga, Province of Ontario.

3. As a result of a plan of arrangement under the OBCA effected on September 20, 2000, Psion Teklogix has only one security holder, Psion Canada Inc.

4. Psion Teklogix is in default of the requirement under the Legislation to file interim financial statements for the period ended September 30, 2000.

5. The common shares of Psion Teklogix were delisted from The Toronto Stock Exchange on September 22, 2000. None of the securities of Psion Teklogix are listed or posted for trading on any other exchange or market.

6. Psion Teklogix does not intend to seek public financing by way of an offer of securities.

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, and in the case of the Decision Maker of Ontario, section 1(6) of the OBCA, that provide 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 Psion Teklogix is deemed to have ceased to be a reporting issuer, or its equivalent, under the Legislation.

THE FURTHER DECISION of the Decision Maker of Ontario, pursuant to section 1(6) of the OBCA, is that Psion Teklogix is deemed to have ceased to be offering its securities to the public.

January 10, 2001.

"J.A. Geller" "R. Stephen Paddon"

2.1.8 Scotia Securities Inc. Funds - MRRS Decision

Headnote

Future-oriented RSP clone fund relief and relief to enter into forward contracts with a related counterparty.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5, as am., s. 113, s. 117 and ss. 121(2)(a)(ii).

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

AND

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

AND

IN THE MATTER OF

SCOTIA SECURITIES INC.
CAPITAL U.S. LARGE COMPANIES RSP FUND
CAPITAL U.S. SMALL COMPANIES RSP FUND
CAPITAL INTERNATIONAL LARGE COMPANIES RSP FUND
CAPITAL GLOBAL DISCOVERY RSP FUND
CAPITAL GLOBAL SMALL COMPANIES RSP FUND

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces and territories of British Columbia, Alberta, Saskatchewan, Ontario, Québec, Nova Scotia, and Newfoundland (the "Jurisdictions") has received an application (the "Application") from Scotia Securities Inc. (the "Manager") in its own capacity and on behalf of Capital U.S. Large Companies RSP Fund, Capital U.S. Small Companies RSP Fund, Capital International Large Companies RSP Fund, Capital Global Discovery RSP Fund and Capital Global Small Companies RSP Fund (the "Existing RSP Funds") and other mutual funds managed by the Manager after the date of this Decision (defined herein) having an investment objective or strategy that is linked to the returns or portfolio of another specified mutual fund while remaining 100% eligible for registered plans (together with the Existing RSP Funds, the "RSP Funds") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the following prohibitions or requirements under the Legislation (the "Applicable Requirements") shall not apply to the RSP Funds or the Manager, as the case may be, in respect of certain investments made by the RSP Funds in Capital International-U.S. Equity, Capital International-U.S Small Cap, Capital International-International Equity, Capital International-Global Discovery, Capital International-Global Small Cap or

any other specific prospectus-qualified mutual funds (the "Underlying Funds") and in respect of certain investments made by the RSP Funds in forward contracts ("Forward Contracts") with the Bank of Nova Scotia ("BNS"):

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

2. the requirements contained in the Legislation requiring the management company or, in British Columbia, a mutual fund manager, to file a report relating to a purchase or sale of securities between the mutual fund and any related person or company, or any transaction in which, by arrangement other than an arrangement relating to insider trading in portfolio securities, the mutual fund is a joint participant with one or more of its related persons or companies; and

3. the requirements prohibiting the Manager from knowingly causing an RSP Fund to invest in any person or company in which a director, officer or employee of the Manager is a director or officer.

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

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

1. The RSP Funds will be open-ended mutual fund trusts established under the laws of the Province of Ontario. The Manager is a corporation established under the laws of the Province of Ontario. The Manager is the manager, trustee and promoter of the RSP Funds.

2. The Underlying Funds will be open-end mutual funds established under the laws of the Province of Ontario. The units of the Underlying Funds are to be qualified in the jurisdiction of the Decision Maker for sale pursuant to a simplified prospectus and annual information form which has been filed with and accepted by the Decision Maker.

3. The RSP Funds and the Underlying Funds (collectively, the "Funds") will be reporting issuers. The units of the RSP Funds are to be qualified under a simplified prospectus and annual information form (collectively, the "Prospectus") or the equivalent under the Legislation, which Prospectus will contain disclosure with respect to the investment objective, investment practices and restrictions of the Funds, The investment objective of each RSP Fund shall include the name of its corresponding Underlying Fund. The RSP Funds are not in default of the requirements of the Legislation.

4. Each RSP Fund seeks to achieve its investment objective while ensuring that its units do not constitute "foreign property" under the Income Tax Act (Canada) (the "Tax Act") for registered retirement savings plans, registered retirement income plans, and deferred profit sharing plans ("Registered Plans").

5. To achieve its investment objective each RSP Fund invests its assets in securities such that its units will, in the opinion of tax counsel to the RSP Fund, be "qualified investments" for Registered Plans and will not constitute foreign property in a Registered Plan. This will primarily be achieved by the RSP Funds entering into derivative contracts with one or more financial institutions that link the returns to those of the Underlying Funds. However, each RSP Fund also intends to invest a portion of its assets in securities of an Underlying Fund. This investment by an RSP Fund will at all times be below the maximum foreign property limit prescribed under the Tax Act for Registered Plans (the "Permitted Limit").

6. "BNS", a financial institution which is an affiliate of the Manager, may be a Counterparty to the derivative contracts entered into by the RSP Funds.

7. Except for the transaction costs payable to BNS in relation to any forward contracts with it, none of the RSP Funds, the Underlying Funds, the Manager or any affiliate or asociate of any of the foregoing will pay any fees or charges of any kind to any other related party in respect of a trade in such forward contracts.

8. The Prospectus will disclose the involvement of BNS in acting as Counterparty as well as all applicable charges in connection with any forward contracts with BNS.

9. The investment objectives of the Underlying Funds are achieved through investment primarily in foreign securities.

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

11. Except to the extent evidenced by this Decision and specific approvals granted or to be granted by the Canadian securities administrators under National Instrument 81-102 ("NI 81-102"), the investment by each RSP Fund in an Underlying Fund will be structured to comply with the investment restrictions of the Legislation and NI 81-102.

12. The investments by the RSP Funds in securities of the Underlying Funds represent the business judgement of responsible persons uninfluenced by considerations other than the best interests of the Funds.

13. In the absence of this Decision, pursuant to the Legislation, each RSP Fund is prohibited from (a) knowingly making an investment in a person or company in which the mutual fund, alone or together

with one or more related mutual funds, is a substantial securityholder; and (b) knowingly holding an investment referred to in subsection (a) hereof. As a result, in the absence of this Decision a RSP Fund would be required to divest itself of any investments referred to in subsection (a) herein.

14. In the absence of this Decision, the Legislation requires the Manager to file a report on every purchase or sale of securities of the Underlying Funds by the RSP Funds.

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

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

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

PROVIDED IN EACH CASE THAT:

1. The Decision as it relates to the jurisdiction of a Decision Maker, will terminate one year after the publication in final form of any legislation or rule of that Decision Maker dealing with the matters in subsection 2.5 of NI 81-102; and

2. the foregoing Decision shall only apply in respect of investments in, or transactions with, an Underlying Fund that are made by a RSP Fund in compliance with the following conditions:

   (a) the investment by an RSP Fund in an Underlying Fund is compatible with the fundamental investment objective of such RSP Fund;

   (b) the securities of the RSP Funds and the Underlying Funds are and will continue to be offered for sale in the jurisdiction of the Decision Maker pursuant to a prospectus which has been filed with and accepted by the Decision Maker;

   (c) each RSP Fund restricts its aggregate direct investment in its Underlying Fund to a percentage of its assets that is within the Permitted Limit;

   (d) the investment objectives in the Prospectus of the RSP Funds describe the intent of RSP Funds to invest in the specified Underlying Funds and shall name the Underlying Funds;

   (e) the RSP Funds may change the Permitted Limit only if they change their fundamental investment objectives in accordance with the Legislation;

   (f) if at any time, the assets of the RSP Funds that are invested in the Underlying Funds exceed the percentage limit permitted under the Decision the necessary changes are made in the RSP Funds' investment portfolio as at the next valuation date of the RSP Funds in order to bring the RSP Funds' investment portfolio into conformity with the aforesaid amount;

   (g) there are compatible dates for the calculation of the net asset value of the RSP Fund and its Underlying Fund for the purpose of the issue and redemption of the securities of such mutual funds;

   (h) in the event of the provision of any notice to securityholders of an Underlying Fund as required by the constating documents of that Underlying Fund or by the laws applicable to that Underlying Fund, such notice will also be delivered to the securityholders of the applicable RSP Fund; all voting rights attached to the securities of the Underlying Fund which are owned by an applicable RSP Fund will be passed through to the securityholders of the applicable RSP Fund.

   (i) if a securityholders' meeting is called by the Underlying Fund in respect of a matter requiring securityholder approval under NI 81-102, all of the disclosure and notice material prepared in connection with such meeting will be provided to the securityholders of the RSP Fund and such securityholders will be entitled to direct a representative of the RSP Fund to vote the RSP Fund's holding in the Underlying Fund in accordance with their direction; and the representative of an RSP Fund will not be permitted to vote the RSP Fund's holdings in the Underlying Fund except to the extent the securityholders of the RSP Fund so direct;

   (j) no sales charges are payable by an RSP Fund in relation to its purchases of securities of an Underlying Fund;

   (k) no redemption fees or other charges are charged by an Underlying Fund in respect of the redemption by an RSP Fund of securities of that Underlying Fund owned by that RSP Fund;

   (l) the arrangements between or in respect of an RSP Fund and its Underlying Fund are such as to avoid the duplication of management fees;

   (m) as part of receiving the annual and, upon request, the semi-annual financial statements of an RSP Fund, securityholders of that RSP Fund will receive appropriate summary disclosure in respect of the RSP Fund's holdings of securities of the corresponding Underlying Fund;

   (n) copies of the simplified prospectus, annual information form and annual and semi-annual financial statements relating to the applicable

Underlying Fund may be obtained upon request by a securityholder of the RSP Fund without charge and this fact will be disclosed in the Prospectus of the RSP Funds; and

(o) the RSP Funds will not invest in an Underlying Fund whose investment objective includes investing directly or indirectly in other mutual funds.

AND PROVIDED THAT IN RESPECT OF investments by an RSP Fund in Forward Contracts, the Decision applies to investments in Forward Contracts of BNS as Counterparty, that are made in compliance with the following conditions:

(a) the pricing terms offered by BNS to the RSP Funds under the forward contracts are at least as favourable as the terms committed by BNS to other third parties, which are of similar size as the RSP Funds;

(b) prior to the RSP Funds entering into a forward contract transaction with BNS, the independent auditors of the RSP Funds will review the pricing offered by BNS to the RSP Funds against the pricing offered by BNS to other fund groups offering RSP Funds of similar size, to ensure that the pricing is at least as favourable;

(c) the review by the independent auditors will be undertaken whenever the Prospectus is renewed and whenever it is proposed to amend the pricing and terms of such contract;

(d) the RSP Funds' Prospectus discloses the independent auditors' role and their review of the forward contracts, as well as the involvement of BNS; and

(e) the RSP Funds will enter into forward contracts with BNS only once confirmation of favourable pricing is received from the independent auditors or board of Trustees, as the case may be.

December 13, 2000.

"Howard I. Wetston" "J.A. Geller"

2.1.9 National Bank Securities Inc. - MRRS Decision

Headnote

Extension of lapse date.

Statutes Cited

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

IN THE MATTER OF
THE CANADIAN SECURITIES LEGISLATION
OF QUÉBEC, ONTARIO
AND NEW BRUNSWICK

AND

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

AND

IN THE MATTER OF
THE NATIONAL BANK PROTECTED CANADIAN BOND FUND
THE NATIONAL BANK PROTECTED RETIREMENT BALANCED FUND
THE NATIONAL BANK PROTECTED GROWTH BALANCED FUND
THE NATIONAL BANK PROTECTED CANADIAN EQUITY FUND
THE NATIONAL BANK PROTECTED GLOBAL RSP FUND
(the "Funds")

IN THE MATTER OF
NATIONAL BANK SECURITIES INC.

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in Québec, Ontario and New Brunswick (the "Jurisdictions") have received an application from National Bank Securities Inc. ("NBSI"), which act as the manager and principal distributor of the Funds for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") in order that the distribution of units of the Funds pursuant to the current prospectus offering of the Funds, be extended to the time periods that would be applicable if the lapse date for distribution of these units pursuant to that current prospectus was January 31, 2001;

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

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

1. NBSI is the manager and principal distributor of the Funds;

2. Each of the Funds is an unincorporated open-end mutual fund trust created under the laws of Ontario by a separate declaration of trust;

3. Each Fund is a reporting issuer as defined in the Legislation and is not in default of any of the requirements of the Jurisdiction;

4. A receipt dated December 17,1999 was issued by the Decision-Makers in Québec and New-Bunswick and a receipt dated December 24, 1999, was issued by the Decision-Maker in Ontario for the (final) simplified prospectus (the "Prospectus") and an annual information form, dated December 14, 1999;

5. The lapse dates for the distribution of units of the Funds pursuant to the Prospectus are therefore December 17 and 24, 2000 in the respective Jurisdictions; and

6. The Funds filed pro forma simplified prospectus and pro forma annual information form with the Jurisdictions on November 11, 2000.

7. Initial comments on the pro forma simplified prospectus and pro forma annual information form were received by the Funds from the Jurisdictions on December 18, 2000;

8. The Funds estimated that the time available for the internal review process to respond to these comments, to obtain clearance and to file the final material before the statutory holidays would not be realistic.

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 authority to make the Decision has been met.

THE DECISION of the Decision Makers pursuant to the Legislation is that the distribution of units of the Funds, pursuant to the Prospectus of the Funds, be extended to the time periods that would be applicable if the lapse date for distribution of these units pursuant to the Prospectus was January 31, 2001.

January 9, 2001.

Josée Deslauriers
Chef de service du financement des sociétés

2.1.10 Desjardins Funds - MRRS Decision

Headnote:

Extension of Lapse Date for Mutual Funds' prospectus filing.

Statutes Cited:

Securities Act, R.S.O. 1990, c. S5, as amended, ss. 62(5).

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

AND

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

AND

IN THE MATTER OF

DESJARDINS MONEY MARKET FUND
DESJARDINS MORTGAGE FUND
DESJARDINS BOND FUND
DESJARDINS BALANCED FUND
DESJARDINS QUÉBEC FUND
DESJARDINS DIVERSIFIED SECURE FUND
DESJARDINS DIVERSIFIED MODERATE FUND
DESJARDINS DIVERSIFIED AUDACIOUS FUND
DESJARDINS DIVERSIFIED AMBITIOUS FUND
DESJARDINS SELECT BALANCED FUND
DESJARDINS WORLDWIDE BALANCED FUND
DESJARDINS DIVIDEND FUND
DESJARDINS EQUITY FUND
DESJARDINS ENVIRONMENT FUND
DESJARDINS GROWTH FUND
DESJARDINS HIGH POTENTIAL SECTORS FUND
DESJARDINS SELECT CANADIAN FUND
DESJARDINS AMERICAN MARKET FUND
DESJARDINS INTERNATIONAL FUND
DESJARDINS EUROPE FUND
DESJARDINS ASIA/PACIFIC FUND
DESJARDINS EMERGING COUNTRIES FUND
DESJARDINS SELECT AMERICAN FUND
DESJARDINS SELECT GLOBAL FUND
(the «Funds»)

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the «Decision Maker) in each of the provinces and territories of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia,

Prince Edward Island, Newfoundland, Northwest Territories, Nunavut and Yukon Territory (the «Jurisdictions») has received an application (the «Application») from Desjardins Investment Services Inc. (the «Manager») and the Funds for a decision pursuant to the securities legislation of the Jurisdictions (the «Legislation») that the time limits pertaining to the distribution of units under the simplified prospectus (the «Prospectus») of the Funds be extended to those time limits that would be applicable if the lapse date of the Prospectus was January 15, 2001.

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

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

(1) The Manager is a corporation incorporated under the laws of Québec. Desjardins Trust Inc. is the trustee and promoter of the Funds and is a corporation incorporated under the laws of Québec.

(2) The Funds are open-ended mutual fund trusts established by the Manager under the laws of Québec.

(3) The Funds are reporting issuers under the *Québec Securities Act* (the «Act») and are not in default of any requirements of the Act or the Regulations made thereunder.

(4) By way of a Decision dated October 26, 2000, the Decision Makers extended to December 15, 2000 the date for filing the Prospectus. Pursuant to section 35 of the Act, the lapse date (the «Lapse Date») for distribution of securities of the Funds is now December 15, 2000.

(5) The Funds are presently offered for sale on a continuous basis in each province and territory of Canada pursuant to a simplified prospectus dated October 15, 1999 which was receipted on November 2, 1999 in Ontario and Québec, as amended by Amendment No. 1 thereto dated April 25, 2000.

(6) Since the date of the Prospectus, no material change has occurred except for the Amendment No. 1 referred to above. Accordingly, the Prospectus and Amendment No. 1 represent up to date information regarding each of the Funds offered therein. The extension requested will not affect the currency or accuracy of the information contained in the Prospectus of the Funds and accordingly will not be prejudicial to the public interest.

(7) On November 9, 2000, the Funds filed their preliminary simplified prospectus and annual information form dated November 3, 2000.

(8) By letters dated November 22 and November 30, 2000, the Funds received numerous observations from the securities authorities.

(9) The Prospectus will have to be substantially amended in order to comply with the comments received from the securities authorities. The requested extension will allow the Manager sufficient time to properly answer all the comments received from the securities authorities.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the time limits provided by Legislation as they apply to a distribution of securities under a prospectus are hereby extended to the time limits that would be applicable if the Lapse Date for the distribution of securities under the Prospectus of the Funds was January 15, 2001.

DATED at Montreal on December 20th, 2000.

Josée Deslauriers

2.1.11 Transaction Systems Architects - MRRS Decision

Headnote

Prospectus and registration relief in connection with an acquisition of a reporting issuer using an exchangeable share structure. First trade relief for underlying securities if trade is executed through the facilities of a stock exchange located outside of Canada.

Statutes Cited

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

National Policies

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

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ALBERTA, MANITOBA, ONTARIO AND NOVA SCOTIA

AND

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

AND

IN THE MATTER OF
TRANSACTION SYSTEMS ARCHITECTS, INC.,
TRANSACTION SYSTEMS ARCHITECTS
NOVA SCOTIA COMPANY,
TSA EXCHANGECO LIMITED
AND MESSAGINGDIRECT LTD.

MRRS DECISION DOCUMENT

1. **WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Manitoba, Ontario and Nova Scotia (the "Jurisdictions") has received an application from Transaction Systems Architects, Inc. ("TSA"), Transaction Systems Architects Nova Scotia Company ("TSA Holdco"), TSA Exchangeco Limited ("TSA Exchangeco") and MessagingDirect Ltd. ("MDL") (collectively, the "Applicants") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that intended trades in securities made in connection with or resulting from the acquisition (the "Acquisition") by TSA and its affiliates of all of the Class A common shares of MDL (the "MDL Shares") are exempt from the registration and prospectus requirements of the Legislation (the "Registration and Prospectus Requirements");

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** it has been represented by the Applicants to the Decision Makers that:

3.1 TSA was incorporated under the laws of the State of Delaware. TSA is not a reporting issuer or its equivalent in any of the Jurisdictions and it is not anticipated that TSA will become a reporting issuer or its equivalent in any of the Jurisdictions;

3.2 the authorized share capital of TSA consists of 50,000,000 shares of Class A Common Stock (the "TSA Shares"), par value $0.005 per share, 5,000,000 shares of Class B Common Stock ("TSA Class B Shares"), par value $0.005 per share, and 5,450,000 shares of Preferred Stock ("TSA Preferred Shares"), par value $0.01 per share, of which 33,100,967 TSA Shares and no TSA Class B Shares or TSA Preferred Shares were issued and outstanding as of October 20, 2000;

3.3 the TSA Shares are quoted on the Nasdaq National Market ("Nasdaq") and TSA is subject to the reporting requirements of the United States *Securities Exchange Act of 1934*, as amended;

3.4 TSA Holdco is an unlimited liability company formed under the laws of the province of Nova Scotia and is not a reporting issuer or its equivalent in the Jurisdictions;

3.5 the authorized capital of TSA Holdco consists of 1,000,000 common shares, of which 100 common shares are currently issued and outstanding. TSA Holdco is a private company and is an indirect wholly-owned subsidiary of TSA;

3.6 TSA Exchangeco is a limited liability company incorporated under the laws of the province of Nova Scotia and is not a reporting issuer or its equivalent in the Jurisdictions;

3.7 the authorized capital of TSA Exchangeco currently consists of 1,000,000 common shares ("Exchangeco Common Shares") of which there are currently 100 common shares issued and outstanding all of which are held by TSA Holdco. TSA Exchangeco is a private company and is an indirect wholly-owned subsidiary of TSA;

3.8 in connection with the Acquisition, it is anticipated that TSA Exchangeco will amend its articles to create two new share classes. Upon amending its articles, it is anticipated that the authorized capital of TSA Exchangeco will consist of 1,000,000 Exchangeco Common Shares, 100,000,000 preferred shares ("Preferred Shares") and 100,000,000 exchangeable shares ("Exchangeable Shares"). It is anticipated that TSA Exchangeco will remain a private company and will continue to be an indirect subsidiary of TSA. The Exchangeable Shares will not be listed or quoted on any stock exchange or public market;

3.9 MDL was incorporated under the *Alberta Business Corporations Act*, as amended ("ABCA") and is a reporting issuer in Alberta, Manitoba and Ontario by virtue of a prospectus (the "Prospectus") filed in June of 2000 in connection with a special warrant financing;

3.10 the authorized capital of MDL consists of an unlimited number of MDL Shares, an unlimited number of class B preferred shares ("MDL Class B Shares") and an unlimited number of class C preferred shares ("MDL Class C Shares"). As of October 20, 2000, there were 18,569,163 MDL Shares and no MDL Class B Shares or MDL Class C Shares issued and outstanding;

3.11 the MDL Shares are not listed or quoted on any exchange or public market and only MDL Shares qualified for distribution pursuant to the Prospectus are freely tradable at this time;

3.12 MDL has adopted a stock option plan (the "MDL Option Plan") for its directors, officers, employees and others providing key services to MDL or its affiliates. Subject to adjustment as described in the MDL Option Plan, the MDL Option Plan permits the grant of options to ("MDL Options") to purchase up to 5,000,000 MDL Shares. As of October 20, 2000, MDL had 2,289,260 outstanding MDL Options under the MDL Option Plan permitting the holders thereof to purchase 2,289,260 MDL Shares in the aggregate;

3.13 in connection with a prior offering, MDL issued compensation warrants (the "Compensation Warrants") to Yorkton Securities Inc. (the "Agent") There are 666,700 Compensation Warrants outstanding exercisable for 666,700 MDL Shares at a price of 1.50 (US$) per MDL Share;

3.14 pursuant to an agreement between MDL, Stonebridge Merchant Capital Corp. ("Stonebridge") and others, Stonebridge received options to acquire up to 1,174,000 MDL Shares, half of which remain outstanding and are exercisable for 587,000 MDL Shares (the "Stonebridge Options");

3.15 TSA, TSA Holdco, TSA Exchangeco and MDL have entered into a combination agreement (the "Combination Agreement") pursuant to which TSA will acquire, indirectly, all of the MDL Shares. The Acquisition is proposed to be effected by way of a plan of arrangement (the "Plan of Arrangement") under section 186 of the ABCA pursuant to which TSA, through TSA Holdco and TSA Exchangeco, will acquire all of the issued and outstanding MDL Shares in exchange for an aggregate of approximately 3,357,500 TSA Shares;

3.16 to effect the Plan of Arrangement, it is anticipated that a special meeting (the "Special Meeting") will be held on January 4, 2001 at which the holders (the "MDL Securityholders") of MDL Shares, MDL Options, Stonebridge Options and Compensation Warrants (collectively, "MDL Securities") will be asked to vote on the Plan of Arrangement. The Plan of Arrangement will need to be approved by at least 66 2/3% of the votes cast at the Special Meeting. Each holder of MDL Shares will be entitled to one (1) vote for each MDL Share held. Holders of MDL Options, holders of Compensation Warrants and holders of Stonebridge Options will be entitled to one (1) vote for each MDL Share underlying their MDL Options, Compensation Warrants and Stonebridge Options and will vote together with holders of MDL Shares as a single class;

3.17 in connection with the Special Meeting, MDL mailed to each MDL Securityholder on December 13, 2000, a notice of Special Meeting, form of proxy, and a management proxy circular (the "Circular"). The Circular contains prospectus-level disclosure of the business and affairs of MDL and the Plan of Arrangement as well as partial disclosure of the business and affairs of TSA (the "TSA Disclosure"). The TSA Disclosure included historical financial data, management discussion and analysis and information about TSA's share capital;

3.18 of the MDL Shareholders resident in Canada, there are currently approximately ninety (90) MDL Shareholders resident in Alberta, one (1) resident in Manitoba and thirty-three (33) resident in Ontario;

3.19 certain MDL Securityholders (the "Principal Securityholders") holding voting rights in the aggregate equal to approximately 49.8% of voting rights attaching to the outstanding MDL Securities that will be eligible to vote at the Special Meeting have entered into a voting agreement (the "Principal Securityholders' Voting Agreement") with TSA, TSA Holdco and TSA Exchangeco (collectively, the "TSA Companies") pursuant to which the Principal Securityholders have agreed to:

3.19.1 vote their MDL Securities at the Special Meeting in favour of the Combination Agreement and any proposals to facilitate it;

3.19.2 vote against any action that could result in a breach by MDL under the Combination Agreement, any inconsistent or opposing proposal or any other Business Combination Transaction (as defined in the Combination Agreement);

3.19.3 irrevocably appoint certain TSA representatives as their attorneys in fact and proxies to vote in favour of the Combination Agreement at the Special Meeting and do all such things as reasonably required to support and implement the Plan of Arrangement and complete the transactions contemplated by the Combination Agreement;

3.19.4 not to sell, transfer, encumber or otherwise dispose of their MDL Securities or grant other proxies or enter into other voting agreements with respect to their MDL Shares; and

3.19.5 irrevocably appoint an agent (the "Shareholder Agent") as their agent with respect to the indemnification provisions of the Principal Securityholders' Voting Agreement and acknowledge that they will be bound by the provisions of the Escrow Agreement (defined below) which, when effective, will allow TSA to recover from the assets allocable to the Principal Securityholders in the Escrow Fund (defined below) with respect to their indemnification obligations in the Principal Securityholders' Voting Agreement;

3.20 Subject to the approval of the Plan of Arrangement by MDL Securityholders and the final order of the Court, and subject to the exercise of dissent rights and requirements for the escrow of certain shares, at the effective date of the Plan of Arrangement (the "Effective Date"):

3.20.1 the MDL Stock Option Plan will be amended to permit acceleration of vesting of the MDL Options and the adoption of the MDL Stock Option Plan by TSA;

3.20.2 each Stonebridge Option and Compensation Warrant will be converted into and exchanged for MDL Shares equal to (i) the number of MDL Shares purchasable on the Effective Date pursuant to such Stonebridge Option or Compensation Warrant, as applicable, less (ii) the quotient derived by dividing (A) the aggregate exercise price for the MDL Shares purchasable under such Stonebridge Option or Compensation Warrant, by (B) the product derived by multiplying (I) the Exchange Ratio (as defined in the Combination Agreement) by (II) the Average Trading Price (as defined in the Plan of Arrangement);

3.20.3 each MDL Share held by a person who is not a resident of the United States will be exchanged for, at the election of the holder thereof, such number of TSA Shares or Exchangeable Shares or a combination thereof, as is calculated based on the Exchange Ratio. If no election is made, the MDL Shareholder will receive TSA Shares;

3.20.4 each MDL Share held by a person who is a resident of the United States will be exchanged for such number of TSA Shares as is calculated based on the Exchange Ratio;

3.20.5 each holder of MDL Shares who is resident in the United States and who received TSA Shares shall receive from TSA Exchangeco a pro rata portion of a pool of 200,000 TSA Shares (the "Pool Shares"). The 3,357,000 TSA Shares issuable in connection with the Plan of Arrangement include the Pool Shares;

3.20.6 each of the outstanding MDL Options will be converted into an option to purchase ("Replacement TSA Option") that number of TSA Shares equal to (i) the product of the number of MDL Shares subject to such MDL Option multiplied by the Exchange Ratio, less (ii) the quotient derived by dividing (A) the aggregate exercise price for the MDL Shares subject to such MDL Option by (B) the Average Trading Price; and

3.20.7 TSA will issue to and deposit with the trustee (the "Trustee") designated under a voting and exchange trust agreement (the "Voting and Exchange Trust Agreement") to be entered into among the TSA Companies and the Trustee, one (1) share of Special Preferred Voting Stock of TSA (the "Special Voting Share") to be held for and on behalf of the holders of the Exchangeable Shares;

3.21 no holder of an MDL Share or MDL Option will be entitled to receive fractional shares as a consequence of any of the exchanges described in the foregoing paragraph. Instead, such holders will receive from TSA Exchangeco the number of TSA Shares or Exchangeable Shares as the holders are entitled to receive on the exchange of their MDL Shares rounded down to the nearest whole number of TSA Shares and/or Exchangeable Shares. Similarly, MDL Options on exchange will be rounded down to the nearest whole number of shares;

3.22 each holder of Exchangeable Shares (other than TSA and its affiliates) will be prohibited from trading any of his or its Exchangeable Shares other than as permitted pursuant to the terms of the Plan of Arrangement and the provisions of TSA Exchangeco's constating documents;

3.23 each holder of TSA Shares shall be prohibited from trading any of his or its TSA Shares except as specified in the Plan of Arrangement, namely, one-third (1/3) of a holder's TSA Shares may be traded after thirty (30) days following the Effective Date, one-third (1/3) may be traded after ninety (90) days following the Effective Date, and the remaining one-third (1/3) may be traded one hundred and eighty (180) days after the Effective Date, net of any Exchangeable Shares and TSA Shares held in escrow;

3.24 the Plan of Arrangement provides for the entering into of an escrow agreement (the "Escrow

Agreement") among the TSA Companies, MDL Securityholders who receive either Exchangeable Shares or TSA Shares ("Indemnifying Securityholders"), an escrow agent (the "Escrow Agent") and the Shareholder Agent. Each of the Indemnifying Securityholders will indemnify TSA and its affiliates from losses suffered or incurred by them resulting from any inaccuracy or breach of a representation, warranty or covenant of MDL in the Combination Agreement as well as any transaction fees incurred by MDL in excess of C$1.8 million;

3.25 any claims for indemnification are to be satisfied out of an escrow fund (the "Escrow Fund") to be established on the Effective Date consisting of 20% TSA Shares and Exchangeable Shares issuable pursuant to the Plan of Arrangement (collectively, the "Escrowed Shares") Each Indemnifying Securityholder will escrow 20% of his, her or its securities received at the closing of the Acquisition (the "Closing Date"). The Escrowed Shares are to be held in the Escrow Fund from the Closing Date until the first anniversary of the Effective Date, subject to a holdback for any unsettled claims. All exchanges and releases of the Escrowed Shares, as applicable, will be governed by the terms of the Escrow Agreement;

3.26 the Exchangeable Shares, together with the Voting and Exchange Trust Agreement, The Special Voting Share and the Support Agreement (as defined below) will provide holders with a security of a Canadian issuer having economic and voting rights that are, in all material respects, equivalent to those of TSA Shares;

3.27 the Exchangeable Shares will be non-voting (except as required by the rights, privileges, restrictions and conditions attaching to the Exchangeable Shares (collectively, the "Exchangeable Share Provisions") or by applicable law) and will be retractable at the option of the holder at any time;

3.28 the Exchangeable Shares will be exchangeable by a holder thereof for TSA Shares on a share-for-share basis at any time at the option of such holder and will be required to be exchanged upon the occurrence of certain events;

3.29 the Exchangeable Shares will rank prior to the TSA Exchangeco common shares and any other shares ranking junior to the Exchangeable Shares with respect to distribution of assets in the event of the liquidation, dissolution or winding up of TSA Exchangeco or any other distribution of the assets of TSA Exchangeco for the purpose of winding up its affairs;

3.30 each Exchangeable Share will entitle the holder to dividends from TSA Exchangeco payable at the same time as, and equivalent to, each dividend paid by TSA on a TSA Share. TSA Exchangeco will not pay a dividend on any shares ranking junior to the Exchangeable Shares if TSA Exchangeco is in default of any dividend obligations with respect to the Exchangeable Shares;

3.31 upon a proposed liquidation, dissolution or winding up of TSA Exchangeco or any other distribution of the assets of TSA Exchangeco for the purpose of winding up its affairs, TSA Holdco will have an overriding call right (the "Liquidation Call Right") to purchase all of the outstanding Exchangeable Shares from the holders thereof (other than TSA or its affiliates) for a price per share equal to the Current Market Price (as defined in the Exchangeable Share Provisions of a TSA Share, to be satisfied by delivery of one TSA Share, together with all declared and unpaid dividends on each such Exchangeable Share (the "Dividend Amount") and Fractional Share Amount (as defined in the Exchangeable Share Provisions) (collectively, the "Liquidation Amount");

3.32 subject to the "Liquidation Call Right, TSA or TSA Holdco on the liquidation, dissolution or winding up of TSA Exchangeco, or any other distribution of the assets of TSA Exchangeco for the purpose of winding up its affairs, a holder of Exchangeable Shares will be entitled to receive from TSA Exchangeco for each Exchangeable Share held an amount equal to the Liquidation Amount;

3.33 upon being notified by TSA Exchangeco of a proposed retraction of Exchangeable Shares, TSA or TSA Holdco will have an overriding call right (the "Retraction Call Right") to purchase from the holder all of the Exchangeable Shares that are the subject of the retraction notice for a price equal to the Current Market Price of a TSA Share, to be satisfied by delivery of one TSA Share, together with the Dividend Amount and Fractional Share Amount (collectively, the "Retraction Price");

3.34 subject to the overriding Retraction Call Right of TSA or TSA Holdco, upon retraction a holder will be entitled to receive from TSA Exchangeco for each Exchangeable Share retracted an amount per share equal to the Retraction Price;

3.35 upon being notified by TSA Exchangeco of a proposed redemption of Exchangeable Shares, TSA or TSA Holdco will have an overriding call right (the "Redemption Call Right") to purchase from the holders (other than TSA or its affiliates) all of the outstanding Exchangeable Shares for a price per share equal to the Current Market Price of a TSA Share, to be satisfied by the delivery of one TSA Share, plus the Dividend Amount and Fractional Share Amount (collectively, the "Redemption Price");

3.36 subject to the Redemption Call Right of TSA or TSA Holdco, TSA Exchangeco shall redeem all the Exchangeable Shares then outstanding on the fifth (5^{th}) anniversary of the Effective Date (the "Redemption Date"). The board of directors of TSA Exchangeco may accelerate the Redemption Date in certain circumstances, including when the

number of Exchangeable Shares outstanding is less than one-third (1/3) of the number of Exchangeable Shares issued on the Effective Date, and in connection with a TSA Control Transaction, a TSA Spin-Out Decision Date, an Exchangeable Share Voting Event and an Exempt Exchangeable Share Voting Event (as each such term is defined in the Exchangeable Share Provisions). Upon such redemption, a holder will be entitled to receive from TSA Exchangeco for each Exchangeable Share redeemed an amount equal to the Redemption Price;

3.37 TSA Exchangeco will be entitled, at its option, but subject to the consent of the holder of such Exchangeable Shares (the "Corporation Conversion Right"), to convert at any time any outstanding Exchangeable Shares into Exchangeco Common Shares;

3.38 upon the liquidation, dissolution or winding up of TSA, the Exchangeable Shares will be automatically exchanged for TSA Shares pursuant to the Voting and Exchange Trust Agreement, in order that holders of Exchangeable Shares may participate in the dissolution of TSA on the same basis as holders of TSA Shares pursuant to the Automatic Exchange Right, as described below. Upon the insolvency of TSA Exchangeco, holders of Exchangeable Shares may put their shares to TSA in exchange for TSA Shares;

3.39 the Special Voting Share will be issued to and held by the Trustee contemporaneously with the closing of the Plan of Arrangement. The Special Voting Share will carry a number of voting rights equal to the number of Exchangeable Shares outstanding from time to time that are not owned by TSA and its affiliates;

3.40 each voting right attached to the Special Voting Share will be exercised by the Trustee as instructed by the holders of the related Exchangeable Shares. In the absence of any voting instructions from a holder, the Trustee will not be entitled to exercise the related voting rights. The holders of the TSA Shares and the holder of the Special Voting Share shall vote together as a single class;

3.41 the Special Voting Share will not be entitled to participate on the dissolution of TSA. At such time as the Special Voting Share has no votes attached to it because there are no Exchangeable Shares outstanding not owned by TSA or any of its affiliates, the Special Voting Share will be canceled;

3.42 under the Voting and Exchange Trust Agreement, TSA will grant to the Trustee for the benefit of the holders of the Exchangeable Shares (other than TSA and its affiliates) an exchange right (the "Exchange Right"), exercisable upon a TSA Exchangeco Insolvency Event (as defined in the Voting and Exchange Trust Agreement), to require TSA to purchase from each holder of Exchangeable Shares all or any part of his or its Exchangeable Shares. The purchase price for each Exchangeable Share purchased by TSA will be an amount equal to the Current Market Price of a TSA Share, to be satisfied by the delivery to the Trustee, on behalf of the holder, of one TSA Share, together with the Dividend Amount and Fractional Share Amount;

3.43 under the Voting and Exchange Trust Agreement, upon the liquidation, dissolution or winding up of TSA or any other distribution of assets of TSA among its shareholders for the purpose of winding up its affairs, TSA will be required to purchase each outstanding Exchangeable Share, and each holder will be required to sell all of his or its Exchangeable Shares (such purchase and sale obligations referred to as the "Automatic Exchange Right"), for a purchase price per share equal to the Current Market Price of a TSA Share, to be satisfied by the delivery to the Trustee, on behalf of the holder, of one TSA Share, together with the Dividend Amount and Fractional Share Amount and, to the extent not paid by TSA Exchangeco, all dividends declared on the TSA Shares that have not been declared on such Exchangeable Shares or in respect of which economic equivalence has not been provided for in accordance with the Exchangeable Share Provisions;

3.44 contemporaneously with the closing of the Plan of Arrangement, the TSA Companies will enter into a support agreement (the "Support Agreement") which will provide that TSA will not declare or pay any dividend on the TSA Shares unless TSA Exchangeco simultaneously declares and pays an equivalent dividend on the Exchangeable Shares, and that TSA will ensure that TSA Exchangeco and TSA Holdco will be able to honour the redemption and retraction rights and dissolution entitlements that are attributes of the Exchangeable Shares under the Exchangeable Share Provisions and the related Redemption, Retraction and Liquidation Call Rights described above;

3.45 in the event that a tender offer, share exchange offer, issuer bid or take-over bid or similar transaction with respect to the TSA Shares (an "Offer") is proposed by TSA or to TSA, and is recommended by or effected with the consent or approval of the board of directors of TSA, and the Exchangeable Shares are not redeemed by TSA Exchangeco or purchased by TSA or TSA Holdco pursuant to the Redemption Call Right or Automatic Exchange Rights, TSA will use its reasonable efforts to enable holders of Exchangeable Shares (other than TSA and its affiliates) to participate in such Offer on an economically equivalent basis to the manner in which the holders of the TSA Shares participate;

3.46 the Support Agreement will also provide that, without the prior approval of the holders of the Exchangeable Shares, actions such as distributions of stock dividends, options, rights and

warrants for the purchase of securities or other assets, subdivisions, consolidations, reclassifications, reorganizations and other changes cannot be taken in most circumstances in respect of the TSA Shares without the same or an economically equivalent action being taken in respect of the Exchangeable Shares, which may include distributions of additional securities of TSA and/or TSA Exchangeco;

3.47 the Combination Agreement, the Exchangeable Share Provisions, the Voting and Exchange Trust Agreement, the Support Agreement, the MDL Option Plan, the Escrow Agreement and the transactions contemplated by the Plan of Arrangement will involve or may involve, among others, the following trades and transfers (collectively the "Trades"):

3.47.1 the issuance and intra-group transfers of TSA Shares and related issuances of shares of TSA affiliates to enable TSA Exchangeco to deliver TSA Shares in connection with the Plan of Arrangement or the operation of the Exchangeable Share Provisions and the Voting and Exchange Trust Agreement;

3.47.2 the exercise and delivery to MDL of each of the Stonebridge Options and Compensation Warrants by the holders thereof and the issuance and delivery by MDL of MDL Shares;

3.47.3 the issuance of Exchangeable Shares by TSA Exchangeco to MDL Shareholders in consideration for the MDL Shares;

3.47.4 the delivery of TSA Shares by TSA Exchangeco to MDL Shareholders in consideration for the MDL Shares;

3.47.5 the conversion of MDL Options into Replacement TSA Options and the issuance and delivery of TSA Shares to holders of Replacement TSA Options upon exercise;

3.47.6 the creation of the Liquidation Call Right, Redemption Call Right and Retraction Call Right in favour of TSA and TSA Holdco (collectively, the "Call Rights") in consideration for the Ancillary Rights (as defined below);

3.47.7 the grant by TSA to the Trustee for the benefit of the holders of the Exchangeable Shares of the Exchange Right, the Automatic Exchange Right and the voting rights pursuant to the Special Voting Share (the "Ancillary Rights") in exchange for the grant of the Call Rights;

3.47.8 the issuance by TSA of the Special Voting Share to the Trustee;

3.47.9 the issuance and intra-group transfers of TSA Shares and related issuances of shares of TSA affiliates and the delivery of TSA Shares by TSA Exchangeco to a holder of Exchangeable Shares upon the exchange, redemption or retraction of the Exchangeable Shares upon their terms;

3.47.10 the transfer of Exchangeable Shares by the holder to TSA Exchangeco upon the exchange, redemption or retraction of the Exchangeable Shares upon their terms;

3.47.11 the issuance and intra-group transfers of TSA Shares and related issuances of shares of TSA affiliates and to enable TSA Exchangeco to deliver TSA Shares to a holder of Exchangeable Shares and delivery of TSA Shares by TSA or TSA Holdco in connection with TSA's or TSA Holdco's exercise of the Call Rights;

3.47.12 the transfer of Exchangeable Shares by the holder to TSA or TSA Holdco upon TSA or TSA Holdco exercising the Call Rights;

3.47.13 the issuance and intra-group transfers of TSA Shares and related issuances of shares of TSA affiliates to enable TSA Exchangeco to deliver TSA Shares to a holder of Exchangeable Shares and the subsequent delivery upon the liquidation, dissolution or winding up of the TSA Exchangeco;

3.47.14 the transfer of Exchangeable Shares by holders to TSA Exchangeco on the liquidation, dissolution or winding up of TSA Exchangeco;

3.47.15 the issuance and delivery of Exchangeco Common Shares to TSA or an affiliate upon the exercise by TSA Exchangeco of the Corporation Conversation Right;

3.47.16 the transfer of Exchangeable Shares by TSA or an affiliate upon the conversion of Exchangeable Shares acquired by it into Exchangeco Common Shares;

3.47.17 the issuance and delivery of TSA Shares by TSA or TSA Holdco to holders of Exchangeable Shares pursuant to the Automatic Exchange Right;

3.47.18 the transfer of Exchangeable Shares by a holder to TSA or TSA Holdco pursuant to the Automatic Exchange Right;

3.47.19 the transfer by the Escrow Agent of Exchangeable Shares, TSA Shares or other securities to TSA or its affiliates in satisfaction of any Recovery Amounts out of the Escrow Fund; and

3.47.20 in the event of the reorganization of TSA Exchangeco and TSA Holdco whereby TSA or its affiliates may assume or succeed to the rights and obligations of TSA Exchangeco and TSA Holdco, some of the trades set forth above may be made with or by an affiliate of TSA other than TSA Exchangeco or TSA Holdco;

3.48 many of the foregoing Trades constitute "distributions" within the meaning of the Legislation and, accordingly are subject to the Registration and Prospectus Requirements;

3.49 following the completion of the Plan of Arrangement, TSA believes, after due inquiry, that Canadian resident holders of TSA Shares and Exchangeable Shares, counted together as a class, will not hold more than 10% of the sum of outstanding TSA Shares and Exchangeable Shares and will not represent in number more than 10% of the total number of beneficial holders of TSA Shares and Exchangeable Shares;

3.50 there is presently no public market in Canada for the TSA Shares and no such public market is expected to develop;

3.51 MDL Securityholders will make one fundamental investment decision when voting in respect of the Plan of Arrangement. If the Plan of Arrangement is approved by the requisite majority of MDL Securityholders, each MDL Securityholder (other than a dissenting holder) will receive either Exchangeable Shares or TSA Shares in exchange for MDL Shares held by such holder and outstanding MDL Options will be converted into Replacement TSA Options;

3.52 TSA will send concurrently to all holders of Exchangeable Shares or TSA Shares resident in Canada all disclosure material furnished to holders of TSA Shares resident in the United States including, without limitation, copies of its annual financial statements and all proxy solicitation;

4. **AND WHEREAS** pursuant to the System, this 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 pursuant to the Legislation is that the Trades, when made pursuant to or in connection with the Plan of Arrangement, are not subject to the Registration and Prospectus Requirements, provided that:

6.1 the first trade in Exchangeable Shares or Replacement TSA Options, other than the exchange of Exchangeable Shares for TSA Shares or the exercise of Replacement TSA Options shall be a distribution or a primary distribution to the public, and;

6.2 the first trade in TSA Shares issued in connection with the Plan of Arrangement shall be a distribution or a primary distribution to the public unless such first trade is executed through the facilities of a stock exchange or market outside of Canada and the trade is made in accordance with the laws applicable to that exchange or market.

DATED at Calgary, Alberta this 10th day of January, 2001.

Glenda A. Campbell
Vice-Chair

Thomas D. Pinder
Member

2.1.12 Crystallex & El Callao - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Take-over bid - Collateral benefits - Asset purchase agreement between offeror and shareholder of offeree issuer pursuant to which offeror to acquire assets of the shareholder relating to the offeree issuer, including transfer of a significant debt owed by the offeree issuer to the shareholder and transfer of the security over the offeree issuer's material assets granted in connection with such debt - Parties also entered into security sharing agreement pending completion of the take-over bid - Both agreements are being made for reasons other than to increase the value of the consideration paid to the shareholder for its shares of the offeree issuer and agreements may be entered into despite the prohibition against collateral benefits.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as amended, s. 97(2) and 104(2)(a).

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA,
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
CRYSTALLEX INTERNATIONAL CORPORATION

AND

IN THE MATTER OF
EL CALLAO MINING CORP.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia and Newfoundland (the "Jurisdictions") has received an application (the "Application") from Crystallex International Corporation (the "Offeror") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that:

(i) In connection with the offer (the "Offer") by the Offeror to purchase all of the issued and outstanding common shares (the "ECM Shares") of El Callao Mining Corp. ("ECM"), and

(ii) despite the provisions in the Legislation that prohibit an offeror who makes or intends to make a take-over bid from entering into any collateral agreement, commitment or understanding with any holder or beneficial owner of securities of the offeree issuer that has the effect of providing to 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");

the following agreements (the "Transaction Agreements") are made for reasons other than to increase the value of the consideration paid to Bema Gold Corporation ("Bema") for the ECM Shares held by Bema and may be entered into:

A. an asset purchase agreement (the "Asset Purchase Agreement") between the Offeror and Bema dated as of September 12, 2000 (the "Transaction Date"), providing for the purchase by the Offeror of all of Bema's assets relating to ECM other than the ECM Shares held by Bema (the "Bema Assets"); and

B. a security sharing and priorities agreement (the "Security Sharing Agreement") between the Offeror and Bema dated as of the Transaction Date, pursuant to which the Offeror purchased for cash a participation in certain debt owed by ECM to Bema and agreed to share in Bema's security in relation to such debt;

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 the Offeror has represented to the Decision Makers that:

1. the Offeror is incorporated under the laws of Canada and has its head office in Vancouver, British Columbia; the Offeror is a reporting issuer in British Columbia and Ontario and in no other Jurisdiction;

2. the common shares of the Offeror (the "Offeror Shares") are listed and posted for trading on The Toronto Stock Exchange (the "TSE") and the American Stock Exchange ("AMEX");

3. the Offeror does not beneficially own any ECM Shares and, prior to the completion of the Offer, has no current intention of acquiring any ECM Shares other than pursuant to the Offer;

4. ECM is incorporated under the laws of the province of British Columbia and is a reporting issuer in British Columbia and Alberta and in no other Jurisdiction;

5. the authorized capital of ECM consists of 100,000,000 ECM Shares of which, to the Offeror's knowledge, 46,090,418 were issued and outstanding on the Transaction Date; the ECM Shares are listed and posted for trading on the Canadian Venture Exchange ("CDNX");

6. the largest shareholder of ECM is Bema, which holds 20,746,598 ECM Shares, representing 44.89% of the

issued and outstanding ECM Shares on a fully diluted basis; the rest of the ECM Shares are widely held;

7. on the Transaction Date, which was the day prior to the public announcement by the Offeror of the proposed Offer, the closing price of the ECM Shares on CDNX was $0.08 per ECM Share, and the closing price of the shares on CDNX had been in the range of $0.08 to $0.11 since January 1, 2000;

8. ECM's principal asset is a 51% working interest in the Lo Increible project (the "Project"), an exploration-stage gold property near El Callao, Venezuela;

9. ECM's financial statements as at June 30, 2000 showed that it had approximately $65 million in assets, of which only $7.6 million were not fixed assets (property and equipment) related to the Project; its current assets, including cash, amounted to $202,406 as at June 30, 2000; as at the Transaction Date, the market capitalization of ECM was approximately $3.7 million;

10. Bema is amalgamated under the laws of the province of British Columbia and is a reporting issuer in all of the Jurisdictions; its common shares are listed and posted for trading on the TSE and AMEX;

11. In addition to its ownership of 44.89% of the ECM Shares, Bema has the following other interests in ECM and the Project, which comprise the Bema Assets:

    (a) an interest-bearing demand loan to ECM (the "ECM Debt") in the amount of approximately US$14.3 million;

    (b) security over ECM in respect of the ECM Debt in the form of (i) a pledge of all of ECM's shares in three of its direct and indirect subsidiaries through which ECM holds all of its material assets, and (ii) a guarantee of the Bema Debt given by a direct subsidiary of ECM through which it holds all of its material assets (collectively, the "Security");

    (c) a royalty payable by ECM to Bema equal to 2% of the net cash flow from the Project;

    (d) a management services agreement and an exploration program management agreement, each between Bema and ECM, pursuant to which Bema is the manager of the Project; and

    (e) certain other assets of Bema relating to ECM;

12. on September 13, 2000, Bema and the Offeror announced that they had entered into a lock-up agreement (the "Lock-Up Agreement") dated as of the Transaction Date, pursuant to which (i) the Offeror agreed to make the Offer, either directly or through a wholly-owned subsidiary, for 100% of the ECM Shares, and (ii) Bema irrevocably and unconditionally agreed to deposit all of its ECM Shares to the Offer;

13. the consideration under the Offer will consist of one Offeror Share for every 15 ECM Shares representing a premium of 78% over the trading price of the ECM Shares on the Transaction Date and representing a price per ECM Share of $0.15 as stipulated in the Asset Purchase Agreement;

14. the consideration to be paid to Bema for its ECM Shares deposited under the Offer is identical to the consideration to be paid to all other holders of ECM Shares;

15. the Lock-Up Agreement provides, among other things, that the Offer will be made pursuant to a take-over bid circular and in accordance with applicable securities legislation, and will be subject to customary conditions, including that all required regulatory and stock exchange consents and approvals be obtained; the Offer will not be conditional on any minimum number of ECM Shares being deposited under the Offer;

16. pursuant to the Asset Purchase Agreement, the Offeror has agreed to purchase, and Bema has agreed to sell, all of the Bema Assets for the following consideration (the "Consideration"):

    (a) the creation, pursuant to a royalty agreement (the "New Royalty Agreement"), of a 1% net smelter return royalty on the Project payable by the Offeror to Bema, which is payable only after 300,000 ounces of gold production have been generated by the Project and, thereafter, only after the average quarterly price of gold exceeds $300 per ounce; and

    (b) US$4,600,000 payable as follows:

        (1) US$2,300,000 payable 180 days following the Transaction Date in cash or, at the Offeror's option in Offeror Shares of equivalent value based on the 20 day average trading price of the Offeror Shares on such day; and

        (2) US$2,300,000 payable 360 days following the Transaction Date in cash or, at the Offeror's option, in Offeror Shares of equivalent value based on the 20 day average trading price of the Offeror Shares on such day (the "Final Payment");

    provided that the Final Payment is subject to downward adjustment in accordance with a formula specified in the Asset Purchase Agreement if it is determined by the payment date that the total proven and probable gold reserves at the Project are less than 610,000 ounces;

17. the closing of the acquisition of the Bema Assets will take place at the same time as, and on the condition that, the Offeror takes up and pays for the ECM Shares deposited to the Offer;

18. in addition to the purchase price for the Bema Assets under the Asset Purchase Agreement, in order to enable Bema to meet certain immediate financial commitments, the parties entered into the Security Sharing Agreement; Bema thereby assigned to the Offeror US$3,000,000 of the ECM Debt (the "Assigned Debt") in consideration for US$3,000,000 in cash; the remaining amount of the ECM Debt and all of the other Bema Assets will be transferred pursuant to the Asset Purchase Agreement;

19. the Security Sharing Agreement provides that (i) the Security will be for the benefit of both ECM and the Offeror, (ii) the Assigned Debt and the remaining ECM Debt shall be equally secured by the Security, and (iii) the Assigned Debt shall have priority over the remaining ECM Debt as to any proceeds of enforcement on the Security; upon the closing of the acquisition of the Bema Assets, the Security Sharing Agreement will cease to be of any effect, as the Security will be fully assigned to the Offeror under the terms of the Asset Purchase Agreement;

20. Bema could have sold the Bema Assets, and thereby its effective control over ECM, to the Offeror merely by means of the Transaction Agreements, however, the Offeror and Bema determined it would be appropriate for the Offer to be made for the benefit of the shareholders of ECM, and for that reason entered into the Lock-Up Agreement requiring the Offeror to make the Offer;

21. in the absence of the Transaction Agreements, even if the Offeror acquired 100% of the ECM Shares pursuant to the Offer, Bema would still maintain effective control over ECM by virtue of the ECM Debt and the Management Agreements; the Transaction Agreements are therefore necessary in order for the Offeror to acquire full control of ECM and the Project;

22. the Transaction Agreements have been entered into for business purposes and not for the purpose of providing Bema with greater consideration for its ECM Shares than the consideration to be received by the other holders of ECM Shares;

23. the Transaction Agreements were negotiated at arm's length and on terms and conditions that are commercially reasonable;

24. Canaccord Capital Corporation has provided a letter to the Decision Makers stating that, as more fully described in that letter, it is of the view that the Consideration to be received by Bema represents not more than the fair value of the Bema Assets being conveyed;

AND WHEREAS under the System, this MRRS Decision Document evidences the Decision of each of the Decision Makers (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 in the Jurisdictions under the Legislation is that the Asset Purchase Agreement and the Security Sharing Agreement are being entered into for reasons other than to increase the value of the consideration paid to Bema in respect of its ECM Shares and may be entered into notwithstanding the Prohibition on Collateral Agreements;

December 22, 2000.

Brenda Leong
Director

2.1.13 Biochem & Clinichem - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - application for exemption from the takeover bid provisions where the securities are purchased by a person other than the issuer of the securities in accordance with conditions in writing at the time of the issue - articles of incorporation of offeree provided holder of all of its Class B shares with the right to acquire all issued and outstanding shares of the offeree and also set out mechanism for determining price at which such holder could exercise the purchase option - applicant was holder of all offeree's Class B shares - purchase option was described in the prospectus accompanying the distribution of the offeree shares at the time of issue and in offeree's continuous disclosure documents - notice to be sent to offeree shareholders by applicant on exercise of purchase option to set out all relevant information.

Applicable Ontario Statute

Securities Act, R.S.O. 1990 c. S.5, as am., s. 104(2)(c).

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

AND

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

AND

IN THE MATTER OF
BIOCHEM PHARMA INC.
AND
CLINICHEM DEVELOPMENT INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "**Decision Makers**") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, Newfoundland, Prince Edward Island and New Brunswick (the "**Jurisdictions**") have received an application from BioChem Pharma Inc. ("**BioChem**") and CliniChem Development Inc. ("**CliniChem**") (BioChem and CliniChem hereinafter collectively referred to as the "**Filers**") for a decision pursuant to the securities legislation of the Jurisdictions (the "**Legislation**") that :

1. exempts BioChem and CliniChem from the provisions in the Legislation regulating the take-over bid provisions in connection with the exercise by BioChem, as the holder of all the issued and outstanding Class B Common Shares in the share capital of CliniChem (the "**Class B Shares**"), of the right (the "**Purchase Option**") to acquire all but not less than all of the issued and outstanding Class A Common Shares in the share capital of CliniChem (the "**CliniChem Common Shares**"); and

2. exempts BioChem and CliniChem from the general application of Policy Statement Q-27 – *Requirements for Minority Security Holders Protection in Certain Transactions* of the Commission des valeurs mobilières du Québec.

AND WHEREAS pursuant to 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 BioChem has represented to the Decision Makers that:

CliniChem

1. CliniChem was incorporated by articles of incorporation under the *Canada Business Corporations Act* (the "**CBCA**") by BioChem in January 1998 to conduct research and development.

2. The articles of CliniChem were amended on May 11, 1998 to provide for the creation of the CliniChem Common Shares and of the Class B Shares (the "**Articles of Incorporation**").

3. CliniChem's registered office is in the province of Québec.

4. CliniChem is a reporting issuer, or the equivalent, in each province of Canada and is not in default of any requirements of the Legislation.

5. BioChem and CliniChem entered into a distribution agreement (the "**Distribution Agreement**") providing for the terms and conditions of the distribution by BioChem of all the outstanding CliniChem Common Shares to the holders of common shares of BioChem (the "**BioChem Common Shares**").

6. Pursuant to the Distribution Agreement, BioChem contributed, on June 8, 1998, $150 million in cash to CliniChem as a capital contribution.

7. Subsequently to this capital contribution, the then issued and outstanding 1,000 common shares in the share capital of CliniChem held by BioChem were exchanged for 2,713,260 CliniChem Common Shares and for 1,000 Class B Shares.

8. On June 22, 1998 (the "**Distribution Date**"), BioChem distributed the CliniChem Common Shares to the then holders of BioChem Common Shares (the "**Distribution**") by way of a dividend-in-kind, the whole pursuant to a prospectus dated June 10, 1998 and receipted by each Jurisdiction.

9. CliniChem's authorized capital consists of an unlimited number of CliniChem Common Shares and 1,000 Class

B Shares. As of September 11, 2000, there were 2,713,260 CliniChem Common Shares issued and outstanding and 1,000 Class B Shares issued and outstanding.

10. As at September 11, 2000, BioChem held all the issued and outstanding Class B Shares and 559,674 CliniChem Common Shares representing approximately 21% of the outstanding CliniChem Common Shares.

11. The CliniChem Common Shares have been authorized for quotation in the United States on the Nasdaq National Market and are traded in Canada on The Toronto Stock Exchange.

BioChem

12. BioChem was constituted by Certificate of Amalgamation issued pursuant to the provisions of the CBCA. The entity resulting from this amalgamation effectively continued the operations of its predecessor which had been incorporated under Part I of the *Companies Act* of the Province of Québec and continued under Part IA of the *Companies Act* (Québec) by Certificate of Continuance dated January 27, 1982.

13. BioChem is a biopharmaceutical company.

14. BioChem is a Corporation governed by the CBCA and its registered office is in the Province of Québec. It is a reporting issuer, or the equivalent, in each province of Canada, and is not in default of any requirements of Legislation.

15. BioChem's authorized capital consists of an unlimited number of common shares. As of September 11, 2000, there were 101,285,010 common shares of BioChem issued and outstanding.

16. The BioChem Common Shares have been authorized for quotation in the United States in the Nasdaq National Market and are traded in Canada on The Toronto Stock Exchange.

Relationship Between CliniChem and BioChem

In connection with the Distribution Agreement, BioChem and CliniChem entered into a number of agreements, including a research and development agreement (the "**Research and Development Agreement**"), a technology license agreement (the "**Technology License Agreement**"), a product option agreement (the "**Product Option Agreement**") and a services agreement (the "**Services Agreement**").

Purchase Option

17. The Purchase Option is provided in the Articles of Incorporation of CliniChem. In accordance with the Purchase Option, BioChem, as the holder of the majority of the outstanding Class B Shares, has the right to acquire all, but not less than all, of the issued and outstanding CliniChem Common Shares.

18. The Purchase Option is exercisable by written notice given at any time from and after the Distribution Date and ending on the earlier of (i) March 31, 2003 or (ii) the 90th day after the date CliniChem provides BioChem (as the holder of the majority of the outstanding Class B Shares) with quarterly financial statements of CliniChem showing cash or cash equivalents of less than $5.0 million, although BioChem may, at its election, extend such period by providing additional funding, including through loans, for the continued conduct of any or all of the CliniChem programs conducted under the Research and Development Agreement (but in no event beyond March 31, 2003).

19. The amount payable upon the exercise of the Purchase Option (the "**Purchase Option Exercise Price**") is the greatest of:

(a) 25 times the aggregate of:

(i) all worldwide payments made by and all worldwide payments due to be made by BioChem with respect to all products acquired pursuant to the Product Option Agreement for the four calendar quarters immediately preceding the quarter in which the Purchase Option is exercised (the "Base Period"); and

(ii) all payments that would have been made and all payments due to be made by BioChem to CliniChem during the Base Period if the option to buy-out CliniChem's right to receive payments with respect to acquired products had not previously been exercised pursuant to the Product Option Agreement with respect to any product;

less any amounts previously paid to exercise any payment buy-out option for any CliniChem product;

(b) the fair market value of 420,000 BioChem Common Shares as of the date of the exercise of the Purchase Option;

(c) $175 million plus any additional funds contributed to CliniChem by BioChem less the aggregate amount of all payments provided for in the Technology License Agreement, research and development costs and Services Agreement payments paid or incurred by CliniChem as of the Purchase Option Exercise Date; and

(d) $50 million.

20. In each case, the amount payable as the Purchase Option Exercise Price will be reduced (but not to less than $1.00) to the extent, if any, that CliniChem's liabilities at the time of exercise (other than liabilities under the Research and Development Agreement, the Services Agreement and the Technology License Agreement and any debt owed to BioChem) exceed CliniChem's cash and cash equivalents and short-term and long-term investments (excluding the amount of available funds remaining under the Research and Development Agreement at such time). For this purpose, liabilities will include, in addition to liabilities required to be reflected on CliniChem's financial

statements under generally accepted accounting principles, certain contingent liabilities relating to guarantees and similar arrangements.

21. BioChem may pay the Purchase Option Exercise Price in cash, in common shares of BioChem, or in any combination of cash and common shares of BioChem (the "**Payment Method**").

22. The notice of exercise of the Purchase Option shall set forth the Purchase Option Exercise Price, the Payment Method and the date on which the CliniChem Common Shares will be purchased (the "**Closing Date**").

23. The closing of the acquisition of the CliniChem Common Shares pursuant to the exercise of the Purchase Option will take place on a date selected by BioChem, but no later than 60 days after the exercise of the Purchase Option unless, in the judgment of BioChem, a later date is required to satisfy any applicable legal requirements or to obtain required consents.

24. CliniChem shall mail or deliver to each registered shareholder notice of the intention of BioChem to acquire the CliniChem Common Shares on the Closing Date (the "**Notice to Shareholders**").

25. The Notice to Shareholders shall describe the Purchase Option and the tax consequences of its exercise and set out the Purchase Option Exercise Price, the Closing Date and the Payment Method.

26. Transfer of title of all the issued and outstanding CliniChem Common Shares shall be deemed to occur automatically on the Closing Date and thereafter CliniChem shall treat BioChem as the sole holder of CliniChem Common Shares.

27. BioChem exercised the Purchase Option on October 26, 2000. The Purchase Option Exercise Price will be payable in cash.

28. The Legislation does not provide for an exemption from the provisions regulating take-over bids where the securities are purchased by a person other than the issuer of the securities in accordance with conditions in writing at the time of issue.

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 BioChem and CliniChem are exempted from the provisions in the Legislation regulating take-over bids in connection with the exercise by BioChem of the Purchase Option.

DATED at Montréal, Québec, this 24th day of November, 2000.

"Guy Lemoine" "Viateur Gagnon"

AND THE DECISION of the Decision Maker pursuant to the Legislation applicable in Québec is that BioChem and CliniChem are exempted from the application of Policy Statement Q-27 – *Requirements for Minority Security Holders Protection in Certain Transactions* of the Commission des valeurs mobilières du Québec.

DATED at Montréal, Québec, this 24th day of November, 2000.

"Guy Lemoine" "Viateur Gagnon"

2.1.14 Jean Coutu, National Bank, BMO Nesbitt, RBC Dominion, TD Securities, Desjardins - MRRS Decision

Headnote

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

Applicable Ontario Statutory Provisions

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

Application Ontario Regulations

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

Applicable Ontario Rules

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

Proposed Instrument Cited

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

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

AND

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

AND

IN THE MATTER OF THE JEAN COUTU GROUP (PJC)

AND

IN THE MATTER OF
NATIONAL BANK FINANCIAL INC.
BMO NESBITT BURNS INC.
RBC DOMINION SECURITIES INC.
TD SECURITIES INC.
DESJARDINS SECURITIES INC.

MRRS DECISION DOCUMENT

WHEREAS an application has been received by the Alberta Securities Commission, the British Columbia Securities Commission, the Securities Commission of Newfoundland, the Québec Securities Commission and the Ontario Securities Commission (the "**Commissions**") from National Bank Financial Inc. ("**NBF**"), BMO Nesbitt Burns ("**BMO**"), RBC Dominion Securities inc. ("**RBC**"), TD Securities Inc. ("**TD**") and Desjardins Securities Inc. ("**Desjardins**") (collectively, the "**Underwriters**") for a decision pursuant to the Canadian securities legislation (the "**Legislation**") of Alberta, British Columbia, Newfoundland, Québec and Ontario (the "**Jurisdictions**") that the restrictions against acting as an underwriter with respect to the conflict interest rules contained in the Legislation ("**Independent Underwriter Requirement**") shall not apply to the Underwriters in connection with a proposed public offering (the "**Offering**") by The Jean Coutu Group (PJC) Inc. ("**PJC**") of Class A subordinate voting shares (the "**Shares**") by way of a short form prospectus (the "**Prospectus**") to be filed with all securities commissions in Canada.

AND WHEREAS pursuant to the Mutual Reliance System for Exemptive Relief Applications (the "**System**"), the Québec Securities Commission is the Principal Regulator for this application.

AND WHEREAS the Underwriters have represented to the Commissions that:

1. PJC is a company that was continued under Part IA of the *Companies Act* (Québec) and its head office is located in Longueuil, Québec. PJC is one of North America's largest organization specializing in the distributions and retailing of pharmaceutical and parapharmaceuticals products.

2. PJC is a reporting issuer in all provinces of Canada and its shares are listed for trading on The Toronto Stock Exchange.

3. It is expected that PJC will file on December 18, 2000 a preliminary short form prospectus (the "**Preliminary Prospectus**") in order to issue 6 500 000 shares for a consideration of $146 250 000. The prospectus is filed with all securities commissions in Canada under the Mutual Reliance Review System for Prospectuses with Quebec as its designated jurisdiction and intends to file a final short form Prospectus on or about December 27, 2000.

4. The proportionate share of the Offering to be underwritten by each of the Underwriters is as follows:

Underwriter	Proportionate Share
NBF	40%
Merrill Lynch Canada Inc. ("**Merrill**"),	14%
Scotia Capital Inc. ("**Scotia**")	14%
BMO	10%
RBC	10%
TD	10%
Desjardins	2%

5. NBF is an indirect, wholly-owned subsidiary of the National Bank of Canada, BMO is a wholly-owned subsidiary of BMO Nesbitt Burns Corporation Limited,

an indirect majority-owned subsidiary of Bank of Montreal, RBC is an indirect wholly-owned subsidiary of the Royal Bank of Canada, TD is a wholly-owned subsidiary of The Toronto-Dominion Bank and Desjardins is a wholly-owned subsidiary of Desjardins-Laurentian Limited Corporation, a majority-owned subsidiary of Mouvement Desjardins. National Bank of Canada, Royal Bank of Canada, The Toronto-Dominion Bank and Caisse centrale Desjardins are hereinafter referred to as the "**Related Banks**".

6. PJC currently has credit facilities and a term loan (the "**Loan Facilities**") with a syndicate of financial institutions which include the Related Banks. As at December 13, 2000, the indebtedness of the Company to such financial institutions under these facilities and term loan was, in the aggregate, approximately $167.8 million. The Company has also guaranteed the reimbursement of certain bank loans contracted by franchisees in an approximate amount of $36.7 million as at December 13, 2000. Furthermore, the Company is committed to purchase equipment held by some of its franchisees pursuant to buyback agreements. As at November 30, 2000, financing related to the equipment amounted to approximately $22.6 million.

7. By virtue of the Loan Facilities, PJC may be considered a connected issuer (as that term is defined in the Proposed Multi-Jurisdictional Instrument 33-105 entitled *Underwriting Conflicts* (the "**Proposed Conflicts Instrument**") of certain of the Underwriters, thus the Underwriters do not comply with the proportionate requirement of the Legislation.

8. PJC is not a "related issuer" of any of the Underwriters as that term is defined in the Proposed Conflicts Instrument nor is PJC a "specified party" as that term is defined in the Proposed Conflicts Instrument.

9. Each of the underwriters including Scotia and Merrill have participated in the drafting of the Prospectus and in the due diligence related to the Offering.

10. PJC is in good financial condition and is not under any immediate financial pressure to complete the Offering.

11. In connection with the Offering, PJC is neither a "related issuer" nor a "connected issuer", as such terms are defined in the Legislation, in respect of either Scotia and Merrill.

12. The net proceeds of the Offering will be applied to working capital for general corporate purposes, including acquisitions. The Related Banks did not participate in the decision to make the Offering nor in the determination of the terms of the Offering or the use of proceeds thereof.

13. The Underwriters will not benefit in any matter from the Offering other than the payment of their fee in connection with the Offering.

14. The disclosure required by Schedule C of the Proposed Conflicts Instrument will be contained in the Preliminary Prospectus and in the Prospectus and the certificate in such prospectus will be signed by each of the Underwriters.

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

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

AND WHEREAS each Decision Maker is being satisfied to do so would not be prejudicial to the public interest;

IT IS THE DECISION by the Decision Maker pursuant to the Legislation that the Independent Underwriter Requirement shall not apply to the Underwriters in connection with the Offering provided that PJC is not a related issuer, as defined in the **Proposed Conflicts Instrument**, to the Underwriters at the time of the Offering and is not a specified party, as defined in the **Proposed Conflicts Instrument** at the time of the Offering.

DATED at Montréal, this 28 day of December, 2000.

"Jacques Labelle"
Le directeur général et chef de l'explotation

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

ET

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

ET

DANS L'AFFAIRE LE GROUPE JEAN COUTU (PJC) INC.

ET

DANS L'AFFAIRE DE
FINANCIÈRE BANQUE NATIONALE INC.
DE BMO NESBITT BURNS INC.
DE RBC DOMINION VALEURS MOBILIÈRES INC.
DE VALEURS MOBILIÈRES TD INC.
DE VALEURS MOBILIÈRES DESJARDINS INC.

DOCUMENT DE DÉCISION DU RECCONSIDÉRANT

QUE l'Alberta Securities Commission, la British Columbia Securities Commission, la Securities Commission of Newfoundland, la Commission des valeurs mobilières du Québec et la Commission des valeurs mobilières de l'Ontario (les " *Commissions* ") ont reçu une demande de Financière Banque Nationale Inc. (*"FBN"*), de BMO Nesbitt Burns Inc. (*"BMO"*), de RBC Dominion Valeurs Mobilières Inc. (*"RBC"*), de Valeurs Mobilières TD Inc. (*"TD"*) et de Valeurs Mobilières Desjardins, Inc. (" *Desjardins* ") (collectivement, les "*preneurs fermes*") pour une décision en vertu de la législation en valeurs mobilières canadienne (la "*législation*") de l'Alberta, de la Colombie-Britannique, de Terre-Neuve, du Québec et de l'Ontario (les "*territoires*") selon laquelle l'interdiction d'agir en qualité de preneur ferme dans le cadre des règles en matière de conflit prévue dans la législation (l' *"obligation d'avoir un preneur ferme indépendant"*) ne s'applique pas aux preneurs fermes à l'égard d'un projet d'appel public à l'épargne (le "*placement*") par Le Groupe Jean Coutu (PJC) Inc. (*"PJC"*) pour des actions subalternes à droit de vote de catégorie A (les "*Actions*") par voie d'un prospectus simplifié (le *"prospectus"*) devant être déposé auprès de toutes les commissions des valeurs mobilières canadiennes;

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

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

1. PJC a été continuée en vertu de la *Loi sur les compagnies* (Québec) et son siège social est situé à Longueuil (Québec). PJC se positionne parmi les 10 entreprises les plus importantes en Amérique du Nord et se spécialise dans la distribution et la vente au détail de produits pharmaceutiques et parapharmaceutiques.

2. PJC est un émetteur assujetti dans toutes les provinces canadiennes, et ses actions sont inscrites à la cote de la Bourse de Toronto.

3. PJC a déposé le 18 décembre 2000 un prospectus simplifié provisoire (le *"prospectus provisoire"*) afin de placer 6 500 000 actions à droit de vote subalterne de catégorie « A » pour un prix d'offre au public de 146 250 000 $. Le prospectus est déposé auprès des commissions de valeurs mobilières canadiennes en vertu du régime d'examen concerté des prospectus et ayant le Québec comme son territoire désigné, et PJC entend déposer un prospectus simplifié définitif le ou vers le 27 décembre 2000.

4. Le tableau suivant indiquant la quote-part du placement devant être souscrite par chacun des preneurs fermes:

Preneur ferme	Quote-part
FBN	40 %
Merrill Lynch Canada Inc. (*"Merrill"*)	14 %
Scotia Capitaux Inc. (*"Scotia"*)	14 %
BMO	10 %
RBC	10 %
TD	10 %
Desjardins	2 %

5. FBN et une filiale en propriété exclusive indirecte de Banque Nationale du Canada, BMO est une filiale en propriété exclusive de Corporation BMO Nesbitt Burns Limitée, filiale en propriété majoritaire indirecte de Banque de Montréal, RBC est une filiale en propriété exclusive indirecte de Banque Royale du Canada, TD est une filiale en propriété exclusive de la Banque Toronto-Dominion et Desjardins est une filiale en propriété exclusive de Société financière Desjardins-Laurentienne inc., filiale détenue majoritairement par Mouvement Desjardins. Banque Nationale du Canada, Banque Royale du Canada, Banque Toronto-Dominion et Caisse centrale Desjardins sont ci-après appelées les *"banques reliées"*.

6. PJC a actuellement des facilités de prêt et un prêt à terme (les *"facilités de prêt"*) auprès d'un consortium d'institutions financières qui comprend les banques reliées. Au 13 décembre 2000, l'endettement de la Compagnie en vertu de ces facilités et du prêt à terme s'élevait à un total approximatif de 167,8 millions de dollars. La Compagnie a aussi garanti le remboursement de certains prêts bancaires contractés par des franchisés pour un montant d'environ 36,7 millions de dollars au 13 décembre 2000. Par ailleurs, la Compagnie s'est engagée, en vertu de conventions de rachat d'équipements, à racheter les équipements de certains de ses franchisés. Au 30 novembre 2000, les financements d'équipements se chiffraient à environ 22,6 millions de dollars.

7. En vertu des facilités de prêt, PJC peut être considérée comme un émetteur associé, au sens de cette expression dans le projet de norme multi-nationale 33-105 intitulée *Underwriting Conflicts* (*"projet de norme en matière de conflits"*, de chacun des preneurs

fermes; les preneurs fermes ne respectent donc pas le pourcentage prescrit par la législation;

8. PJC n'est pas un "émetteur relié" de l'un des preneurs fermes au sens de cette expression dans le projet de norme en matière de conflits ni une partie désignée au sens de l'expression *specified party* dans le projet de norme en matière de conflits.

9. Chacun des preneurs fermes, incluant Merrill et Scotia, ont participé à la rédaction du prospectus et à la vérification diligente relativement au placement.

10. La situation financière de PJC est bonne, et cette dernière n'est pas contrainte financièrement de procéder immédiatement au placement.

11. Dans le cadre du placement, PJC n'est pas un "émetteur associé" ou un "émetteur relié", tel que ces termes sont compris à la législation, à l'égard de Merrill et de Scotia.

12. Le produit net du placement sera affecté par fonds de roulement pour fins générales de PJC, incluant des acquisitions. Les banques reliées n'ont pas participé à la décision de faire le placement, ni à l'établissement des modalités du placement, ni à l'emploi du produit de celui-ci.

13. Les preneurs fermes ne tireront aucun autre avantage du présent placement que le placement de leur rémunération dans le cadre du placement.

14. La déclaration prescrite par l'annexe C du projet de norme en matière de conflits sera incluse dans le prospectus provisoire et dans le prospectus, et l'attestation dans ce prospectus sera signée par chacun des preneurs fermes.

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

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

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

ET QUE chacun des décideurs est convaincu que la prise d'une telle décision ne porte pas atteinte à la protection des épargnants;

LA DÉCISION des décideurs en vertu de la législation est que l'obligation d'avoir un preneur ferme indépendant dans le cadre du placement pourvu que PJC n'est pas un émetteur relié tel que compris au projet de normes en matières de conflits, des preneurs fermes au moment du placement et n'est pas une "partie spécifiée" tel que définie au projet de normes en matières de conflits au moment du placement.

Fait à Montréal, ce 28 jour de décembre 2000.

Me Jacques Labelle
Le directeur général et chef de l'exploitation

2.1.15 Maxxum Fund Management and Funds - MRRS Decision

Headnote

Investment by mutual funds in the securities of other mutual funds in specified percentages exempted from the self-dealing prohibition in clause 111(2)(b) and subsection 111(3), and from reporting requirements of clauses 117(1)(a) and 117(1)(d) subject to certain specified conditions.

Statutes Cited

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

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

AND

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

AND

IN THE MATTER OF
MAXXUM FUND MANAGEMENT INC.

AND

CONSERVATIVE FOLIO FUND
MODERATE FOLIO FUND
BALANCED FOLIO FUND
ADVANCED FOLIO FUND
AGGRESSIVE FOLIO FUND
FIXED INCOME FOLIO FUND
CANADIAN EQUITY FOLIO FUND
GLOBAL EQUITY FOLIO FUND

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Saskatchewan, Ontario, Quebec, New Brunswick, Nova Scotia, Newfoundland and Prince Edward Island (the "Jurisdictions") has received an application (the "Application") from Maxxum Fund Management Inc. ("MFMI"), in its own capacity and on behalf of Conservative Folio Fund, Moderate Folio Fund, Balanced Folio Fund, Advanced Folio Fund, Aggressive Folio Fund, Fixed Income Folio Fund, Canadian Equity Folio Fund and Global Equity Folio Fund, (collectively, the "Top Funds", individually, the "Top Fund") for a decision (the "Decision") pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the following requirements or prohibitions under the Legislation (the "Applicable Requirements") shall not apply in connection with the investment by the H class and Quadrus class of the Top Funds directly in a portfolio of H class units of selected funds within the Quadrus Group of Funds (the "Underlying Funds", as further defined in paragraph 3 below):

(a) the provision 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; and

(b) the provision requiring a management company of a mutual fund to file a report, or in British Columbia, a mutual fund manager, relating to a purchase or sale of securities between the mutual fund and any related person or company, or any transaction in which, by arrangement other than an arrangement relating to insider trading in portfolio securities, the mutual fund is a joint participant with one or more of its related persons or companies.

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

1. MFMI is a corporation incorporated under the laws of Ontario and is or will be the manager and portfolio advisor of each of the Top Funds and Underlying Funds. MFMI is an indirect wholly-owned subsidiary of Investors Group Inc.

2. Each of the Top Funds will be an open-end mutual fund trust governed by the laws of the province of Ontario. Each Top Fund and each Underlying Fund will offer two classes of securities, being the Quadrus class securities and the H class securities, both of which will be referable to the same portfolio of assets. The Quadrus class securities and the H class securities of the Top Funds and of the Underlying Funds will be qualified for sale in each of the provinces of Canada under (final) simplified prospectuses and annual information forms that will be filed shortly in each of the provinces of Canada under SEDAR project numbers 307279 and 307524, respectively (together, the Prospectuses").

3. The Top Funds will each invest specified percentages (the "Fixed Percentages") of their assets (exclusive of cash and cash equivalents) in a portfolio of H class securities of selected Underlying Funds listed in the 3rd column of the table below as follows:

Quadrus Group of Funds Top Fund	Fixed Percentage of Net Assets	Quadrus Group of Funds Underlying Funds - H class
Conservative Folio Fund	7.0%	GWLIM Corporate Bond Fund
	3.0%	GWLIM Equity/Bond Fund
	25.0%	LLIM Canadian Bond Fund
	13.8%	LLIM Income Plus Fund
	3.0%	LLIM Balanced Strategic Growth Fund
	3.0%	Scudder US Growth and Income Fund
	3.4%	Janus Global Equity Fund
	25.0%	MAXXUM Income Fund
	13.8%	MAXXUM Canadian Balanced Fund
	3.0%	Templeton Canadian Equity Fund
Moderate Folio Fund	3.0%	GWLIM Corporate Bond Fund
	4.8%	GWLIM Equity/Bond Fund
	3.0%	GWLIM Canadian Mid Cap Fund
	13.7%	LLIM Canadian Bond Fund
	19.7%	LLIM Income Plus Fund
	3.0%	LLIM Balanced Strategic Growth Fund
	4.9%	LLIM Canadian Diversified Equity Fund
	3.0%	Scudder Canadian Equity Fund
	7.3%	Janus American Equity Fund
	23.0%	MAXXUM Income Fund
	6.9%	MAXXUM Canadian Balanced Fund
	7.7%	Templeton International Equity Fund
Balanced Folio Fund	6.1%	GWLIM Corporate Bond Fund
	3.0%	GWLIM Equity/Bond Fund
	3.0%	GWLIM Canadian Growth Fund
	3.5%	LLIM Income Plus Fund
	3.0%	LLIM Balanced Strategic Growth Fund
	4.5%	Scudder US Growth and Income Fund
	6.0%	Scudder Canadian Equity Fund
	5.4%	Janus Global Equity Fund
	25.0%	MAXXUM Income Fund
	10.5%	MAXXUM Canadian Balanced Fund
	25.0%	MAXXUM Dividend Fund
	5.0%	Templeton International Equity Fund
Advanced Folio Fund	3.9%	GWLIM Corporate Bond Fund
	3.0%	GWLIM Canadian Growth Fund
	3.0%	GWLIM Canadian Mid Cap Fund
	20.1%	LLIM Income Plus Fund
	3.0%	LLIM Balanced Strategic Growth Fund
	13.2%	LLIM Canadian Diversified Equity Fund
	7.0%	LLIM US Growth Sectors Fund
	3.9%	Scudder Canadian Equity Fund
	10.0%	Janus American Equity Fund
	22.0%	MAXXUM Canadian Equity Growth Fund
	5.9%	MAXXUM Natural Resource Fund
	5.0%	Templeton International Equity Fund
Aggressive Folio Fund	3.0%	GWLIM US Mid Cap Fund
	3.0%	GWLIM Emerging Industries Fund
	7.2%	LLIM Canadian Diversified Equity Fund
	7.0%	LLIM Canadian Growth Sectors Fund
	7.0%	LLIM US Equity Fund
	5.1%	Scudder Greater Europe Fund
	3.0%	Scudder Emerging Markets Fund
	9.9%	Janus American Equity Fund
	25.0%	MAXXUM Dividend Fund
	23.8%	MAXXUM Canadian Equity Growth Fund
	3.0%	MAXXUM Natural Resource Fund
	3.0%	Templeton Canadian Equity Fund
Fixed Income Folio Fund	20.0%	GWLIM Corporate Bond Fund
	37.0%	LLIM Canadian Bond Fund
	43.0%	MAXXUM Income Fund
Canadian Equity Folio Fund	18.1%	GWLIM Canadian Growth Fund
	3.0%	GWLIM Canadian Mid Cap Fund
	3.0%	GWLIM Emerging Industries Fund
	20.0%	LLIM Canadian Diversified Equity Fund
	10.0%	LLIM Canadian Growth Sectors Fund
	3.0%	Scudder Canadian Equity Fund
	20.0%	MAXXUM Dividend Fund
	18.6%	MAXXUM Canadian Equity Growth Fund
	4.3%	Templeton Canadian Equity Fund
Global Equity Folio Fund	6.9%	GWLIM US Mid Cap Fund
	20.0%	LLIM US Equity Fund
	10.0%	LLIM US Growth Sectors Fund
	3.0%	Scudder US Growth and Income Fund
	10.0%	Scudder Greater Europe Fund
	11.4%	Scudder Pacific Fund
	6.7%	Scudder Emerging Markets Fund
	9.0%	Janus American Equity Fund
	3.0%	Janus Global Equity Fund
	20%	Templeton International Equity Fund

4. It is proposed by MFMI that the Fixed Percentages of assets invested by a Top Fund in the H class securities of the Underlying Funds may not deviate more than 2.5% above or below the Fixed Percentages (the "Permitted Ranges"). MFMI will review the investments made by each Top Fund in H class securities of the Underlying Funds on a daily basis and will adjust them as needed to keep within the Fixed Percentages.

5. In addition, the appropriateness of each Top Fund's selection of Underlying Funds and Fixed Percentages will also be reviewed by MFMI on an ongoing basis to ensure that a particular Underlying Fund or Fixed Percentage continues to be appropriate for a Top Fund's investment objectives. MFMI may, as the result of that review, decide to change the Fixed Percentages in one or more Underlying Funds, remove an existing Underlying Fund or add a new Underlying Fund. MFMI will give unitholders of the H class and of the Quadrus class of the Top Funds 60 days' prior notice of any such change and amend the Prospectuses of the H class and Quadrus class of the Top Fund to reflect any such change.

6. The H class securities, which are designed for high net worth investors, will be sold on a no-load basis and will carry a low management fee. The Quadrus class securities, which are designed for the average retail investor, will be sold on an initial sales commission or deferred sales commission basis and will have a higher management fee than the H class securities.

7. Given the different fees payable by each class of securities, the Top Funds will be investing only in the H class securities of the Underlying Funds because if they were to invest in Quadrus class securities of the Underlying Funds, this would have the effect of forcing investors in the H class securities of the Top Funds to pay higher fees associated with a Quadrus class investment.

8. The management fee structure for the Top Funds will be such as to avoid the duplication of management fees. The Top Funds, in issuing H class securities to high net worth investors, will charge only a nominal fee, currently estimated to be 15 basis points per annum, to compensate MFMI for Underlying Fund selection, asset allocation and ongoing monitoring, re-balancing and related investment management services which are in addition to the administrative and portfolio management services provided to the Underlying Funds. The Top Funds, in issuing Quadrus class securities to investors, will charge a management fee that will be approximately equal to the management fee that an investor in Quadrus class securities would pay if he or she invested directly into the Underlying Funds, plus the estimated 15 basis point fee referred to above. The purpose of this structure is to allow both H class and Quadrus class investors to pay sales charges and management fees for their Top Fund investment similar to what they would pay if they invested in the Underlying Funds in the same proportions directly.

9. Except to the extent evidenced by this Decision and specific approvals granted by the Canadian securities administrators pursuant to National Instrument 81-102 Mutual Funds ("NI 81-102"), the investments by the Top Funds in the H class securities of the Underlying Funds have been or will be structured to comply with the investment restrictions of the Legislation and NI 81-102.

10. In the absence of this Decision, pursuant to the Legislation, the Top Funds are each prohibited from (a) knowingly making an investment in H class securities of the Underlying Funds to the extent that the Top Fund, either alone or in combination with other MFMI managed funds, is a substantial security holder of the H class of the Underlying Funds; and (b) knowingly holding an investment referred to in subsections (a) hereof. As a result, in the absence of this Decision, the Top Funds would be required to divest themselves of any investments referred to in subsections (a) and (b) herein.

11. In the absence of this Decision, the Legislation requires MFMI to file a report on every purchase or sale of securities of the Underlying Funds by the Top Funds.

12. Each investment by the Top Funds in H class securities of the Underlying Funds will be in the best interests of the Top Funds and represents the business judgment of "responsible persons" (as defined in the Legislation), uninfluenced by considerations other than the best interests of the Top Funds and the Underlying Funds.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the Applicable Requirements shall not apply so as to prevent the Top Funds from investing in, or redeeming the securities of, the H class securities of the Underlying Funds;

PROVIDED THAT IN RESPECT OF the investment by the Top Funds directly in H class securities of the Underlying Funds:

1. the Decision, as it relates to the jurisdiction of a Decision Maker, will terminate one year after the publication in final form of any legislation or rule of that Decision Maker dealing with matters in section 2.5 of NI 81-102; and

2. the Decision shall only apply if, at the time the Top Funds make or hold an investment in H class securities of the Underlying Funds, the following conditions are satisfied:

   (a) the securities of the H class and Quadrus class of the Top Funds and the securities of the H class of the Underlying Funds are being offered for sale in the jurisdiction of the Decision Maker pursuant to a simplified prospectus and annual information form which have been filed with and accepted by the Decision Maker;

   (b) the investment by a Top Fund in H class securities of the Underlying Funds is compatible with the investment objective of the Top Fund;

   (c) the simplified prospectus discloses the intent of the Top Fund to invest in the H class 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 Underlying Funds are not mutual funds whose investment objective includes investing directly or indirectly in other mutual funds;

   (e) the Top Funds each invest their assets (exclusive of cash and cash equivalents) in H class securities of the Underlying Funds in accordance with the Fixed Percentages disclosed in the simplified prospectus;

   (f) the holdings of the Top Funds in the H class of the Underlying Funds do not deviate from the Permitted Ranges;

   (g) any deviation from the Fixed Percentages is caused by market fluctuations only;

   (h) if an investment by a Top Fund in the H class securities of any of the Underlying Funds has deviated from the Permitted Ranges as a result of market fluctuations, the investment portfolio of the Top Fund was re-balanced to comply with the Fixed Percentages on the next day on which the net asset value was calculated following the deviation;

   (i) if the Fixed Percentages and the Underlying Funds which are disclosed in the prospectus

have been changed, either the simplified prospectus has been amended or a new simplified prospectus filed to reflect the change, and the securityholders of the H class and Quadrus class of the affected Top Fund have been given at least 60 days' notice of the change;

(j) there are compatible dates for the calculation of the net asset value of the Top Funds and the H class of the Underlying Funds for the purpose of the issue and redemption of the securities of such mutual funds;

(k) no sales charges are payable by the Top Funds in relation to their purchases of securities of the H class of the Underlying Funds;

(l) no redemption fees or other charges are charged by an Underlying Fund in respect of the redemption by a Top Fund of securities of the H class of the Underlying Funds owned by the Top Fund;

(m) no fees or charges of any sort are paid by a Top Fund and the Underlying Funds, by their respective managers or principal distributors, or by any affiliate or associate of any of the foregoing entities, to anyone in respect of the purchase, holding or redemption by a Top Fund of the securities of the H class of the Underlying Funds;

(n) the arrangements between or in respect of the H class and Quadrus class of each Top Fund and the H class of the Underlying Funds are such as to avoid the duplication of management fees;

(o) any notice provided to securityholders of the H class of an Underlying Fund, as required by applicable laws or the constating documents of the Underlying Fund, has been delivered by the H class and the Quadrus class of a Top Fund to its securityholders along with all voting rights attached to the securities of the H class of the Underlying Fund which are directly owned by the H class and Quadrus class of the Top Fund;

(p) all of the disclosure and notice material prepared in connection with a meeting of securityholders of the H class of an Underlying Fund and received by the H class and Quadrus class of the Top Fund has been provided to its securityholders, the securityholders have been permitted to direct a representative of the H class and of the Quadrus class of the Top Fund to vote such class' holdings in the H class of the Underlying Fund in accordance with their direction, and the representative of the H class and of the Quadrus class of the Top Fund has not voted such class' holdings in the H class of the Underlying Funds except to the extent the securityholders of the H class and Quadrus class of the Top Fund have directed;

(q) in addition to receiving the annual and, upon request, the semi-annual financial statements, of the H class or Quadrus class of the Top Funds, as the case may be, securityholders of the H class and Quadrus class of a Top Fund have received (i) appropriate summary disclosure in the financial statements of each H class and Quadrus class of a Top Fund in respect of that Top Fund's holdings of H class securities of the Underlying Funds; or (ii) upon request, the annual and semi-annual financial statements of the H class of the Underlying Funds in either a combined report, containing financial statements of the H class and Quadrus class of a Top Fund and of the H class of the Underlying Funds, or in a separate report containing the financial statements of the H class of the Underlying Funds; and

(r) to the extent that either the H class or Quadrus class of securities of the Top Funds do not use a combined simplified prospectus and annual information form containing disclosure about the H class and Quadrus class of the Top Funds and the H class of the Underlying Funds, copies of the simplified prospectus and annual information form of the H class of the Underlying Funds have been provided upon request to securityholders of the H class and Quadrus class of the Top Funds and this right is disclosed in the prospectus of the H class and Quadrus class of the Top Funds.

January 5, 2001.

"J.A. Geller" "Howard I. Wetston"

2.1.16 Viking Energy Royalty - MRRS Decision

Headnote

MRRS - open-end investment trust is exempt from prospectus and registration requirements in respect of the issuance of units pursuant to a reinvestment plan whereby distributions of income and/or capital gains are reinvested in additional units of the trust - first trade relief is subject to certain conditions

Applicable Ontario Statutory Provisions

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

Applicable Ontario Rules

Rule 45-502 - Dividend or Interest Reinvestment and Stock Dividend Plans (1998), 21 OSCB 3685

Rule 81-501 - Mutual Funds Reinvestment Plans (1997), 20 OSCB 5135

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

AND

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

AND

IN THE MATTER OF
VIKING ENERGY ROYALTY TRUST

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Manitoba, Ontario, Quebec, New Brunswick, Newfoundland, Nova Scotia and Prince Edward Island (the "Jurisdictions") have received an application from Viking Energy Royalty Trust, ("Viking" or the "Filer"), for a Decision pursuant to the securities legislation and securities directions of the Jurisdictions (the "Legislation") that the registration and prospectus requirements of the Legislation shall not apply to certain trades in trust units of Viking (the "Units") pursuant to a Distribution Reinvestment Plan ("the Plan") of Viking;

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. Viking is an open-ended investment trust, which was originally created as a closed-end investment trust by a declaration of trust dated November 5, 1996, under the laws of the province of Alberta.

2. Pursuant to an Amended and Restated Trust Indenture dated October 24, 1997 Viking was restructured as an open-ended investment trust; the Trust Company of Bank of Montreal is the trustee of Viking.

3. The authorized capital of Viking consists of an unlimited number of Units.

4. Viking is a reporting issuer or the equivalent thereof in the Jurisdictions and to its knowledge is not in default of any requirements of the Legislation.

5. The Units are listed and posted for trading on The Toronto Stock Exchange (the "TSE").

6. Under the distribution policy adopted by Viking, Viking distributes on or about the 15th day of each month (the "Cash Distribution Date") the distributable income of Viking to the holders of Units (the "Unitholders") of record as of the last business day of the month preceding the distribution (the "Record Date.

7. Pursuant to the Plan, Unitholders other than U.S. residents may, at their option, invest cash distributions paid on their Units in additional Units ("DRIP Units").

8. The Plan also enables the Unitholders to make additional cash investments through optional cash payments ("Optional Cash Payments") which will be invested in DRIP Units on the same basis as the distributions which are invested under the Plan, and any Unitholder may participate by way of Optional Cash Payments up to a maximum of $3,000 per calendar year.

9. Distributions due to participants in the Plan ("Plan Participants") will be paid to The Trust Company of Bank of Montreal in its capacity as trustee under the Plan (the "Plan Trustee") and applied to purchase DRIP Units.

10. DRIP Units will be purchased directly from Viking or, at the discretion of Viking, through the facilities of the TSE.

11. The acquisition price of DRIP Units purchased through the facilities of the TSE shall, in respect of any Cash Distribution Date, be equal to the average price for which the Units are acquired through the facilities of the TSE for the purpose of the Plan following such Cash Distribution Date.

12. The acquisition price of DRIP Units purchased directly from Viking shall be the weighted average price of all Trust Units traded on the TSE on the ten trading days preceding the Cash Distribution Date.

13. DRIP Units purchased under the Plan will be registered in the name of the Plan Trustee, as trustee for the Plan Participants.

14. To date, no DRIP Units have been issued under the Plan.

15. No commissions, service charges or brokerage fees will be payable by Plan Participants in connection with the Plan.

16. Plan Participants may terminate their participation in the Plan at any time by written notice to the Plan Trustee and a notice received at least three business days prior to a Record Date will be effective for the following Cash Distribution Date.

17. Upon termination of the Plan or a Plan Participants' participation in the Plan, the Plan Participant(s) will receive a certificate for all the whole Trust Units held in their account, a cash payment for any fraction of a Trust Unit and the return of any uninvested Optional Cash Payments.

18. The distribution of the DRIP Units by Viking pursuant to the Plan cannot be made in reliance on certain registration and prospectus exemptions contained in the Legislation as the Plan involves the reinvestment of income distributed by Viking and not the reinvestment of dividends or interest of Viking.

19. The distribution of the DRIP Units by Viking pursuant to the Plan cannot be made in reliance on registration and prospectus exemptions contained in the Legislation for distribution reinvestment plans of mutual funds, as Viking is not a "mutual fund" as defined in the Legislation because the Unitholders are not entitled to receive on demand an amount computed by reference to the value of a proportionate interest in the whole or in a portion of the net assets of Viking.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the trades of DRIP Units by Viking to Plan Participants pursuant to the Plan shall not be subject to prospectus and registration requirements in the Legislation provided that:

(a) at the time of the distribution Viking is a reporting issuer or the equivalent under the Legislation and, to the best of its belief, is not in default under the Legislation;

(b) no sales charge is payable in respect of the distributions;

(c) Viking has caused to be sent to the person or company to whom the DRIP Units is traded, not more than 12 months before the trade, a statement describing:

(i) his or her right to withdraw from the Plan and to make an election to receive cash instead of Units on the making of a distribution of income by Viking; and

(ii) instructions on how to exercise the right referred to in (i);

(d) in the financial year of Viking during which a trade in DRIP Units pursuant to the Optional Cash Option takes place, the aggregate number of DRIP Units issued pursuant to the Optional Cash Payments before such trade, plus the aggregate number of DRIP Units issued in the trade or concurrently with the trade, does not exceed two percent of the number of Units and DRIP Units outstanding at the commencement of that financial year; and

(e) the first trade in DRIP Units 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:

(i) at the time of the first trade, Viking is and has been a reporting issuer or the equivalent under the Applicable Legislation for the 12 months immediately preceding the trade;

(ii) no unusual effort is made to prepare the market or to create a demand for the Units;

(iii) no extraordinary commission or consideration is paid to a person or company in respect of the trade;

(iv) if the seller of the DRIP Units is an insider of Viking, the seller has no reasonable grounds to believe that Viking is in default of any requirement of the Applicable Legislation; and

(v) except in Quebec, 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 Units of Viking so as to affect materially the control of Viking or more than 20% of the outstanding voting securities of Viking, except where there is evidence showing that the holding of those securities does not affect materially the control of Viking.

January 10, 2001.

"Howard I. Wetston" "J.A. Geller"

2.1.17 Compaq Computer Corporation - MRRS Decision

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

AND

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

AND

IN THE MATTER OF
COMPAQ COMPUTER CORPORATION

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Newfoundland, New Brunswick and Nova Scotia (the "Jurisdictions") has received an application from Compaq Computer Corporation ("Compaq" or the "Company") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that trades to, by, with or on behalf of employees (the "Employees") (including in certain circumstances former Employees and their representatives, and including Employees = immediate family members and related trusts ("Permitted Transferees") of Compaq or its affiliates (collectively, the "Compaq Companies") resident in the Jurisdictions in options ("Options") and stock appreciation rights ("SARs" and, together with Options, the "Awards") on shares of common stock of Compaq ("Common Shares") and Common Shares in connection with the Compaq 1985 Stock Option Plan, 1989 Equity Incentive Plan, 1998 Stock Option Plan and Employee Stock Purchase Plan (collectively, the "Plans"), including first trades in Common Shares acquired pursuant to the Plans, shall not be subject to the requirements contained in the Legislation to be registered to trade in a security (the "Registration Requirements") and to file and obtain a receipt for a preliminary prospectus and a prospectus (the "Prospectus Requirements") (collectively, the "Registration and Prospectus Requirements");

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

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

1. Compaq is a corporation incorporated under the laws of the state of Delaware, is not a reporting issuer or its equivalent under the Legislation and has no present intention of becoming a reporting issuer or its equivalent under the Legislation. The majority of the directors and senior officers of Compaq reside outside of Canada.

2. Compaq currently has and in the future will have affiliates (AAffiliates@) in Canada participating in the Plans. The current Affiliates are Compaq Canada Incorporated and Compaq Financial Services Canada. None of the Affiliates is a reporting issuer or its equivalent in any of the Jurisdictions nor has any present intention of becoming a reporting issuer or its equivalent.

3. The authorized share capital of Compaq consists of 3 billion Common Shares, par value US$0.01 per share and 10 million shares of preferred stock (Athe APreferred Shares@), par value US$0.01. As of June 30, 2000, there were 1,728 million Common Shares and no Preferred Shares issued and outstanding.

4. Compaq is subject to the requirements of the Securities Exchange Act of 1934, as amended, of the United States, including the reporting requirements. The Common Shares are listed for trading on the New York Stock Exchange.

5. Common Shares offered under the Plans are registered with the Securities and Exchange Commission (the "SEC") under the Securities Act of 1933.

6. The Compaq Companies will identify the Canadian Employees who will be granted Awards under the 1998 Stock Option Plan (A1998 SOP@) and will distribute plan related materials to them.

7. Compaq proposes to use the services of an agent (the "Agent") in connection with the Plans. The current Agent under the Plans is Salomon Smith Barney, Inc. (ASSB@). The current Agent is, and, if replaced, will be, a corporation registered under applicable U.S. securities or banking legislation to trade in securities and has been or will be authorized by Compaq to provide services under the Plans. SSB is not a registrant in any of the Jurisdictions and, if replaced, the Agent is not expected to be a registrant in any of the Jurisdictions.

8. The Agent=s role in the Plans will involve various administrative functions and may include: (i) assisting Employees, including former Employees (AFormer Employees@) and their representatives and Permitted Transferees with the exercise of Awards, including cashless exercises; (ii) holding Common Shares issued by Compaq upon the exercise of Awards or otherwise; and (iii) facilitating the resale of Common Shares acquired under the Plans outside of Canada.

9. Former Employees are Employees who participated in the Plans when employed by a Compaq Company but have left the employment of the Compaq Company.

10. Former Employees are permitted under the Plans to keep the Common Shares acquired under the Plans in the accounts maintained by the Agent and to use the services of the Agent to assist in the resale of Common

Shares acquired under the Plans even though they are no longer employed by a Compaq Company.

11. As of October 18, 2000, there were approximately 1,703 Employees resident in Canada eligible to participate in the Plans.

12. The purpose of the 1998 SOP is to assist the Compaq Companies in attracting, retaining and motivating Employees. Employees eligible to participate in the 1998 SOP (the AEligible Employees@) will be granted Awards under the 1998 SOP.

13. Subject to the discretion of Compaq to permit transfers to Permitted Transferees, Awards are not transferable otherwise than by will or the laws of descent and distribution. Transfers to Permitted Transferees can only be made for estate planning purposes.

14. The consideration to be paid for Common Shares issued upon the exercise of Awards granted under the 1998 SOP may consist of cash or its equivalent, including consideration received by the Company under a cashless exercise program implemented by the Company in connection with this Plan.

15. Eligible Employees may exercise their Awards and resell Common Shares acquired under the 1998 SOP through the Agent. Former Employees who voluntarily or involuntarily had their employment with the Compaq Companies terminated and whose Awards vest under the 1998 SOP may exercise their Awards and resell their Common Shares through the Agent.

16. Compaq has also made grants of options under two plans, the 1985 Stock Option Plan (A1985 SOP@) and 1989 Equity Incentive Plan (A1989 EIP@) which have now been discontinued in Canada. However, options are still outstanding and may be exercised to acquire Common Shares under the 1985 SOP and 1989 EIP. Common Shares obtained under the 1985 SOP and 1989 EIP will in the future be sold by Employees, Former Employees or their representatives and these sales may be made through the Agent.

17. The purpose of the Employee Stock Purchase Plan (the AESPP@) is to provide an opportunity for Employees eligible to participate in the ESPP (the AESPP Participants@) to purchase Common Shares at a discount and to provide an additional incentive to such Employees.

18. An ESPP Participant may authorize payroll deductions of 1% to 10% of eligible compensation; such payroll deductions will be credited to the ESPP Participant=s account and will be used to purchase Common Shares at the end of each purchase period. The purchase price will generally be the lower of 85% of the fair market value of the Common Shares at the commencement of the purchase period and the purchase date.

19. All cash dividends paid with respect to Common Shares held in an ESPP Participant=s account maintained by the Agent will be automatically reinvested to purchase additional Common Shares.

20. Rights to purchase Common Shares under the ESPP are not transferable other than by will or the laws of descent and distribution.

21. Canadian Employees, including Former Employees, and their representatives, who wish to sell Common Shares acquired under the ESPP may do so through the Agent.

22. A prospectus prepared according to U.S. securities laws describing the terms and conditions of the 1998 SOP and ESPP will be delivered electronically to all Eligible Employees who are granted Awards under the 1998 SOP and to all ESPP Participants, respectively. The annual reports, proxy materials and other materials Compaq is required to file with the SEC will be provided or made available to all participants under the Plans (the APlans Participants@) who become shareholders of Compaq at the same time and in the same manner as such materials are provided or made available to U.S. resident shareholders of Compaq.

23. Participation in the Plans is voluntary and the Plans Participants are not induced to participate in the Plans or acquire Common Shares under the Plans by expectation of employment or continued employment.

24. At the time of the grant or issuance, as the case may be, of Awards and Common Shares under the Plans, holders of Common Shares whose last address as shown on the books of Compaq was in Canada will not hold more than 10% of the outstanding Common Shares and will not represent in number more than 10% of the total number of holders of Common Shares.

25. Because there is no market for the Common Shares in Canada and none is expected to develop, any resale of the Common Shares acquired under the Plans will be effected through the facilities of, and in accordance with the rules and laws applicable to, a stock exchange or organized market outside of Canada on which the Common Shares may be listed or quoted for trading.

26. The Legislation of certain of the Jurisdictions does not contain exemptions from the Registration and Prospectus Requirements for certain trades in Awards and Common Shares to, by and on behalf of Canadian Employees, Former Employees, their representatives, and Permitted Transferees, including trades carried out with or through the Agent.

27. When the Agent sells Common Shares on behalf of holders of the Common Shares, such persons and the Agent, as applicable, are not able to rely on the exemption from the Registration Requirements contained in the Legislation for trades made by a person or company acting solely through a registered dealer under the Legislation.

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:

a) the Registration and Prospectus Requirements shall not apply to: (i) the issuance by Compaq of Awards to Eligible Employees under the 1998 SOP; (ii) the issuance by Compaq of Common Shares on the exercise of Awards or otherwise under the Plans to Canadian Employees, Former Employees, their representatives or Permitted Transferees, as the case may be, including the exercise of Awards and other options by their holders directly to Compaq or through the Agent; and (iii) other trades, including the transfer of Awards by their holders to Permitted Transferees, which may be made in connection with (i) or (ii) above, provided that the first trade in Common Shares acquired pursuant to this Decision shall be deemed a distribution or a primary distribution to the public under the Legislation unless such first trade is executed through the facilities of, and in accordance with the rules and laws applicable to, a stock exchange outside of Canada on which the Common Shares may be listed or quoted for trading or on the Nasdaq Stock Market; and

b) the Registration Requirements shall not apply to the Compaq Companies or the Agent in connection with trades in Awards and Common Shares under the Plans or to first trades in Common Shares acquired under the Plans made through the Agent.

DATED AT Halifax, Nova Scotia this 31st day of October , 2000.

"Robert B. MacLellan"

2.1.18 Fletcher Challenge - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Issuer deemed to have ceased to be a reporting issuer following a share redemption leaving only one security holder.

Applicable Ontario Statutory Provisions

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

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

AND

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

AND

IN THE MATTER OF
FLETCHER CHALLENGE FINANCE CANADA INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Newfoundland, Nova Scotia, Ontario, Québec and Saskatchewan (the "Jurisdictions") has received an application from Fletcher Challenge Finance Canada Inc. ("Finance Canada") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that Finance Canada be deemed to have ceased to be a reporting issuer or the equivalent thereof under the Legislation;

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 Finance Canada has represented to the Decision Makers that:

1. Finance Canada was formed under the *Canada Business Corporation Act* (the "CBCA") on August 19, 1986 under the name Fletcher Challenge Finance Canada Inc., and is a reporting issuer in each of the Jurisdictions;

2. Finance Canada maintains its head office in Vancouver, British Columbia;

3. Finance Canada's authorized capital consists of an unlimited number of common shares (the "Common Shares"), an unlimited number of preferred shares issuable in series (of which 5,200,000 8% Cumulative

Redeemable Retractable Preferred Shares, Series A (the "Series A Shares") and 7,000,000 7 7/8% Cumulative Redeemable Retractable Preferred Shares, Series B (the "Series B Shares") are authorized and an unlimited number of Class 1 shares (the "Class 1 Shares"). As of November 10 there were 300 Common Shares issued and outstanding, and no Series A Shares, Series B Shares or Class 1 Shares issued and outstanding;

4. Finance Canada has been a reporting issuer in each of the Jurisdictions since September 8, 1986. All of its outstanding Series A Shares and Series B Shares were redeemed by November 30, 1993. On June 27, 1991, Finance Canada issued an aggregate of $100,000,000 principal amount of Series A and Series B Debentures (the "Debentures") by way of private placement. The trust indenture governing the Debentures contained a covenant of Finance Canada to maintain its status as a reporting issuer so long as the Debentures remained outstanding. On July 4, 2000 the remaining outstanding Debentures were redeemed;

5. the Series A Shares and Series B Shares were delisted from The Toronto Stock Exchange and no securities of Finance Canada are listed or quoted on any exchange or market;

6. Finance Canada is not in default of any of its obligations as a reporting issuer under the Legislation with the exception of its obligation to file its annual audited financial statements for the year ended June 30, 2000; the debenture redemption was completed before the obligations of Finance Canada to file the financial statements arose;

7. 2945797 Canada Inc. ("Numberco") is the sole beneficial owner of the issued and outstanding Common Shares and has been since July 7, 2000;

8. no securities are outstanding in the capital of Finance Canada, including debt securities, other than the Common Shares held by Numberco;

9. Finance Canada 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 Finance Canada is deemed to have ceased to be a reporting issuer under the Legislation.

December 15th, 2000.

Brenda Leong
Director

2.1.19 Leslie Thatcher - Director's Decision

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

AND

IN THE MATTER OF THE APPLICATION FOR REGISTRATION OF LESLIE BRENT THATCHER

HEARING BEFORE THE DIRECTOR PURSUANT TO SUBSECTION 26(3) OF THE SECURITIES ACT

HELD ON: OCTOBER 16, 2000

HELD AT:

Ontario Securities Commission
20 Queen Street West
17th Floor
Toronto, Ontario

HELD BEFORE:

PEGGY DOWDALL-LOGIE
Manager, Registrant Legal Services
Capital Markets

APPEARANCES:

KATHRYN J. DANIELS For the Staff of the Commission

LESLIE BRENT THATCHER For the Applicant

DIRECTOR'S DECISION

In response to Mr. Thatcher's application (OSC Registration File Number 599610) under the Securities Act (Ontario) (the "Act") for registration as a salesperson to act on behalf of Scotia Discount Brokerage Inc. ("Scotia Discount Brokerage"), staff of the Ontario Securities Commission (the "Commission") advised Mr. Thatcher, in their letter dated August 22, 2000 that staff were recommending that Mr. Thatcher's application for registration be denied on the grounds that he was not suitable for registration.

Scotia Discount Brokerage is registered under the Act as a "dealer" in the category of "investment dealer".

In staff's letter, Mr. Thatcher was advised that, pursuant to subsection 26(3) of the Act, before a decision of the Director would be made in respect of his application for registration, he would have a right to be heard. Mr. Thatcher requested that right and a hearing was held before me on October 16, 2000, where I acted as Director pursuant to the current Determination by the Executive Director of positions within the Commission that are designated as "Director" for the purposes of the Act.

At the hearing, I heard testimony from Mr. Thatcher and received submissions from Mr. Thatcher and from counsel for staff of the Commission.

On the basis of the testimony, and after having considered the submissions, as well as reviewing the transcript of the hearing, it appears to me that the applicant, Mr. Leslie Brent Thatcher, at this time, is not suitable for registration as a salesperson to act on behalf of Scotia Discount Brokerage.

I therefore refuse the application for registration. My written reasons for this decision will follow.

"January 12, 2001"

"Peggy Dowdall-Logie"

2.2 Orders

2.2.1 Macdonald Oil Exploration Ltd., Macdonald Mines Exploration Ltd., Mario Miranda and Frank Smeenk - s.127 & 127.1

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

AND

IN THE MATTER OF
MACDONALD OIL EXPLORATION LTD.,
MACDONALD MINES EXPLORATION LTD.,
MARIO MIRANDA AND FRANK SMEENK

ORDER
(Sections 127 and 127.1)

WHEREAS on January 8, 2001, the Ontario Securities Commission (The Commission) issued a notice of hearing pursuant to sections 127 and 127.1 of the Securities Act, R.S.O. 1990, c. S.5, as amended (At the Act), in respect of MacDonald Oil Exploration Ltd., MacDonald Mines Exploration Ltd., Mario Miranda and Frank Smeenk (The Respondents);

AND WHEREAS the Respondents entered into a settlement agreement dated January 8, 2001 (At the Settlement Agreement) in which they agreed to a proposed settlement of the proceeding, subject to the approval of the Commission;

AND UPON reviewing the Settlement Agreement and the statement of allegations of Staff of the Commission, and upon hearing submissions from counsel for the Respondents and from Staff of the Commission;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

IT IS ORDERED THAT:

1. The Settlement Agreement, attached to this order, is hereby approved.

2. Each of the Respondents is hereby reprimanded.

3. MacDonald Oil will submit to a review by BDO Dunwoody of its practices and procedures including, without limitation, MacDonald Oil=s practices and procedures with respect to compliance by its directors, officers and principal shareholders (At the Review) and will institute such changes as may be recommended by BDO Dunwoody and/or by Staff, all at the sole expense of MacDonald Oil and all within the time frames set out by BDO Dunwoody after consultation with Staff. MacDonald Oil will report in writing to Staff and BDO Dunwoody as to the implementation of the recommendations made by BDO Dunwoody and/or by Staff within the time frames set out by BDO Dunwoody.

4. MacDonald Oil will make a payment in the amount of $50,000 to the Commission in respect of a portion o the Commission=s costs with respect to this matter.

5. MacDonald Mines will make a payment in the amount of $15,000 to the Commission in respect of a portion of the Commission=s costs with respect to this matter.

6. Miranda will make a payment in the amount of $5,000 to the Commission in respect of a portion of the Commission=s costs with respect to this matter.

7. Smeenk will make a payment in the amount of $5,000 to the Commission in respect of a portion of the Commission=s costs with respect to this matter.

8. Commencing March 1, 2001, Miranda will cease trading in all securities for a period of six months, except that he may at any time dispose of any securities held by him on the date of this agreement.

9. Commencing March 1, 2001, Smeenk will cease trading in all securities for a period of one year, except that he may at any time dispose of any securities held by him on the date of this agreement.

10. Each of Miranda and Smeenk is prohibited from acting as an officer of MacDonald Oil for a period of two years, except that Smeenk may continue to hold his current position of executive vice-president of MacDonald Oil during such two-year period, provided that the position of executive vice-president of MacDonald Oil does not include any of the responsibilities that customarily are associated with the positions of chairman, president, chief executive officer, chief operating officer, chief financial officer, controller, treasurer or secretary of an issuer.

11. If either Miranda or Smeenk is an officer of MacDonald Oil as at the date of approval of this settlement, he will resign such office within ten days, subject to the exception with respect to Smeenk set out in paragraph 10 above.

12. Each of Miranda and Smeenk is prohibited from acting as the chair of the board of directors of MacDonald Oil and/or serving as a member of the audit, corporate governance, compliance or executive committees of the board of directors of MacDonald Oil for a period of two years. If either Miranda or Smeenk holds any such position as at the date of approval of this settlement, he will resign that position within ten days.

January 12, 2001.

"J. A. Geller" "Robert W. Davis"
"Stephen N. Adams"

2.2.2 Chapters Inc. and Trilogy Retail - s.104

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

AND

IN THE MATTER OF
CHAPTERS INC. AND TRILOGY RETAIL ENTERPRISES L.P.

ORDER
(Section 104)

WHEREAS on December 29, 2000 Chapters Inc. ("Chapters") submitted an application to the Ontario Securities Commission (the "Commission") requesting the following relief:

1. pursuant to clause 104(1)(a) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), an order restraining the distribution of the take-over bid circular and any advertisement in connection with the unsolicited partial take-over bid (the "Offer") by Trilogy Retail Enterprises L.P. ("Trilogy") for 4,888,000 common shares of Chapters;

2. pursuant to clause 104(1)(b) of the Act, an order requiring that Trilogy amend, correct or vary the take-over bid circular and Offer (together the "Circular") and distribute such amended, corrected or varied documents to all persons whom the Circular was required to be sent;

3. pursuant to clause 104(2)(b) of the Act, the variation of all time periods set out in Part XX of the Act and the respective regulations relating thereto such that such time periods shall run anew from the date that Trilogy sends the revised documents described in paragraph 2 above to all persons to whom the Circular was required to be sent; and

4. pursuant to clause 104(1)(c) of the Act, an order directing Trilogy to comply with Part XX of the Act, and the respective regulations relating thereto or restraining Trilogy form contravening Part XX of the Act, and the respective regulations relating thereto, and a direction to Trilogy to comply with, or to cease contravening, Part XX of the Act or the related regulations.

AND WHEREAS on January 8, 2001 Chapters amended its request for relief to the following:

1. Indigo Books & Music Inc. ("Indigo")'s historic financial statements;

2. Indigo's current year *pro forma* financial statements;

3. *pro forma* financial statements relating to the merger of Chapters and Indigo, including qualification of any merger synergies;

4. details of the merger process, including identification of the directors and management of Chapters and Indigo; and

5 details of the proposed business strategy for the merged entity;

AND WHEREAS on January 9, 2001 Trilogy submitted the Rider for Trilogy Circular as an addendum to the Circular;

AND WHEREAS on January 10, 2001 a hearing was held to consider the application;

AND WHEREAS at the commencement of the hearing Chapters further amended its request for relief to the disclosure of:

1. historical financial statements; and

2. current year *pro-forma* financial statements of Indigo;

IT IS ORDERED THAT the application pursuant to s.104 of the Act is dismissed.

January 11, 2001.

2.2.3 Anormed Inc. - s.74(1)

Headnote

Subsection 74(1) - exemption from sections 25 and 53 of the Act for the grant of non-transferable options to only member of issuer's Scientific Advisory Board resident in Ontario, subject to condition that options comply with rules of the TSE

Statute Cited

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

Regulation Cited

General Regulation made under the *Securities Act*, R.R.O. 1990, Reg. 1015, as am., Schedule I, ss. 20, 59(2)

Rule Cited

Ontario Securities Commission Rule 45-503 - *Trades to Employees, Executives and Consultants*

IN THE MATTER OF THE SECURITIES ACT, R.S.O. 1990, c. S.5 as amended

AND

IN THE MATTER OF ANORMED INC.

ORDER (subsection 74(1) of the Act)

and

EXEMPTION (subsection 59(2) of Schedule 1 to the Regulation made under the Act)

UPON the application of AnorMED Inc. ("AnorMED") to the Ontario Securities Commission (the "Commission") for a ruling pursuant to subsection 74(1) of the *Securities Act,* R.S.O. 1990, c. S.5, as amended, (the "*Act*") that certain intended trades of options (the "Options") of AnorMED to a member of its Scientific Advisory Board who is resident in Ontario are exempt from sections 25 and 53 of the *Act* and for a ruling pursuant to subsection 59(2) of the General Regulation made under the *Act*, R.R.O. 1990, Regulation 1015 (the "Regulation") that AnorMED be exempt from the fee applicable under Section 20 of Schedule 1 to the Regulation;

AND UPON AnorMED having represented to the Commission that:

1. AnorMED was incorporated under the federal laws of Canada and is a reporting issuer under the *Act*;
2. the authorized capital of AnorMED consists of an unlimited number of common shares (the "Shares") of which 23,026,055 Shares were issued and outstanding as at August 22, 2000, and an unlimited number of preferred shares of which none were issued and outstanding as at August 22, 2000;
3. the Shares are listed and posted for trading on The Toronto Stock Exchange (the "TSE");
4. AnorMED is in the business of discovering, developing and commercializing metal based therapeutics, targeting several diseases including cancer, HIV infection and inflammatory disease;
5. the members of AnorMED's Scientific Advisory Board ("Scientific Advisors") are experienced scientists who provide the necessary guidance to assist AnorMED's technology to reach its full clinical and commercial potential;
6. at the request of management, the Scientific Advisors review and provide AnorMED with advice regarding research and development projects;
7. the Scientific Advisory Board meets annually and makes recommendations directly to AnorMED's management;
8. AnorMED has implemented an Incentive Stock Option Plan (the "Plan"), the purpose of which is to attract and retain superior directors, officers, advisors, employees and other persons or companies engaged to provide ongoing services to AnorMED, to provide incentive for such persons to put forth maximum effort for the continued success and growth of AnorMED, and in combination with these goals, to encourage equity participation in AnorMED;
9. the Plan complies with the TSE requirements;
10. the maximum aggregate number of Shares of AnorMED reserved for issuance under options issued under the Plan ("Options") to Scientific Advisors and consultants will not exceed 2% of the issued and outstanding securities of AnorMED at the date of the grant of Options;
11. the Options are non-transferable and non-assignable otherwise than by will or by the laws governing the devolution of property in the event of death of the optionee;
12. the Options granted to the Scientific Advisors will expire not later than five years from the date of the grant of the Option;
13. Scientific Advisors will not be induced to acquire securities of AnorMED by expectation of continued membership on the Scientific Advisory Board or engagement by or employment with AnorMED;
14. Robert S. Kerbel, Ph.D. ("Dr. Kerbel") is a member of the Scientific Advisory Board of AnorMED and the only Scientific Advisor resident in Ontario; and
15. Dr. Kerbel may not be a consultant as defined under Ontario Securities Commission Rule 45-503 because, in the reasonable opinion of AnorMED, he may not

spend a "significant amount of time and attention on the business and affairs" of AnorMED.

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

IT IS RULED pursuant to subsection 74(1) of the *Act* that trades of Options to Dr. Kerbel are exempt from the requirements of sections 25 and 53 of the *Act* provided that the grant and terms of such Options comply with the rules of the TSE governing stock options;

AND IT IS FURTHER RULED pursuant to subsection 74(1) of the Act that the first trade in the securities acquired on the exercise of the Options are exempt from section 53 of the Act provided Dr. Kerbel complies with section 72(5) of the Act, except that the disclosure requirement contemplated by section 72(5)(b) may be made in accordance with Part 10 of Rule 45-503;

AND IT IS FURTHER RULED pursuant to section 59(2) of Schedule 1 to the Regulation that the fees applicable under section 20 of Schedule I to the Regulation to the securities issued on the exercise of the Options in reliance on subsection 72(1)(f)(iii) shall not apply provided that AnorMED complies with section 11.1 of Rule 45-503 and for that purpose, the reference to service providers shall be deemed to include Dr. Kerbel.

December 22, 2000.

"J.A. Geller" "R.S. Paddon"

2.2.4 D.E. Shaw & Co., L.P. - s. 38 (1) CFA

Headnote

Subsection 38(1) of the Commodity Futures Act - relief from the requirements of subsection 22(1) of the CFA in respect of advising certain funds in respect of trades in commodity futures contracts and commodity futures options traded on commodity futures exchanges outside Canada and cleared through clearing corporations outside Canada subject to certain conditions.

Statutes Cited

Commodity Futures Act, R.S.O. 1990, c. C20, as am., ss. 22(1), 38(1)
Securities Act, R.S.O. 1990, c S.5, as am., ss. 53, 62

Rules Cited

Rule 35-502 - Non-Resident Advisors

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

IN THE MATTER OF
D. E. SHAW & CO., L.P.

ORDER(Subsection 38(1) of the CFA)

UPON the application of D. E. Shaw & Co., L.P. (the "Applicant") to the Ontario Securities Commission (the "Commission") for an order pursuant to subsection 38(1) of the CFA to exempt the Applicant and its directors, officers and employees from the requirements of clause 22(1)(b) of the CFA in respect of advising certain non-redeemable investment funds and similar investment vehicles established under the laws of foreign jurisdictions (the "Funds"), the securities of which may be privately placed in Ontario, in connection with trades in commodity futures contracts and commodity futures options primarily traded on commodity futures exchanges outside Canada and primarily cleared through clearing corporations outside Canada, subject to certain terms and conditions;

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

AND UPON the Applicant having represented to the Commission as follows:

1. The Applicant is a limited partnership formed under the laws of the State of Delaware and is registered with the U.S. Securities and Exchange Commission as an investment adviser. The Applicant is also registered with the U.S. Commodities Futures Trading Commission as a commodity pool operator and is a member of the U.S. National Futures Association.

2. The Applicant is registered as an adviser in the category of international adviser (investment counsel

and portfolio manager) under the Ontario Securities Act (the "OSA"). D. E. Shaw Securities, LLC, an affiliate of the Applicant, is registered under the OSA as an international dealer. In addition, D. E. Shaw Valence, L.P., another affiliate of the Applicant, is similarly registered with the Commission as an international dealer in Ontario.

3. The Funds invest, or are expected to invest, in securities, commodities and/or other financial instruments, including futures and options contracts primarily traded on organized exchanges outside of Canada and primarily cleared through clearing corporations located outside of Canada and other derivative instruments traded over-the-counter. The Applicant provides, or is expected to provide, investment advisory services to the Funds, including advice with respect to investments in securities, commodity futures contracts and commodity futures options primarily traded on organized exchanges outside of Canada and primarily cleared through clearing corporations located outside of Canada.

4. Advisory activities of the Applicant relating to securities will be carried out in accordance Rule 35-502 - Non-Resident Advisors.

5. Each of the Funds is not, and has no current intention of becoming, a reporting issuer in Ontario or in any other Canadian jurisdiction.

6. Securities of the Funds are offered, or are expected to be offered, primarily outside of Canada to institutional investors and high net worth individuals. Securities of the Funds are offered, or will be offered, to a small number of Ontario residents (principally institutional investors) and the distribution of the securities of the Funds in Ontario is, or will be effected, through registrants in reliance upon an exemption from the requirements of sections 53 and 62 of the OSA.

7. Prospective investors who are Ontario residents will receive disclosure that includes (a) a statement that there may be difficulty in enforcing legal rights against the applicable Fund or any of the adviser, the trustee or manager of the applicable Fund because they are resident outside of Canada and all or substantially all of their respective assets are situated outside of Canada; and (b) if applicable, a statement that the Applicant is not registered with or licensed by any securities regulatory authority in Canada and, accordingly, the protections available to clients of a registered adviser will not be available to purchasers of securities of the Fund.

8. In the absence of the order, the Applicant would be required to apply for registration as a commodity trading manager in Ontario.

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

IT IS ORDERED pursuant to subsection 38(1) of the CFA that the Applicant and its directors, officers and employees responsible for advising the Funds be exempt from the requirements of clause 22(1)(b) of the CFA in respect of their advisory activities in connection with the Funds, provided that:

(a) this Order shall terminate on December 31, 2003;

(b) the Applicant continues to be registered as an investment adviser and as a commodity pool operator in the United States;

(c) the Funds invest primarily in foreign securities, and in futures and options contracts primarily traded on organized exchanges outside of Canada and primarily cleared through clearing corporations located outside of Canada;

(d) securities of the Funds are offered primarily abroad and are only distributed in Ontario through registrants (as defined under the OSA) and in reliance upon an exemption from the requirements of sections 53 and 62 of the OSA; and

(e) prospective investors who are Ontario residents will receive disclosure that includes (i) a statement that there may be difficulty in enforcing legal rights against the applicable Fund or any of adviser, the trustee or manager of the applicable Fund because they are resident outside of Canada and all or substantially all of their assets are situated outside of Canada; and (ii) if applicable, a statement that the Applicant is not registered with or licensed by any securities regulatory authority in Canada and, accordingly, the protections available to clients of a registered adviser will not be available to purchasers of securities of the Fund.

December 29, 2000.

"John A. Geller" "Robert Korthals"

2.2.5 Look Communications Inc. - s. 4.2 of 56-501

Headnote

Rule 56-501 – Reporting issuer exempt from certain minority approval requirements of Part 3 of Rule 56-501 with respect to subordinate voting shares where reporting issuer – issuer formed through statutory arrangement and full disclosure was provided in management proxy circular.

Statutes Cited

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

Rules Cited

Rule 56-501 Restricted Shares (1999) 22 O.S.C.B. 6803,corrected (1999) 22 O.S.C.B. 7091

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

AND

IN THE MATTER OF LOOK COMMUNICATIONS INC.

ORDER (Section 4.2 of Rule 56-501)

WHEREAS Look Communications Inc. (the "Company") has applied to the Director (the "Director") for an exemption from the requirements of Part 3 of Commission Rule 56-501 ("Rule 56-501") in connection with stock distributions of limited voting shares of the Company ("Subordinate Voting Shares") in the Province of Ontario;

AND WHEREAS the Company has represented to the Director that:

1. The Company is a corporation governed by the *Canada Business Corporations Act* (the "CBCA") and was formed through a court-approved plan of arrangement (the "Arrangement") under the CBCA which resulted in the amalgamation of Look Communications Inc. ("LCI") and I.D. Internet Direct Ltd. ("IDX") on October 31, 1999.

2. The Company is a wireless broadband carrier, delivering a full spectrum of communication services including digital television distribution, high speed Internet access and Web-related services. The principal executive offices of the Company are located in Toronto, Ontario.

3. The Company became a reporting issuer in the Province of Ontario on March 10, 2000 pursuant to subsection 83.1(1) of the Act. The Company is also a reporting issuer in the Provinces of British Columbia, Alberta, Quebec and Nova Scotia.

4. The authorized capital of the Company consists of an unlimited number of preferred shares issuable in series, an unlimited number of variable multiple voting shares and an unlimited number of subordinate voting shares. As of October 31, 2000, there were 74,857,908 subordinate voting shares, 42,406,438 variable multiple voting shares and no preferred shares issued and outstanding.

5. The Subordinate Voting Shares are listed on CDNX.

6. The Subordinate Voting Shares are restricted shares within the meaning of Rule 56-501.

7. In accordance with Part 3 of Rule 56-501, the Director may not issue a receipt for a prospectus for a stock distribution of Subordinate Voting Shares unless (i) such stock distribution received minority approval (as defined in Rule 56-501, hereinafter "minority approval") or (ii) each reorganization carried out by the Company related to the Subordinate Voting Shares received minority approval.

8. Part 3 of Rule 56-501 also provides that the prospectus exemptions under Ontario securities law will not be available for a stock distribution of Subordinate Voting Shares by the Company unless (i) such stock distribution received minority approval, or (ii) each reorganization carried out by the Company related to the Subordinate Voting Shares received minority approval.

9. In connection with the Arrangement, IDX prepared and sent to its shareholders and filed with the appropriate securities regulatory authorities a management proxy circular (the "Circular") which contained prospectus level disclosure with respect to IDX, LCI and the Arrangement transaction. The Circular contained disclosure of (a) the purpose and business reasons for the share capital structure of the Company,and (b) all IDX and LCI shareholders who then held more than 10% of the common shares of IDX and LCI (including control persons) and of the Company after giving effect to the Arrangement. The Circular further disclosed that the shareholders of IDX and LCI were entitled to dissent rights under the Arrangement.

10. The Circular was also provided to shareholders of LCI in connection with the meeting of LCI shareholders called to approve the Arrangement.

11. The Arrangement was approved by a majority of shareholders of each of IDX and LCI.

12. The Arrangement was approved by the Supreme Court of British Columbia pursuant to an order dated October 25, 1999.

AND WHEREAS the Director is satisfied that it would not be prejudicial to the public interest to grant the exemption requested;

IT IS ORDERED pursuant to section 4.2 of Rule 56-501 that the Company be and it is hereby exempted from the

requirements of Part 3 of Rule 56-501 in connection with any stock distribution of Subordinate Voting Shares so long as:

(i) any subsequent reorganization carried out by the Company related to the Subordinate Voting Shares receives minority approval (as defined in Rule 56-501) and otherwise complies with the provisions of Part 3 of Rule 56-501; and

(ii) the Company discloses in any preliminary prospectus and prospectus in connection with stock distribution of subordinate voting shares by prospectus that the Company has been exempted from the provisions of Part 3 of Rule 56-501, subject to the certain conditions.

December 27, 2000.

Margo Paul
Manager, Corporate Finance

2.2.6 Microcell Telecommunications - s. 147

Headnote

Section 147 – relief granted from the requirement that a period of ten days elapse between the issuance of a receipt for a preliminary prospectus and the issuance of a receipt for a (final) prospectus.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5. as am, ss. 65(1), 147.

Rules Cited

National Instrument 44-101 – Short Form Prospectus Distributions (2000) 23 OSCB (Supp) 867.

IN THE MATTER OF THE SECURITIES ACT R.S.O. 1990, C.S.5, as amended (the "Act")

AND

IN THE MATTER OF MICROCELL TELECOMMUNICATIONS INC.

ORDER
(Section 147)

UPON the application of Microcell Telecommunications Inc. (the "**Applicant**") for an order pursuant to section 147 of the Act that the Applicant not be subject to the requirement contained in subsection 65(1) of the Act that a period of ten days elapse between the issuance by the Director of a receipt for a preliminary prospectus relating to the offering of a security and the issuance of a receipt for a prospectus (the "**Waiting Period Requirement**");

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

AND UPON the Applicant having represented to the Commission as follows:

1. The Applicant filed a preliminary short form prospectus dated January 10, 2001 (the "**Preliminary Prospectus**"), in accordance with National Instrument 44-101 -- *Short Form Prospectus Distributions* (the "**Short Form Rule**") relating to the qualification of 3,703,704 Class B Non-Voting Shares and received a receipt therefor dated January 11, 2001.

2. The Applicant wishes to be in a position to file and obtain a receipt for its (final) short form prospectus (the "**Prospectus**") within a period of time that is less than the time provided in the Waiting Period Requirement.

3. The Short Form Rule may not provide for relief from the Waiting Period Requirement.

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

IT IS ORDERED pursuant to section 147 of the Act that:

(a) the Applicant is exempt from the requirement that a period of ten days elapse between the issuance by the Director of a receipt for the Preliminary Prospectus and the issuance of a receipt for the Prospectus; and

(b) the Applicant be exempt from the requirement under the Act to pay fees in connection with the making of this application.

January 16, 2001.

"Jack A. Geller" "R. Stephen Paddon"

2.2.7 BMO Equity, Precious Metal and Resource Funds, Cinar, YBM Magnex, Anvil Range,and Ice Drilling - s.144

Headnote

Section 144 B 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:

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

(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;

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

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

(v) 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 18, 2000.

"John Hughes"

2.2.8 Akash Ventures - s. 83.1(1)

Headnote

Subsection 83.1(1) - issuer deemed to be a reporting issuer in Ontario where issuer has been a reporting issuer in British Columbia for more than 12 months and has common shares listed on the Canadian Venture Exchange.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 83.1(1).

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

AND

IN THE MATTER OF
INTERNATIONAL AKASH VENTURES LTD.

ORDER
(Subsection 83.1(1))

UPON the application of International Akash Ventures Ltd. ("Akash") for an order pursuant to subsection 83.1(1) of the Act, deeming Akash to be a reporting issuer for the purposes of Ontario securities law (as defined in the Act);

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

AND UPON Akash representing to the Commission as follows:

1. Akash is a corporation governed by the *Company Act*(British Columbia).

2. Akash's head office is located in Vancouver, British Columbia.

3. Akash (and its predecessor corporations) has been a reporting issuer under the *Securities Act* (British Columbia) (the "B.C. Act") since September 1982.

4. The continuous disclosure requirements of the B.C. Act are substantially the same as the requirements under the Act.

5. The continuous disclosure materials filed by Akash (and its predecessors) under the B.C. Act since July 4, 1997 are available on the System for Electronic Document Analysis and Retrieval (SEDAR).

6. The authorized share capital of Akash consists of 100,000,000 common shares (the "Common Shares") without par value of which 1,778,780 Common Shares were issued and outstanding of November 21, 2000

7. The Common Shares are listed on the Canadian Venture Exchange ("CDNX").

8. Akash entered into a share purchase agreement dated for reference February 11, 2000 with the shareholders

of 1161166 Ontario Limited ("Healthscreen") pursuant to which Akash agreed to purchase (the "Acquisition") all of the issued and outstanding shares of the capital of Healthscreen in exchange for 8,500,000 common shares of Akash, subject to the approval of the CDNX.

9. Akash circulated to its shareholders an Information Circular dated March 24, 2000 for an extraordinary meeting of its shareholders to seek shareholder approval of the Acquisition by special resolution.

10. Akash received shareholder approval of the Acquisition by special resolution at the extraordinary meeting of its shareholders held on May 11, 2000.

11. If the Acquisition is not completed within two months after the date Akash is deemed to be a reporting issuer for the purposes of the Ontario securities law pursuant to this order, then Akash will make an application to the Commission for an order deeming Akash to cease to be a reporting issuer for the purposes of the Ontario securities law.

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

IT IS HEREBY ORDERED pursuant to subsection 83.1(1) of the Act that Akash is deemed to be a reporting issuer for the purposes of the Ontario securities law:

January 12, 2001.

"Howard I. Wetston" "R. Stephen Paddon"

2.2.9 Venturelink Fund - s. 9.1

Headnote

Exemption from requirements of section 2.1 of National Instrument 81-105 to permit an LSIF Corporation to pay certain specified distribution costs out of fund assets.

Statutes Cited

National Instrument 81-105 Mutual Fund Sales Practices, section 2.1 and section 9.1.

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

AND

IN THE MATTER OF NATIONAL INSTRUMENT 81-105 MUTUAL FUND SALES PRACTICES

AND

IN THE MATTER OF VENTURELINK FUND INC.

EXEMPTION (Section 9.1)

UPON the application (the "Application") of VentureLink Fund Inc. (the "Fund") to the Ontario Securities Commission (the "Commission") for an exemption pursuant to section 9.1 of National Instrument 81-105 Mutual Fund Sales Practices (the "National Instrument") from section 2.1 of the National Instrument to permit the Fund to make certain payments to participating dealers;

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

AND UPON the Fund and 360 Venture Partners Inc. (the "Manager") having represented to the Commission that:

1. The Fund is a corporation incorporated under the *Canada Business Corporations Act* which is registered as a labour sponsored investment fund corporation under the *Community Small Business Investments Fund Act* (Ontario) and is prescribed as a labour-sponsored venture capital corporation under the *Income Tax Act* (Canada).

2. The Fund is a mutual fund as defined in subsection 1(1) of the Act. The Fund has filed a preliminary prospectus dated October 31, 2000 (the "Preliminary Prospectus") with the Commission and intends to distribute Class A Shares once a receipt for a final prospectus has been issued by the Director.

3. The authorized capital of the Fund consists of an unlimited number of Class A Shares, Series I and an unlimited number of Class A Shares, Series II of which none are issued and outstanding as of the date hereof

and an unlimited number of Class B Shares, of which 100 are issued and outstanding as of the date hereof.

4. The Manager and the United Steelworkers of America, TCU National Local 1976 (the "Sponsor") formed and organized the Fund.

5. The Fund intends to pay certain costs of distributing its shares directly to participating dealers. With respect to the distribution of Class A Shares, Series I these costs will be (i) a sales commission of 6% of the net asset value per Class A share purchased, (ii) a commission of 4% of the net asset value per Class A share purchased in lieu of service fees, and (iii) a corporate finance fee of 0.5% of the gross proceeds raised on the initial offering of Class A Shares, Series I. With respect to the distribution of Class A Shares, Series II these costs will be (i) a sales commission of 3% of the net asset value per Class A share purchased, and (ii) a corporate finance fee of 0.5% of the gross proceeds raised on the initial offering of Class A Shares, Series II. All of these costs (collectively, the "Distribution Costs") are fully disclosed in the Preliminary Prospectus. The fact that the Fund intends to pay the Distribution Costs out of fund assets is also disclosed in the Preliminary Prospectus.

6. 360 Funds Inc. (the "Administrator"), an affiliate of the Manager, which will be the administrator of the Fund, intends to pay trailing commissions to participating dealers in differing amounts on each series of Class A Shares as disclosed in the Preliminary Prospectus.

7. Due to the structure of the Fund, the most tax efficient way for the Distribution Costs to be financed is for the Fund to pay them directly.

8. The Manager, or an affiliate, is the only member of the organization of the Fund, other than the Fund, available to pay the Distribution Costs. The Manager does not have sufficient resources to pay the Distribution Costs and would be obliged to finance the obligation to pay the Distribution Costs through borrowings and would thereby incur borrowing costs.

9. In order for the Fund to comply with section 2.1 of the National Instrument, the Fund would have to increase the fees payable to the Manager by an amount equal to the borrowing costs incurred by the Manager plus an amount required to compensate the Manager for any risks associated with fluctuations in the net asset value of the Fund and, therefore, fluctuations in the Manager=s fee. Requiring compliance with section 2.1 of the National Instrument would cause the expenses of the Fund to increase above those contemplated in the Preliminary Prospectus.

10. The Fund undertakes to comply with all other provisions of the National Instrument. In particular, the Fund undertakes that all Distribution Costs paid by it will be compensation permitted to be paid to participating dealers under the National Instrument. The trailing commissions to be paid by the Administrator will be paid in compliance with the National Instrument.

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

NOW THEREFORE pursuant to section 9.1 of the National Instrument, the Commission hereby exempts the Fund from section 2.1 of the National Instrument to the extent that section 2.1 prohibits a mutual fund from making payments or providing benefits of the nature contemplated in the National Instrument, to permit the Fund to pay the Distribution Costs, provided the Distribution Costs are permitted by, and otherwise paid in accordance with, the National Instrument.

December 29, 2000.

"J.A. Geller" "R. Stephen Paddon"

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Chapter 3

Reasons: Decisions, Orders and Rulings

THERE IS NO MATERIAL FOR THIS CHAPTER

IN THIS ISSUE

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Chapter 4

Cease Trading Orders

4.1.1 Temporary and Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Rescinding Order
HR Café, Ltd.	15 Jan 01	26 Jan 01	-	-
TJR Coatings Inc.	15 Jan 01	26 Jan 01	-	-

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Chapter 5

Rules and Policies

5.1 Rules and Policies

5.1.1. Notice, Rule 41-502, and Companion Policy - Prospectus Requirements for Mutual Funds

NOTICE OF RULE AND POLICY UNDER THE SECURITIES ACT
RULE 41-502 AND COMPANION POLICY 41-502CP
PROSPECTUS REQUIREMENTS FOR MUTUAL FUNDS

I. Notice of Rule and Policy and Revocation of Regulations

The Ontario Securities Commission (the "Commission") has, under section 143 of the *Securities Act* (Ontario) (the "Act"), made Rule 41-502 Prospectus Requirements for Mutual Funds (the "Rule") and a regulation amending and revoking certain provisions of Regulation 1015 of the Revised Regulations of Ontario, 1990 the Regulation to the Act.

The Rule and the material required by the Act to be delivered to the Minister of Finance were delivered on January 17, 2001. If the Minister does not approve the Rule, reject the Rule or return it to the Commission for further consideration by March 19, 2001, or if the Minister approves the Rule, the Rule will come into force, pursuant to Part 12 of the Rule, on April 5, 2001. The regulation made by the Commission will come into force on the day that the Rule comes into force.

The Commission has adopted Companion Policy 41-502CP Prospectus Requirements for Mutual Funds (the "Policy") under section 143.8 of the Act. The Policy will come into force on the date the Rule comes into force.

II. Substance and Purpose of the Rule and Policy

The Rule

The substance and purpose of the Rule is to set out a number of form, content and filing requirements applicable to mutual fund prospectuses. The Rule is to be read together with Rule 41-501 General Prospectus Requirements, Companion Policy and Forms 41-501F2, 41-501F3 and 41-501F4 (collectively, "Rule 41-501") and National Instrument 41-101 Prospectus Disclosure Requirements ("NI 41-101"). Rule 41-501 sets out the basic form, content and filing requirements that apply to all prospectuses filed in Ontario. NI 41-101 sets out certain general prospectus disclosure requirements including front page disclosure and purchasers' statutory rights. The Rule specifies which provisions of Rule 41-501 and NI 41-101 apply to mutual fund prospectuses.

Rule 41-501 and NI 41-101 were published in final form on October 13, 2000 and came into force on December 31, 2000. Rule 41-501 consolidates certain provisions previously set forth in the Regulation and various policy statements of the Commission concerning the preparation, certification and receipting of prospectuses. The notice which accompanied

Rule 41-501 sets out which provisions of the Regulation and which policy statements were revoked or amended in connection therewith.

NI 41-101 consolidates certain prospectus disclosure requirements previously set forth in various national policy statements and in the securities legislation of certain provinces. The notice which accompanies NI 41-101 sets out which provisions of the Regulation and national policy statements were revoked or amended in connection therewith.

Unlike Rule 41-501, the Rule does not prescribe a new form for mutual fund prospectuses. Instead the Rule continues to require the use of Form 15 of the Regulation in respect of commodity pools and Form 45 of the Regulation for labour sponsored investment fund corporations. The Regulation has been amended to require the use of Form 15 for the prospectus of a scholarship plan. Those mutual funds which are governed by National Instrument 81-101 Mutual Fund Prospectus Disclosure ("NI 81-101") must use the forms prescribed in that instrument. Other mutual funds, such as exchange traded mutual funds, must prepare their prospectuses in accordance with Rule 41-501.

III. Substance and Purpose of Companion Policy

The substance and purpose of the Policy is to clarify how the Rule integrates with other rules and policies of the Commission and the Canadian Securities Administrators relating to mutual fund prospectuses, to bring certain matters relating to the Rule to the attention of persons and companies involved with mutual fund prospectuses and to provide interpretative guidance on certain of the provisions in the Rule.

Terms used in the Policy that are defined or interpreted in the Rule, Rule 41-501, NI 81-101 or the definition instruments in force in Ontario should be read in accordance with such definitions or interpretations, unless the Rule states otherwise.

IV. Summary of Changes to Rule and Policy

A proposed version of the Rule and Policy was first published for comment on June 27, 1997 (the "June 1997 Version"). No comments were received in respect of the Rule or the Policy.

Changes have been made to the Rule and Policy to reflect changes to Rule 41-501 and Rule 41-101 that resulted from comments received by the Commission.

Changes have also been made to the Rule and Policy as the result of the coming into force of NI 81-101. NI 81-101 came

into force on February 1, 2000 and replaced National Policy Statement No. 36.

The Commission is of the view that none of the changes made since the June 1997 Version is material. Accordingly the Rule and Policy are not subject to a further comment period.

The following is a summary of changes made to the Rule and Policy since the June 1997 Version:

Rule 41-502

Part 1

Part 1.1 has been revised to reflect the coming into force of NI 81-101 and to conform the terms and definitions in the Rule with NI 81-101. In addition, specific definitions have been added including: (i) the definition of the term 'mutual fund' which has been expanded to include a scholarship plan for the purposes of the Rule; (ii) the definition of 'material contract' which mirrors the definition of material contract in NI 81-101 and (iii) the definition of 'personal information' which is defined in Part 1 in order to simplify the drafting of Part 7 and Part 8 of the Rule and reduce repetition.

Part 2

In the June 1997 Version, Part 2 referred to sections in Rule 41-501 which were not to apply to mutual funds. The drafting of this part has been revised to specify those sections of Rule 41-501 which do apply to mutual funds. Furthermore, this part has been divided into two sections. Section 2.1 sets out those sections of Rule 41-501 which apply to mutual fund prospectuses prepared in accordance with Form 15 and Form 45 and Section 2.2 sets out those sections of Rule 41-501 which apply to mutual fund prospectuses prepared in accordance with NI 81-101.

Part 3

Part 3 is a new addition to the Rule. Part 3 outlines those provisions of NI 41-101 that apply to mutual fund prospectuses prepared in accordance with Form 15 (section 3.1), Form 45 (section 3.2) and NI 81-101 (section 3.3). Please see the section in this notice titled 'Related Instruments' for a discussion of NI 41-101.

Part 4

Part 4 replaces Part 3 of the June 1997 Version. This part has been revised to exclude reference to the forms of permitted disclosure documents in order to avoid repetition with the Regulation. In the June 1997 Version, the revocation of section 44 and 237 of the Regulation was contemplated because, in their place, this Part would set out the permitted forms of disclosure documents for mutual funds. The Commission has revised and not revoked these provisions of the Regulation and as a result it is not necessary to name the permitted forms of disclosure documents for mutual funds in the Rule. Please see the section in this notice titled 'Regulations to be Amended or Revoked'.

Section 4.1 sets out certain preparation requirements for mutual fund prospectuses that were originally included in the Regulation (Part III -Prospectus Requirements), but were revoked effective December 31, 2000 when Rule 41-501 became effective. The requirements previously in the Regulation are included in the general instructions to Form 41-501F1, which does not apply to mutual funds prepared in accordance with Form 15 or Form 45. In order for these preparation requirements to continue to apply to mutual fund prospectuses prepared in accordance with Form 15 or Form 45; they have been included in the Rule.

Part 5

Subsection 5.2(2) has been amended to clarify that this section applies only to a mutual fund that has been in existence for less than one year.

Section 5.2(3) is a new subsection. This subsection has been added to address mutual funds that may have distributed securities on an exempt basis prior to filing a prospectus. Such mutual funds must include audited financial statements for the last completed financial year in the prospectus despite the fact that such mutual fund may not have been required to file those financial statements with the Commission under the Act for that financial year. However, if the prospectus is filed within 140 days of its year end, the prospectus must include the financial statements for the preceding year.

Section 5.4 and section 5.5 have been added to clarify that all financial statements included in a prospectus must be audited financial statements and must be accompanied by an auditor's report without a reservation of opinion, unless they are interim financial statements.

This Part does not replace the financial disclosure requirements for mutual funds filing prospectuses in compliance with NI 81-101 and NI 81-102 Mutual Funds ("NI 81-102").

Part 6

Part 6 was originally section 5.1 of Part 5 of the June 1997 Version and was titled 'Additional Requirements'. The content of Part 6 has not been revised; however, it is now presented separately from the other items that were included in Part 5 in the June 1997 Version. The remainder of Part 5 in the June 1997 Version has been revised and now forms part of the requirements set out in Parts 7 and 8 of the Rule.

Part 7 and Part 8

Part 5 of the June 1997 Version has been revised to include all filing and delivery requirements for a mutual fund that files a prospectus in accordance with either Form 15 or Form 45. To assist filers, the Commission has decided to include all filing and delivery requirements in this Part instead of referring back to Part 13 of Rule 41-501 which may be applicable for mutual funds preparing a prospectus in accordance with Form 15 or Form 45. These additional delivery and filing requirements have also been revised to make the requirements mirror the filing and delivery requirements under NI 81-101, including, for example, the filing and delivery of material contracts and amendments to material contracts.

Section 7.7 has been included to make the Rule consistent with the approach taken by the Canadian Securities

Administrators in the proposed amendments to NI 81-101 ((2000) 23 OSCB) to permit sensitive commercial or financial information, as described in this section, contained in agreements with portfolio advisors of a mutual fund, to be omitted from filed copies of such agreements.

Part 8 has been added to set out all additional filing requirements for mutual funds that file a prospectus in Ontario under NI 81-101.

41-502 Companion Policy

Part 1

This Part has been revised to reflect the sections of the Rule that apply to preliminary and *pro forma* prospectuses as well as (final) prospectuses.

This Part has also been revised to reflect the change made to the Rule since the June 1997 Version with respect to the definition of 'prospectus'. The Rule now specifically sets out in section 1.2 that reference in the Rule to a 'prospectus' does not include a reference to a simplified prospectus. Where a provision of the Rule applies to mutual funds that file a simplified prospectus under NI 81-101, it is made explicit.

Part 2

Part 2 has been revised to update the explanations to reflect the coming into force of NI 81-101 and NI 81-102 and the coming into force of Rule 41-501 and NI 41-101. Part 2 has also been revised to delete certain discussions of section 63 of the Act and NI 41-101, because the application of section 63 of the Act and NI 41-101 to mutual fund issuers in Ontario has been addressed in the Rule.

In addition, section 2.6 has been added to this Part. Section 2.6 provides a summary of applicable prospectus rules (both national and local) to assist filers of mutual fund prospectuses.

Part 3

Section 3.3 addresses the issues associated with making material contracts available to the public and addresses the application of section 5.3 of Companion Policy 41-501CP to material contracts of mutual funds.

Part 4

This part discusses the ability of mutual funds to add classes and series of securities by way of amendment as long as the new class or series of securities is not referable to a separate portfolio of assets.

V. Related Instruments

These instruments are also related to Rule 41-501, Ni 81-101 and NI 41-101.

Rule 41-501

Mutual funds that file a prospectus in Ontario must comply with Rule 41-501. The Rule and Policy state the provisions of Rule 41-501 that do not apply to mutual fund prospectuses and also set out additional requirements for mutual fund prospectuses filed in Ontario. Rule 41-501 came into force on December 31, 2000. Please see "Transition Period" below.

National Instrument 81-101

For mutual funds that are required to prepare a prospectus under NI 81-101, the prospectus must comply with NI 81-101 and its Companion Policy and be prepared in accordance with its Forms (Form 81-101F1 and 81-101F2). If such mutual fund's securities are offered in Ontario, then such mutual fund's prospectus will also be subject to all of the applicable provisions of the Rule and Policy and Rule 41-501. Please see "Transition Period" below.

National Instrument 41-101

Mutual funds that are required to file a prospectus in accordance with Form 15 or Form 45 of the Rule must also comply with the provisions of NI 41-101. The Rule and Policy state the provisions of NI 41-101 that apply to mutual fund prospectuses filed in Ontario. NI 41-101 came into force on December 31, 2000. Please see "Transition Period" below.

VI. Transition Period

Rule 41-501 and NI 41-101 came into force on December 31, 2000 . During the transition period from the effective date of Rule 41-501 and NI 41-101 to the effective date of the Rule and Policy, to the extent that the Rule and Policy address the applicability or inapplicability of certain provisions of Rule 41-501 and NI 41-101 to mutual fund prospectuses, Staff's administrative practice will be governed by the current form of the Rule and Policy.

VII. Regulations to be Amended or Revoked

The Commission has made the following amendments to the Regulation, in conjunction with the making of the Rule. These amendments come into force at the time that the Rule comes into force:

1. Section 33 of Regulation 1015 of the Revised Regulations of Ontario, 1990 is revoked.

2. Section 44 of the Regulation is revoked and the following substituted:

44. The prospectus of a commodity pool, as defined in National Instrument 81-101 *Mutual Fund Prospectus Disclosure*, or of a scholarship plan shall be prepared in accordance with Form 15.

3. Section 51 of the Regulation is amended by striking out "preliminary prospectus, prospectus or summary statement" and substituting "preliminary prospectus or prospectus".

4. (1) Subsection 54 (1) of the Regulation is amended by striking out "and every summary statement of a mutual fund" in the portion before clause (a).

(2) Subsections 54 (2) and (3) of the Regulation are revoked and the following substituted:

(2) The financial statements described in subsection (1) may be omitted from the prospectus of the mutual fund if a copy of the financial statements that are otherwise required by subsection (1) is filed concurrently with the filing of the prospectus or if a copy of them has previously been filed under section 78 of the Act.

(3) If, under subsection (2), a prospectus of a mutual fund does not contain the financial statements described in subsection (1), a prospectus that is sent or delivered to a purchaser of securities under section 71 or under subsection 63 (5) of the Act shall be accompanied by,

(a) a copy of the financial statements that are otherwise required by subsection (1); and

(b) if one or more financial statements for periods subsequent to those covered by the financial statements referred to in clause (a) have been filed under section 77 or 78 of the Act, a copy of the financial statements most recently filed before the day on which the prospectus is sent or delivered to the purchaser.

(3) Subsection 54 (4) of the Regulation is amended by striking out the portion before the statement and substituting the following:

(4) If, under subsection (2), a prospectus of a mutual fund does not contain the financial statements described in subsection (1), the following statement shall be printed on the outside cover page of the prospectus:

5. Section 237 of the Regulation is revoked and the following substituted:

237. A prospectus of a labour sponsored investment fund corporation shall be in Form 45.

6. Form 16 of the Regulation is revoked.

VIII. Text of Rule and Policy

The text of the Rule and Policy follows.

January 19, 2001.

ONTARIO SECURITIES COMMISSION RULE 41-502
PROSPECTUS REQUIREMENTS FOR MUTUAL FUNDS

TABLE OF CONTENTS

ONTARIO SECURITIES COMMISSION RULE 41-502 PROSPECTUS REQUIREMENTS FOR MUTUAL FUNDS

PART 1 INTERPRETATION AND APPLICATION

1.1 Interpretation

(1) In this Rule

"material contract" means, for a mutual fund, a document that the mutual fund would be required to list in an annual information form under Item 16 of Form 81-101F2 Contents of Annual Information Form if the mutual fund filed a simplified prospectus under National Instrument 81-101 Mutual Fund Prospectus Disclosure;

"mutual fund" includes a scholarship plan; and

"personal information" means, for a mutual fund, information describing the full name, position with or relationship to the mutual fund or its manager, names and address of employer, full residential address, date and place of birth and citizenship, for

(a) each director or officer of the mutual fund;

(b) each promoter of the mutual fund, or if the promoter is not an individual, for each director and officer of the promoter; and

(c) each director or officer of the manager of the mutual fund.

(2) Terms defined in National Instrument 81-101 or National Instrument 81-102 Mutual Funds and used in this Rule have at any time the respective meanings ascribed to them in that National Instrument.

(3) In this Rule, "prospectus" does not include a simplified prospectus under National Instrument 81-101.

1.2 Application - A *pro forma* and a preliminary prospectus of a mutual fund shall comply with the requirements of this Rule that relate to a prospectus.

PART 2 APPLICATION OF RULE 41-501 GENERAL PROSPECTUS REQUIREMENTS

2.1 Application to a Prospectus Prepared in accordance with Form 15 or Form 45 - The following provisions of Rule 41-501 are the only provisions of that rule that apply to a prospectus that is prepared in accordance with Form 15 or Form 45:

1. sections 2.1 and 2.8.
2. Part 3.
3. sections 9.1, 9.3 and 9.4.
4. sections 12.2 and 12.3.
5. sections 13.4, 13.5, 13.6, 13.7, 13.8 and 13.9.
6. Part 14.
7. Part 15, as it relates to the sections and Parts listed in this section.

2.2 **Application to a Simplified Prospectus and Annual Information Form Prepared under National Instrument 81-101** - The following provisions of Rule 41-501 are the only provisions of that rule that apply to a simplified prospectus and annual information form prepared under National Instrument 81-101:

1. sections 2.1 and 2.8.
2. sections 12.2 and 12.3.
3. sections 13.4, 13.5, 13.8 and 13.9.
4. Part 14.
5. Part 15, as it relates to the sections and Part listed in this section.

PART 3 APPLICATION OF NATIONAL INSTRUMENT 41-101 PROSPECTUS DISCLOSURE REQUIREMENTS

3.1 **Application to a Prospectus Prepared in accordance with Form 15** - The following provisions of National Instrument 41-101 are the only provisions of that national instrument that apply to a prospectus that is prepared in accordance with Form 15:

1. Part 1.
2. sections 2.1 and 2.2.
3. section 4.1.
4. Part 5, as it relates to the sections and Part listed in this subsection.

3.2 **Application to a Prospectus Prepared in accordance with Form 45** - The following provisions of National Instrument 41-101 are the only provisions of that national instrument that apply to a prospectus that is prepared in accordance with Form 45:

1. Part 1.
2. sections 2.1 and 2.2.
3. Part 5, as it relates to the sections and Part listed in this subsection.

3.3 **Application to a Simplified Prospectus and Annual Information Form Prepared under National Instrument 81-101** - National Instrument 41-101 does not apply to a simplified prospectus prepared under National Instrument 81-101.

PART 4 GENERAL REQUIREMENTS FOR A PROSPECTUS PREPARED IN ACCORDANCE WITH FORM 15 OR FORM 45

4.1 **General Requirements for a Prospectus Prepared in accordance with Form 15 or Form 45** - A prospectus of a mutual fund prepared in accordance with Form 15 or Form 45

(a) shall present disclosure in a manner that is understandable to readers and in an easy to read format;

(b) shall be prepared using plain language;

(c) shall provide clear and concise explanations for technical terms;

(d) for information that is required to be disclosed on a specific date, shall update that information if there has been a material or significant change in the required information since the specific date; and

(e) need not make reference to inapplicable items and may, unless otherwise required in the applicable Form, omit negative answers to items.

PART 5 FINANCIAL STATEMENTS IN A PROSPECTUS

5.1 **Application** - This Part applies only to a prospectus prepared in accordance with Form 15 or Form 45.

5.2 **Financial Statements in a Prospectus**

(1) A prospectus of a mutual fund shall contain

(a) the financial statements of the mutual fund

(i) for its last completed financial year if those financial statements have been, or were required under the Act to have been, filed; or

(ii) for the preceding financial year if the financial statements for the last completed financial year have not been, and have not yet been required under the Act to have been, filed; and

(b) the financial statements of the mutual fund for the six month period that began immediately after the financial year to which the annual financial statements required to be included in the prospectus under paragraph (a) relate, if those six month financial statements have been, or have been required under the Act to have been, filed.

(2) Despite subsection (1), a prospectus of a mutual fund that has been in existence for less than one financial year shall contain

(a) the balance sheet of the mutual fund dated the date of inception of the mutual fund; and

(b) financial statements of the mutual fund for the period commencing with the beginning of the first financial year and ending six months before the date on which that financial year ends, if those financial statements have been, or have been required to have been, filed.

(3) Despite subsection (1), a prospectus of a mutual fund that has been in existence for one financial year or more but that has not previously offered securities under a prospectus shall contain

(a) the financial statements of the mutual fund

(i) for its last completed financial year, or

(ii) for the preceding financial year if the prospectus is filed 140 days or less after the end of the last completed financial year; and

(b) the financial statements of the mutual fund for the six month period that began immediately after the financial year to which the annual financial statements required to be included in the prospectus under paragraph (a) relate, if the prospectus is filed 60 days or more after the end of that six month period.

5.3 **Form and Contents of Financial Statements** - The financial statements referred to in section 5.2 shall comply with Part IV of the Regulation.

5.4 **Audit Requirement for Financial Statements** - Financial statements included in a prospectus of a mutual fund shall be accompanied by an auditor's report without a reservation of opinion.

5.5 **Exception to Audit Requirement for Interim Financial Statements** - Despite section 5.4, a mutual fund may omit from its prospectus an auditor's report for interim financial statements required to be included under section 5.2.

5.6 **Exception to Audit Requirements for Financial Statements in a *Pro Forma* Prospectus** - Despite section 5.4, a mutual fund may omit from a prospectus an auditor's report for the financial statements included in a *pro forma* prospectus.

PART 6 NON-CANADIAN MANAGER

6.1 **Non-Canadian Manager** - A prospectus of a mutual fund, the manager of which is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, shall include the following on one of its first three pages or under a separate heading elsewhere with bracketed information completed:

The manager is incorporated, continued or otherwise governed under the laws of a foreign jurisdiction or resides outside of Canada. Although the manager has appointed [name and address of agent for service] as its agent for service of process in Ontario it may not be possible for investors to collect from the manager judgments obtained in courts in Ontario.

PART 7 ADDITIONAL FILING AND DELIVERY REQUIREMENTS FOR A MUTUAL FUND THAT PREPARES A PROSPECTUS IN ACCORDANCE WITH FORM 15 OR FORM 45

7.1 **Application** - This Part applies only to a mutual fund that prepares a prospectus in accordance with Form 15 or Form 45.

7.2 **Interpretation**

(1) Despite section 1.2, the requirements of this Part relating to the filing of a prospectus do not apply to the filing of a *pro forma* prospectus or a preliminary prospectus.

(2) The filing and delivery requirements contained in this Part are in addition to any other filing and delivery requirement imposed by securities legislation.

7.3 **Additional Filing and Delivery Requirements for a Preliminary Prospectus**

(1) A mutual fund that files a preliminary prospectus shall file the following with the preliminary prospectus:

1. a signed copy of the preliminary prospectus.

2. if the manager of the mutual fund is incorporated, continued or organized under the laws of a foreign jurisdiction or resides outside of Canada, a submission to the jurisdiction and appointment of an agent for service of process of the manager of a mutual fund in Form 41-501F4.

(2) A mutual fund that files a preliminary prospectus shall deliver the following to the Commission with the preliminary prospectus:

1. any personal information for the mutual fund that has not been previously delivered to the Commission in connection with a prospectus of another mutual fund managed by the manager.

2. a completed Form 41-501F2 required by the *Freedom of Information and Protection of Privacy Act* for the collection of the personal information referred to i this subsection.

3. a copy of all material contracts of, and drafts of material contracts intended to be of, the mutual fund.

4. a signed letter to the Commission from the auditor of the mutual fund prepared in accordance with the form suggested for this circumstance by the Handbook, if a financial statement of the mutual fund included in the preliminary prospectus is accompanied by an unsigned auditor's report.

7.4 Additional Filing and Delivery Requirements for a *Pro Forma* Prospectus

(1) A mutual fund that files a *pro forma* prospectus shall file the following with the *pro forma* prospectus:

1. a copy of any material contract of the mutual fund, and a copy of any amendment to a material contract of the mutual fund not previously filed.

2. if the manager of the mutual fund is incorporated, continued or organized under the laws of a foreign jurisdiction or resides outside of Canada, a submission to the jurisdiction and appointment of an agent for service of process of the manager of a mutual fund in Form 41-501F4, if it has not already been filed.

(2) A mutual fund that files a *pro forma* prospectus shall deliver the following to the Commission with the *pro forma* prospectus:

1. a copy of the *pro forma* prospectus, blacklined to show changes and the text of deletions from the latest prospectus previously filed.

2. any personal information for the mutual fund that has not been previously delivered to the Commission in connection with a prospectus filing of the mutual fund or another mutual fund managed by the manager.

3. a completed Form 41-501F2 required by the *Freedom of Information and Protection of Privacy Act* for the collection of the personal information referred to in this section.

4. a copy of a draft of each material contract of the mutual fund, and a copy of each draft amendment to a material contract of the mutual fund, in either case not yet executed but proposed to be executed by the time of filing of the prospectus.

5. a signed letter to the Commission from the auditor of the mutual fund prepared in accordance with the form suggested for this circumstance by the Handbook, if a financial statement of the mutual fund included in the *pro forma* prospectus is accompanied by an unsigned auditor's report.

7.5 Additional Filing and Delivery Requirements for a Prospectus

(1) A mutual fund that files a prospectus shall file the following with the prospectus:

1. a signed copy of the prospectus.

2. a copy of any material contract, and a copy of any amendment to a material contract, of the mutual fund and not previously filed.

3. if the manager of the mutual fund is incorporated, continued or organized under the laws of a foreign jurisdiction or resides outside of Canada, a submission to the jurisdiction and appointment of an agent for service of process of the manager of a mutual fund in Form 41-501F4, if it has not already been filed.

4. any consents required by section 13.4 of Rule 41-501.

(2) A mutual fund that files a prospectus shall deliver the following to the Commission with the prospectus:

1. a copy of the prospectus blacklined to show changes and the text of deletions from the preliminary or *pro forma* prospectus.

2. details of any changes to the personal information for the mutual fund since the delivery of that information in connection with the filing of the preliminary or *pro forma* prospectus.

3. a completed Form 41-501F2 required by the *Freedom of Information and Protection of Privacy Act* for the collection of the personal information referred to in this section.

4. a comfort letter to the Commission from the auditor of the mutual fund prepared in accordance with the relevant standards of the Handbook, if an unaudited financial statement of the mutual fund is included in the prospectus.

7.6 Additional Filing and Delivery Requirements for an Amendment to a Prospectus

(1) A mutual fund that files an amendment to a prospectus shall file the following with the amendment:

1. a copy of any material contract, and a copy of any amendment to a material contract, of the mutual fund and not previously filed.

2 any consents required by section 13.4 of Rule 41-501.

(2) A mutual fund that files an amendment to a prospectus shall deliver the following to the Commission with the amendment:

1. if the amendment is in the form of an amended and restated prospectus, a copy of that document blacklined to show changes and the text of deletions from the prospectus.

2. details of any changes to the personal information for the mutual fund since the delivery of that information in connection with the filing of the prospectus.

3. a completed Form 41-501F2 required by the *Freedom of Information and Protection of Privacy Act* for the collection of the personal information referred to in this subsection.

4. if applicable, a comfort letter to the Commission from the auditor of the mutual fund prepared in accordance with the relevant standards of the Handbook.

7.7 **Material Contracts** - Despite any other provision of this Part, a mutual fund may delete commercial or financial information from the copy of an agreement of the mutual fund, its manager or trustee with a portfolio adviser or portfolio advisers of the mutual fund filed under this Part if the disclosure of that information could reasonably be expected to:

(a) prejudice significantly the competitive position of a party to the agreement; or

(b) interfere significantly with negotiations in which parties to the agreement are involved.

PART 8 ADDITIONAL FILING AND DELIVERY REQUIREMENTS FOR A MUTUAL FUND THAT PREPARES A SIMPLIFIED PROSPECTUS AND ANNUAL INFORMATION FORM UNDER NATIONAL INSTRUMENT 81-101

8.1 **Application** - This Part applies only to a mutual fund that prepares a simplified prospectus and annual information form under National Instrument 81-101.

8.2 **Interpretation** - The filing and delivery requirements contained in this Part are in addition to any other filing and delivery requirement imposed by securities legislation.

8.3 **Additional Filing and Delivery Requirements for a Preliminary Simplified Prospectus**

(1) A mutual fund that files a preliminary simplified prospectus and preliminary annual information form under National Instrument 81-101 shall file the following with those documents:

1. a signed copy of the preliminary annual information form.

2. if the manager of the mutual fund is incorporated, continued or organized under the laws of a foreign jurisdiction or resides outside of Canada, a submission to the jurisdiction and appointment of an agent for service of process of the manager of a mutual fund in Form 41-501F4.

(2) A mutual fund that files a preliminary simplified prospectus and preliminary annual information under National Instrument 81-101 shall deliver the following to the Commission with those documents:

1. any personal information for the mutual fund that has not been previously delivered to the Commission in connection with a simplified prospectus of another mutual fund managed by the manager.

2. a completed Form 41-501F2 required by the *Freedom of Information and Protection of Privacy Act* for the collection of the personal information referred to in this subsection.

3. a signed letter to the Commission from the auditor of the mutual fund prepared in accordance with the form suggested for this circumstance by the Handbook, if a financial statement of the mutual fund incorporated by reference into the preliminary simplified prospectus is accompanied by an unsigned auditor's report.

8.4 **Additional Filing and Delivery Requirements for a *Pro Forma* Simplified Prospectus**

(1) A mutual fund that files a *pro forma* simplified prospectus under National Instrument 81-101 shall file, with the *pro forma* simplified prospectus, a submission to the jurisdiction and appointment of an agent for service of process of the manager of a mutual fund in Form 41-501F4, if the manager of the mutual fund is incorporated, continued or organized under the laws of a foreign jurisdiction or resides outside of Canada and if that document has not already been filed.

(2) A mutual fund that files a *pro forma* simplified prospectus under National Instrument 81-101 shall deliver the following to the Commission with the *pro forma* simplified prospectus:

1. any personal information for the mutual fund that has not been previously delivered to the Commission in connection with a simplified prospectus of the mutual fund or another mutual fund managed by the manager.

2. a completed Form 41-501F2 required by the *Freedom of Information and Protection of Privacy Act* for the collection of the personal information referred to in this section.

3. a signed letter to the Commission from the auditor of the mutual fund prepared in accordance with the form suggested for this circumstance by the Handbook, if a financial statement of the mutual fund incorporated by reference into the *pro forma* simplified prospectus is accompanied by an unsigned auditor's report.

8.5 Additional Filing and Delivery Requirements for a Simplified Prospectus

(1) A mutual fund that files a simplified prospectus and annual information form under National Instrument 81-101 shall file the following with those documents:

1. if the manager of the mutual fund is incorporated, continued or organized under the laws of a foreign jurisdiction or resides outside of Canada, a submission to the jurisdiction and appointment of an agent for service of process of the manager of a mutual fund in Form 41-501F4, if it has not already been filed.

2. any consents required by section 13.4 of Rule 41-501.

(2) A mutual fund that files a simplified prospectus and annual information form shall deliver the following to the Commission with those documents:

1. details of any changes to the personal information for the mutual fund since the delivery of that information in connection with the filing of the simplified prospectus.

2. a completed Form 41-501F2 required by the *Freedom of Information and Protection of Privacy Act* for the collection of the personal information referred to in this section.

3. a comfort letter to the Commission from the auditor of the mutual fund prepared in accordance with the relevant standards of the Handbook, if an unaudited financial statement of the mutual fund is incorporated by reference into the simplified prospectus.

8.6 Additional Filing and Delivery Requirements for an Amendment to a Simplified Prospectus

(1) A mutual fund that files an amendment to a simplified prospectus or annual information form, or both, under National Instrument 81-101 shall file, with the amendment or amendments, any consents required by section 13.4 of Rule 41-501.

(2) A mutual fund that files an amendment to a simplified prospectus or annual information form, or both, under National Instrument 81-101 shall deliver the following to the Commission with the amendment or amendments:

1. details of any changes to the personal information for the mutual fund since the delivery of that information in connection with the filing of the simplified prospectus.

2. a completed Form 41-501F2 required by the *Freedom of Information and Protection of Privacy Act* for the collection of the personal information referred to in this section.

3. if applicable, a comfort letter to the Commission from the auditor of the mutual fund prepared in accordance with the relevant standards of the Handbook.

PART 9 PROSPECTUS UNDER SECTION 63 OF THE ACT

9.1 Prospectus under Section 63 of the Act - A preliminary simplified prospectus, simplified prospectus, or *pro forma* simplified prospectus, in each case, prepared and filed in accordance with National Instrument 81-101, is a short form of prospectus or short form of *pro forma* prospectus, as the case may be, in prescribed form for the purposes of section 63 of the Act.

PART 10 EXEMPTION FROM SUBSECTION 81(2) OF THE ACT

10.1 Exemption from Subsection 81(2) of the Act - Subsection 81(2) of the Act does not apply to a mutual fund that has obtained a receipt for a current prospectus or simplified prospectus.

PART 11 EXEMPTION

11.1 Exemption - The Director may grant an exemption to this Rule, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

11.2 Evidence of Exemption - Without limiting the manner in which an exemption under section 11.1 may be evidenced, the issuance by the Director of a receipt for a prospectus or a simplified prospectus or an amendment to a prospectus or a simplified prospectus is evidence of the granting of the exemption for any form or content requirements relating to a prospectus or a simplified prospectus if

(a) the person or company that sought the exemption delivered to the Director, with the preliminary or *pro forma* prospectus or a simplified prospectus or at least 10 days before the issuance of a receipt in the case of an amendment, a letter or memorandum describing the matters relating to the exemption and indicating why consideration should be given to the granting of the exemption; and

(b) the Director has not sent written notice to the contrary to the person or company that sought the exemption before, or concurrent with, the issuance of the receipt.

PART 12 EFFECTIVE DATE

12.1 **Effective Date** - This Rule comes into force on April 5, 2001.

January 16, 2001.

COMPANION POLICY 41-502CP TO ONTARIO SECURITIES COMMISSION RULE 41-502 PROSPECTUS REQUIREMENTS FOR MUTUAL FUNDS

COMPANION POLICY 41-502CP TO ONTARIO SECURITIES COMMISSION RULE 41-502 PROSPECTUS REQUIREMENTS FOR MUTUAL FUNDS

PART 1 INTRODUCTION

1.1 **Purpose of Policy** - The purpose of this Policy is to clarify how Rule 41-502 Prospectus Requirements for Mutual Funds (the "Rule") integrates with other rules and policies of the Ontario Securities Commission (the "Commission") and the Canadian Securities Administrators ("CSA") relating to prospectuses of mutual funds. This Policy also is designed to bring certain matters relating to the Rule to the attention of persons or companies involved with mutual fund prospectuses.

1.2 **Use of Term "Prospectus" in the Rule**

(1) The Rule generally uses the term "prospectus" in reference to the prospectus of a mutual fund. The Act uses the term "prospectus" to refer to a final prospectus, and that usage is consistent with the usage in the Rule.

(2) Section 1.2 of Rule 41-502 provides that a *pro forma* prospectus and a preliminary prospectus are required to comply with the requirements of the Rule that relate to a prospectus. Therefore, the form and content requirements of Parts 2, 3, 4, 5 and 6 of the Rule are applicable to *pro forma* prospectuses and preliminary prospectuses as well as to (final) prospectuses.

(3) The Rule treats a prospectus prepared in accordance with Form 15 or Form 45 separately from a simplified prospectus. Therefore, subsection 1.1(3) of the Rule provides that the term "prospectus" in the Rule does not include a simplified prospectus under National Instrument 81-101.

PART 2 GENERAL STRUCTURE OF THE RULE

2.1 **Relationship to Securities Legislation Applicable to Mutual Fund Instruments** - The Rule sets out the Ontario prospectus requirements that are specific to mutual funds. A person or company preparing a mutual fund prospectus must have regard to other rules and policies of the Commission and the CSA that relate to prospectuses, in addition to the applicable provisions of securities acts and regulations of the jurisdictions of Canada.

2.2 **Form Requirements** - Section 44 of the Regulation provides that a prospectus of a commodity pool or scholarship plan shall comply with Form 15. Section 237 of the Regulation provides that the prospectus of a labour sponsored investment fund corporation shall comply with Form 45.

2.3 **Rule 41-501 General Prospectus Requirements**

(1) Rule 41-501 is an Ontario-only Rule that sets out the general requirements in Ontario concerning the preparation, certification, filing and receipting of a prospectus filed in Ontario. Rule 41-501 consolidates various provisions previously set out in the Regulation and in various policy statements and notices of the Commission and Commission staff concerning the preparation, certification, filing and receipting of prospectuses.

(2) Rule 41-501 applies to a prospectus of a mutual fund filed in Ontario unless its application is excluded in the Rule. Sections 2.1 and 2.2 of the Rule operate to exclude provisions of Rule 41-501 from applying to mutual fund prospectuses. Section 2.1 of the Rule clarifies which provisions of Rule 41-501 apply to a long form prospectus prepared in accordance with Form 15 or Form 45 and section 2.2 of the Rule clarifies which provisions of Rule 41-501 apply to a simplified prospectus prepared under National Instrument 81-101.

(3) Persons or companies should also have regard to Companion Policy 41-501CP in following the requirements of Rule 41-501.

2.4 **National Instrument 41-101 Prospectus Disclosure Requirements** - National Instrument 41-101 contains a number of provisions that are applicable to all prospectuses filed in Ontario, including certain front page disclosure requirements, plan of distribution disclosure requirements and statutory rights disclosure requirements. Section 3.1 of the Rule clarifies which provisions of National Instrument 41-101 apply to a long form prospectus prepared in accordance with Form 15, and section 3.2 of the Rule clarifies which provisions of National Instrument 41-101 apply to a long form prospectus prepared in accordance with Form 45. Section 3.3 of the Rule provides that National Instrument 41-101 does not apply to a simplified prospectus or annual information form prepared under National Instrument 81-101.

2.5 **National Instrument 13-101 System for Electronic Document Analysis and Retrieval (SEDAR)** - National Instrument 13-101 mandates the electronic filing of various documents with the Canadian securities regulatory authorities, and is applicable to mutual fund prospectuses filed in Ontario.

2.6 **National Policy 43-201 Mutual Reliance Review System for Prospectuses and Annual Information Forms** - National Policy 43-201 establishes the mutual reliance review system for the filing and regulatory review of prospectuses and annual information forms, and applies, for mutual funds, both to long form prospectuses and simplified prospectuses filed in Ontario.

2.7 Summary of Applicable Prospectus Rules for Mutual Fund Prospectuses Filed in Ontario

(1) A person or company preparing and filing a mutual fund prospectus in accordance with Form 15 or Form 45 should ensure compliance with Rule 41-501 and National Instrument 41-101 (to the extent those instruments are made applicable by Rule 41-502), Rule 41-502, National Instrument 13-101 and should follow National Policy 43-201 in order to use the Mutual Reliance Review System for Prospectuses and Annual Information Forms.

(2) A person or company preparing and filing a simplified prospectus under National Instrument 81-101 should ensure compliance with Rule 41-501 (to the extent made applicable by Rule 41-502), Rule 41-502, National Instrument 81-101, National Instrument 13-101 and should follow National Policy 43-201 in order to use the Mutual Reliance Review System for Prospectuses and Annual Information Forms.

(3) In addition, reference to National Instrument 81-102 in connection with the preparation of a prospectus may be appropriate. National Instrument 81-102 references the contents of a prospectus in a number of places, generally by requiring specific prospectus disclosure of a particular matter as a condition of the mutual fund being entitled to take some specified action. For example, section 2.11 of National Instrument 81-102 requires prospectus disclosure concerning the use of specified derivatives by a mutual fund in order for the mutual fund to be permitted to commence such use.

(4) The Commission notes that the prospectus of a mutual fund that is not permitted to use the simplified prospectus disclosure system of National Instrument 81-101 and that is not either a commodity pool, labour sponsored investment fund corporation or a scholarship plan will be required to comply with Rule 41-501, as that rule applies to Ontario prospectuses generally. An exchange-traded mutual fund would be an example of this type of fund. Rule 41-502 will not generally apply to a prospectus for such a mutual fund, although it is noted that Part 6 of the Rule applies to all mutual funds, including exchange-traded funds.

2.8 National Policy Statement 29 - Mutual Funds Investing in Mortgages and Proposed National Instrument 81-104 Commodity Pools - A mutual fund that is a commodity pool will be subject to the applicable disclosure requirements contained in National Instrument 81-104 Commodity Pools when that National Instrument comes into force. A mutual fund that is a mortgage fund should continue to comply with National Policy Statement No. 29 until a replacement instrument for that policy statement comes into force.

PART 3 DISCLOSURE

3.1 Individual Trustees or General Partners

(1) The Rule requires that an issuer deliver to the Commission, at prescribed times, personal information for the mutual fund, which includes information about each director and executive officer of the issuer.

(2) The Commission is of the view that any individual that is a trustee of a mutual fund constituted as a trust is "acting in a capacity similar to that of a director of a company", according to the definition of "director" in section 1 of the Act. Therefore, the Commission is of the view that these individuals are required to provide the specified personal information. However, the Commission is of the view that this concept is not applicable to registered trust companies acting as trustees, and so personal information for the directors and officers of a registered trust company is not required to be provided as part of personal information under the Rule.

(3) The Commission is of the view that general partners of a mutual fund constituted as a limited partnership are also acting in a capacity similar to that of a director. As a result, the Commission is of the view that information concerning these general partners is part of personal information under the Rule. Furthermore, if a general partner is itself a corporation or partnership, the Commission is of the view that the personal information should be provided for each of the directors and officers of that corporation or partners of that partnership.

3.2 Notices/Consent Forms and Security Check Information

(1) Sections 7.3, 7.4, 8.3 and 8.4 of the Rule require that a mutual fund deliver to the Commission, at the time of filing a preliminary or *pro forma* prospectus or a preliminary or *pro forma* simplified prospectus, personal information that has not been previously delivered to the Commission in connection with a prospectus filing of the mutual fund or another mutual fund managed by the manager, together with the notices and consent forms required by the *Freedom of Information and Protection of Privacy Act*.

(2) Due to the repeated prospectus filings made by mutual funds, the Commission has provided in the Rule that this information must be provided only if it has not already been provided in connection with an earlier prospectus filing of the mutual fund or another mutual fund managed by the same manager. The Commission does not wish to encourage duplicative filings, and so notes that information concerning a particular individual is considered to have been already

provided if it has been provided previously by the mutual fund or by another mutual fund managed by the same manager as the mutual fund.

3.3 Material Contracts

(1) Section 5.3 of Companion Policy 41-501CP indicates that the Director will consider granting relief from the requirement to make material contracts of an issuer available for inspection if disclosure would be unduly detrimental to the issuer and the disclosure would not necessary be in the public interest.

(2) The Commission has considered this issue in the context of mutual funds, and has included section 7.7 of the Rule to permit the exclusion of certain information from certain material contracts required to be filed by a mutual fund under the Rule. Although it is recognized that there may be circumstances in which other relief from the requirement to file the entire version of a material contract may be appropriate, the Commission and the Director expect that this type of relief would not normally be granted.

PART 4 AMENDMENTS

4.1 Amendments - Subsection 57(2) of the Act provides that where an amendment to a mutual fund prospectus is filed under subsection 57(1) of the Act for the purpose of distributing securities in addition to the securities previously disclosed in the prospectus or an amendment to the prospectus, the additional distribution shall not be proceeded with for a period of 10 days after the amendment is filed or, in the event the Commission informs the party filing in writing within 10 days of the filing that it objects to the further distribution, until such time as a receipt for the amended prospectus is obtained from the Director. The Commission is of the view that subsection 57(2) applies in cases where a new class or series of securities is added to a mutual fund. Subsection 57(2) does not apply where the new class or series of securities is referable to a new separate portfolio of assets. See section 1.3 of NI 81-102. In such cases, a preliminary or simplified prospectus must be filed.

January 16, 2001.

"Howard I. Wetston" "J.A. Geller"

Chapter 6

Request for Comments

THERE IS NO MATERIAL FOR THIS CHAPTER

IN THIS ISSUE

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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

Trans. Date		Security	Price ($)	Amount
29Dec00		3743276 Canada Inc. - Loans	21,465,847	21,465,847
22Dec00		628916 Alberta Ltd. - Special Warrants	650,000	650,000
31Dec00		Affinity Holdings International Incorporated - Units	US$1,140,000	76
22Dec00		Arrow Capital Advance Fund - Class "A" Trust Units	150,000	16,025
06Dec00 to 20Dec00	#	Band-Ore Resources Ltd. - Units	105,000	15
28Dec00		Breakwater Resources Ltd. - Common Shares	1,000,000	487,805
09Jan01		CAI Capital Corporation - Redeemable Class A Preferred Shares, Series 1 and Class B Preferred Shares	15,200, 2,400	24, 152 Resp.
29Dec00		Canadian Private Equity Partners (BCIMC) L.P. Limited Partnership Interest	50,000,000	50,000,000
29Dec00		Canadian Imperial Venture Corp. - Units	180,000	450,000
20Nov00		Cassiar Magnesium Inc. - Shares of Common Stock	11,800,816	23,601,633
20Nov00		Cassiar Magnesium Inc. - Shares of Common Stock	1,650,000	3,300,000
30Nov00		CI Trident Fund - Units	150,000	837
29Dec00		Claremont Syndicate Limited Partnership - Limited Partnership Units	275,000	11
29Dec00		Compton Petroleum Corporation - Common Shares	277,440	68,000
29Dec00		Datawire Communication Networks Inc. - Class A Preferred Shares	2,623,425	1,035,871
30Jun00		Deans Knight Bond Fund - Trust Units	1,361,925	2,519
08Dec00		Digital Immersion Software Corp. - Special Warrants	50,000	20,000
29Dec00		Durness Resources Inc. - Class "B" Special Warrants	150,000	600,000
29Dec00		DWL Incorporated - Special Warrants	751,688	86,600
29Dec00		Dynasty Components Inc. - Convertible Unsecured Subordinated Debentures	1,500,000	1,500,000
29Dec00		Eastmain Resources Inc. - Common Shares	224,600	641,715
29Dec00		Emerging Markets Growth Fund, Inc. - Shares of Common Stock	US$3,325,513	68,313
29Dec00		Expatriate Resources Ltd. - Special Warrants	1,000,000	2,500,000
15Dec00		First Host Hotel Corp. - Common Shares	150,000	1,500,000
28Dec00	#	Freewest Resources Canada Inc. - Units	44,000	44
29Dec00		Geomaque Exploration Ltd.- Units	920,000	3,464,286
02Jan01		Gluskin Sheff Fund, The - Units in Limited Partnership	400,000	4,281
29Dec00		Greater Lenora Resources Corp. - Units	65,000	162,500
29Dec00	#	Greentree Gas & Oil Ltd. - Flow-through Common Shares	360,066	200,037

Trans. Date	Security	Price ($)	Amount
29Dec00	Guyana Goldfields Inc. - Common Shares and Common Shares Purchase Warrants	200,000, 100,000	400,000, 200,000 Resp.
31Dec00	Harbour Capital Canadian Balanced Fund - Trust Units	150,646	1,179
31Dec00	Harbour Capital Foreign Balanced Fund - Units	1,586,757	11,062
07Dec00	Harvard Bioscience, Inc. - Shares of Common Stock	858,000	75,000
28Dec00	Hillman Capital Corporation - Class A Membership Interests	1,000,000	1,000,000
28Dec00	Hillman Capital Corporation - Class A Membership Interests	250,000	250,000
29Dec00	Hope Bay Gold Corporation Inc. - Common shares	6,000,000	12,000,000
29Dec00	IPC Financial Networks Inc. - Common Shares and Warrant to Purchase Common Shares	23,520,000, 7,500,000	11,200,000, 2,500,000
29Dec00	Kae-Tech Inc. - Senior Subordinated Secured Debentures	11,653,045	11,653,045
31Dec00	Lakeside Gardens Retirement Community Limited Partnership - Limited Partnership Units	300,035	5
29Dec00	Lakeside Cypress Investments Limited Partnership - Class A and B Limited Partnership Units	1,299,778	7, 1 Resp.
31Dec00	Lakeside Cypress Investments Limited Partnership - Class A Limited Partnership Units	465,195	3
31Dec00	Lakeside Cypress Investments Limited Partnership - Class A Limited Partnership Units - Amended	310,130	2
17Nov00	Lifepoints Achievement Fund, Lifepoints Progress Fund, Lifepoints Opportunity Fund - Units	154,513	1,354
02Nov00	Lifepoints Achievement Fund, Lifepoints Progress Fund, Lifepoints Opportunity Fund - Units	43,853	376
16Nov00	Lifepoints Achievement Fund, Lifepoints Progress Fund, Lifepoints Opportunity Fund, Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell Global Equity Fund - Units	5,064	41
17Nov00	Lifepoints Achievement Fund, Russell Global Equity Fund - Units	28,866	287
08Nov00	Lifepoints Achievement Fund, Lifepoints Progress Fund, Lifepoints Opportunity Fund, Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell Global Equity Fund - Units	41,947	322
01Nov00	Lifepoints Achievement Fund, Lifepoints Progress Fund, Lifepoints Opportunity Fund, Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell Global Equity Fund - Units	21,004	168
30Oct00	Lifepoints Achievement Fund, Lifepoints Progress Fund, Lifepoints Opportunity Fund, Russell Canadian Fixed Income Fund, Russell Canadian Equity Fund, Russell Global Equity Fund - Units	228,017	1,865
10Nov00	Lifepoints Achievement Fund, Lifepoints Progress Fund, Lifepoints Opportunity Fund, Russell Canadian Fixed Income Fund, Russell Canadian Equity Fund, Russell Global Equity Fund - Units	229,707	1,916
15Nov00	Lifepoints Balanced Income Fund - Unit	145	1
31Oct00	Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Overseas Equity Fund - Units	72,300	627
17Nov00	Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Canadian Equity Fund, Russell Global Equity Fund, Russell Overseas Equity Fund - Units	6,273	48
16Nov00	Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Canadian Equity Fund, Russell Global Equity Fund, Russell U.S. Equity Fund, Russell Overseas Equity Fund - Units	13,976	110
14Nov00	Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Canadian Equity Fund, Russell Global Equity Fund, Russell Overseas Equity Fund - Units	162,967	1,441
08Nov00	Lifepoint Balanced Long Term Growth Fund Russell Overseas Equity Fund - Units	4,992	38
03Nov00	Lifepionts Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Global Equity Fund, Russell U.S. Equity Fund - Units	2,441	21

Trans. Date	Security	Price ($)	Amount
01Nov00	Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Canadian Equity Fund, Russell Global Equity Fund, Russell U.S. Equity Fund, Russell Overseas Equity Fund - Units	162,661	1435
07Nov00	Lifepoints Balanced Long Term Growth - Unit	40	.332
30Oct99	Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell Global Equity Fund - Units	58,815	467
13Nov00	Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell Global Equity Fund, Russell U.S. Equity Fund, Russell Overseas Equity Fund - Units	37,192	311
06Nov00	Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund - Units	133,949	1,212
30Oct00	Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell Global Equity Fund, Russell U.S. Equity Fund, Russell Overseas Equity Fund - Units	33,463	266
02Nov00	Lifepoints Balanced Long Term Growth, Lifepoints Balanced Growth, Lifepoints Balanced Income - Units	15,595	137
06Nov00	Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Canadian Equity Fund, Russell Global Equity Fund, Russell U.S. Equity Fund, Russell Overseas Equity Fund - Units	145,153	1,199
07Nov00	Lifepoints Balanced Long Term Growth Fund Lifepoints Balanced Growth Fund, Russell Canadian Equity Fund, Russell Canadian Fixed income Fund, Russell Global Equity Fund, Russell U.S. Equity Fund, Russell Overseas Equity Fund - Units	26,444	206
09Nov00	Lifepoints Balanced Long Term Growth Fund, Russell Canadian Fixed Income Fund, Russell Overseas Equity Fund - Units	29,213	217
10Nov00	Lifepoints Balanced Long Term Growth Fund, Russell Canadian Equity Fund - Units	10,618	351
01Nov00	Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund - Units	114,229	1,021
02Nov00	Lifepoints Balanced Income Fund, Russell Canadian Equity Fund, Russell Overseas Equity Fund - Units	38,152	283
15Nov00	Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Canadian Equity Fund, Russell Global Equity Fund, Russell Overseas Equity Fund - Units	84,177	736
13Nov00	Lifepoints Opportunity Fund - Units	3,420	29
01Nov00	Lifepoints Opportunity Fund, Russell Canadian Equity Fund, Russell Global Equity Fund - Units	400	2
02Nov00	Lifepoints Opportunity Fund, Russell Canadian Equity Fund - Units	19,681	137
08Nov00	Life points Balance Growth Fund, Lifepoints Balance Income Fund - Units	169,633	1553
08Nov00	Lifepoints Progress Fund, Lifepoints Opportunity Fund, Russell Canadian Fixed Income Fund, Russell Canadian Equity Fund, Russell Global Equity Fund, - Units	69,918	543
09Nov00	Lifepoints Progress Fund - Unit	19	.176
03Nov00	Lifepoints Progress Fund, Russell Canadian Fixed Income Fund - Units	13,308	120
16Nov00	Lifepoints Progress Fund, Lifepoints Opportunity Fund, Russell Canadian Fixed Income Fund - Units	34,526	308
06Nov00	Lifepoints Progress Fund, Lifepoints Achievement Fund, Lifepoints Opportunity Fund - Units	72,764	627
31Oct00	Lifepoints Progress Fund, Lifepoints Opportunity Fund - Units	286,572	2,457
21Dec00	Maritime Electric Company Limited - 7.57% First Mortgage Bonds	10,000,000	10,000,000
28Dec00 & 29Dec00	Middlefield Private Flow-Through Fund - Limited Partnership Interests	810,000	81,000
29Dec00	NB Capital Venture Fund, L.P. - Class A Limited Partnership Interest	500,000	500,000
29Dec00	NB Capital Mezzanine Fund II, L.P. - Class A Limited Partnership Interests	24,500,000	24,500,000
29Dec00	O Holdings Corp. - Loans	21,952,317	21,952,317
29Dec00	Phonetime Inc. - Promissory Notes	US$1,250,000	1,250,000

Trans. Date	Security	Price ($)	Amount
29Dec00	Protus IP Solutions Inc. - Class A, Series I Preferred Shares	2,011,938	2,500,000
12Oct00 & 28Dec00	Quartet Services (Holdings) Inc. - Preferred Shares	9,500,000	10,431,387
29Dec00	Qwest Energy Limited Partnership - Units	630,000	630
29Dec00	Rebus Corporation - Common Shares	400,000	2,000,000
29Dec00	Regis Resources Inc. - Flow-Through Common Shares	200,000	400,000
22Dec00	Roseland Resources Ltd. - 10% Secured Subordinated Debentures	500,400	834,000
10Nov00	Russell Canadian Equity Fund, Russell US Equity Fund, Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Income Fund - Units	261,509	1,157
06Nov00	Russell Canadian Equity Fund - Units	65,000	268
02Nov00	Russell Canadian Equity Fund, Russell US Equity Fund, Lifepoints Balanced Long Term Growth Fund - Units	63,712	282
14Nov00	Russell Canadian Equity Fund, Russell US Equity Fund, Russell Overseas Equity Fund, Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund - Units	116,120	645
01Nov00	Russell Canadian Fixed Income Fund, Lifepoint Balanced Income Fund - Units	15,519	134
13Nov00	Russell Canadian Equity Fund, Russell US Equity Fund, Russell Overseas Equity Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund - Units	264,900	1,813
03Nov00	Russell Canadian Fixed Income Fund, Russell US Equity Fund, Russell Overseas Equity Fund - Units	35,087	263
30Oct00	Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund - Units	105,055	471
07Nov00	Russell Canadian Equity Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund - Units	31,712	267
31Aug00	Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell US Equity Fund - Units	16,923	87
31Oct00	Russell Canadian Fixed Income Fund, Lifepoints Achievement Fund, Lifepoints Progress Fund, Lifepoints Opportunity Fund, Russell Canadian Equity Fund, Russell Global Equity Fund - Units	2,223	18
07Nov00	Russell Canadian Fixed Income Fund, Russell U.S. Equity Fund - Units	14,189	113
15Nov00	Russell Canadian Equity Fund - Units	28,516	241
06Nov00	Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell US Equity Fund, Russell Overseas Equity Fund - Units	27,916	130
31Oct00	Russell Canadian Equity Fund - Units	17,461	72
10Nov00	Russell Canadian Equity Fund - Units	1,820	7
31Oct00	Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell US Equity Fund, Russell Overseas Equity Fund, Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Income Fund - Units	114,803	862
14Nov00	Russell Canadian Fixed Income Fund, Lifepoints Acheivement Fund, Lifepoints Progress Fund, Lifepoints Opportunity Fund, Russell Canadian Equity Fund, Russell Global Equity Fund - Units	2,223	18
09Nov00	Russell Canadian Equity Fund, Russell US Equity Fund, Russell Overseas Equity Fund, Lifepoints Balanced Long Term Growth Fund - Units	76,104	401
09Nov00	Russell Canadian Fixed Income Fund - Unit	102	878
10Nov00	Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Lifepoints Achievement Fund, Lifepoints Progress Fund, Lifepoints Opportunity Fund, Russell Overseas Equity Fund, Russell U.S. Equity Fund, Russell Global Equity Fund - Units	63,575	576
03Nov00	Russell Canadian Fixed Income Fund, Lifepoints Achievement Fund, Lifepoints Progress Fund, Lifepoints Opportunity Fund, Russell Canadian Equity Fund, Russell Global Equity Fund - Units	15,374	117
14Nov00	Russell Overseas Equity Fund - Units	957	7
08Nov00	Russell Overseas Equity Fund - Units	4,486	33
10Nov00	Russell Overseas Equity Fund, Russell US Equity Fund, Lifepoints Opportunity Fund - Units	1,069,674	8,040
15Nov00	Russell Overseas Equity Fund, Russell US Equity Fund - Units	15,307	112
07Nov00	Russell Overseas Equity Fund, Lifepoints Opportunity Fund - Units	1,546	12

Trans. Date	Security	Price ($)	Amount
17Nov00	Russell Overseas Equity Fund - Units	3,721	28
29Dec00	Seventh Energy Ltd. - Class A Shares	793,100	1,442,000
29Dec00	Shoppers Acquisition Corp. - Loans	20,845,442	20,845,442
29Dec00	Spider Resources Ltd. - Units	500,000	5,000,000
29Dec00	Sprott Hedge Fund Limited Partnership - Limited Partnership Units	850,004	798
04Jan01	Stacey Investment Limited Partnership - Limited Partnership Units	1,000,042	46,492
04Jan01	Stassi Cosmetics, Inc. - Equity Security / Common Shares	US$30,000	20,000
29Dec00	TD Capital Canadian Private Equity Partnership (QLP) L.P. - Limited Partnership Interest	91,300,000	91,300,000
29Dec00	TD Capital Private Equity Partners (Entrepreneurs) L.P. - Limited Partnership Interest	4,600,000	4,600,000
28Dec00	Thundermin Resources Inc. - Common Shares	480,000	3,000,000
03Jan01	Torino Oil & Gas Limited - Convertible Debentures	450,000	450,000
02Jan01	Ventus Energy Ltd. - Common Shares	9,500,000	1,000,000
29Dec00	Workbain Corporation - Class B Preferred Shares, Series I	5,996,400	1,895,735
27Dec00	Workbrain Corporation - Class B Preferred Shares Series I	US$7,025,869	3,329,796
29Dec00	WorldPreferred.com Inc. - Class B-1 Convertible Preferred Stock	1,277,259	1,250,000
21Dec00	Zero-Knowledge Systems Inc. - Series I Class C Preferred Convertible Shares	3,116,615	1,000,000

Resale of Securities - (Form 45-501f2)

Date of Resale	Date of Orig. Purchase	Seller	Security	Price ($)	Amount
19Dec00	24Apr98	Investors Group Trust Co. Ltd. as Trustee for Investors Corporate Bond Fund	CARDS Trust - 5.51% Series 1998-2 Debentures due 21Jun03	93	5,000,000
29Dec00	09Oct97	Investors Group Trust Co. Ltd. as Trustee for Investors Canadian Small Cap	Chapters Inc. - Common Shares	159,900	12,300

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

Seller	Security	Amount
Paros Enterprise Limited	Acktion Corporation - Common Shares	2,000,000
Jalovec, John	Carma Financial Services Corporation - Shares	500,000
Melnick, Larry	Champion Natural Health.com Inc. - Subordinate Voting Shares and Multiple Voting Shares	19,765, 100,000 Resp.
Estill, Glen R.	EMJ Data Systems Ltd. - Common Shares	39,000
Estill Holdings Limited	EMJ Data Systems Ltd. - Common Shares	1,729,100
Estill, James A.	EMJ Data Systems Ltd. - Common Shares	21,900
Fundeco Inc.	IAMGOLD Corporation - Common Shares	150,000
Gastle, Susan M.S.	Microbix Biosystems Inc. - Common Shares	290,000
Oncan Canadian Holdings Ltd.	Onex Corporation - Subordinated Voting Shares	999,900
Faye, Michael R.	Spectra Inc. - Common Shares	250,000
Malion, Andrew	Spectra Inc. - Common Shares	250,000
A-Shear Holdings Inc.	Teknion Corporation - Multiple Voting Shares and Subordinate Voting Shares	34,800, 34,800 Resp.

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Chapter 9

Legislation

THERE IS NO MATERIAL FOR THIS CHAPTER

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
APF Energy Trust
Principal Regulator - Alberta
Type and Date:
Preliminary Prospectus dated January 12th, 2001
Mutual Reliance Review System Receipt dated January 15th, 2001
Offering Price and Description:
-
Underwriter(s), Agent(s) or Distributor(s):
RESEARCH CAPITAL CORPORATION
CIBC World Markets Inc.
National Bank Financial Corporation
Scotia Capital Inc.
Dundee Securities Corporation
HSBC Securities Canada Inc.
Promoter(s):
APF ENERGY MANAGEMENT INC.
Project #325460

Issuer Name:
Algonquin Power Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated January 11th, 2001
Mutual Reliance Review System Receipt dated January 11th, 2001
Offering Price and Description:
$50,235,000 - 5,100,000 Trust Units @ $9.85 per Trust Units
Underwriter(s), Agent(s) or Distributor(s):
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Merrill Lynch Canada Inc.
RBC Dominion Securities Inc.
TD Securities Inc. Scotia Capital Inc.
Trilon Securities Inc. Corporation
Promoter(s):
-
Project #325050

Issuer Name:
B2B Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated January 10th, 2001
Mutual Reliance Review System Receipt dated January 11th, 2001
Offering Price and Description:
$ * - * Common Shares
Underwriter(s), Agent(s) or Distributor(s):
Scotia Capital Inc.
Promoter(s):
Laurentian Bank of Canada
Project #324895

Issuer Name:
Bema Gold Corporation
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated January 15th, 2001
Mutual Reliance Review System Receipt dated January 16th, 2001
Offering Price and Description:
* Common Shares Issuable in Partial Repayment of U.S. $3,000,000 Credit Facility * Common Shares Issuable in Payment of U.S. $700,000 of Financial Advisory Fees * Common Shares Issuable in Payment of CDN$300,285.53 of Legal Fees
Underwriter(s), Agent(s) or Distributor(s):

Promoter(s):
-
Project #325653

Issuer Name:
Canada Payphone Corporation
Principal Regulator - British Columbia
Type and Date:
Amendment #1dated January 8th, 2001 to Preliminary Prospectus dated November 7th, 2000 Mutual Reliance Review System Receipted dated January 10th, 2001
Offering Price and Description:
Underwriter(s), Agent(s) or Distributor(s):
Canaccord Capital Corporation
Promoter(s):
N/A
Project #310293

Issuer Name:
Capital Gains Income STREAMS Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated January 12th, 2001
Mutual Reliance Review System Receipt dated January 12th, 2001
Offering Price and Description:
$ * (Maximum) * Equity Dividend Shares * Capital Yield Shares
Underwriter(s), Agent(s) or Distributor(s):
Merrill Lynch Canada Inc
TD Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Bieber Securities Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
Goepel Mcdermid Inc.
Yorkton Securities Inc. .
Promoter(s):
Quadravest Capital Management Inc.
Project #325272

Issuer Name:
Cartier Global Leaders RSP Fund
Principal Regulator - Quebec
Type and Date:
Preliminary Simplified Prospectus dated December 22nd, 2000
Mutual Reliance Review System Receipt dated January 15th, 2001
Offering Price and Description:
Mutual Fund Securities - Net Asset Value
Underwriter(s), Agent(s) or Distributor(s):
Great Pacific Management Co. Ltd.
The Investment Centre Financial Corporation
Heritage Financial Services Ltd.
Valeurs Mobilieres Courvie Inc.
F.M.D. Brokerage Inc.
Great Pacific Asset Management Ltd.
Balanced Planning Investments Corporation
Regal Capital Planners Ltd.
Valeurs Mibilieres Dubeau Inc.
Promoter(s):
Cartier Mutual Funds Inc.
Project #322752

Issuer Name:
ClearWave N.V.
Principal Regulator - Quebec
Type and Date:
Preliminary Non-Offering Prospectus dated December 11th, 2000
Mutual Reliance Review System Receipt dated December 12th, 2000
Offering Price and Description:
N/A
Underwriter(s), Agent(s) or Distributor(s):
N/A
Promoter(s):
N/A
Docket # 30616

Issuer Name:
Delta Systems Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated January 12th, 2001
Mutual Reliance Review System Receipt dated January 12th, 2001
Offering Price and Description:
* Common Shares and 2,618,000 units, each units consisting of one Common Shares and
one-half Common Shares Purchase Warrants issuable upon the exercise of 2,618,000 Special Warrants
@ $* per Common Share and $2.50 per Special Warrants
Underwriter(s), Agent(s) or Distributor(s):
Yorkton Securities Inc.
First Associates Investments Inc.
Promoter(s):
-
Project #325221

Issuer Name:
Dynex Power Inc.
Type and Date:
Preliminary Prospectus dated January 16th, 2001
Receipted on January 17th, 2001
Offering Price and Description:
$5,500,000 - 2,750,000 Common Shares issuable upon the exercise of previously issued Special Warrants
Underwriter(s), Agent(s) or Distributor(s):
Loewen, Ondaatje, McCutcheon
Promoter(s):
Michael LeGoff
Mark Scott
Gavin Garbutt
Project #326084

Issuer Name:
Hemosol Inc.
Type and Date:
Preliminary Short Form Prospectus dated January 17th, 2001
Receipted on January 17th, 2001
Offering Price and Description:
$ * - 7,000,000 Common Shares @ $ * per Common Share
Underwriter(s), Agent(s) or Distributor(s):
(US Underwriters) :
UBS Warburg LLC
Dain Rauscher Wessels)
Promoter(s):
-
Project #326099

Issuer Name:
Microcell Telecommunications Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated January 10th, 2001
Mutual Reliance Review System Receipt dated January 11th, 2001
Offering Price and Description:
$54,881,793 - 2,032,659 Class B Non-Voting Shares @ $27.00 per Shares
Underwriter(s), Agent(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Merrill Lynch Canada Inc.
CIBC World Markets Inc.
J.P. Morgan Securities Canada Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Promoter(s):
-
Project #324840

Issuer Name:
Merrill Lynch Mortgage Loans Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated January 15th, 2001
Mutual Reliance Review System Receipt dated January 16th, 2001
Offering Price and Description:
$187,680,000 (Approximate) Commercial Mortgage - Pass-Through Certificates, Series 2001 - LBC
Underwriter(s), Agent(s) or Distributor(s):
Merrill Lynch Canada Inc.
Promoter(s):
-
Project #325586

Issuer Name:
Superior Propane Income Fund
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated January 15th, 2001
Mutual Reliance Review System Receipt dated January 15th, 2001
Offering Price and Description:
$100,000,000 - 100,000 Subscription Receipts, each representing the right to receive $1,000 principal amount of 8% Convertible Unsecured Subordinated Debentures
Underwriter(s), Agent(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Merrill Lynch Canada Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Promoter(s):
-
Project #325612

Issuer Name:
Wi-LAN Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated January 11th, 2001
Mutual Reliance Review System Receipt dated January 11th, 2001
Offering Price and Description:
$13,175,000 - 1,700,000 Units @ $7.75 per Unit
Underwriter(s), Agent(s) or Distributor(s):
Research Capital Corporation
CIBC World Markets Inc.
Promoter(s):
-
Project #325063

Issuer Name:
Phillips, Hager & North Overseas Equity Fund
Principal Regulator - British Columbia
Type and Date:
Amendment #1 dated January 9th, 2001 to Simplified Prospectus and Annual Information Form dated December 7th, 2000
Mutual Reliance Review System dated 11th day of January, 2001
Offering Price and Description:
Mutual Fund Securities - Net Asset Value
Underwriter(s), Agent(s) or Distributor(s):
Phillips Hager & North Investment Management Ltd.
Promoter(s):
Phillips Hager & North Investment Management Ltd.
Project #307542

Issuer Name:
Phillips, Hager & North Euro-Pacific Equity Fund
Principal Regulator - British Columbia
Type and Date:
Amendment #1 dated January 9th, 2001 to Simplified Prospectus and Annual Information Form dated July 7th, 2000
Mutual Reliance Review System Receipt dated 11th day of January, 2001
Offering Price and Description:
Mutual Fund Securities - Net Asset Value
Underwriter(s), Agent(s) or Distributor(s):
Phillips, Hager & North Investment Management Ltd.
Promoter(s):
Phillips, Hager & North Investment Management Ltd.
Project #265604

Issuer Name:
NCE Flow-Through (2000-2) Limited Partnership
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated November 14th, 2000
Mutual Reliance Review System Receipt dated 15th day of November, 2000
Offering Price and Description:
Underwriter(s), Agent(s) or Distributor(s):
Canaccord Capital Corporation
Dundee Securities Corporation
Goepel McDermid Inc.
Yorkton Securities Inc.
Promoter(s):
Petro Assets Inc.
Project #306428

Issuer Name:
Retrocom Growth Fund Inc.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated January 15th, 2001
Mutual Reliance Review System Receipt dated 16th day of January, 2001
Offering Price and Description:
Underwriter(s), Agent(s) or Distributor(s):
N/A
Promoter(s):
Retrocom Investment Management Inc.
Project #308820

Issuer Name:
True Energy Inc.
Principal Regulator - Alberta
Type and Date:
Final Prospectus dated November 24th, 2000
Mutual Reliance Review System Receipt dated 24th day of November, 2000
Offering Price and Description:
Underwriter(s), Agent(s) or Distributor(s):
Peters & Co. Limited
Promoter(s):
Paul R. Baay
W. C. (Mickey) Dunn
Project #309763

Issuer Name:
Working Ventures II Technology Fund Inc.
Type and Date:
Final Prospectus dated January 5th, 2001
Receipted 11th day of January, 2001
Offering Price and Description:
Underwriter(s), Agent(s) or Distributor(s):
N/A
Promoter(s):
Working Ventures Investment Services Inc.
Project #308565

Issuer Name:
Altamira RSP Global Diversified Fund
Altamira RSP Global 20 Fund
Altamira RSP Health Sciences Fund
Altamira RSP Biotechnology Fund
Altamira RSP Global Telecommunications Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated January 8th, 2001
Mutual Reliance Review System dated 16th day of January, 2001
Offering Price and Description:
Mutual Fund Securities - Net Asset Value
Underwriter(s), Agent(s) or Distributor(s):
Altamira Financial Services Ltd.
Promoter(s):
Altamira Investment Services Inc.
Project #308514

Issuer Name:
E&P Cabot Canadian Equity Fund
E&P Cabot Blue Chip Fund
E&P Cabot Global MultiStyle Fund
(Class A Units)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated December 18th, 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):
Registered Dealers
Promoter(s):
Elliott & Page Limited
Project #309063

Issuer Name:
The Goodwood Capital Fund
Principal Jurisdiction - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated January 2nd, 2001
Mutual Reliance Review System Receipt dated 11th day of January, 2001
Offering Price and Description:
Mutual Fund Securities - Net Asset Value
Underwriter(s), Agent(s) or Distributor(s):
Rabin Puccetti & Partners Inc.
Promoter(s):
Rabin Puccetti & Partners Inc.
Project #314527

Issuer Name:
Lehman Brothers 10 Uncommon Eurovalues Trust, 2001 Portfolio
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated January 9th, 2001
Mutual Reliance Review System Receipt dated 11th day of January, 2001
Offering Price and Description:
Mutual Fund Securities - Net Asset Value
Underwriter(s), Agent(s) or Distributor(s):
First Defined Portfolio Management Inc.
Promoter(s):
First Defined Portfolio Management Inc.
Project #308295

Issuer Name:
Morguard Real Estate Investment Trust
Type and Date:
Rights Offering dated December 20th, 2000
Accepted 21st day of December, 2000
Offering Price and Description:
Underwriter(s), Agent(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #318457

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Chapter 12

Registrations

12.1.1 Securities

Type	Company	Category of Registration	Effective Date
New Registration	Beckett Capital Corp. Attention: Donald Gregory Beckett 390 Bay Street, Suite 1600 Toronto ON M5H 2Y2	Limited Market Dealer (Conditional)	Jan 12/01
Change of Name	Northwest Mutual Funds Inc./Nordouest Fonds Mutuels Inc. Attention: Michael Glenn Butler 70 York Street, Suite 1400 Toronto ON M5J 1S9	From: Marathon Mutual Funds, Inc. To: Northwest Mutual Funds Inc./Nordouest Fonds Mutuels Inc.	Jan 2/01
Change of Name	Laurentian Bank Securities Inc./Valeurs Mobilier Banque Laurentienne Inc. Attention: Andre Ouellet 1981 McGill College, Suite 1900 Montreal QC H3A 3K3	From: BLC Securities Inc./BLC Valeurs Mobilieres Inc. To: Laurentian Bank Securities Inc./Valeurs Mobilier Banque Laurentienne Inc.	Nov 15/00
Change of Name	PMG Capital Corp. Attention: Stanley Kugelmass CT Corporation System (Canada) Ltd. 20 Queen Street West, Suite 1400 Toronto ON M5H 2V3	From: Pennsylvania Merchant Group Ltd. To: PMG Capital Corp.	May 23/00
Change in Category (Categories)	McGee Capital Management Limited Attention: Andrew Davison McGee 110 Yonge Street, Suite 1600 Toronto ON M5C 1T4	From: Mutual Fund Dealer Investment Counsel & Portfolio Manager To: Mutual Fund Dealer Limited Market Dealer (Conditional) Investment Counsel & Portfolio Manager	Jan 5/01
Change in Category (Categories)	Edinburgh Fund Managers PLC Attention: Michael Warren Balfour 97 Haymarket Terrace Donaldson House Edinburgh, Scotland	From: International Adviser Investment Counsel & Portfolio Manager To: Non-Canadian Advisor Investment Counsel & Portfolio Manager	Jan 15/01

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1 SRO Notices and Disciplinary Decisions

13.1.1 Douglas Stewart - Notice to Public Re: Disciplinary Hearing

January 15, 2001

RE: IN THE MATTER OF DOUGLAS STEWART

Toronto, Ontario – The Investment Dealers Association of Canada (Association) announced today that a hearing date has been set for a discipline proceeding before the Ontario District Council of the Association.

The proceeding is in respect of matters alleged by the Member Regulation staff of the Association to have occurred while Mr. Douglas Stewart was employed and registered at the Thunder Bay, Ontario branch office of Midland Walwyn Capital Inc. (now Merrill Lynch Canada Inc.), a Member of the Association. Mr. Stewart is not currently employed or registered with a Member of the Association.

The hearing is scheduled to commence at **10:00 a.m.** or shortly thereafter on **Wednesday, January 31, 2001,** at the offices of the **Investment Dealers Association, 121 King Street West, Suite 1600, Toronto, Ontario.** The hearing is open to the public except as may be required for the protection of confidential matters.

If the Ontario District Council determines that discipline penalties are to be imposed upon Mr. Stewart, the Association will issue a Bulletin giving notice of the discipline penalties assessed, the regulatory violation(s) committed by Mr. Stewart, and a summary of the facts. Once the District Council has issued its Decision, copies of the Bulletin and Decision will be made available.

Contact:

Kathleen O'Brien
Public Affairs Co-ordinator
(416) 943-6921

13.1.2 Ronald Hrynyk

January 8, 2001 No. 2808

By-laws and Regulations

Discipline Penalties Imposed on Ronald Allan Hrynyk - Violation of 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 Ronald Hrynyk, at the relevant time a Registered Representative with Watt Carmichael Inc., a Member of the Association.

By-laws, Regulations, Policies Violated

On October 18, 2000, the District Council considered a Settlement Agreement that had been negotiated by Association Enforcement Division staff with Mr. Hrynyk. The District Council sought to amend the penalty contained in the agreement by adding the requirement that Mr. Hrynyk take and pass the Canadian Securities Course within 24 months of the effective date of the Settlement Agreement. Mr. Hrynyk subsequently consented to the amendment, in accordance with By-law 20.26. On December 22, 2000 the District Council accepted the amended Settlement Agreement. Pursuant to the amended Settlement Agreement, Mr. Hrynyk admitted that during the period from March 4, 1994 to June 30, 1995, he 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 stated investment objectives, in that he recommended purchases of speculative securities in the margin account that were outside of the client's investment objectives, contrary to Regulation 1300.1(c).

Penalty Assessed

The discipline penalty assessed against Mr. Hrynyk is a fine in the amount of $15,000; taking and passing the examination based on the Conduct and Practices Handbook for securities industry professionals within 6 months and taking and passing the Canadian Securities Course within 24 months and filing with the Association, monthly supervision reports for a period of 24 months, following the effective date of the Settlement Agreement. In addition Mr. Hrynyk is required to pay $6,750 toward the Association's costs of investigation of this matter.

Summary of Facts

In or about March of 1994, Mr. Hrynyk was handling the account of a client who was 62 years old, widowed and retired. The client's margin account and RRSP account indicated investment objectives of 50% mutual fund, 25% long-term

growth, 15% income and 10% venture. By mid September 1994, approximately 36% of the market value of the margin account was held in speculative securities and 28% of the market value of the combined margin and RRSP account was held in speculative securities. On September 29, 1994, Mr. Hrynyk revised the investment objectives on the account documentation to 30% mutual fund, 30% long-term growth, 10% income and 30% venture, though the changes to the documentation were not discussed with the client. By mid March 1995, the speculative content was 60% and 71% of the margin account and RRSP account respectively. By March 17, 1995, the client's account was fully margined and 62.5% was in speculative securities. At this time, the RRSP account contained 71% speculative securities. In the margin account there was a concentration of 42% in one security. Mr. Hrynyk had received repeated inquiries from compliance in respect of this client's account. Between March 1994 and June 1995, the client suffered a net loss of approximately $134,000.

The Respondent acknowledged that he earned $7,365.39 as his share of total commissions. Mr. Hrynyk left Watt Carmichael in January 1996 at which time commissions were withheld in the amount of approximately $18,000. As a result disgorgement of commissions was not sought in this case. Had there been no such withholding of commissions, disgorgement would have formed part of the penalty.

Mr. Hrynyk currently works as a Registered Representative with Canaccord Capital Corporation.

Suzanne M. Barrett
Association Secretary

13.1.3 Ronald Hrynyk - Settlement Agreement

IN THE MATTER OF DISCIPLINE PURSUANT TO BY-LAW 20 OF THE INVESTMENT DEALERS ASSOCIATION OF CANADA

Ronald Alan Hrynyk - Settlement Agreement

I. INTRODUCTION

1. The staff ("Staff") of the Investment Dealers Association of Canada ("the Association") have conducted an investigation (the "Investigation") into the conduct of Ronald Alan Hrynyk ("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.

(a) The Respondent

8. The Respondent joined the securities industry as a Registered Representative in 1981. Significant events in his employment history include the following:

Jul'80 – Nov'88	**Midland Doherty Ltd.**	Transfer
Nov'88 – Sept'89	**Merit Investment Corp.**	Asked to Resign
Sept'89	**TSE opens investigation into dismissal from Merit**	
Dec'89 – Jul'90	**Levesque Beaubien Geoffrion Inc.** Registration subject to TSE conditions Discharged for having too many bad accounts	
July '90 - Jan'92	Not registered as R.R.	
Jun'90	**Garnishment Order** **In favour of Bank of Nova Scotia** garnishment of wages at Levesque	$32,978.65
Jan'92 – Feb'94	**Jones, Gable & Co. Ltd.** Conditional Registration due to TSE investigation	
Aug'92	**Proposal in Bankruptcy** Accepted by Creditors, ratified by Court	$305,545.21 unsecured debt
Apr'93	**TSE Discipline** for effecting unauthorized trades in three (3) accounts while at Merit Investment Corp.	$15,000 fine + $1,000 costs
Apr'93	Conditions on registration removed	
Mar'94 – Jan'96	**Watt Carmichael Inc.** due to failure to disclose bankruptcy to regulators	Conditional* Registration
Jan'96 – Oct'98	**C.M. Oliver & Co. Ltd.**	Conditional* Registration
Oct'96	**Certificate of Completion of bankruptcy**	
Oct'96	Conditions on registration removed	
Oct'98 - present	**Canaccord Capital Corporation** (purchased assets of C.M. Oliver & Co. Ltd. Oct. 98)	

*At all material times, while at Watt Carmichael, the Respondent was subject to the following conditions on registration as imposed by the TSE:

- Close supervision of activities by an Officer or Director
- Filing of Supervision Reports on a monthly basis
- Conditions to remain in effect until an absolute discharge of the bankruptcy

(b) Norah McAuliffe

9. At all material times Norah McAuliffe ("McAuliffe") was a client of the Respondent.

10. McAuliffe, became a client of the Respondent while he was at Jones, Gable & Co. Ltd. In March of 1994, she transferred her account to Watt Carmichael Inc. ("Watt") to continue to be handled by the Respondent. At the time of transfer, McAuliffe was 62 years old, widowed and retired from her employment as an elementary schoolteacher. The monies in her investment and RRSP accounts were largely derived from the insurance proceeds received following the death of her husband in December of 1992.

11. The new account documentation for McAuliffe's margin and RRSP accounts, dated March 4, 1994, indicated that McAuliffe's investment objectives were 50% Mutual Funds; 25% Long-term Growth; 15% Income and 10% Venture and her investment knowledge was "Good". McAuliffe did not sign the new account form.

12. McAuliffe acknowledges her signature on a document entitled "Customer Agreement" dated March 28, 1994. This is in fact a margin agreement.

(c) Watt Carmichael

13. At all material times, Watt Carmichael ("Watt") acted as an Introducing Broker to First Marathon Securities Limited ("FMS"), the Carrying Broker, pursuant to an agreement dated February 20, 1991.

(d) Hillery Lloyd

14. At all material times Hillery Lloyd ("Lloyd"), was an Officer and Director of Watt and held the designations of ADROP and ADP.

15. On September 16, 1994, Joe Thurman ("Thurman"), a Compliance Officer with FMS, sent a Request for Action memo regarding McAuliffe's accounts to the Respondent and copied it to Lloyd. Thurman noted the following:

Client has recently downgraded from U.S. Surgical to Madsen Gold. Approximately 36% of the market value of the margin account is held in speculative stock. Approx. 28% of the market value of the combined margin + RSP account is held in speculative stock. Is this suitable for this client (62 yr. old retired lady)??

16. Thurman sent a further memo to the Respondent dated September 19, 1994, cautioning him about suitability generally in all client accounts.

17. On September 29, 1994, following several meetings among McAuliffe, Lloyd and the Respondent, and in response to the Request for Action memo, the Respondent revised the investment objectives on the account documentation to 30% Mutual Funds; 30% Long-term Growth; 10% Income and 30% Venture. The following notation was made by the Respondent at the bottom of the new client information form:

Client is well advised and versed with markets and discussed every aspect of the portfolio and reviews everything with her accountant. Client is not only pleased and satisfied with portfolio but meets regularly with myself to review status & activity of her portfolio. Note client also has funds outside of WC in Global Fund AGF, McKenzie & Bonds, all outside of her A/C at WC.

18. The changes to the account documentation were not discussed with McAuliffe.

19. On December 16, 1994, pursuant to an Internal Audit Review, Thurman sent a copy of McAuliffe's account statements, as of October 31, 1994, to her for her review. McAuliffe endorsed the accompanying letter with a check mark, signed it, dated it December 28, 1994 and sent it back to Thurman.

20. On March 14, 1995, Thurman sent another memo regarding McAuliffe's account to Lloyd. Thurman noted the rising debit balance in the margin account ($89,541). He further noted that the speculative content was 60% and 71% of the margin account and the RSP account, respectively, which was more than double the allocated 30% Venture component specified on the revised account documentation. He wrote the following memo to Lloyd:

Hillery

Please review the enclosed portfolio. The debit balance is rising and the total percentage of speculative holdings is way out of line with the client's objectives. Let's either clean this account up or else ask to have it transferred out. Otherwise, I expect that this account will cause us great problems. Please advise. Joe

21. On March 17, 1995, McAuliffe met again with Lloyd and the Respondent. At about that time, McAuliffe's margin account was fully margined with a market value of $417,605.00 of which $261,040 (62.51%) was in venture/speculative securities. Her RSP account had a market value of $167,8681 and held $119,5533 (71%) of venture/speculative securities.

22. Of the total 62.51% speculative holdings in McAuliffe's margin account, there was a concentration of 42% in one security, Starratt Resources Limited, a speculative stock trading on the over-the-counter market.

23. During the March 17, 1995 meeting, McAuliffe wrote a note and provided it to Lloyd. The note stated the following:

I have reviewed this account with Ron. I am satisfied with the performance to date, and have agreed to review it again in three months.

24. The investment objectives, risk tolerance, suitability and concentration of speculative security holdings of McAuliffe's accounts were not discussed or reviewed during the March 17th, 1995 meeting.

25. By letter to the Respondent, dated June 13, 1995, McAuliffe, advised that she had been in contact with another financial adviser and instructed the Respondent that no more trades or transactions were to be effected in her accounts until further notice. McAuliffe transferred her margin and RSP accounts on July 17, 1995 and July 25, 1995, respectively, to another firm.

26. Between March 1994 and June 1995, while under the Respondent's control at Watt , McAuliffe suffered a net loss of approximately $133,948 in relation to the speculative investments in her margin and RSP accounts. She was charged a total of $14,730.77 in commissions in relation to those speculative securities in the two accounts.

27. The Respondent acknowledges that he earned commissions in the amount of $7,365.39 in relation to the speculative investments in McAuliffe's accounts. The Respondent left Watt in January , 1996 and at that time commissions were withheld from the Respondent in the amount of $18,000.00. As a result disgorgement of commissions is not sought as a penalty in this agreement.

28. While McAuliffe authorized all trades in her accounts, the investments recommended by the Respondent were not suitable and failed to accord with the documented investment objectives for her accounts, contrary to Regulation 1300.1(c).

IV. CONTRAVENTIONS

29. In or around March 4, 1994 to June 30, 1995, the Respondent, an approved person employed at the relevant time by Watt Carmichael Inc., a Member of the Association, failed to exercise due diligence to ensure that recommendations made for the account of a client, namely Norah McAuliffe, were appropriate for the client and in keeping with her investment objectives, in that he recommended purchases of speculative securities in her margin account that were outside of the allocation permitted in the client's investment objectives, contrary to Regulation 1300.1(c).

V. ADMISSION OF CONTRAVENTIONS AND FUTURE COMPLIANCE

30. 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

31. The Respondent accepts the imposition of discipline penalties by the Association pursuant to this Settlement Agreement as follows:

(a) for the Contravention as set out in Section IV, paragraph 29, a fine in the amount of $15,000.00, payable to the Association within one (1) month of the effective date of this Settlement Agreement;

(b) for the Contravention as set out in Section IV, paragraph 29, 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 *Conduct and Practices Handbook for Securities Industry Professionals*, administered by the Canadian Securities Institute within six (6) months following the effective date of this Settlement Agreement;

(c) for the Contravention as set out in Section IV, paragraph 29, as a condition of his continued approval in any capacity with a Member of the Association, filing with the Association monthly supervision reports for a period of 24 months following the effective date of this Settlement Agreement; and

(d) for the Contravention set out in Section IV, paragraph 29, 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

32. The Respondent shall pay the Association's costs of this proceeding in the amount of $6750.00 , payable to the Association within one (1) month of the effective date of this Settlement Agreement.

VIII. EFFECTIVE DATE

33. 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

34. 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

35. 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

36. 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

37. 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 "Toronto", in the Province of Ontario, this "31" day of "July", 2000.

"Ronald A. Hrynyk"
RESPONDENT

AGREED TO by Staff at the City of Toronto, in the Province of Ontario, this "2nd" day of
"August", 2000.

"Fredric L. Maefs"
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 _____, in the Province of Ontario, this _____ day of _____, 2000.

Investment Dealers Association of Canada(Ontario District Council)

13.1.4 Ronald Hrynyk - Consent to Amend Settlement Agreement

IN THE MATTER OF DISCIPLINE PURSUANT TO BY-LAW 20 OF THE INVESTMENT DEALERS ASSOCIATION OF CANADA

CONSENT TO AMEND SETTLEMENT AGREEMENT EXECUTED JULY 31 AND AUGUST 2, 2000

Re: Ronald Alan Hrynyk

Pursuant to By-law 20.26 and in accordance with the endorsement of the Ontario District Council dated October 18, 2000. The Settlement Agreement between the Association and Mr. Ronald Hrynyk is amended as follows:

VI. Discipline Penalties

(b) for the contravention as set out in section 1(b), paragraph 29, 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 *Conduct and Practices Handbook for Securities Professionals*, finishing the Conduct and Practices Handbook administered by the Canadian Securities Institute within 6 months following the effective date this Settlement Agreement, and taking and passing the *Canadian Securities Course* (CSC) within 24 months of the effective date of this Settlement Agreement.

The Respondent hereto Ronald Hrynyk consents to the above noted amendment.

November 23, 2000.

"Ronald Hrynyk"

13.1.5 Financial Centre Securities Corp. - Notice of Disciplinary Hearing

January 17, 2001

RE: IN THE MATTER OF FINANCIAL CENTRE SECURITIES CORPORATION

Toronto, Ontario – The Investment Dealers Association of Canada announced today that a hearing date has been set for the presentation, review and consideration of a Settlement Agreement by the Ontario District Council of the Association.

The Settlement Agreement between the Association Member Regulation staff and Financial Centre Securities Corporation, is in respect of the conduct of Financial Centre Securities Corporation, a Member of the Association, for which it may be disciplined by the Association.

The hearing is scheduled to commence at **10:00 a.m.** or shortly thereafter on **Wednesday, January 31, 2001,** at the offices of the **Investment Dealers Association, 121 King Street West, Suite 1600, Toronto, Ontario.** The hearing is open to the public except as may be required for the protection of confidential matters.

If the Settlement Agreement is accepted by the Ontario District Council, the Association will issue an Association Bulletin setting out terms of settlement, including violation(s) committed, a summary of the agreed facts, and the discipline penalty imposed. If the Ontario District Council accepts the Settlement Agreement, copies of the Association Bulletin and Settlement will be made available.

Contact:

Kathleen O'Brien
Public Affairs Co-ordinator
(416) 943-6921

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Chapter 25

Other Information

THERE IS NO MATERIAL FOR THIS CHAPTER

IN THIS ISSUE

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