The Ontario Securities Commission

OSC Bulletin

February 23, 2001

Volume 24, Issue 08

(2001), 24 OSCB

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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Toronto, Ontario
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Published under the authority of the Commission by:
IHS/Micromedia Limited
20 Victoria Street
Toronto, Ontario
M5C 2N8

416-362-5211 or 1-800-387-2689

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The OSC Bulletin is published weekly by Micromedia, a division of IHS Canada, under the authority of the Ontario Securities Commission.

Subscriptions are available from Micromedia limited at the price of $520 per year. Alternatively, weekly issues are available in microfiche form at a price of $385 per year. Back volumes are also available on microfiche:

2000	$475
1999	$450
1997-98	$400/yr
1995-1996	$385/yr
1994:	$370
1993:	$275
1992:	$250
1981-1991:	$175/yr

Subscription prices include first class postage to Canadian addresses. Outside Canada, these airmail postage charges apply on a current subscription:

U.S.	$110
Outside North America	$220

Single issues of the printed Bulletin are available at $33.00 per copy as long as supplies are available. OSC Bulletin Plus, a full text searchable CD-ROM containing OSC Bulletin material from January 1994 is available from Micromedia Limited. The sample issue of the OSC Bulletin is available on the internet at:

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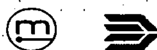

Table of Contents

Chapter 1 Notices / News Releases 1215
1.1 Notices 1215
1.1.1 Current Proceedings Before The Ontario Securities Commission............1215
1.1.2 NI 55-101 Exemption from Certain Insider Reporting Requirements..........1218
1.2 Notice of Hearing 1219
1.2.1 Lois Doreen King 1219
1.2.2 Lois Doreen King - Statement of Allegations............1219
1.3 News Releases 1222
1.3.1 Lois Doreen King 1222
1.3.2 Lois Doreen King 1222
1.3.3 Proficiency Requirements for Registrants - Financial Planning..........1223

Chapter 2 Decisions, Orders and Rulings ..1225
2.1 Decisions 1225
2.1.1 Robert Mitchell Inc. - MRRS Decision..1225
2.1.2 The Canadian Association of Financial Planners & Fidelity Investments Canada Ltd. - MRRS Decision 1226
2.1.3 Deutsche Bank Aktiengesellschaft - MRRS Decision 1228
2.1.4 Eicon Technology Corporation - MRRS Decision 1233
2.1.5 Vivendi S. A. et al. - MRRS Decision...1234
2.1.6 G.T.C. Transcontinental Group Ltd. et al. - MRRS Decision............1243
2.1.7 BMO Nesbitt Burns Inc. and Canbras Communications Corp. - MRRS Decision 1246
2.1.8 Lois Doreen King - Settlement Agreement............1250
2.1.9 Ingram Micro Inc. - MRRS Decision.....1254
2.1.10 Shaw Communications Inc. et al - MRRS Decision 1256
2.1.11 Advantex Marketing International Inc. - MRRS Decision 1259
2.1.12 Signalgene Inc. - MRRS Decision........1261
2.1.13 Sara Lee Corp. & Coach Inc. - MRRS Decision 1262
2.2 Orders 1265
2.2.1 Deutsche Bank Aktiengesellschaft - s. 80 1265
2.2.2 Goldie Enterprises Inc. - ss. 83.1(1) 1267
2.2.3 Quebecor World Inc. - s. 147 & 80(b)(iii) 1268
2.2.4 H&R Real Estate Investment Trust - s. 147 & 80(b)(iii) 1269
2.2.5 Cairngorm Mines Limited - s. 147 1271
2.2.6 Air Canada - s. 147 & 80(b)(iii) 1272
2.2.7 Lois Doreen King - ss. 127(1) 1273
2.2.8 Canadian Real Estate Investment Trust - s. 147 & 80(b)(iii) 1274
2.3 Rulings 1276
2.3.1 Pink Elephant Inc. - ss. 74(1)............1276
2.3.2 Fidelity Investments Canada Ltd. - ss. 74(1)............1277

Chapter 3 Reasons: Decisions, Orders and Rulings (nil)............1279

Chapter 4 Cease Trading Orders 1281
4.1.1 Temporary and Cease Trading Orders 1281
4.1.2 Cease Trading Orders 1281

Chapter 5 Rules and Policies............1283
5.1 Rules 1283
5.1.1 NI 55-101 & 55-101CP - Exemption from Certain Insider Reporting Requirements............1283

Chapter 6 Request for Comments (nil) 1295

Chapter 7 Insider Reporting............1297

Chapter 8 Notice of Exempt Financings 1345
Reports of Trades Submitted on Form 45-501f1 1345
Resale of Securities - (Form 45-501f2) 1348
Notice of Intention to Distribute Securities Pursuant to Subsection 7 of Section 72 - (Form 23)............1348

Chapter 9 Legislation (nil)............1349

Chapter 11 IPOs, New Issues and Secondary Financings 1351

Chapter 12 Registrations 1357
12.1.1 Securities............1357

Chapter 13 SRO Notices and Disciplinary Proceedings (nil) 1359

Chapter 25 Other Information 1361

Index 1363

Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

February 23, 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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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
Mar 7/2001 2:00 p.m.	**YBM Magnex** s. 127 Mr. M. Code and Ms. K. Daniels in attendance for staff. Panel: HIW / RWD / MTM
Mar 8/2001 2:00 p.m.	**Michael Bourgon** s. 127 Mr. Hugh Corbett in attendance for staff. Panel: HIW
Mar 19/2001	**Wayne Umetsu** s. 60 of the Commodity Futures Act Ms. K. Wootton in attendance for staff. Panel: TBA
Apr 16/2001- Apr 30/2001 10:00 a.m.	**Philip Services Corp., Allen Fracassi, Philip Fracassi, Marvin Boughton, Graham Hoey, Colin Soule, Robert Waxman and John Woodcroft** s. 127 Ms. K. Manarin & Ms. K. Wootton in attendance for staff. Panel: TBA

May 7/2001- 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

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

1.1.2 NI 55-101 Exemption from Certain Insider Reporting Requirements

Notice of Commission Approval of
National Instrument 55-101
Exemption from Certain Insider Reporting Requirements

On February 20, 2001, the Commission made National Instrument 55-101 Exemption from Certain Insider Reporting Requirements (the "National Instrument") as a Rule under the Act, and has adopted Companion Policy 55-101CP Exemption from Certain Insider Reporting Requirements (the "Companion Policy") as a Policy under the Act.

The National Instrument and Companion Policy were most recently published for comment on June 30, 2000 at (2000) 23 OSCB 4212.

The National Instrument was sent to the Minister on February 23, 2001. The National Instrument and Companion Policy are being published in Chapter 5 of the Bulletin.

1.2 Notice of Hearing

1.2.1 Lois Doreen King

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

AND

IN THE MATTER OF
LOIS DOREEN KING

NOTICE OF HEARING
(Section 127)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 127 of the Act at the Commission's offices on the 17th floor, 20 Queen Street West, Toronto, Ontario, commencing on Monday, February 19, 2001 at 10:00 a.m., or as soon thereafter as the hearing can be held (the "Hearing"), to consider whether it is in the public interest to make an order:

(a) pursuant to paragraph 1 of subsection 127(1) of the Act, that King's registration be suspended or restricted for such period as may be specified by the Commission, that it be terminated, or that terms and conditions be imposed upon it;

(b) pursuant to paragraph 2 of subsection 127(1) of the Act, that trading in any securities by King cease permanently or for such period as may be specified in the order;

(c) pursuant to paragraph 6 of subsection 127(1) of the Act, that King be reprimanded; and

(d) such further and other order as the Commission may deem appropriate;

AND TAKE NOTICE that the purpose of the hearing will be for the Commission to consider whether to approve a settlement of the proceeding between Staff and King, which approval will be sought by Staff and by King;

BY REASON of the allegations set out in the Statement of Allegations of Staff and such additional allegations as counsel may advise and the Commission may permit;

AND FURTHER TAKE NOTICE that any party to the proceeding may be represented by counsel if that party attends or submits evidence at the Hearing;

AND FURTHER TAKE NOTICE that upon failure of any party to attend at the time and place of the Hearing, the Hearing may proceed in the absence of that party and such party is not entitled to any further notice of the proceeding.

February 12, 2001.

John Stevenson
Secretary to the Commission

1.2.2 Lois Doreen King - Statement of Allegations

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

AND

IN THE MATTER OF
LOIS DOREEN KING

STATEMENT OF ALLEGATIONS OF STAFF
OF THE ONTARIO SECURITIES COMMISSION

Staff of the Ontario Securities Commission make the following allegations:

1. The Respondent Lois Doreen King was at all material times registered under the Act as a portfolio management investment counsellor with Boulder Management Inc. ("Boulder"), which was in turn registered with the Commission as a Securities Dealer, Investment Counsel and Portfolio Manager. Boulder's chief business was the management of four closely held investment funds distributed by private placement (the "Funds"), all of the subscribers to which were sophisticated, high net worth investors. King owned 51% of Boulder, and had two other partners in the business, Louise Morwick and Denise Flick. King was a director of Boulder, and, with Morwick, was primarily responsible for the portfolio management side of the business. Flick was the chief administrator of the firm.

2. The Funds managed by Boulder were intended to profit from "convertible hedging". As the people primarily responsible for Boulder's trading, King and Morwick would cause the Funds to (a) purchase convertible debentures and (b) sell short the underlying common stock for those debentures in an amount equal to the face amount of the debentures. At worst, for the Funds, this strategy would result in a profit to the Funds roughly equal to the amount paid by the debenture less the costs of borrowing the common stock sold short, since the Funds' liability (the common stock), was fully offset by their asset (the debentures), which were exercisable at the option of the Funds. However, the Funds tended to perform best in volatile or bear markets, while they did less well during bull markets.

3. Units in the funds were priced at the close of each month. Subscribers were permitted to purchase or redeem units at month-end only. The market price of the units in the Funds was determined by the value of the debentures and the value of the underlying common stock. In general, if the value of the common shares was high relative to the value of the debentures, the unit values in the Funds would drop.

4. Pricing the Funds at month end was King's responsibility. After the close of business on the last day of each month, King would get market prices for both the debentures and the common shares from a broker at Forum Capital Markets ("Forum"), one of the

New York-based dealers used by Boulder. She would then input the prices in two places: Boulder's accounting system and Boulder's inventory cash management system. Morwick would check the prices in the inventory cash management system on the first day of each month, *i.e.* the morning after King had input the prices. Morwick did not check the prices in the accounting system (although she and Flick had at all times access to the information), and assumed that King input the same prices in each system. The unit prices of the Funds were calculated by Boulder's accounting system.

5. The market price of the common stock was easily ascertainable by Forum since the price at which shares in those issuers had traded on the various exchanges was easily ascertainable. Determining a market price for the debentures was more difficult, since these securities trade on no exchange. Accordingly, Forum would use their expertise and experience, and their knowledge of the market in convertible debentures, to provide to King their best estimate of both "bid" and "ask" prices for the debentures. After the close of business on the last day of each month, Forum would fax a handwritten "pricing sheet" to Boulder, which sheet stated the closing price for the underlying common shares, and the bid and ask price for the debentures.

6. In the normal course, Boulder used the mean between these bid and ask estimates in order to arrive at a market value for the debentures, which value was used to calculate the market value of units in the Funds. However, for illiquid securities, Boulder policy permitted King to exercise a discretion to depart from the mean in setting the market price, given the imprecise nature of the method used for determining that value. There were times when some of the debentures might have been described as "illiquid". Accordingly, on occasion, when it was believed by virtue of this illiquidity that the mean of the bid and ask prices supplied by Forum did not truly reflect the market, in setting the market price for the debentures (and, ultimately, for the price of units in the Funds), Boulder would depart slightly from the mean of the bid and ask and ascribe another value to the debentures which value Boulder reasonably and truly believed better reflected the market.

7. Many of the common shares which Boulder had sold short were traded on NASDAQ. In the fall of 1999, NASDAQ was particularly bullish. Meanwhile, the market for debentures was flooded with new issues. Accordingly, the market value of units in the Funds dropped dramatically so that they reflected large losses, which losses were unrealized in the Funds owing to the fact that the debentures were fully hedged against the underlying securities and could be held until their redemption date. In setting the month end prices for the debentures (and ultimately for the units in the Funds) in October, 1999, King departed from the mean of the bid and ask prices supplied by Forum and set the market value close to or at the ask price supplied by Forum. She did so without consulting or informing her partners or any of the subscribers to the Funds. In November, 1999, King again departed from the mean and valued the debentures close to or at the ask price supplied by Forum. Again, she did so without consulting or informing her partners or any of the Funds= subscribers. In December, 1999, King again departed from the mean, and for a number of the debentures in the portfolio, set the market value at a price above the ask price supplied by Forum. Again, she did so without consulting or informing her partners or any of the Funds' subscribers. Accordingly, in each of these three months, the value of units in the Funds was overstated. These overstatements did not reflect an appropriate exercise of the discretion described in the previous paragraph.

8. During these three months, King input the true market prices into Boulder's inventory cash management system and the incorrect prices, which departed from the mean, into the Boulder's accounting system. Accordingly, the prices which Morwick checked were accurate. The unit prices produced by Boulder's accounting system were overstated.

9. In January 2000, the Funds' auditors, PricewaterhouseCoopers ("PWC") began their annual audit of the Funds. As part of their work, PWC sought to confirm the market value of the various securities held by the Funds. To King's knowledge, PWC wished to get a copy of the December 1999 pricing sheet from Forum. King knew that Forum's December 1999 pricing sheet would not conform with the values she had attributed to the debentures held by the Funds. King telephoned Tracy Evert, the broker with whom she dealt at Forum, and told her that PWC wanted the December 1999 pricing sheet to be sent directly to PWC from Forum. King told Evert that she had a copy of it in hand and that she would fax it to Evert so that Evert could fax it to PWC. Evert agreed with this procedure. She waited for King to fax the pricing sheet to her and then had her assistant fax it directly to PWC. However, the pricing sheet which King sent to Evert, and which was forwarded to PWC, had been altered by King before she faxed it to Evert. King altered the sheet so that it would reflect the prices she had ascribed to the debentures, which was not reflective of the value ascribed by Forum or by the market. Evert was not told by King that her pricing sheet had been altered, nor, apparently, did she or her assistant notice that it had been altered. Evert sent the altered sheet on to PWC unaware that it was intended by King to mislead PWC.

10. In addition to checking the prices from Forum, PWC approached another dealer in the United States in order to confirm that Forum's estimates of the market values of the debentures in December 1999 were accurate. It became apparent from the market prices supplied by this second dealer that the numbers on Forum's December 1999 pricing sheet did not properly reflect the market.

11. On February 9, 2000, King overheard representatives from PWC discussing the discrepancies between the market prices supplied by Forum and the second dealer. At that time she realized that her deception had been or would be discovered. King immediately wrote a note for her two partners which reads as follows:

February 9, 2000

Denise and Louise,

- see attached letters. Please send out as soon as possible.

- Sept 30 Pricing - OK - you might want the auditors to check it.

- Need to revalue Oct, Nov, Dec/99 for all funds

*- watch MMGR/AES conversions
I'm so sorry. I really panicked. I don't know how I'm going to live with myself. I may decide not to.

Lois

12. The note's reference to "attached letters" was a reference to letters written by King to the subscribers in the Funds explaining the overstatement. There were three such letters, which together applied to all of the Funds. The letters are dated February 11, 2000 and are essentially identical. Their text reads as follows:

I deeply regret to inform you that the preliminary December 31, 1999 net asset values of [the Funds] have been overstated by approximately 20%.

The overstatement has resulted from an error in judgement in the marking to market of unrealized losses in the portfolio since October 1, 1999. The unprecedented surge in NASDAQ over the past three months has caused convertible premiums on most positions in the Boulder portfolios to contract sharply. The unrealized losses have also been impacted by the large number of new convertible offerings, which results in the "older" convertible issues becoming less attractive to potential buyers (and hence cheaper). Compounding these two effects is the natural leverage in the portfolio where a 1 point change per $100 par debenture across all of the fund's positions impacts the bottom line by approximately 10%. Despite the increase in the unrealized losses during the past few months, I truly believe that any future sharp reversal in NASDAQ will result in the fund recouping these unrealized losses.

I take full responsibility for the under-valuation of these unrealized losses and am resigning from Boulder effective immediately. I want to state that no other employee or partner of Boulder was aware of the extent of these losses and there were no unauthorized trades.

You have my deepest apology. I will regret my poor judgement forever.

13. King left the note and the letters for her partners Morwick and Flick. She then left the office. Morwick and Flick immediately informed the auditors and the largest investor in the Funds, and then sent the letters described and quoted in the previous paragraph to all the Funds' subscribers, subsequently calling each of them to explain the situation. The Funds' largest subscriber conducted extensive due diligence on the books and records of Boulder in an effort to understand the depth of the problem created by King. PWC engaged in the same kind of investigation.

14. It was discovered that the Funds had been overvalued in the manner described by King in her note and letters. No other problems were discovered by the investigations into these matters. PWC was retained by Boulder to determine whether any subscribers to the funds had paid too much for units in the Funds, or been paid too little on redemptions, on the basis of the overstated unit prices. PWC determined that 14 purchasers of units in the funds paid too much for their units. Those investors either accepted compensation in the form of more units in the Funds, or rescinded their purchases. These rescissions cost Boulder $479,888. Four investors were paid too much on redemptions of their units. Boulder has been unable to recover all of this money, of which $144,774 is still outstanding. Boulder has had to bear this loss. Boulder also incurred substantial professional and other costs as a result of King's actions, totalling $143,732. In total, Boulder's losses as a result of the overstatement of the units of the Funds was $768,394. In addition, after King's misconduct was revealed, the value of Boulder's goodwill, the number of clients and the amount of funds under management by Boulder all decreased significantly.

15. King owned units in the Funds. These were redeemed by Boulder in order to cover some of the losses described in the previous paragraph. Through this redemption, Boulder retained $393,666 and, by way of settlement agreement, the remainder, $60,000, was paid to King. King also sold her 51% interest in Boulder to her two former partners for 1 dollar. As a result, King was released by Boulder from any liability arising from the overstatement of the value of the units in the Funds.

16. The sale of her interest in Boulder at this price, and the redemption of her units in the Funds, represented a large financial loss for King. King estimates her losses as a result of her misconduct at approximately $800,000.00.

17. In the course of the investigation of this matter, King was interviewed by Staff. She co-operated with Staff's investigation. She admitted her misconduct and expressed deep remorse for it. She instructed her counsel at the earliest stage to engage Staff in settlement discussions of this matter.

18. Such additional allegations as Staff may make and as the Commission may permit.

February 12, 2001.

1.3 News Releases

1.3.1 Lois Doreen King

FOR IMMEDIATE RELEASE

February 15, 2001

OSC TO CONSIDER SETTLEMENT OF ALLEGATIONS AGAINST LOIS DOREEN KING

Toronto - On February 12, 2001, the Ontario Securities Commission (the "Commission") issued a notice of hearing and statement of allegations against Lois Doreen King ("King"). At the relevant time, King was registered with the Commission as a portfolio management investment counsellor with Boulder Management Inc. ("Boulder"). Boulder's registration with the Commission as a Securities Dealer, Investment Counsel and Portfolio Manager, is currently suspended for a voluntary non-renewal of its registration.

In the proceeding, King is alleged to have acted contrary to the public interest by overstating the value of units in certain investment funds which were under the management of Boulder, during the period between October 31, 1999 and January, 2000.

The hearing of this matter is scheduled to proceed on Monday, February 19, 2001, at which time the Commission will consider a settlement entered into between King and Staff of the Commission. Terms of the settlement will be disclosed if and when the Commission approves the settlement agreement. The hearing will begin at 10:00 a.m. in the Large Hearing Room, 17th Floor, 20 Queen Street West, Toronto.

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

References:

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

Rowena McDougall
Senior Communications Officer
(416) 593-8117

1.3.2 Lois Doreen King

FOR IMMEDIATE RELEASE

February 19, 2001

OSC APPROVES SETTLEMENT IN PROCEEDING AGAINST LOIS KING

Toronto - At a hearing today, the Ontario Securities Commission (the "Commission") approved a settlement agreement entered into between Staff of the Commission and Lois Doreen King.

Ms. King was a principal of Boulder Management Inc., a firm that managed four closely held investment funds distributed by private placement. Ms. King admitted that on several occasions in late 1999, she made inappropriate entries in Boulder's records, with the effect of overvaluing units of the various funds. Ms. King subsequently took steps to try to conceal this misconduct from Boulder's auditors.

In the settlement agreement, Staff of the Commission acknowledged that Ms. King had cooperated fully in the investigation of the matter and had brought about an early settlement.

The Commission ordered the following sanctions:

- Ms. King's registration was terminated;
- Ms. King is prohibited from trading in securities for a period of three years from the time she admitted her misconduct, except that she may trade for her own account; and
- Ms. King was reprimanded by the Commission.

Copies of the Notice of Hearing, Statement of Allegations and Settlement Agreement are available at www.osc.gov.on.ca or from the Commission, 19th Floor, 20 Queen Street West, Toronto, Ontario.

References:

Michael Watson
Director of Enforcement
(416) 593-8156

Rowena McDougall
Senior Communications Officer
(416) 593-8117

1.3.3 Proficiency Requirements for Registrants - Financial Planning

FOR IMMEDIATE RELEASE
February 21, 2001

MEDIA ADVISORY

Toronto - Julia Dublin, Chair of the CSA Financial Planning Committee will be available to answer media questions on publication of the final rule:

PROFICIENCY REQUIREMENTS FOR REGISTRANTS HOLDING THEMSELVES OUT AS PROVIDING FINANCIAL PLANNING AND SIMILAR ADVICE

The briefing will also include an update on the Financial Planning Proficiency Examination.

Date:

February 22, 2001

Time:

10:00 am

Place:

Ontario Securities Commission
20 Queen St. West, 22nd Floor
Toronto, Ont. M5H 3S8

The rule is available on the OSC website at **www.osc.gov.on.ca** in the "***What's New Section.***"

Reference:

Rowèna McDougall
Senior Communications Officer
(416) 593-8117

POUR DIFFUSION IMMÉDIATE
Le 21 février 2001

À L'ATTENTION DES MÉDIAS

Toronto – Mme Julia Dublin, présidente du Comité de planification financière des ACVM, sera disponible pour répondre aux questions des médias relativement à la publication du règlement final :

EXIGENCES DE COMPÉTENCE À L'ÉGARD DES COURTIERS QUI OFFRENT DES CONSEILS ASSOCIÉS À LA PLANIFICATION FINANCIÈRE

Pendant la séance d'information, il sera fait une mise au point sur l'examen de compétence en planification financière.

Date:

le 22 février 2001

Heure:

10 heures

Lieu:

Commission des valeurs mobilières de l'Ontario
20, rue Queen Ouest, **22e étage**
Toronto (Ont.) M5H 3S8

Le texte anglais du règlement est disponible sur le site Internet de la CVMO, **www.osc.gov.on.ca**, dans la section «***What's New***».

Renseignements:
Rowena McDougall
Agente de communications principale
(416) 593-8117

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Robert Mitchell Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - pursuant to a take-over bid and subsequent statutory amalgamation, 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
ONTARIO AND QUEBEC

AND

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

AND

IN THE MATTER OF
ROBERT MITCHELL INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Ontario and Quebec (the "Jurisdictions") has received an application from Robert Mitchell Inc. (the "Filer"), a company continuing from the amalgamation of predecessor Robert Mitchell Inc. and Marshall-Barwick Properties Inc., for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the Filer be deemed to have ceased to be a reporting issuer for the purposes of the Legislation;

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

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

1. The Filer is a corporation amalgamated under the laws of Canada and its registered office is located at 100 Sheppard Avenue East, Suite 940, North York, Ontario.

2. The Filer is a reporting issuer in the Jurisdictions and is not in default of any requirements under the Legislation.

3. Pursuant to a take-over bid and a subsequent compulsory acquisition under the *Canada Business Corporations Act* (the "CBCA"), Marshall-Barwick Properties Inc. (the "Offeror") acquired all of the Class "B" Shares and over 73% of the outstanding Class "A" Shares in the capital of Robert Mitchell Inc. ("Robert Mitchell"), a predecessor corporation to the Filer.

4. On December 20, 2000, Robert Mitchell held a special meeting of holders of the Class "A" Shares at which an extraordinary resolution was passed authorizing the amalgamation (the "Amalgamation") of Robert Mitchell with the Offeror by way of a statutory plan of amalgamation under the CBCA. On January 3, 2001, as a result of the Amalgamation, the Filer became a wholly-owned subsidiary of Marshall-Barwick Inc.

5. Prior to the Amalgamation, Robert Mitchell had been a reporting issuer under the Legislation for at least twelve months and, as a result of the Amalgamation, the Filer became a reporting issuer in each of the Jurisdictions.

6. The Class "A" Shares and Class "B" Shares of Robert Mitchell were delisted from trading on The Toronto Stock Exchange on January 9, 2001 and November 30, 2000, respectively and no securities of Robert Mitchell or the Filer are listed or quoted on any stock exchange or market.

7. The authorized capital of the Filer consists of an unlimited number of common shares (the "Common Shares") and an unlimited number of redeemable preferred shares (the "Redeemable Shares"), of which 507,480 Common Shares and no Redeemable Shares are issued and outstanding.

8. All of the Common Shares are held by Marshall-Barwick Inc.

9. Other than the Common Shares, the Filer has no other securities, including debt securities, outstanding.

10. The Filer does not intend to seek financing by way offering securities to the public.

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

February 12, 2001.

John Hughes
Manager, Continuous Disclosure

2.1.2 The Canadian Association of Financial Planners & Fidelity Investments Canada Ltd. - MRRS Decision

Headnote

Exemption granted to mutual fund management companies from prohibition contained in subsection 5.4(1) of National Instrument 81-105 Mutual Fund Sales Practices to permit the managers to pay a portion of the costs incurred by a financial planners industry association in organizing educational conferences, provided certain conditions are met.

Rules Cited

National Instrument 81-105 Mutual Fund Sales Practices.

**IN THE MATTER OF
NATIONAL INSTRUMENT 8l-105
MUTUAL FUND SALES PRACTICES**

AND

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

AND

**IN THE MATTER OF
THE CANADIAN ASSOCIATION OF FINANCIAL
PLANNERS**

AND

**IN THE MATTER OF
FIDELITY INVESTMENTS CANADA LIMITED**

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland, Nova Scotia, Ontario, Prince Edward Island, Saskatchewan, Yukon, Nunavut and the Northwest Territories (the "Jurisdictions") have received an application from the Canadian Association of Financial Planners (the "Association") on behalf of Fidelity Investments Canada Limited ("Fidelity") and on behalf of a member of the organization (as defined the National Instrument) of any other mutual fund (collectively with Fidelity, the "Mutual Fund Organizations") for a decision pursuant to section 9.l of National Instrument 8l-105 Mutual Fund Sales Practices (the "National Instrument") for an exemption from subsection 5.4(l) of the Nationa1 Instrument to permit the Mutual Fund Organizations to pay a portion of the cost incurred by the Association in organizing its annual national conference to be held in June 2001, its Fall Conference to be held in October 2001 and other conferences and seminars organized and presented by the Association or its affiliates or its chapters in the future (collectively "Association Educational Events");

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

AND WHEREAS the Association has on its own behalf and on behalf of the Mutual Fund Organizations represented to the Decision Makers that:

1. The Association is Canada's national professional association for practicing financial planners, some of whom are licensed to sell life insurance and related financial products and services such as investment funds. The head office of the Association is located in Toronto, Ontario. The Association serves its members and their individual, family and business clients primarily by providing specialized and comprehensive programs of professional development in financial services and also by advocating policy and legislation before government, legislators and regulators at all levels; collaborating with trade and industry associations in Canada and abroad; and administering a code of ethics that is binding on its 3300 members.

2. Approximately 75% of Association members are licensed to sell life insurance or certain other financial products that are ordinarily provided by life insurance companies. Approximately 75% of Association members are registered to sell mutual funds. Approximately 30% of Association members are licensed to sell securities. Approximately 20% of Association members are not licensed to sell any financial products. A small minority occupies non-sales and/or management positions with financial services organizations. The common activity of the Association's members may be described as providing financial planning advice to Canadians wherein life and health insurance and other financial products may be used to achieve financial objectives.

3. The Association also proposes to hold a national educational conference in conjunction with its annual general meeting for 2001.

4. The Association's national conference (the "2001 Conference") is to take place in Montreal, Quebec from June 6 to 9, 2001. Approximately 2000 members of the Association are expected to attend. The 2001 Conference will be an educational event. Attendees will be able to earn 15 credit hours towards the annual continuing education credits required by the Association of its members and required by several provincial life insurance and securities regulators for holders of certain designations and licenses administered by such regulators.

5. The Association proposes to hold one regional educationa1 conference in October 2001 (the "Association's Fall Conference").

6. The Association's Fall Conference will be held at the Banff Springs Hotel, Banff, Alberta, from October 12 to 14, 2001. Approximately 350 students will attend, 75 percent of whom will be residents of Alberta and 10 to 15 percent of whom will be residents of British Columbia. Attendees will be able to earn 12 continuing education credi hours.

7. Fidelity is a member of the organization of a mutual fund family within the meaning of the National Instrument and is registered in or may otherwise distribute mutual funds in each of the Jurisdictions. Fidelity has agreed to pay a portion of the costs of the Association's Fall Conference and the 2001 Conference.

8. The Association anticipates that other members of the organization of a mutual fund will similarly offer to pay part of the costs of the Association in organizing and presenting the 2001 Conference, the Association's Fall Conference and other Association Educational Events.

9. Subsection 5.4(l) of the National Instrument prohibits a member of the organization of a mutual fund from sponsoring the costs or expenses relating to a conference, seminar or course that is organized and presented by The Investment Funds Institute of Canada ("IFIC"), the Investment Dealers Association of Canada (the "IDA") or another trade or Industry association. Subsection 5.4(2) of the National Instrument provides an exemption to permit members of the organization of a mutual fund to sponsor conferences, seminars or courses organized and presented by IFIC, the IDA or their respective affiliates in accordance with the conditions set out therein.

10. Fidelity proposes to sponsor a portion of the costs of the 2001 conference and the Association's Fall Conference and in accordance with the conditions set out in subsection 5.4(2) of the National Instrument that are applicable to a conference organized and presented by IFIC or the IDA. The Association anticipates that other members of the organization of a mutual fund will similarly propose to sponsor a portion of the costs of the 2001 Conference, the Association's Fall Conference and other Association Educational Events in accordance with those conditions. In particular:

    a. the primary purpose of the 2001 Conference, the Association's Fall Conference and other Association Educational Events will be the provision of educational information about financial planning and matters relating to mutual funds and related products;

    b. none of the Mutual Fund Organizations in a mutual fund family will pay in the aggregate more than ten percent of the total direct costs incurred by the Association for the organization and presentation of the 2001 Conference, the Association's Fall Conference and other Association Educational Events;

    c. the selection of a representative of a participating dealer to attend the 2001 Conference, the Association's Fall Conference and other Association Educational Events will be made exclusively by the participating dealer, uninfluenced by the Mutual Fund Organizations; and

d. the 2001 Conference, the Association's Fall Conference and other Association Educational Events will be held in Canada;

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

AND WHEREAS the Decision Makers are satisfied that the test contained in the National Instrument that provides the Decision Makers with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers pursuant to the National Instrument is that the prohibition contained in subsection 5.4(1) prohibiting members of the organization of a mutual fund from sponsoring the costs or expenses relating to a conference, seminar or course that is organized and presented by IFIC, the IDA or another trade or industry association shall not apply to each Mutual Fund Organization in paying a portion of the direct costs (as defined in the National Instrument) incurred by the Association relating to the Association's Fall Conference, 2001 Conference or other Association Educational Events, provided that the Mutual Fund Organization and the Association comply with the conditions set out in subsection 5.4(2) of the National Instrument in respect of the 2001 Conference, the Association's Fall Conference and other Association Educational Events.

PROVIDED that this Decision, as it relates to the jurisdiction of a Decision Maker, will terminate one year after the publication in final form of any legislation or rule of that Decision Maker which modifies the provisions of section 5.4 of the National Instrument in a manner which makes the relief provided for in this Decision unnecessary or provides similar relief on a different basis or subject to different conditions.

February 13, 2001.

"J.A. Geller" "Howard I. Weston"

2.1.3 Deutsche Bank Aktiengesellschaft - MRRS Decision

Headnote

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

Applicable Ontario Statutory Provisions

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

Regulations Cited

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

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

AND

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

AND

IN THE MATTER OF
DEUTSCHE BANK AKTIENGESELLSCHAFT

MRRS DECISION DOCUMENT

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

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

AND WHEREAS it has been represented by Deutsche Bank AG to the Decision Makers that:

1. Deutsche Bank AG is a bank incorporated under the laws of the Federal Republic of Germany. Its head office is in Frankfurt, Germany. It is the largest bank in Germany in terms of assets.

2. Deutsche Bank Canada ("DB Canada") is a foreign bank subsidiary of Deutsche Bank AG and is currently listed on Schedule II to the *Bank Act* (Canada) (the "Bank Act"). Its head office is in Toronto, Ontario.

3. DB Canada carries on a banking business involving corporate lending, real estate investment, inventory financing, global markets and equities businesses. It focuses on institutional clients, providing services to both government and private sectors.

4. The Deutsche Financial Services Division ("DFS Canada") of DB Canada provides wholesale inventory financing to retail dealers across Canada in commercial and consumer durable products, as well as accounts receivable and asset-based financing and inventory control and portfolio management services.

5. DB Canada also owns all of the outstanding shares of Deutsche Bank Securities Limited ("DBSL"), which carries on business, and is registered under applicable provincial securities laws, as a broker and investment dealer.

6. Deutsche Bank AG will only accept deposits from the following:

   (a) Her Majesty in right of Canada or in right of a province or territory, an agent of Her Majesty in either of those rights and includes a municipal or public body empowered to perform a function of government in Canada, or an entity controlled by Her Majesty in either of those rights;

   (b) the government of a foreign country or any political subdivision thereof, an agency of the government of a foreign country or any political subdivision thereof, or an entity that is controlled by the government of a foreign country or any political subdivision thereof;

   (c) an international agency of which Canada is a member, including an international agency that is a member of the World Bank Group, the Inter American Development Bank, the Asian Development Bank, the Caribbean Development Bank and the European Bank for Reconstruction and Development and any other international regional bank;

   (d) a financial institution (i.e.: (a) a bank or an authorized foreign bank under the Bank Act; (b) a body corporate to which the *Trust and Loan Companies Act* (Canada) applies; (c) an association to which the *Cooperative Credit Association Act* (Canada) applies; (d) an insurance company or a fraternal benefit society to which the *Insurance Companies Act* (Canada) applies; (e) a trust, loan or insurance corporation incorporated by or under an Act of the legislature of a province or territory in Canada; (f) a cooperative credit society incorporated and regulated by or under an Act of the legislature of a province or territory in Canada; (g) an entity that is incorporated or formed by or under an act of Parliament or of the legislature of a province or territory in Canada and that is primarily engaged in dealing in securities, including portfolio management and investment counselling, and is registered to act in such capacity under the applicable Legislation, and (h) a foreign institution that is: (i) engaged in the banking, trust, loan or insurance business, the business of a cooperative credit society or the business of dealing in securities or is otherwise engaged primarily in the business of providing financial services; and (ii) is incorporated or formed otherwise than by or under an Act of Parliament or of the legislature of a province or territory in Canada);

   (e) a pension fund sponsored by an employer for the benefit of its employees or employees of an affiliate that is registered and has total plan assets under administration of greater than $100 million;

   (f) a mutual fund corporation that is regulated under an Act of the legislature of a province or territory in Canada or under the laws of any other jurisdiction and has total assets under administration of greater than $10 million;

   (g) an entity (other than an individual) that has for the fiscal year immediately preceding the initial deposit, gross revenues on its own books and records of greater than $5 million; or

   (h) any other person if the trade is in a security which has an aggregate acquisition cost to the purchaser of greater than $150,000;

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

7. The only advisory activities which Deutsche Bank AG will undertake are incidental to its primary business and it has not and will not advertise itself as an adviser or allow itself to be advertised as an adviser in the Jurisdictions.

8. In June of 1999, amendments to the Bank Act were proclaimed that permit foreign commercial banks to establish direct branches in Canada. These amendments have created a new Schedule III listing foreign banks permitted to carry on banking activities through branches in Canada.

9. Deutsche Bank AG received an order dated January 26, 2001 under the Bank Act permitting it to establish a full service branch under the Bank Act and designating it on Schedule III thereto. Deutsche Bank AG will take over the current wholesale deposit-taking, corporate lending, custody and treasury functions currently conducted by DB Canada. In addition, DB Canada will transfer all the assets of DFS Canada to a newly created wholly-owned Canadian subsidiary of Deutsche Bank AG, and DB Canada will transfer all of the shares of DBSL to Deutsche Bank AB or a wholly-owned non-Canadian subsidiary thereof.

10. The Legislation applicable in each Jurisdiction refers to either Schedule I and Schedule II banks, "banks", "savings institutions" or "financial institutions" in connection with certain exemptions; however, no reference is made in any of the Legislation to entities listed on Schedule III to the Bank Act.

11. In order to ensure that Deutsche Bank AG, as an entity listed on Schedule III to the Bank Act, will be able to provide banking services to businesses in the Jurisdictions it requires similar exemptions enjoyed by banking institutions incorporated under the Bank Act to the extent that the current exemptions applicable to such banking institutions are relevant to the banking business being undertaken by Deutsche Bank AG in the Jurisdictions.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that in connection with the banking business to be carried on by Deutsche Bank AG in the Jurisdictions upon the establishment by Deutsche Bank AG of a branch designated on Schedule III of the Bank Act:

1. Deutsche Bank AG is exempt from the requirement under the Legislation, where applicable, to be registered as an underwriter with respect to trading in the same types of securities that an entity listed on Schedule I or II to the Bank Act may act as an underwriter in respect of without being required to be registered under the Legislation as an underwriter.

2. Deutsche Bank AG is exempt from the requirement under the Legislation to be registered as an adviser where the performance of the services as an adviser is solely incidental to its primary banking business.

3. A trade of security to Deutsche Bank AG where Deutsche Bank AG purchases the security as principal shall be exempt from the registration and prospectus requirements of the Legislation of the Jurisdiction in which the trade takes place (the "Applicable Legislation") provided that:

(i) the forms that would have been filed and the fees that would have been paid under the Applicable Legislation if the trade had been made, on an exempt basis, to an entity listed on Schedule I or II to the Bank Act purchasing as principal (referred to in this Decision as a "Schedule I or II Bank Exempt Trade") are filed and paid in respect of the trade to Deutsche Bank AG; and

(ii) the first trade in a security acquired by Deutsche Bank AG pursuant to this Decision is deemed a distribution (or primary distribution to the public) under the Applicable Legislation unless:

(a) the issuer of the security is a reporting issuer, or the equivalent, under the Applicable Legislation and, if Deutsche Bank AG is in a special relationship (where such term is defined in the Applicable Legislation) with such issuer, Deutsche Bank AG has reasonable grounds to believe that such issuer is not in default of any requirements of the Applicable Legislation;

(b) (i) the securities are listed and posted for trading on a stock exchange that is recognized by the Decision Maker of the applicable Jurisdiction for the purposes of the resale of a security acquired in a Schedule I or II Bank Exempt Trade and comply with the requirements set out in paragraph (a) or (b) of Appendix A to this Decision and have been held at least six months from the date of the initial exempt trade to Deutsche Bank AG or the date the issuer became a reporting issuer, or the equivalent, under the Applicable Legislation, whichever is the later, or

(ii) the securities are bonds, debentures or other evidences of indebtedness issued or guaranteed by an issuer or are preferred shares of an issuer and comply with the requirements set out in paragraph (a) or (c) of Appendix A to this Decision and have been held at least six months from the date of the initial exempt trade to Deutsche Bank AG or the date the issuer became a reporting issuer, or the equivalent, under the Applicable Legislation, whichever is the later, or

(iii) the securities are listed and posted for trading on a stock exchange, that is recognized by the Decision Maker of the

applicable Jurisdiction for purposes of resale of a security acquired in a Schedule I or II Bank Exempt Trade or are bonds, debentures or other evidences of indebtedness issued or guaranteed by the reporting issuer, or the equivalent, under the Applicable Jurisdiction whose securities are so listed, and have been held at least one year from the date of the initial exempt trade to Deutsche Bank AG or the date the issuer became a reporting issuer, or the equivalent, under the Applicable Legislation, whichever is later, or

(iv) the securities have been held at least 18 months from the date of the initial exempt trade to Deutsche Bank AG or the date the issuer became a reporting issuer, or the equivalent, under the Applicable Legislation, whichever is later; and

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

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

4. Provided Deutsche Bank AG only trades the types of securities referred to in this paragraph 4 with Authorized Purchasers, trades of bonds, debentures or other evidences of indebtedness of or guaranteed by Deutsche Bank AG shall be exempt from the registration and prospectus requirements of the Legislation.

5. Evidences of deposit issued by Deutsche Bank AG to Authorized Purchasers shall be exempt from the registration and prospectus requirements of the Legislation.

THE FURTHER DECISION of the Decision Maker in Ontario is that upon the establishment by Deutsche Bank AG of a branch designated on Schedule III of the Bank Act and in connection with the banking activities to be carried on in Ontario by Deutsche Bank AG through such branch:

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

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

(ii) in securities described in subsection 35(2) of the Ontario Act.

B. Except as provided for in paragraph 3 of this Decision, section 28 of Schedule I to the Regulation made under the Ontario Act shall not apply to trades made by Deutsche Bank AG in reliance on this Decision.

February 15th, 2001.

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

APPENDIX A

The following are the securities referred to subclauses 3(ii)(b)(i) and 3(ii)(b)(ii), as applicable, of the Decision herein:

(a) preferred shares of a corporation if,

(i) the corporation has paid a dividend in each of the five years immediately preceding the date of the initial exempt trade at least equal to the specified annual rate upon all of its preferred shares, or

(ii) the common shares of the corporation are, at the date of the initial exempt trade, in compliance with paragraph (b) of this Appendix A;

(b) fully paid common shares of a corporation that during a period of five years that ended less than one year before the date of the initial exempt trade has either,

(i) paid a dividend in each such year upon its common shares, or

(ii) had earnings in each such year available for the payment of a dividend upon its common shares,

of at least 4% of the average value at which the shares were carried in the capital stock account of the corporation during the year in which the dividend was paid or in which the corporation had earnings available for the payment of dividends as the case may be;

(c) bonds debentures or other evidences of indebtedness issued or guaranteed by:

(i) corporation if, at the date of the initial exempt trade, the preferred shares or the common shares of the corporation which comply with paragraph (a) or (b) of this Appendix A, or

(ii) a corporation if its earnings in a period of five years ended less than one year before the date of the initial exempt trade have been equal in sum total to at least ten times and in each of any four of the five years have been equal to at least 1-1/2 times the annual interest requirements at the date of the initial exempt trade on all indebtedness of or guaranteed by it, other than indebtedness classified as a current liability in its balance sheet, and, if the corporation at the date of the initial exempt trades owns directly or indirectly more than 50% of the common shares of another corporation, the earnings of the corporations during the said period of five years may be consolidated with due allowance for minority interests, if any, and in that event the interest requirements of the corporation shall be consolidated and such consolidated earnings and consolidated interest requirements shall be taken as the earnings and interest requirements of the corporation, and, for the purpose of this subclause, "earnings" means earnings available to meet interest charges on indebtedness other than indebtedness classified as a current liability.

2.1.4 Eicon Technology Corporation - MRRS Decision

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

AND

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

AND

IN THE MATTER OF
EICON TECHNOLOGY CORPORATION

MRRS DECISION DOCUMENT

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

AND WHEREAS 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 is a corporation constituted under the *Canadian Business Corporations Act* (the "CBCA"), it 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 Montréal, Québec;

3. The authorized capital of the Filer consists of an unlimited number of preferred shares and of common shares, of which, as of September 30, 2000, 33,932,760 common shares ("Common Shares") and 4,196,442 options to purchase Common Shares were issued and outstanding. As of December 15, 2000, there were 33,969,760 Common Shares outstanding, all of which were held by i-data Canada Inc. ("i-data");

4. As a result of a take-over bid and the subsequent compulsory acquisition procedures under CBCA, i-data became the sole security holder of the Filer;

5. The Common Shares have been delisted from the Toronto Stock Exchange on November 30, 2000 and no securities of the Filer are listed or quoted on any exchange or market;

6. The Filer has no other securities, including debt securities, outstanding other than the common shares held by i-data; and

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

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

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

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

DATED at Montréal, Québec, this 5th day of February 2001.

Jean-François Bernier
Le directeur des marchés des capitaux

2.1.5 Vivendi S. A. et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief granted, subject to certain conditions, from the prospectus and registration requirements in respect of trades in connection with a statutory arrangement.

Reporting issuer exempted from certain continuous disclosure and insider reporting requirements subject to certain conditions. Disclosure required to be provided by these provisions would not be meaningful to shareholders.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 25, 35(1)15.i, 53, 72(1)(i), 72(5), 74(1), 75, 77, 78, 79, 80(b)(iii), 81(2), 107, 108, 109, 121(2)(a)(ii).

Applicable Ontario Rules

Rule 45-501 Exempt Distributions.

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

AND

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

AND

IN THE MATTER OF
VIVENDI S.A., VIVENDI UNIVERSAL HOLDINGS COMPANY, VIVENDI UNIVERSAL EXCHANGECO INC. AND THE SEAGRAM COMPANY LTD.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland, the Yukon Territory, the Northwest Territories and Nunavut (collectively, the "Jurisdictions") has received an application from Vivendi S.A. (the "Filer"), on behalf of itself, Vivendi Universal Holdings Company ("Holdings") and Vivendi Universal Exchangeco Inc. ("Exchangeco"), for a decision pursuant to the securities legislation, regulations and/or rules of the Jurisdictions (the "Legislation") that:

(a) The requirements contained in the Legislation to be registered to trade in a security (the "Registration Requirements") and to file a preliminary prospectus and a prospectus and receive receipts therefor prior to distributing a security (the "Prospectus Requirements") shall not apply to certain trades and/or distributions of securities in connection with the proposed transactions (the "Transactions") involving the Filer, The Seagram Company Ltd. ("Seagram") and Canal Plus S.A. ("Canal"), to be effected by way of a plan of arrangement (the "Arrangement") under section 192 of the Canada Business Corporations Act, as amended (the "CBCA");

(b) the requirements contained in the Legislation to issue a press release and file a report upon the occurrence of a material change (the "Material Change Reporting Requirements"), to file and deliver an annual report, where applicable, to file and deliver interim and annual financial statements, and to file an information circular (collectively, the "Continuous Disclosure Requirements") shall not apply to Exchangeco;

(c) the requirement contained in the Legislation for an insider of a reporting issuer to file reports disclosing the insider's direct or indirect beneficial ownership of, or control or direction over, securities of the reporting issuer (the "Insider Reporting Requirements") shall not apply to each insider of Exchangeco and its successors.

(d) the requirements in the Legislation of Ontario and Nova Scotia regulating the purchase by an issuer of its own securities and the reporting of such purchases (the "Issuer Bid Requirements") and the Registration Requirements and Prospectus Requirements in those Jurisdictions shall not apply to the purchase by Exchangeco of exchangeable shares of Exchangeco owned by Holdings in exchange for common shares or preferred shares of Exchangeco.

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

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

1. The Filer is a public company in France, the shares of which are listed on the Paris Bourse. The Filer's registered office is located in Paris, France, and it is not a reporting issuer or the equivalent under the Legislation.

2. The Filer is subject to the reporting requirements of the Commission des Operations de Bourse (the "COB") and the Paris Bourse. The Filer is subject to the reporting requirements of the United States Securities Exchange Act of 1934, as amended.

3. As at October 2, 2000, the authorized capital of the Filer consisted of ordinary shares of nominal value of

EURO 5.50 each, of which 605,945,528 ordinary shares were issued and outstanding (which includes ordinary shares held in treasury by the Filer or its subsidiaries).

4. Holdings is an indirect wholly-owned subsidiary of the Filer incorporated under the Company Act (Nova Scotia), has its registered office in Halifax, Nova Scotia, and is not, and does not intend to become a reporting issuer or the equivalent under the Legislation. Holdings was incorporated in order to hold all of the common shares of Exchangeco and to hold the various call rights related to the exchangeable non-voting shares of Exchangeco to be issued pursuant to the Arrangement (the "Exchangeable Shares").

5. The authorized capital of Holdings consists of 1,000,000 common shares. Upon completion of the Arrangement, all of the issued and outstanding common shares of Holdings will be held indirectly by Vivendi Universal S.A.

6. Exchangeco is a direct wholly-owned subsidiary of Holdings incorporated under the CBCA, its registered office is located in Toronto, Ontario, and it is not currently a reporting issuer or the equivalent under the Legislation. Exchangeco was incorporated for the purpose of implementing the Arrangement.

7. The authorized share capital of Exchangeco consists of an unlimited number of common shares. The articles will be amended prior to implementation of the Arrangement to authorize the issuance of the Exchangeable Shares and one or more classes of preference shares.

8. Upon completion of the Arrangement, Exchangeco will become a reporting issuer under the Legislation, and immediately following completion of the Arrangement all of the outstanding common shares in the capital of Exchangeco will be held by Holdings and all of the outstanding Exchangeable Shares will be held by those holders of the Seagram Common Shares who validly elect to receive Exchangeable Shares in exchange for their Seagram Common Shares under the Arrangement. Exchangeco's only material assets upon completion of the Arrangement will be the Seagram Common Shares acquired by it under the Arrangement.

9. Seagram is incorporated under the CBCA, has its registered office in Waterloo, Ontario, is a reporting issuer or the equivalent under the Legislation and is not on the list of defaulting reporting issuers maintained by the Decision Makers.

10. Seagram's authorized capital consists of an unlimited number of common shares and an unlimited number of preferred shares. As at October 24, 2000, there were issued and outstanding 444,026,907 Seagram Common Shares and no preferred shares.

11. As at September 30, 2000, Seagram had outstanding options (the "Seagram Options") to acquire an aggregate of not more than 41,893,366 Seagram Common Shares.

12. As at September 30, 2000, there were issued and outstanding Seagram stock appreciation rights (the "Seagram SARs") relating to not more than 836,499 Seagram Common Shares. As of May 31, 2000, Seagram was obligated to issue up to 20,025,000 Seagram Common Shares in respect of "Seagram ACES" (which are the 18,500,000 7.5% Adjustable Conversion Rate Security Units issued by Seagram and a subsidiary of Seagram). Seagram and a subsidiary of Seagram have announced that they intend to launch a tender offer for the Seagram ACES.

13. The Seagram Common Shares are listed on the New York, Toronto and London Stock Exchanges.

14. The Filer, Canal, Sofiée S.A. ("Sofiée"), Exchangeco and Seagram have entered into a merger agreement made as of June 19, 2000 (the "Merger Agreement"). Sofiée is a wholly-owned subsidiary of the Filer. Canal is a public company 49 percent of the ordinary shares of which are owned directly and indirectly by the Filer and which is engaged in the production, marketing and distribution of subscription television services, the production of films and programs and the development of digital television technology, internet and interactive services.

15. Pursuant to the Merger Agreement and related agreements, (i) the Filer will merge with and into Sofiée, with Sofiée being renamed Vivendi Universal S.A. ("Vivendi Universal"), (ii) Vivendi Universal will acquire the non-regulated businesses of Canal, (iii) the French regulated businesses of Canal will be retained by the existing shareholders of Canal, and (iv) Vivendi Universal will indirectly acquire the outstanding capital stock of Seagram pursuant to the Plan of Arrangement.

16. Vivendi Universal's capital will consist of ordinary shares (the "Vivendi Universal Shares"). Vivendi Universal will become subject to the reporting requirements of the United States *Securities Exchange Act of 1934*, as amended, as a result of the merger of the Filer into Sofiée.

17. The Vivendi Universal Shares will be listed on the *Premier Marché* of the Paris Bourse.

18. Vivendi Universal will also list American Depositary Shares (the "Vivendi Universal ADSs") on the New York Stock Exchange, Inc. (the "NYSE"). Each Vivendi Universal ADS will represent one Vivendi Universal Share. Applications will be made as required by Vivendi Universal to the NYSE to list the Vivendi Universal ADSs issued pursuant to the Arrangement or issuable from time to time in exchange for Exchangeable Shares or upon exercise of any convertible securities.

19. Vivendi Universal has filed a registration statement on Form F-4 with the SEC in respect of the Vivendi Universal Shares to be issued under the Arrangement and related transactions.

20. The Merger Agreement also provides for the completion of the Arrangement, pursuant to which Vivendi

Universal, through Exchangeco and Holdings, will acquire all of the issued and outstanding Seagram Common Shares (other than those held by dissenting shareholders entitled to be paid fair value and those held by Vivendi Universal or any affiliate thereof).

21. On the Arrangement becoming effective, the steps described below will occur:

    (a) Each Seagram Common Share, other than (i) Seagram Common Shares held by Seagram Shareholders who are eligible to and who elect to receive Exchangeable Shares ("Exchangeable Elected Shares"), (ii) Seagram Common Shares held by Seagram Shareholders exercising their dissent rights who are ultimately entitled to be paid the fair value of the Seagram Common Shares held by them, and (iii) Seagram Common Shares held by Vivendi Universal or any affiliate thereof which shall not be exchanged under the Arrangement and shall remain outstanding as Seagram Common Shares held by Vivendi Universal or any affiliate thereof, will be transferred by the holder thereof to Holdings in exchange for that number of Vivendi Universal ADSs equal to the exchange ratio (the "Exchange Ratio", defined as the number (rounded down to the nearest ten-thousandth) determined by dividing (i) U.S. $77.35 by (ii) the Average Market Price (as defined below) provided, however, that if the Average Market Price is equal to or greater than U.S. $124.3369, the Exchange Ratio shall be .6221, and if the Average Market Price is equal to or less than U.S. $96.6875, the Exchange Ratio shall be .8000. The Average Market Price is the average of the closing price of Vivendi shares (rounded to the nearest one-hundredth of a cent) on the Paris Bourse during the 20 consecutive trading days, ending on the third complete trading day prior to the date on which the certificate is issued under the CBCA for the Articles of Arrangement (the "Effective Date") converted to U.S. dollars.

    (b) Each Exchangeable Elected Share will be transferred by the holder thereof to Exchangeco in exchange for (i) that number of Exchangeable Shares equal to the Exchange Ratio (as it may be adjusted), and (ii) that number of voting rights (the "Vivendi Universal Voting Rights", which are each an "action en nue propriété" under French law, which represents one vote on the same basis and in the same circumstances as one Vivendi Universal Share) equal to the number of Exchangeable Shares issued pursuant to the foregoing clause (i), which Vivendi Universal Voting Rights Vivendi Universal shall transfer to the custodian (the "Custodian") for and on behalf of the holders of the Exchangeable Shares issued pursuant to the foregoing clause (i), and coincident with such transfer Vivendi Universal, Exchangeco and the Custodian shall enter into the custody agreement (the "Custody Agreement") (as more fully described in paragraph 37 below).

    (c) Coincident with the transfer of Exchangeable Elected Shares to Exchangeco, Vivendi Universal, Exchangeco and the trustee (the "Trustee") will enter into an exchange trust agreement (the "Exchange Trust Agreement") and all rights of holders of Exchangeable Shares under the Exchange Trust Agreement shall be received by them as part of the property receivable by them in exchange for the Exchangeable Elected Shares so transferred.

    (d) Each Seagram Option outstanding on the Effective Date, will be exchanged for an option from Vivendi Universal or Seagram (a "Replacement Option") to purchase the number of Vivendi Universal ADSs equal to the product of the Exchange Ratio multiplied by the number of Seagram Common Shares that may be purchased as if such Seagram Option were exercisable and exercised immediately prior to the Effective Time and the option exercise price shall be adjusted accordingly. (Each Replacement Option shall be non-transferable except by will or the laws of descent and distribution.)

    (e) Each Seagram SAR outstanding on the Effective Date will be exchanged for a stock appreciation right from Vivendi Universal or Seagram (a "Replacement SAR") in respect of the number of Vivendi Universal ADSs equal to the product of the Exchange Ratio multiplied by the number of Seagram Common Shares that were the subject of the Seagram SARs immediately prior to the Effective Time and the SAR exercise price shall be adjusted accordingly. (Each Replacement SAR shall be non-transferable except by will or the laws of descent and distribution.)

22. With respect to each of the Seagram ACES outstanding on the Effective Date, the purchase contract forming part of such unit will become a purchase contract for Vivendi Universal ADSs.

23. The maximum number of Exchangeable Shares to be issued under the Arrangement is limited to 97,000,000. If the number of Exchangeable Shares issuable exceeds 97,000,000, the number of Exchangeable Shares issued to each person electing to receive Exchangeable Shares will be adjusted to reflect the 97,000,000 maximum that is available and the number of Vivendi Universal ADSs for which an Exchangeable Share is exchangeable will be appropriately increased.

24. The Exchangeable Shares are intended to be substantially the economic equivalent of the Vivendi Universal ADSs for which the Exchangeable Shares issuable under the Arrangement (the "Exchangeable Shares") will ultimately be exchanged.

25. The Toronto Stock Exchange (the "TSE") has conditionally approved the listing of the Exchangeable Shares.

26. The required approval of the Seagram Shareholders to the Arrangement will be obtained by way of special resolution, as defined under the CBCA, at a meeting of the Seagram Shareholders (the "Meeting") in accordance with the provisions of the interim order (the "Interim Order") obtained from the Superior Court of Justice (Ontario) (the "Court"). Each Seagram Shareholder will be entitled to one vote for each Seagram Common Share held.

27. In connection with the Meeting, Seagram has sent a management proxy circular (the "Circular") to the Seagram Shareholders. The Circular is included in the form of the Form F-4 registration statement filed by Vivendi Universal with the SEC. The Circular contains prospectus-level disclosure of the business and affairs of the Filer, Vivendi Universal and Seagram and a detailed description of the Arrangement.

28. The Exchangeable Shares, together with the Exchange Trust Agreement, the Custody Agreement, and the Support Agreement described below, will provide holders thereof with securities having substantially equivalent economic rights to those of a Vivendi Universal ADS. The creation of the Vivendi Universal Voting Rights will provide the holders of Exchangeable Shares with voting rights on the same basis and in the same circumstances as the Vivendi Universal Shares. Exchangeable Shares will be received by certain holders of Seagram Common Shares on a Canadian tax-deferred basis (provided appropriate tax elections are filed) and, if such shares are listed on a prescribed stock exchange (which currently includes the TSE), the Exchangeable Shares will be "qualified investments" and will not constitute "foreign property", in each case, under the *Income Tax Act* (Canada), as amended. The Exchangeable Shares will be exchangeable by a holder thereof for Vivendi Universal ADSs on a one-for-one basis (subject to adjustment) at any time at the option of such holder and will be required to be exchanged upon the occurrence of certain events.

29. The Exchangeable Shares are entitled to a preference over common shares and any other shares ranking junior to the Exchangeable Shares, with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of Exchangeco. The rights, privileges, restrictions and conditions attaching to the Exchangeable Shares (the "Exchangeable Share Provisions") provide that each Exchangeable Share will entitle the holder to a dividend from Exchangeco payable at the same time as, and economically equivalent to, each dividend paid by Vivendi Universal on a Vivendi Universal ADS. Subject to the overriding call right of Holdings referred to below, on the liquidation, dissolution or winding-up of Exchangeco, a holder of Exchangeable Shares will be entitled to receive from Exchangeco for each Exchangeable Share held an amount equal to the current market price of a Vivendi Universal ADS (as adjusted, if necessary) which shall be satisfied by delivery of one Vivendi Universal ADS (as adjusted, if necessary) (the "Vivendi Universal ADS Consideration") to the holder, together with all declared and unpaid dividends on each such Exchangeable Share (such aggregate amount, the "Liquidation Amount"). Upon a proposed liquidation, dissolution or winding-up of Exchangeco, Holdings will have an overriding call right (the "Liquidation Call Right") to purchase all of the outstanding Exchangeable Shares from the holders thereof (other than Vivendi Universal or its affiliates) for a price per share equal to the Liquidation Amount to be satisfied in the manner described in this paragraph.

30. The Exchangeable Shares will be non-voting (except as required by the Exchangeable Share Provisions or by applicable law) and will be retractable at the option of the holder at any time. Subject to the overriding call right of Holdings, upon retraction the holder will be entitled to receive from Exchangeco for each Exchangeable Share retracted an amount equal to the current market price of a Vivendi Universal ADS (as adjusted, if necessary), to be satisfied by the delivery of the Vivendi Universal ADS Consideration, together with, on the designated payment date therefor and to the extent not already paid by Exchangeco on a dividend payment date, an amount equal to all declared and unpaid dividends on each such retracted Exchangeable Share (such aggregate amount, the "Retraction Price"). Holdings 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 delivered by the holder for a price per share equal to the Retraction Price to be satisfied in the manner described in this paragraph unless the holder withdraws the notice of retraction.

31. Subject to the overriding call right of Holdings referred to below, Exchangeco shall redeem all the Exchangeable Shares then outstanding on the date established by the Board of Directors (the "Redemption Date", which shall be no earlier than the thirtieth anniversary of the date which is fourteen days prior to the Effective Date). The board of directors may accelerate the Redemption Date in certain circumstances, including if there are outstanding fewer than 5% of the actual number of Exchangeable Shares to be issued as determined at the "Election Deadline" (at 5:00 p.m. (Toronto time) at the place of deposit three business days prior to the Meeting), other than Exchangeable Shares held by Vivendi Universal and its affiliates. Upon such redemption, a holder will be entitled to receive from Exchangeco for each Exchangeable Share redeemed an amount equal to the current market price of a Vivendi Universal ADS (as adjusted, if necessary) which shall be satisfied by delivery of the Vivendi Universal ADS Consideration to the holder, together with, to the extent not already paid by Exchangeco on a dividend payment date, an amount equal to all declared and unpaid dividends on each such redeemed Exchangeable Share (such aggregate amount, the "Redemption Call Purchase Price"). Holdings will have an overriding call right (the "Redemption Call Right") to purchase from the holders all of the outstanding Exchangeable Shares (other than those owned by Vivendi Universal or its affiliates) for a price per share equal to the Redemption Call Purchase Price to be satisfied in the manner described in this paragraph upon being notified by Exchangeco of a proposed redemption of Exchangeable Shares.

32. Under the Exchange Trust Agreement, Vivendi Universal will grant to the Trustee for the benefit of the holders of the Exchangeable Shares the right (the "Exchange Right"), exercisable upon certain events related to the insolvency or bankruptcy of Exchangeco, to require Vivendi Universal to purchase from a holder of Exchangeable Shares all or any part of its Exchangeable Shares. The purchase price for each Exchangeable Share purchased by Vivendi Universal will be an amount equal to the current market price of a Vivendi Universal ADS (as adjusted, if necessary) which shall be satisfied by delivery of the Vivendi Universal ADS Consideration to the holder, together with an amount equal to all declared and unpaid dividends on such Exchangeable Share, to be satisfied by the delivery of this aggregate amount to the Trustee on behalf of the holder.

33. Under the Exchange Trust Agreement, upon the liquidation, dissolution or winding-up of Vivendi Universal, Vivendi Universal will be required to purchase each outstanding Exchangeable Share, and each holder will be required to sell all of its Exchangeable Shares (such purchase and sale obligations are hereafter referred to as the "Automatic Exchange Right"), for a purchase price per share equal to the current market price of a Vivendi Universal ADS (as adjusted, if necessary) which shall be satisfied by delivery of the Vivendi Universal ADS Consideration to the holder, together with an amount equal to all declared and unpaid dividends on each such Exchangeable Share, to be satisfied by the delivery of this aggregate amount to the Trustee, on behalf of the holder.

34. The creation of the Vivendi Universal Voting Rights provides each holder of an Exchangeable Share with the right to vote at a Vivendi Universal shareholder meeting on the same basis and in the same circumstances as if the holder held one Vivendi Universal Share. To create the Vivendi Universal Voting Rights, Vivendi Universal will split shares held in treasury, as is permitted under French law, into bare legal title ("action en nue propriété") and beneficial ownership ("usufruit"). The action en nue propriété will be transferred to the Custodian.

35. The Vivendi Universal Voting Rights will carry a number of voting rights, exercisable at any meeting of the holders of Vivendi Universal Shares, equal to the number of Exchangeable Shares outstanding from time to time that are not owned by Vivendi Universal and its affiliates. Holders of Exchangeable Shares will exercise the voting rights attached to the Vivendi Universal Voting Rights through the mechanism of the Custody Agreement described below.

36. Under the terms of the agreement under which the Vivendi Universal Voting Rights are transferred to the Custodian, the Vivendi Universal Voting Rights are surrendered to Vivendi Universal when the holders of the corresponding Exchangeable Shares receive Vivendi Universal ADSs in exchange therefor, upon the retraction or redemption of the Exchangeable Shares, the exercise of the Exchange Right, the occurrence of the Automatic Exchange Right, the liquidation, dissolution or winding up of Exchangeco, or the exercise of the Retraction Call Right, the Redemption Call Right, or the Liquidation Call Right by Holdings.

37. Under the terms of the Custody Agreement, each voting right attached to the Vivendi Universal Voting Rights must be voted by the Custodian pursuant to the instructions of the holder of the related Exchangeable Share. In the absence of any such instructions from a holder, the Custodian will not be entitled to exercise the related voting rights.

38. Contemporaneously with the closing of the Arrangement, Vivendi Universal, Exchangeco and Holdings will enter into a support agreement (the "Support Agreement"). The Support Agreement will provide that Vivendi Universal will not declare or pay any dividend on the Vivendi Universal ADSs unless Exchangeco simultaneously declares and pays an equivalent dividend on the Exchangeable Shares, and that Vivendi Universal will ensure that Exchangeco and Holdings 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.

39. The Support Agreement will also provide that, without the prior approval of Exchangeco and 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, combinations, reclassifications, reorganizations and other changes cannot be taken in respect of the Vivendi Universal ADSs generally without the same or an economically equivalent action being taken in respect of the Exchangeable Shares.

40. The steps under the Arrangement and the exercise of certain rights provided for in the Exchangeable Share Provisions, the Exchange Trust Agreement, the Custody Agreement and the Support Agreement involve or may involve a number of trades and/or distributions of securities, including trades and/or distributions related to the issuance of Exchangeable Shares pursuant to the Arrangement or upon the issuance of Vivendi Universal ADSs in exchange for Exchangeable Shares. The trades and/or distributions and possible trades and/or distributions in securities to which the Arrangement gives rise are the following:

    (a) the issuance or transfer of Vivendi Universal ADSs to Holdings and the subsequent transfer by Holdings of Vivendi Universal ADSs to holders of Seagram Common Shares or, at the direction of Holdings, the issuance or transfer of Vivendi Universal ADSs to holders of Seagram Common Shares, in either case, in connection with the Arrangement;

    (b) the transfer of Seagram Common Shares by Seagram Shareholders (other than those validly electing to receive Exchangeable Shares, those

validly exercising their right of dissent, and those held by Vivendi Universal or any of its affiliates) to Holdings;

(c) the transfer of Seagram Common Shares by validly electing Seagram Shareholders to Exchangeco, and the issuance of Exchangeable Shares by Exchangeco to such holders in return;

(d) the exchange of Seagram Options for Replacement Options to be granted by either Seagram or Vivendi Universal and the issuance and delivery of Vivendi Universal ADSs to a holder of a Replacement Option upon the exercise thereof;

(e) the exchange of Seagram SARs for Replacement SARs to be granted by either Seagram or Vivendi Universal and the issuance and delivery of Vivendi Universal ADSs to a holder of a Replacement SAR upon the exercise thereof;

(f) the issuance and delivery of Vivendi Universal ADSs to the holders of the Seagram ACESs under the purchase contracts that form part of the Seagram ACES;

(g) the grant by Vivendi Universal of the Exchange Right and the Automatic Exchange Right to the Trustee under the Exchange Trust Agreement for the benefit of holders of Exchangeable Shares, pursuant to the Exchange Trust Agreement;

(h) the transfer by Vivendi Universal to the Custodian of the Vivendi Universal Voting Rights for the benefit of the holders of the Exchangeable Shares;

(i) the surrender of the Vivendi Universal Voting Rights to Vivendi Universal upon the exercise of the Exchange Right by the holders of Exchangeable Shares, the occurrence of the Automatic Exchange Right, the retraction or redemption of the Exchangeable Shares under the Exchangeable Share Provisions, the liquidation, dissolution or winding up of Exchangeco, or upon the exercise by Holdings of the Retraction Call Right, the Redemption Call Right, or the Liquidation Call Right;

(j) the issuance by Vivendi Universal of Vivendi Universal ADSs to a holder of Exchangeable Shares upon the exercise of the Exchange Right or pursuant to the Automatic Exchange Right;

(k) the transfer of Exchangeable Shares by a holder to Vivendi Universal upon the exercise of the Exchange Right or pursuant to the Automatic Exchange Right;

(l) the grant of the Liquidation Call Right to Holdings to purchase all of the outstanding Exchangeable Shares from the holders of such shares upon a proposed liquidation, dissolution or winding-up of Exchangeco;

(m) the grant of the Retraction Call Right to Holdings to purchase from a holder of Exchangeable Shares all of the Exchangeable Shares of such holder that are the subject of a retraction notice;

(n) the grant of the Redemption Call Right to Holdings to purchase all of the outstanding Exchangeable Shares from the holders of such shares upon notice from Exchangeco of a proposed redemption of Exchangeable Shares;

(o) the issuance or transfer of Vivendi Universal ADSs to Vivendi Exchangeco and the subsequent transfer thereof by Exchangeco to a holder of Exchangeable Shares or the issuance or transfer of Vivendi Universal ADSs to Holdings and the subsequent transfer thereof by Holdings to Exchangeco and the transfer by Exchangeco to a holder of Exchangeable Shares, in either case, upon the

  (i) retraction of the Exchangeable Shares,

  (ii) redemption of the Exchangeable Shares, and

  (iii) liquidation, dissolution or winding-up of Exchangeco;

(p) the transfer of Exchangeable Shares by the holder thereof to Exchangeco upon the

  (i) retraction of the Exchangeable Shares,

  (ii) redemption of the Exchangeable Shares, and

  (iii) liquidation, dissolution or winding-up of Exchangeco;

(q) the issuance or transfer of Vivendi Universal ADSs to Holdings and the subsequent transfer thereof by Holdings to a holder of Exchangeable Shares or, at the direction of Vivendi Holdings, the issuance or transfer of Vivendi Universal ADSs to a holder of Exchangeable Shares, in either case, upon exercise of the

  (i) Retraction Call Right

  (ii) Redemption Call Right

  (iii) Liquidation Call Right;

(r) the transfer of Exchangeable Shares by the holder to Holdings upon Holdings exercising the

  (i) Retraction Call Right

  (ii) Redemption Call Right

  (iii) Liquidation Call Right;

(s) any intra-group transfers of Vivendi Universal Shares and Vivendi Universal ADSs and issuances of shares of Vivendi Universal affiliates in connection with any of the transactions referred to in the foregoing paragraphs (a) to (r); and

(t) the issuance and delivery of Vivendi Universal Shares to enable the creation and issuance of the applicable Vivendi Universal ADSs, or upon the exchange of Vivendi Universal ADSs for Vivendi Universal Shares in accordance with the terms of the Vivendi Universal ADSs;

(collectively, "the Trades")

41. The fundamental investment decision to be made by a Seagram Shareholder is made at the time of the Meeting, when such holder votes in respect of the Arrangement. As a result of this decision, such holder (other than a holder who validly exercises its right of dissent) receives Exchangeable Shares or Vivendi Universal ADSs in exchange for the Seagram Common Shares of such holder. The Exchangeable Shares may, at the holder's option, be retracted for Vivendi Universal ADSs. As the Exchangeable Shares will provide certain Canadian tax benefits to certain Canadian holders but will otherwise be substantially the economic equivalent of the Vivendi Universal ADSs and the Vivendi Universal Voting Rights will provide holders of Exchangeable Shares with voting rights on the same basis and in the same circumstances as the Vivendi Universal Shares, all subsequent exchanges of Exchangeable Shares are in furtherance of the holder's initial investment decision at the time of the Meeting. That investment decision will be made on the basis of the Circular, which will contain detailed disclosure of the business and affairs of each of Vivendi, Vivendi Universal and Seagram and of the particulars of the Arrangement.

42. If not for Canadian income tax considerations, Canadian resident holders of Seagram Common Shares could have received Vivendi Universal ADSs without the option of receiving Exchangeable Shares. The option in favour of certain holders of Seagram Common Shares to receive Exchangeable Shares under the Arrangement will enable them to defer certain Canadian income tax that would otherwise arise on the exchange of Seagram Common Shares for Vivendi Universal ADSs and, if the Exchangeable Shares are listed on a prescribed stock exchange in Canada, permit them to hold property that is a "qualified investment" and is not foreign property under the *Income Tax Act* (Canada).

43. As a result of the substantial economic equivalency between the Exchangeable Shares and the Vivendi Universal ADSs and the creation of the Vivendi Universal Voting Rights, holders of Exchangeable Shares will have a participating interest determined by reference to Vivendi Universal, rather than Exchangeco or its successors. Accordingly, it is the information relating to Vivendi Universal, not Exchangeco or its successors, that will be relevant to holders of both the Vivendi Universal ADSs and the Exchangeable Shares. Certain information required to be provided in respect of Exchangeco or its successors as a reporting issuer under the Legislation would not be relevant (and would arguably be misleading) to the holders of Exchangeable Shares.

44. Vivendi Universal will send to all holders of Exchangeable Shares contemporaneously all disclosure material furnished to holders of Vivendi Universal ADSs resident in the United States including, without limitation, copies of its annual and semi-annual financial statements and all notices prepared in connection with Vivendi Universal's shareholder meetings.

45. Vivendi Universal will send to all holders of Vivendi Universal ADSs and Vivendi Universal Shares resident in Canada contemporaneously all disclosure material furnished to holders of Vivendi Universal ADSs resident in the United States or to holders of Vivendi Universal Shares resident in France, as the case may be, including, without limitation, copies of its annual and semi-annual financial statements and all notices prepared in connection with Vivendi Universal's shareholder meetings.

46. The Circular discloses that, in connection with the Arrangement, applications have been made for prospectus, registration and resale exemptions and exemptions from disclosure and insider reporting obligations. The Circular specifies the disclosure requirements from which Exchangeco has applied to be exempted and identifies the disclosure that will be made in substitution therefor if such exemptions are granted.

47. For tax reasons, it is anticipated that subject to applicable law, Holdings will exercise the Redemption, Retraction and Liquidation Call Rights available on each occasion when such rights are available.

48. It may be advantageous from both a tax and an administrative perspective for Exchangeco to purchase from Holdings, from time to time, all the Exchangeable Shares held by Holdings as a result of the exercise of these rights.

49. The purchase price to be paid by Exchangeco to Holdings for the Exchangeable Shares will be the fair market value of the Exchangeable Shares on the date of purchase and the purchase price will be satisfied by the issue of common shares or preferred shares of Exchangeco.

50. It is intended that Exchangeco will immediately cancel any Exchangeable Shares it purchases from Holdings.

51. Such purchases will constitute issuer bids under the Legislation in Ontario and Nova Scotia and will not be exempt from the Issuer Bid Requirements under the Legislation in those Jurisdictions.

52. The issuance by Exchangeco of common shares or preferred shares to Holdings will be a distribution for

purposes of the Legislation in Ontario and Nova Scotia and will not be exempt in Nova Scotia from the Registration and Prospectus Requirements.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that:

1. The Registration Requirements and Prospectus Requirements shall not apply to the Trades, provided that:

1.1 The first trade in the Exchangeable Shares acquired pursuant to this Decision in a Jurisdiction shall be deemed a distribution or a primary distribution to the public under the Legislation of such Jurisdiction (the "Applicable Legislation") unless:

(a) at the time of the first trade, Exchangeco is a reporting issuer or the equivalent under the Legislation of the Jurisdiction in which the trade takes place (the "Applicable Legislation") or where the Applicable Legislation does not recognize the status of a reporting issuer, the requirements described in paragraph 2 below are met;

(b) no unusual effort is made to prepare the market or to create a demand for the Exchangeable Shares;

(c) no extraordinary commission or consideration is paid to a person or company in respect of the trade;

(d) if the seller of the securities is an insider or officer of Exchangeco, the seller has no reasonable grounds to believe that Exchangeco is in default of any requirement of the Applicable Legislation; and

(e) 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 any securities of Vivendi Universal (with Exchangeable Shares counted as securities of Vivendi Universal) so as to affect materially the control of Vivendi Universal, or more than 20% of the outstanding voting securities of Vivendi Universal except where there is evidence showing that the holding of those securities does not affect materially the control of Vivendi Universal, unless:

(i) if applicable, Exchangeco is a reporting issuer or the equivalent under the Applicable Legislation and is not in default of any requirement thereof;

(ii) the seller files with the applicable Decision Maker(s) and any other stock exchange recognized by such Decision Maker(s) for this purpose on which the Exchangeable Shares are listed at least seven days and not more than fourteen days prior to such first trade:

(A) a notice of intention to sell in the form prescribed by the Applicable Legislation for control block distributions (the "Control Block Rules") disclosing particulars of the control position known to the seller, the number of Exchangeable Shares to be sold and the method of distribution; and

(B) a declaration signed by the seller as at a date not more than twenty-four hours prior to its filing and prepared and executed in accordance with the Control Block Rules and certified as follows:

"the seller for whose account the securities to which this certificate relates are to be sold hereby represents that the seller has no knowledge of any material change which has occurred in the affairs of the issuer of the securities which has not been generally disclosed and reported to the securities regulatory authority in the Jurisdiction where the trade takes place, nor has the seller any knowledge of any other material adverse information in regard to the current and prospective operations of the issuer which have not been generally disclosed",

provided that the notice required to be filed under section 1.1(e)(ii)(A) and the declaration required to be filed under section 1.1(e)(ii)(B) shall be renewed and filed at the end of sixty days after the original date of filing and thereafter at the end of each twenty-eight day period so long as any of the Exchangeable Shares specified under the original notice have not been sold or until notice has been filed that the Exchangeable Shares so specified or any part thereof are no longer for sale;

(iii) the seller files with the applicable Decision Maker(s) within three days after the completion of any such first trade, a

report of the trade in the form prescribed by the Applicable Legislation;

(iv) no unusual effort is made to prepare the market or to create a demand for the Exchangeable Shares and no extraordinary commission or other consideration is paid in respect of such first trade; and

(v) the seller (or affiliated entity) has held the Exchangeable Shares and/or Seagram Common Shares, in the aggregate, for a period of at least six months, provided that if:

(A) the Applicable Legislation provides that upon a seller to whom the Control Block Rules apply acquiring additional securities of a class pursuant to certain prescribed exemptions from prospectus requirements under such legislation, all securities of such class are subject to a hold period commencing the date the last security of the class was acquired under such prescribed exemptions; and

(B) the seller acquires Exchangeable Shares pursuant to any such prescribed exemptions;

then all Exchangeable Shares held by the seller will be subject to such hold period commencing on the date any such subsequent Exchangeable Shares are so acquired; and

1.2 the first trade in Vivendi Universal ADSs acquired pursuant to one of the Trades in a Jurisdiction and the first trade in Vivendi Universal Shares received upon the exchange of Vivendi Universal ADSs for Vivendi Universal Shares in accordance with the terms of the Vivendi Universal ADSs shall be deemed a distribution or a primary distribution to the public under the Applicable Legislation unless such first trade is executed on an exchange or market outside of Canada.

2. The Continuous Disclosure Requirements shall not apply to Exchangeco and the Insider Reporting Requirements shall not apply to an insider of Exchangeco other than a director or senior officer of Vivendi Universal for so long as:

(i) Vivendi Universal sends to all holders of Exchangeable Shares contemporaneously all disclosure material furnished to holders of Vivendi Universal ADSs resident in the United States, including, without limitation, copies of its annual financial statements and all notices prepared in connection with Vivendi Universal's shareholder meetings;

(ii) Vivendi Universal files with the Decision Makers copies of all documents required to be filed by it with the United States Securities and Exchange Commission under the United States Securities Exchange Act of 1934, as amended, including, without limitation, copies of any Form 20-F, Form 6-K and proxy solicitation materials prepared in connection with Vivendi Universal's shareholders' meetings;

(iii) Vivendi Universal complies with the requirements of the NYSE in respect of making public disclosure of material information on a timely basis and forthwith issues in Canada and files with the Decision Makers any such press release that discloses a material change in Vivendi Universal's affairs;

(iv) Exchangeco complies with the Material Change Reporting Requirements in respect of material changes in the affairs of Exchangeco that would be material to holders of Exchangeable Shares but would not be material to holders of Vivendi Universal ADSs;

(v) the Circular includes a statement that, as a consequence of this Decision, Exchangeco and its insiders will be exempt from certain disclosure requirements in Canada applicable to reporting issuers and their insiders and specifying those requirements Exchangeco and its insiders have been exempted from and identifying the disclosure that will be made in substitution therefor;

(vi) Vivendi Universal includes in all future mailings of proxy solicitation materials (if any) to holders of Exchangeable Shares a clear and concise statement explaining the reason for the mailed material being solely in relation to Vivendi Universal and not in relation to Exchangeco, such statement to include a reference to the substantial economic equivalency between the Exchangeable Shares and the Vivendi Universal ADSs and the manner in which the Vivendi Voting Rights are exercisable at meetings of holders of Vivendi Universal Shares pursuant to the Custody Agreement;

(vii) Vivendi Universal remains the direct or indirect beneficial owner of all the issued and outstanding common shares of Exchangeco; and

(viii) Vivendi Universal's annual audited financial statements are reconciled to U.S. GAAP (or international GAAP, if this becomes acceptable in Canada) in its Form 20-F or equivalent documents and such reconciliation is audited;

(ix) except for securities issued to Vivendi Universal or to wholly-owned subsidiaries of Vivendi Universal, Exchangeco does not issue any securities to the public other than the Exchangeable Shares and dividends and

distributions thereon in accordance with the provisions thereof; and

(x) all filing fees that would otherwise be payable by Exchangeco in connection with the Continuous Disclosure Requirements are paid.

IT IS ALSO THE DECISION of the Decision Makers in Ontario and Nova Scotia pursuant to the Legislation in those jurisdictions that the Issuer Bid Requirements and the Registration and Prospectus Requirements shall not apply to the purchase by Exchangeco of Exchangeable Shares of Exchangeco owned by Holdings in exchange for common shares or preferred shares of Exchangeco.

December 6, 2000.

"R. W. Davis" "Robert W. Korthals"

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

Headnote

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

Regulations Cited

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

Rules Cited

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

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

AND

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

AND

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

AND

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

MRRS DECISION DOCUMENT

WHEREAS the securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Newfoundland, Quebec and Ontario (collectively, the "Jurisdictions") have received an application from National Bank Financial Inc. («NBF»), RBC Dominion Securities Inc. («RBC»), BMO Nesbitt Burns Inc. («BMO») and Scotia Capital Inc. («Scotia») (collectively, the «Underwriters») for a decision pursuant to the securities legislation of the Jurisdictions (the «Legislation») that the requirement (the «Independent Underwriter Requirement» contained in the Legislation which restricts a registrant from acting as an underwriters in connection with a distribution of securities of an issuer made by means of prospectus, where the issuer is a connected issuer (or the equivalent) of the registrant unless a portion of the distribution at least equal to that portion underwritten by non-independent underwriters is underwritten by an

independent underwriter, shall not apply to the Underwriters in respect of a proposed distribution (the «Offering») by G.T.C. Transcontinental Inc. («GTC») of Class A subordinate voting shares (the «Shares») by way of a short form prospectus (the «Prospectus»);

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

AND WHEREAS the Underwriters have represented to the Commissions that:

1. GTC was incorporated under the Canada Business Corporations Act on March 3, 1978 and its head office is located in Montreal, Quebec.

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

3. GTC filed on February 1, 2001 a preliminary short form prospectus (the "Preliminary Prospectus") under the Mutual Reliance Review System for Prospectuses with Quebec as its designated jurisdiction and will file a final short form prospectus on or about February 12, 2001.

4. The Underwriters involved in the Offering are NBF, RBC, BMO and Scotia. The proportionate share of the Offering underwritten by each of the Underwriters is as follows:

Underwriter	Proportionate Share
NBF	35%
RBC	35%
BMO	15%
Scotia	15%

5. NBF is an indirect, wholly-owned subsidiary of the National Bank of Canada, RBC is an indirect wholly-owned subsidiary of the Royal Bank of Canada, BMO is a wholly-owned subsidiary of BMO Nesbitt Burns Corporation Limited, an indirect majority-owned subsidiary of Bank of Montreal and Scotia is a wholly-owned subsidiary of the Bank of Nova Scotia. National Bank of Canada, Royal Bank of Canada, Bank of Montreal and Bank of Nova Scotia are hereinafter referred to as the "Related Banks".

6. GTC currently has credit facilities (the "Credit Facilities") with a group of banks, which include the Related Banks. The Credit Facilities provide for an aggregate maximum availability of $368 million or US equivalent and US$90 million, of which approximately $228 million is drawn as of the date of the Preliminary Prospectus. GTC is not in default under any of the Credit Facilities.

7. By virtue of the Credit Facilities, GTC may be considered a connected issuer (as that term is defined in the Proposed Multi-Jurisdictional Instrument 33-105 entitled Underwriting Conflicts (1998) 21 OSCB 788) (the "Proposed Conflicts Instrument") of each of the Underwriters; thus the Underwriters do not comply with the proportionate requirement of the Legislation.

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

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

10. The net proceeds of the Offering will be used to reduce GTC's indebtedness to the Related Banks. The Related Banks did not participate in the decision to make the Offering nor in the determination of the terms of the Offering or the use of proceeds thereof.

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

12. The disclosure required by Schedule C to the Proposed Conflicts Instrument is contained in the Preliminary Prospectus and will be contained in the final short form prospectus and the certificate in such prospectus will be signed by each of the Underwriters.

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 in the jurisdiction to make the decision has been met;

THE DECISION of the Decision Makers, under the Legislation, is that the Independent Underwriter Requirement shall not apply to the Underwriters in connection with the Offering provided GTC is not a related issuer, as defined in the Proposed Instrument, GTC at time of the Offering and is not a specified party, as defined in the Proposed Instrument, at the time of the Offering.

February 12, 2001.

"Jean Lorrain"

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

ET

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

ET

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

ET

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

DOCUMENT DE DÉCISION DU REC

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

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

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

1. GTC a été constituée en vertu de la *Loi canadienne sur les sociétés par actions* le 3 mars 1978 et son siège social est situé à Montréal (Québec).

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

3. GTC a déposé le 1er février 2001 un prospectus simplifié provisoire (le « prospectus provisoire ») en vertu du régime d'examen concerté des prospectus et ayant le Québec comme son territoire désigné, et entend déposer un prospectus simplifié définitif le ou vers le 12 février 2001.

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

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

5. NBF est une filiale en propriété exclusive indirecte de Banque Nationale du Canada, RBC est une filiale en propriété exclusive indirecte de Banque Royale du Canada, BMO est une filiale en propriété exclusive de Corporation BMO Nesbitt Burns Limitée, filiale en propriété majoritaire indirecte de Banque de Montréal, et Scotia est une filiale en propriété exclusive de Banque de Nouvelle-Écosse. Banque Nationale du Canada, Banque Royale du Canada, Banque de Montréal et Banque de Nouvelle-Écosse sont ci-après appelées les « banques reliées».

6. GTC compte actuellement des facilités de crédit (les «facilités de crédit») consenties par un consortium bancaire dont font partie les banques reliées. Les facilités de crédit mettent à sa disposition au total, au plus 368 millions de dollars ou l'équivalent en dollars américains et 90 millions de dollars américains dont environ 228 millions de dollars ont été utilisés en date du prospectus provisoire. GTC n'est pas en défaut quant aux facilités de crédit susmentionnées.

7. En vertu des facilités de prêt, GTC peut être considérée comme un émetteur associé, au sens de cette expression dans le projet de norme multi-juridictionnelle 33-105 intitulée *Underwriting Conflits* (1998) 21 OSCB 788) (le «projet de norme en matière de conflits»), de chacun des preneurs fermes; les preneurs fermes ne respectent donc pas le pourcentage prescrit par la législation.

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

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

10. Le produit net du placement sera affecté à la réduction de la dette de GTC envers les banques reliées. Les banques reliées n'ont pas participé à la décision de faire le placement, ni à l'établissement des modalités du placement, ni à l'emploi du produit de celui-ci.

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

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

ET QUE, selon le Régime d'examen concerté des demandes de dispense (le «Régime») le présent document de décision du REC atteste la décision de chaque décideur (collectivement, la «décision»);

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

LA DÉCISION des décideurs, en vertu de la législation, est que l'exigence d'un preneur ferme indépendant n'est pas requise relativement au placement de titres par GTC qui n'est pas, au moment du placement de titres, un émetteur relié, tel que ce terme est défini dans le Projet de la Norme Multilatérale, et GTC n'est pas, au moment du placement de titres, une partie désignée, tel que ce terme est défini dans le Projet de la Norme Multilatérale.

Datée le 12 février 2001.

"Jean Lorrain"

2.1.7 BMO Nesbitt Burns Inc. and Canbras Communications Corp. - MRRS Decision

Headnote

MRRS - Issuer is a connected issuer, but not related issuer in respect of underwriters - underwriters exempt from the independent underwriter requirement in the legislation with respect to distribution by connected issuer - subject to certain conditions.

Applicable Ontario Statutory Provisions

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

Applicable Ontario Regulations

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

Applicable Ontario Rules

Proposed Multi-Jurisdictional Instrument 33-105 Underwriting Conflicts Rule 33-5B - *In the* Matter of Limitations on a Registrant Underwriting Securities of a Related or a Connected Issuer of the Registrant.

**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
BMO NESBITT BURNS INC. AND
CANBRAS COMMUNICATIONS CORP.**

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 "**Decision Makers**") from BMO Nesbitt Burns Inc. ("**NB**") (the "**Filer**") 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 Filer in connection with a proposed public offering (the "**Offering**") by Canbras Communications Corp. (the "**Corporation**") to its registered holders of common shares (the "**Common Shares**") of rights (the "**Rights**") to

subscribe for additional Common Shares by way of a prospectus (the "**Prospectus**") to be filed with all securities commissions in Canada.

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

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

1. The Corporation was incorporated under the Company Act (British Columbia) on August 7, 1986 and was continued under the Canada Business Corporations Act on June 22, 1998;

2. The head office of the Corporation is located in Montreal;

3. The Corporation was recognized as a reporting issuer under the Legislation of the Principal Jurisdiction in April 2000, with such status deemed effective as of August 1987;

4. The Corporation has filed an undertaking to file all continuous disclosure documents that they would be required to file under the Legislation in Newfoundland, New-Brunswick, Prince Edward Island and Manitoba until they are recognized as a reporting issuer in such jurisdictions;

5. The Corporation is also a reporting issuer under the Legislation of the following jurisdictions: British-Columbia, Alberta, Saskatchewan, Ontario and Nova-Scotia;

6. The Common Shares are listed on the Toronto Stock Exchange ("**TSE**");

7. The Corporation is not in financial difficulty and is not in default under any of its obligations;

8. The Corporation is proposing to complete the Offering in each of the provinces of Canada and the Offering is to be made by way of a short form Prospectus;

9. A preliminary prospectus in respect of the Offering was filed with the securities regulators of each province, with the Commission des valeurs mobilières du Québec designated as the principal regulator under National Policy 43-201 (Mutual Reliance Review System for Prospectuses and Annual Information Forms), on December 21, 2000;

10. NB proposes to act as dealer manager together with CIBC World Markets Inc. ("**WM**") (collectively, the "**Underwriters**") for the purpose of the Offering. In respect to the fees concerning the offering (the "**Fee**"), NB will receive 60 % of the Fee and WM will receive 40 % of the Fee;

11. WM is a wholly owned subsidiary of a Canadian chartered bank;

12. NB is an indirect wholly-owned subsidiary of BMO Nesbitt Burns Corporation Limited, an indirect majority-owned subsidiary of a Canadian chartered bank which has provided the Corporation with borrowings under a bank financing facility for up to $25 million, with negotiations underway for an additional facility to be granted to the Corporation prior to the closing of the Offering (the "**Bank Facility**");

13. NB or its affiliates, has performed and may continue to perform from time to time various investment and/or commercial banking services for the Corporation, and has acted and may continue to act as a financial advisor to the Corporation;

14. The net proceeds of the Offering will be used among other things to repay the borrowings under the Bank Facility;

15. The decision to undertake the Offering and the determination and the use of proceeds thereof were made without the involvement of the aforementioned bank;

16. Both NB and WM have participated in the negotiating and establishing of the terms of the Offering, including the price, and have participated in the due diligence process related to the Offering;

17. By virtue of the Bank Facility, the Corporation 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 NB, thus the Underwriters do not comply with the proportionate requirement of the Legislation;

18. In connection with the Offering, the Corporation is not a "related issuer" or its equivalent as such terms are defined in the Legislation, in respect of NB and WM and is not a "connected issuer" or its equivalent in respect of WM. WM is an independent underwriter as defined in the Proposed Conflicts Instrument;

19. 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.

DECISION

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

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

IT IS THE DECISION by the Decision Makers pursuant to the Legislation that the Independent Underwriter Requirement shall not apply to the Filer in connection with the Offering provided that the Corporation is not a related issuer,

as defined in the **Proposed Conflicts Instrument**, to the Filer 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.

January 23, 2001.

"Guy Lemoine" "Viateur Gagnon"

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

ET

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

ET

DANS L'AFFAIRE DE BMO NESBITT BURNS INC. ET DE CANBRAS COMMUNICATIONS CORP.
DOCUMENT DE DÉCISION DU REC

CONSIDÉRANT qu'une demande a été reçue par l'Alberta Securities Commission, la British Columbia Securities Commission, la Securities Commission de Terre-Neuve, la Commission des valeurs mobilières du Québec et l'Ontario Securities Commission (les «**décideurs**») de BMO Nesbitt Burns Inc. («**NB**») (le «**déposant**») pour une décision en vertu de la législation en valeurs mobilières des territoires respectifs (la «**législation**») d'Alberta, de Colombie-Britannique, de Terre-Neuve, du Québec et de l'Ontario (les «**territoires**») que les restrictions relatives aux règles de conflits d'intérêts contenu dans la législation (les «**exigences relatives aux courtiers indépendants**») prohibant le déposant d'agir à titre de courtier ne s'applique pas au déposant aux fins d'émission publique proposée (l'«**offre**») de Canbras Communications Corp. (la «**société**») aux détenteurs d'actions ordinaires inscrits (les «**actions ordinaires**») de droits (les «**droits**») de souscrire à de nouvelles actions ordinaires par le biais d'un prospectus (le «**prospectus**»).

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;

ET CONSIDÉRANT que le déposant a déclaré au décideur ce qui suit :

1. La société fut incorporée en vertu de la *Corporation Act* (Colombie-Britannique) le 7 août 1986 et fut prorogée en vertu de la *Loi canadienne sur les sociétés par actions* le 22 juin 1998;

2. Le siège social de la société est situé à Montréal;

3. La société s'est vue reconnaître le titre d'émetteur assujetti en vertu de la législation de l'autorité principale en avril 2000, tel statut étant rétroactif à août 1987;

4. La société a déposé un engagement de déposer tous documents de divulgation continue qu'elle serait dans l'obligation de déposer en vertu de la législation à Terre-Neuve, au Nouveau-Brunswick, à l'Île du Prince Édouard et au Manitoba tant qu'elle ne sera pas reconnue dans ces juridictions à titre d'émetteur assujetti;

5. La Société est aussi un émetteur assujetti dans les territoires suivants : la Colombie-Britannique, l'Alberta, la Saskatchewan, l'Ontario et la Nouvelle-Écosse;

6. Les actions ordinaires sont inscrites à la *Toronto Stock Exchange* («**TSE**»);

7. La société n'est pas en difficultés financières et n'est pas en défaut de respecter quelconque de ses obligations;

8. La société se propose de compléter l'offre dans chacune des provinces du Canada par le biais d'un prospectus simplifié;

9. Un prospectus préliminaire relatif à l'offre a été déposé auprès de l'autorité locale en valeurs mobilières de chaque province, ainsi qu'à la Commission des valeurs mobilières du Québec, désignée pour agir à titre d'autorité principale en vertu de l'instruction canadienne 43-201 (*Régime d'examen concerté du prospectus et de la notice annuelle*), le 21 décembre 2000;

10. NB se propose d'agir à titre de *courtier gérant* en société de CIBC World Markets Inc. («**WM**») (collectivement les «**courtiers**») aux fins de l'offre relativement aux honoraires relativement à l'offre (les «**honoraires**»), NB recevra 60 % des honoraires et WM recevra 40 % des honoraires;

11. WM est une filiale à parts entières d'une banque à charte canadienne;

12. NB est une filiale indirecte et propriété exclusive de *BMO Nesbitt Burns Corporation Limited*, cette dernière étant elle-même une filiale dont la majorité des parts est propriété d'une banque à charte canadienne qui a consenti à la société dans le cadre d'un plan de financement bancaire des sommes allant jusqu'à 25 millions de dollars. Des négociations sont également en cours concernant un prêt additionnel accordé à la société avant la clôture de cette offre. (l'«**emprunt bancaire**»);

13. NB ou ses filiales, ont rendu et pourraient continuer à rendre de temps en temps divers services bancaires à la société relatifs au commerce ou à l'investissement, et ont agi et pourraient continuer à agir à titre de conseiller financier de la société.

14. Le produit net de l'offre sera utilisé entre autres pour le remboursement des emprunts effectués en vertu de l'entente bancaire;

15. La décision d'entreprendre cette offre et le choix et l'usage du produit furent faits sans que la banque ci-haut mentionnée ne soit impliquée de quelque manière;

16. Tant NB que WM ont participé à la négociation et à l'établissement des termes de l'offre, incluant le prix, et ont participé au processus de vérification diligente relatif à l'offre;

17. En vertu de l'emprunt bancaire, la société pourrait être considérée comme un «émetteur associé» ou son terme équivalent, tel que défini dans le projet de normes multilatérales 33-105 sur les conflits d'intérêts («**projet de normes relatives aux conflits d'intérêts**») de NB, ainsi, les courtiers ne rencontrent pas les exigences de proportionnalité de la législation;

18. Relativement à l'offre, la société n'est pas un «émetteur relié» ou son terme équivalent tel que défini par la législation, relativement à NB et WM et n'est pas un «émetteur associé» ou son terme équivalant relativement à WM;

19. La divulgation requise par l'annexe C du projet de normes relatives aux conflits d'intérêts sera contenue dans le prospectus préliminaire et dans le prospectus et le certificat dans ce prospectus sera signé par les courtiers.

DÉCISION

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

ET QUE chacun des décideurs est d'avis que le test contenu dans la législation qui accorde le pouvoir discrétionnaire au décideur a été respecté;

LA DÉCISION des décideurs en vertu de la législation est que les exigences relatives au courtier indépendant ne devrait pas s'appliquer au déposant relativement à l'offre pourvu que la société ne soit pas un émetteur associé tel que défini dans le projet de normes relatives aux conflits d'intérêts, au déposant au moment de l'offre et n'est pas une partie intéressée, tel que défini dans le projet de normes relatives aux conflits d'intérêts au moment de l'offre.

DATÉE à Montréal, ce 23e jour de janvier 2001.

"Guy Lemoine" " Viateur Gagnon"

2.1.8 Lois Doreen King - Settlement Agreement

IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990 C.s.5, as amended (the "Act")

AND

IN THE MATTER OF
LOIS DOREEN KING

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. By Notice of Hearing dated February 12 2001, (the "Notice"), the Ontario Securities Commission (the "Commission") announced that it proposed to hold a hearing to consider, pursuant to section 127(1) of the Act, whether it is in the public interest for the Commission to make an order that the Respondent, Lois King (the "Respondent"), have her registration with the Commission terminated and whether she cease trading in securities permanently or for such time as the Commission may direct.

II. JOINT SETTLEMENT AGREEMENT

2. Staff of the Commission ("Staff") agree to recommend settlement of the proceedings against the Respondent initiated by the Notice in accordance with the terms and conditions set out below. The Respondent consents to the making of an order against her in the form attached as Appendix A on the basis of the facts set out below.

III. AGREED STATEMENT OF FACTS

3. The Respondent and Staff agree to and acknowledge the following facts.

4. The Respondent was at all material times registered under the Act as a portfolio management investment counsellor with Boulder Management Inc. ("Boulder"), which was in turn registered with the Commission as a Securities Dealer, Investment Counsel and Portfolio Manager. Boulder's chief business was the management of four closely held investment funds distributed by private placement (the "Funds"), the subscribers to which were all sophisticated, high net worth investors. The Respondent owned 51% of Boulder, and had two other partners in the business, Louise Morwick ("Morwick") and Denise Flick ("Flick"). The Respondent was a director of Boulder, and, with Morwick, was primarily responsible for the portfolio management side of the business. Flick was the chief administrator of the firm.

5. The Funds managed by Boulder were intended to profit from "convertible hedging". As the people primarily responsible for Boulder's trading, the Respondent and Morwick would cause the Funds to (a) purchase convertible debentures and (b) sell short the underlying common stock for those debentures in an amount equal to the face amount of the debentures. At worst, for the Funds, this strategy would result in a profit to the Funds roughly equal to the amount paid by the debenture less the costs of borrowing the common stock sold short, since the Funds' liability (the common stock), was fully offset by their asset (the debentures), which were exercisable at the option of the Funds. However, the Funds tended to perform best in volatile or bear markets, while they did less well during bull markets.

6. Units in the funds were priced at the close of each month. Subscribers were permitted to purchase or redeem units at month-end only. The market price of the units in the Funds was determined by the value of the debentures and the value of the underlying common stock. In general, if the value of the common shares was high relative to the value of the debentures, the unit values in the Funds would drop.

7. Pricing the Funds at month end was the responsibility of the Respondent. After the close of business on the last day of each month, the Respondent would get market prices for both the debentures and the common shares from a broker at Forum Capital Markets ("Forum"), one of the New York-based dealers used by Boulder. She would then input the prices in two places: Boulder's accounting system and Boulder's inventory cash management system. Morwick would check the prices in the inventory cash management system on the first day of each month, *i.e.* the morning after the Respondent had input the prices. Morwick did not check the prices in the accounting system (although she and Flick had at all times access to the information), and assumed that the Respondent input the same prices in each system. The unit prices of the Funds were calculated by Boulder's accounting system.

8. The market price of the common stock was easily ascertainable by Forum since the price at which shares in those issuers had traded on the various exchanges was easily ascertainable. Determining a market price for the debentures was more difficult, since these securities trade on no exchange. Accordingly, Forum would use their expertise and experience, and their knowledge of the market in convertible debentures, to provide to the Respondent their best estimate of both "bid" and "ask" prices for the debentures. After the close of business on the last day of each month, Forum would fax a handwritten "pricing sheet" to Boulder, which sheet stated the closing price for the underlying common shares, and the bid and ask price for the debentures.

9. In the normal course, Boulder used the mean between these bid and ask estimates in order to arrive at a market value for the debentures, which value was used to calculate the market value of units in the Funds. However, for illiquid securities, Boulder policy permitted the Respondent to exercise a discretion to depart from the mean in setting the market price, given the imprecise nature of the method used for determining that value. There were times when some of the debentures might have been described as "illiquid". Accordingly, on occasion, when it was believed by virtue of this illiquidity that the mean of the bid and ask prices supplied by Forum did not truly reflect the

market, in setting the market price for the debentures (and, ultimately, for the price of units in the Funds), Boulder would depart slightly from the mean of the bid and ask and ascribe another value to the debentures which value Boulder reasonably and truly believed better reflected the market.

10. Many of the common shares which Boulder had sold short were traded on NASDAQ. In the fall of 1999, NASDAQ was particularly bullish. Meanwhile, the market for debentures was flooded with new issues. Accordingly, the market value of units in the Funds dropped dramatically so that they reflected large losses, which losses were unrealized in the Funds owing to the fact that the debentures were fully hedged against the underlying securities and could be held until their redemption date. In setting the month end prices for the debentures (and ultimately for the units in the Funds) in October, 1999, the Respondent departed from the mean of the bid and ask prices supplied by Forum and set the market value close to or at the ask price supplied by Forum. She did so without consulting or informing her partners or any of the subscribers to the Funds. In November, 1999, the Respondent again departed from the mean and valued the debentures close to or at the ask price supplied by Forum. Again, she did so without consulting or informing her partners or any of the Funds' subscribers. In December, 1999, the Respondent again departed from the mean, and for a number of the debentures in the portfolio, set the market value at a price above the ask price supplied by Forum. Again, she did so without consulting or informing her partners or any of the Funds' subscribers. Accordingly, in each of these three months, the value of units in the Funds was overstated. These overstatements did not reflect an appropriate exercise of the discretion described in the previous paragraph.

11. During these three months, the Respondent input the true market prices into Boulder's inventory cash management system and the incorrect prices, which departed from the mean, into the Boulder's accounting system. Accordingly, the prices which Morwick checked were accurate. The unit prices produced by Boulder's accounting system were overstated.

12. In January 2000, the Funds' auditors, PricewaterhouseCoopers ("PWC") began their annual audit of the Funds. As part of their work, PWC sought to confirm the market value of the various securities held by the Funds. To the Respondent's knowledge, PWC wished to get a copy of the December 1999 pricing sheet from Forum. The Respondent knew that Forum's December 1999 pricing sheet would not conform with the values she had attributed to the debentures held by the Funds. The Respondent telephoned Tracy Evert ("Evert"), the broker with whom she dealt at Forum, and told her that PWC wanted the December 1999 pricing sheet to be sent directly to PWC from Forum. The Respondent told Evert that she had a copy of it in hand and that she would fax it to Evert so that Evert could fax it to PWC. Evert agreed with this procedure. She waited for the Respondent to fax the pricing sheet to her and then had her assistant fax it directly to PWC. However, the pricing sheet which the Respondent sent to Evert, and which was forwarded to PWC, had been altered by the Respondent before she faxed it to Evert. The Respondent altered the sheet so that it would reflect the prices she had ascribed to the debentures, which was not reflective of the value ascribed by Forum or by the market. Evert was not told by the Respondent that her pricing sheet had been altered, nor, apparently, did she or her assistant notice that it had been altered. Evert sent the altered sheet on to PWC unaware that it was intended by the Respondent to mislead PWC.

13. In addition to checking the prices from Forum, PWC approached another dealer in the United States in order to confirm that Forum's estimates of the market values of the debentures in December 1999 were accurate. It became apparent from the market prices supplied by this second dealer that the numbers on Forum's December 1999 pricing sheet did not properly reflect the market.

14. On February 9, 2000, The Respondent overheard representatives from PWC discussing the discrepancies between the market prices supplied by Forum and the second dealer. At that time she realized that her deception had been or would be discovered. The Respondent immediately wrote a note for her two partners which reads as follows:

February 9, 2000

Denise and Louise,

- see attached letters. Please send out as soon as possible.

- Sept 30 Pricing - OK - you might want the auditors to check it.

- Need to revalue Oct, Nov, Dec/99 for all funds

*- watch MMGR/AES conversions
I'm so sorry. I really panicked. I don't know how I'm going to live with myself. I may decide not to.

Lois

[Staff and the respondent are agreed that the fourth point in this note (A*- watch MMGR/AES conversions@) is irrelevant to this proceeding.]

15. The note's reference to "attached letters" was a reference to letters written by the Respondent to the subscribers in the Funds explaining the overstatement. There were three such letters, which together applied to all of the Funds. The letters are dated February 11, 2000 and are essentially identical. Their text reads as follows:

I deeply regret to inform you that the preliminary December 31, 1999 net asset values of [the Funds] have been overstated by approximately 20%.

The overstatement has resulted from an error in judgement in the marking to market of unrealized losses in the portfolio since October 1, 1999. The unprecedented surge in NASDAQ over the past three months has caused convertible premiums on most positions in the Boulder portfolios to contract sharply. The unrealized losses have also been impacted by the large number of new convertible offerings, which results in the "older" convertible issues becoming less attractive to potential buyers (and hence cheaper). Compounding these two effects is the natural leverage in the portfolio where a 1 point change per $100 par debenture across all of the fund's positions impacts the bottom line by approximately 10%. Despite the increase in the unrealized losses during the past few months, I truly believe that any future sharp reversal in NASDAQ will result in the fund recouping these unrealized losses.

I take full responsibility for the under-valuation of these unrealized losses and am resigning from Boulder effective immediately. I want to state that no other employee or partner of Boulder was aware of the extent of these losses and there were no unauthorized trades.

You have my deepest apology. I will regret my poor judgement forever.

16. The Respondent left the note and the letters for her partners Morwick and Flick. She then left the office. Morwick and Flick immediately informed the auditors and the largest investor in the Funds, and then sent the letters described and quoted in the previous paragraph to all the Funds' subscribers, subsequently calling each of them to explain the situation. The Funds' largest subscriber conducted extensive due diligence on the books and records of Boulder in an effort to understand the depth of the problem created by the Respondent. PWC engaged in the same kind of investigation.

17. It was discovered that the Funds had been overvalued in the manner described by the Respondent in her note and letters. No other problems were discovered by the investigations into these matters. PWC was retained by Boulder to determine whether any subscribers to the funds had paid too much for units in the Funds, or been paid too little on redemptions, on the basis of the overstated unit prices. PWC determined that 14 purchasers of units in the funds paid too much for their units. Those investors either accepted compensation in the form of more units in the Funds, or rescinded their purchases. These rescissions cost Boulder $479,888. Four investors were paid too much on redemptions of their units. Boulder has been unable to recover all of this money, of which $144,774 is still outstanding. Boulder has had to bear this loss. Boulder also incurred substantial professional and other costs as a result of the Respondent's actions, totalling $143,732. In total, Boulder's losses as a result of the overstatement of the units of the Funds was $768,394. In addition, after the Respondent's misconduct was revealed, the value of Boulder's goodwill, the number of clients and the amount of funds under management by Boulder all decreased significantly.

18. The Respondent owned units in the Funds. These were redeemed by Boulder in order to cover some of the losses described in the previous paragraph. Through this redemption, Boulder retained $393,666 and, by way of settlement agreement, the remainder, $60,000, was paid to the Respondent. The Respondent also sold her 51% interest in Boulder to her two former partners for 1 dollar. As a result, the Respondent was released by Boulder from any liability arising from the overstatement of the value of the units in the Funds.

19. The sale of her interest in Boulder at this price, and the redemption of her units in the Funds, represented a large financial loss for the Respondent. The Respondent estimates her losses as a result of her misconduct at approximately $800,000.00.

20. In the course of the investigation of this matter, the Respondent was interviewed by Staff. She co-operated with Staff's investigation. She admitted her misconduct and expressed deep remorse for it. She instructed her counsel at the earliest stage to engage Staff in settlement discussions of this matter.

IV. ADMISSION

21. By engaging in the conduct described in Part III of this settlement agreement, the Respondent admits that she acted in a manner contrary to the public interest.

V. TERMS OF SETTLEMENT

22. The Respondent agrees to the following terms of settlement:

(i) pursuant to paragraph 1 of subsection 127(1) of the Act, the Respondent's registration will be terminated;

(ii) pursuant to paragraph 2 of subsection 127(1) of the Act, the Respondent will cease trading in securities for a period of three years effective February 9, 2000, with the exception of trading in personal accounts held in her name only or for the account of her registered retirement savings plan (as defined in the *Income Tax Act* (Canada)); and

(iii) pursuant to paragraph 6 of subsection 127(1) of the Act, the Respondent will be reprimanded by the Commission.

VI. CONSENT

23. The Respondent hereby consents to an order of the Commission incorporating the provisions of the paragraph 22 above in the form of an order annexed hereto as Appendix A.

VII. STAFF COMMITMENT

24. If this settlement is approved by the Commission, Staff will not initiate any complaint to the Commission or request the Commission to hold a hearing or issue any other order in respect of any conduct or alleged conduct of the Respondent in relation to the facts set out in this agreement.

25. If the Respondent reapplies for registration with the Commission at any time after February 9, 2003, Staff will not oppose the Respondent's application by reason only of the facts set out in this agreement and/or the Commission's order resulting from this agreement.

VIII. WAIVER

26. If this settlement is approved by the Commission, the Respondent waives her right to a full hearing of the merits of this matter and waives her right to any rights of judicial review or appeal of order made by the Commission in accordance with this agreement.

IX. PROCEDURE FOR APPROVAL OF SETTLEMENT

27. Approval of the settlement set out in this agreement shall be sought at a public hearing of the Commission scheduled for February 19, 2001, or such other date as may be agreed to by Staff and the Respondent in accordance with the procedures described in this agreement.

28. Staff and the Respondent agree that if this agreement is approved by the Commission, it will constitute the entirety of the evidence to be submitted to the Commission in this matter.

29. Staff and the Respondent agree that if this settlement is approved by the Commission, no party to this agreement will make any public statement inconsistent with this agreement.

30. If, at the conclusion of the settlement hearing, and for any reason whatsoever, this settlement is not approved by the Commission or an order in the form attached as Schedule 'A' is not made by the Commission:

    (a) each of Staff and the Respondent will be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing respecting the facts set out in this agreement, unaffected by this agreement or the settlement negotiations;

    (b) the terms of this agreement will not be referred to in any subsequent proceeding, or disclosed to any person, except with the written consent of Staff and the Respondent or as may be required by law; and

    (c) the Respondent agrees that she will not, in any proceeding, refer to or rely upon this agreement or the negotiation or process of approval of this agreement as the basis for any attack on the Commission's jurisdiction, alleged bias, appearance of bias, alleged unfairness or any other remedies or challenges that may otherwise be available.

X. DISCLOSURE OF AGREEMENT

31. Counsel for Staff or for the Respondent may refer to any part or all of this agreement in the course of the hearing convened to consider this agreement. Otherwise, this agreement and its terms will be treated as confidential by all parties to the agreement until approved by the Commission, and forever if, for any reason whatsoever, this settlement is not approved by the Commission, except with the written consent of all parties or as may be required by law.

32. Any obligations of confidentiality shall terminate upon approval of this settlement by the Commission.

XI. EXECUTION OF AGREEMENT

33. This agreement may be signed in one or more counterparts which together shall constitute a binding agreement.

February 12, 2001.

____
LOIS DOREEN KING

____
MICHAEL WATSON
DIRECTOR, ENFORCEMENT
FOR STAFF OF THE ONTARIO SECURITIES COMMISSION

APPENDIX A

IN THE MATTER OF
THE *SECURITIES ACT*
R.S.O. 1990 C.s.5, as amended (the "Act")

AND

IN THE MATTER O
LOIS DOREEN KING

ORDER
(Subsection 127(1))

WHEREAS on February 12, 2001, the Ontario Securities Commission (the "Commission") issued a notice of hearing pursuant to subsection 127(1) of Act in respect of Lois Doreen King (the "Respondent");

AND WHEREAS the Respondent entered into a settlement agreement dated February 12, 2001 (the "Settlement Agreement") in which she agreed to a proposed settlement of the proceeding, subject to the approval of the Commission;

AND UPON reviewing the Settlement Agreement, and upon hearing submissions from counsel for the Respondent and for 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 dated February 12, 2001, attached to this Order, is hereby approved;

(2) pursuant to paragraph 1 of subsection 127(1) of the Act, the Respondent's registration is terminated;

(3) pursuant to paragraph 2 of subsection 127(1) of the Act, the Respondent will cease trading in securities for a period of three years effective February 9, 2000, with the exception of trading in personal accounts held in her name only or for the account of her registered retirement savings plan (as defined in the *Income Tax Act* (Canada)); and

(4) pursuant to paragraph 6 of subsection 127(1) of the Act, the Respondent is hereby reprimanded.

February 19, 2001.

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

"Theresa McLeod"

2.1.9 Ingram Micro Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Relief from registration and prospectus requirements for trades involving employees and former employees pursuant to an equity incentive plan.

Applicable Ontario Statutory Provisions

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

Applicable Ontario Rules

Rule 45-503 - Trades to Employees, Executives and Consultants (1998), 21 OSCB 117.

Rule 72-501 - Prospectus Exemption for First Trade Over a Market Outside Ontario (1998), 21 OSCB 3873.

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

AND

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

AND

IN THE MATTER OF
INGRAM MICRO INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Ontario, British Columbia and Alberta (the "Jurisdictions") has received an application from Ingram Micro Inc. ("Ingram Micro" or the "Company") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that (i) the requirements contained in the Legislation to be registered to trade in a security and to file and obtain a receipt for a preliminary prospectus and a prospectus (the "Registration and Prospectus Requirements") shall not apply to certain trades in securities of Ingram Micro made in connection with the Ingram Micro 2000 Equity Incentive Plan (the "Plan"); and (ii) the Registration and Prospectus Requirements shall not apply to first trade of Shares (as defined below) acquired under the Plan executed on an exchange or market outside Canada;

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 Ingram Micro has represented to the Decision Makers as follows:

1. Ingram Micro is a corporation incorporated under the laws of the state of Delaware, is not a reporting issuer under the Legislation and has no present intention of becoming a reporting issuer under the Legislation.

2. Ingram Micro Canada Inc. ("Ingram Micro Canada") is a wholly-owned subsidiary of Ingram Micro and was incorporated pursuant to the laws of the province of Ontario. Ingram Micro Canada is not a reporting issuer in any of the Jurisdictions and has no present intention of becoming a reporting issuer under the legislation.

3. The authorized share capital of Ingram Micro consists of 265,000,000 Class A common shares, par value $0.01 (U.S.) ("Shares"), 135,000,000 Class B common shares, par value $0.01 (U.S.) ("Class B Shares") which are convertible into Class A Shares; and 1,000,000 preferred stock shares, par value $0.01 (U.S.) ("Preferred Shares"). As of November 30, 2000, there were 74,430,950 Shares, 71,579,935 Class B Shares and no Preferred Shares issued and outstanding.

4. Ingram Micro is subject to the requirements of the Securities Exchange Act of 1934, as amended, of the United States, including the reporting requirements. The Shares are listed for trading on the New York Stock Exchange ("NYSE").

5. The purpose of the Plan is to assist the Ingram Micro or its affiliates (the "Ingram Micro Companies") in attracting, retaining and motivating employees of Ingram Micro or its affiliates (the "Employees") as well as enabling Employees to participate in the long-term growth and financial success of Ingram Micro.

6. Shares offered under the Plan are registered with the Securities and Exchange Commission (the "SEC") under the Securities Act of 1933.

7. Under the Plan, Ingram Micro may grant options ("Options") on Shares of Ingram Micro, stock appreciation rights ("SARs"), shares of restricted stock and restricted stock units (collectively, "Restricted Stock Awards"), rights denominated in cash or Shares for the achievement of performance goals ("Performance Awards") and other stock-based awards ("Other Awards"; all of the above, collectively "Awards") to Employees.

8. The Ingram Micro Companies will identify Employees resident in Canada (the "Canadian Employees") to be granted Awards under the Plan.

9. Ingram Micro proposes to use the services of an agent (the "Agent") in connection with the Plan. The current Agent under the Plan is Salomon Smith Barney, Inc. ("SSB"). The current Agent is, and any replacement Agent will be, a corporation registered under applicable U.S. securities or banking legislation and has been or will be authorized by Ingram Micro to provide services under the Plan. 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.

10. The Agent's role in the Plan will involve various administrative functions and may include: (i) holding Shares underlying Restricted Stock Awards on behalf of participants; (ii) facilitating Option exercises (including cashless exercises) under the Plan; (iii) maintaining accounts on behalf of participants under the Plan; (iv) holding Shares on behalf of participants; and (v) facilitating the resale of Shares acquired under the Plan through the NYSE.

11. There are approximately 130, 2 and 918 Canadian Employees resident in British Columbia, Alberta and Ontario, respectively, eligible to participate in the Plan.

12. Participation in the Plan by Canadian Employees is voluntary and such Canadian Employees are not induced to participate in the Plan or to exercise their Awards by expectation of employment or continued employment with the Ingram Micro or its affiliates. Awards are not transferable otherwise than by will or the laws of descent and distribution.

13. In certain circumstances persons who received Awards while they were Employees will continue to have certain rights in respect of Awards following their termination of employment ("Former Employees"). In the case of termination of employment as a result of death, disability or retirement, the Plan provides for the exercise of Options and SARS during certain specified time periods, unless such periods were modified by the Committee.

14. The committee appointed by the Board of Directors of Ingram Micro (the "Committee") shall establish procedures governing the exercise of Options. Generally, in order to exercise an Option, the optionee, including Former Employees or the legal representative of a Canadian Employee or Former Employee must submit to Ingram Micro or to the Agent a notice of exercise, in the form approved by the Committee, identifying the Option and the number of Shares being exercised, together with full payment for the Shares underlying the Options. The Option exercise price may be paid in cash or where permitted by the Committee by way of a stock swap exercise or cashless exercise.

15. A copy of the U.S. Prospectus relating to the Plan will be delivered to each Canadian Employee who is granted an Award under the Plan. The annual reports, proxy materials and other materials Ingram Micro is required to file with the SEC, will be provided to persons who acquire Shares under the Plan at the same time and in the same manner as the documents are provided to U.S. shareholders.

16. Canadian Employees, Former Employees, or their legal representatives, who wish to sell Shares acquired under the Plan, may do so through the Agent.

17. At the time of any grant of Awards under the Plan, holders of Shares whose last address as shown on the books of Ingram Micro was in Canada will not hold more than 10% of the outstanding Shares and will not represent in number more than 10% of the total number of holders of Shares.

18. Because there is no market for the Shares in Canada and none is expected to develop, any resale of the Shares acquired under the Plan 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 Shares may be listed or quoted for trading.

19. The Legislation of certain of the Jurisdictions does not contain exemptions from the Registration and Prospectus Requirements for certain trades in Awards and Shares to, by, with and on behalf of Canadian Employees, Former Employees or their legal representatives, including trades carried out with or through the Agent.

20. When the Agent sells Shares on behalf of Canadian Employees, Former Employees or their legal representatives, 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 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 any trade or distribution of Awards or Shares made in connection with the Plan, including trades and distributions involving the Agent, Former Employees or the legal representative of Canadian Employees or Former Employees, provided that the first trade in Shares acquired through the Plan pursuant to this Decision in a Jurisdiction shall be deemed a distribution under the Legislation of such Jurisdiction unless such first trade is executed on an exchange or market outside Canada; and

b) the first trade in Shares acquired through the Plan pursuant to this Decision, including a first trade in Shares effected through the Agent, shall not be subject to the Registration Requirements, provided such first trade is executed on an exchange or market outside Canada.

February 7, 2001.

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

2.1.10 Shaw Communications Inc. et al - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Relief from prospectus and registration requirements for the issuance of Warrants to retailers and distributors of products of services of the issuer's affiliates, and for the exercise of such Warrants, subject to certain conditions.

Applicable Ontario Statutory Provisions

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

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

AND

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

AND

**IN THE MATTER OF
SHAW COMMUNICATIONS INC.,
CANADIAN SATELLITE COMMUNICATIONS INC. AND
STAR CHOICE COMMUNICATIONS INC.**

MRRS DECISION DOCUMENT

1. **WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, New Brunswick, Newfoundland and Prince Edward Island and the Territories of Yukon, Northwest Territories and Nunavut (the "Jurisdictions") has received an application from Shaw Communications Inc. ("Shaw"), Canadian Satellite Communications Inc. ("Cancom") and Star Choice Communications Inc. ("Star Choice") (collectively, the "Applicants") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirements contained in the Legislation to be registered to trade in a security (the "Registration Requirements") and to file and obtain receipts for a preliminary prospectus and a prospectus (the "Prospectus Requirements") shall not apply to the trade or issuance by Cancom and Star Choice of non-transferable warrants ("Warrants") entitling the holder to acquire class B non-voting participating shares in the capital of Shaw ("Class B Non-Voting Shares") to certain independent retailers

and distributors of the products and services of Cancom and Star Choice;

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 Applicants have represented to the Decision Makers that:

3.1 Shaw is incorporated under the laws of Alberta, is a reporting issuer or the equivalent in each of the Jurisdictions where such a concept exists and is eligible to participate in the *Prompt Offering Qualification System* under National Policy 47;

3.2 the authorized share capital of Shaw consists of an unlimited number of class A participating shares, an unlimited number of Class B 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;

3.3 as at August 31, 2000, there were 11,419,972 class A participating shares and 194,204,919 Class B Non-Voting Shares outstanding;

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

3.5 Cancom was incorporated in 1980 and currently exists under the provisions of the *Canada Business Corporations Act*. Shaw currently owns, directly and indirectly, 49,318,877 common shares of Cancom, or approximately 94.3% of the outstanding Cancom common shares;

3.6 Cancom is a reporting issuer or the equivalent in each of the Jurisdictions where such a concept exists and the common shares of Cancom are listed and posted for trading on the TSE;

3.7 Star Choice, which is not a reporting issuer, is a wholly owned subsidiary of Cancom;

3.8 Cancom is a Canadian satellite services company that operates through four primary divisions, including Star Choice Residential Services (operated through Star Choice) and Cancom Broadcast Solutions ("Solutions");

3.9 Star Choice is a direct-to-home satellite operator which delivers digital subscription video and audio programming services throughout Canada. Star Choice markets its products and services through independent retailers across Canada;

3.10 Solutions' business consists of a satellite relay distribution undertaking whereby it redistributes television and radio signals via satellite to cable operators and other distributors and provides related network services;

3.11 the purposes of the Warrants are:

3.11.1 to align the interests of the retailers and distributors of Cancom's and Star Choice's products and services with the long term success of Cancom's (and thus Shaw's) business;

3.11.2 to encourage the establishment of long-term relationships with such retailers and distributors; and

3.11.3 to differentiate Cancom and Star Choice from their competitors when it comes to attracting, retaining and providing an incentive to the best of such retailers and distributors;

3.12 Star Choice intends to issue an aggregate of 1,062,500 Warrants to 425 retailers of its products and services (the "Retailers") and Cancom will issue up to 439,381 Warrants to 568 distributors of its products and services (the "Distributors");

3.13 each Retailer will initially receive 2,500 Warrants, subject to a two-tiered vesting condition. First, of the 2,500 Warrants issued to each Retailer, the number of Warrants which will vest is dependant upon the achievement by such Retailer of certain preset sales targets on or before September 30, 2001. Second, any Warrants which vest as a result of the satisfaction of the preset sales targets will only vest as to ¼ on each of the first four anniversary dates of the issuance of the Warrants;

3.14 Distributors selected by Cancom to receive Warrants will be entitled to receive a certain number of Warrants based upon the number of channel subscribers each of these Distributors has and the length of the contract entered into between such Distributor and Cancom. It is not anticipated that any single Distributor will receive more than 85,000 Warrants. As with the Warrants issued to Retailers, all Warrants issued to Distributors will vest as to ¼ on each of the first four anniversary dates of the issuance of the Warrants;

3.15 Warrants may not be assigned, encumbered or transferred except to the extent rights may pass to the estate of the Retailer or Distributor on their death. Any Retailer or Distributor who ceases to market Cancom's or Star Choice's products and services or who is in material breach of their agreement with Cancom or Star Choice, as the case may be, will immediately forfeit all rights to exercise any Warrants not previously exercised except in the event of the death of a Retailer or Distributor, in which case the legal

representatives of such Retailer or Distributor shall be entitled to exercise the Warrants at any time up to (but not after) a date three months following the date of the death of the Retailer or Distributor or the expiry date of the Warrants, whichever occurs first;

3.16 all Warrants will have a term of five (5) years from the date of issue and each Warrant will be exercisable into one Class B Non-Voting Share of Shaw at an exercise price of $25.00. Shaw has agreed to facilitate the issuance of the Warrants by issuing such shares at the direction of Cancom and Star Choice;

3.17 assuming the maximum number of Warrants vest and are issued and that all such Warrants are exercised, the number of Class B Non-Voting Shares to be issued to Retailers and Distributors is approximately 0.8% of Shaw's current issued and outstanding Class B Non-Voting Shares;

3.18 there is no cost to Retailers and Distributors for receiving the Warrants;

3.19 no insiders of Shaw, Cancom or Star Choice will be entitled to receive Warrants;

3.20 Shaw will mail to each Retailer and Distributor who receives a Warrant a letter explaining that Shaw discloses information to the public on a regular basis and that such disclosure can be obtained by accessing SEDAR or by contacting Shaw;

3.21 Retailers and Distributors who hold Warrants will receive copies of all annual reports, proxy solicitation materials and other materials generally distributed to the holders of the Class B Non-Voting Shares;

3.22 the TSE has conditionally approved the issuance of the Class B Non-Voting Shares issuable on the exercise of the Warrants;

3.23 the registration and prospectus exemptions contained in the Legislation are not available in respect of the issuance of the Warrants or the Class B Non-Voting Shares issuable on exercise of the Warrants;

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

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

6. **THE DECISION** of the Decision Makers under the Legislation is that the Regisration Requirements and the Prospectus Requirements contained in the Legislation shall not apply to the trade or issuance of Warrants to Retailers and Distributors and to the trade or issuance of Class B Non-Voting Shares on the exercise of such Warrants provided that the first trade in Class B Non-Voting Shares acquired pursuant to this Decision in a Jurisdiction shall be deemed to be a distribution or primary distribution to the public under the Legislation of such Jurisdiction (the "Applicable Legislation") unless:

6.1 at the time of the first trade, Shaw is and has been a reporting issuer or the equivalent under the Applicable Legislation for the 12 months immediately preceding the trade;

6.2 no unusual effort is made to prepare the market or to create a demand for the Class B Non-Voting Shares;

6.3 no extraordinary commission or consideration is paid to a person or company in respect of the trade;

6.4 if the seller of the Class B Non-Voting Shares is an insider or officer of Shaw, the seller has no reasonable grounds to believe that Shaw is in default of any requirement of the Applicable Legislation; and

6.5 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 any securities of Shaw so as to affect materially the control of Shaw or more than 20% of the outstanding voting securities of Shaw, except where there is evidence showing that the holding of those securities does not affect materially the control of Shaw.

February 2, 2001.

"Glenda A. Campbell" "Eric T. Spink"

2.1.11 Advantex Marketing International Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Relief from registration and prospectus requirements for the issuance of up to 55 million Incentive Warrants and up to 15 million Commitment Warrants subject to certain conditions.

Statutes Cited

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

Regulations Cited

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

**IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ONTARIO AND QUEBEC**

AND

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

AND

**IN THE MATTER OF
ADVANTEX MARKETING INTERNATIONAL INC.**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Ontario and Quebec (the "Jurisdictions") has received an application (the "Application") from Advantex Marketing International Inc. (the "Filer or Advantex") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the registration and prospectus requirements contained in the Legislation shall not apply in connection with the distribution of certain common share purchase warrants of the Filer;

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. Advantex was formed under the laws of the Province of Ontario upon the amalgamation of Samplex Inc., Advantex Marketing International Inc. and 1047286 Ontario Inc., effective on February 10,1994.

2. Advantex provides consumer promotion services and customer loyalty programs to a broad range of North American newspapers, financial institutions, retail chains, restaurants and packaged goods manufacturers. The programs developed by Advantex are designed to enhance customer acquisition and retention efforts by giving consumers products and rewards with high perceived value and providing incremental effective marketing and promotion initiatives to generate revenue and supplement consumer awareness of program sponsors and participants.

3. The authorized capital of Advantex consists of an unlimited number of common shares, 500,000 Class A Preference Shares and an unlimited number of Class B Preference Shares, issuable in one or more series. As at October 31, 2000, there were 42,408,117 common shares issued and outstanding and 459,781 Class A Preference Shares issued and outstanding.

4. As of the date hereof, Advantex is a reporting issuer in each of Ontario, British Columbia, Alberta and Quebec and is not on the list of defaulting reporting issuers maintained by the securities regulatory authorities in each of the Jurisdictions.

5. The common shares of Advantex are listed on The Toronto Stock Exchange (the "TSE") and the TSE has accepted notice for filing of the transactions contemplated by the Warrant Agreement (as defined below) and has conditionally approved the listing for trading of the 70 million common shares issuable upon the exercise of the Commitment Warrants and Incentive Warrants, subject to the approval of the shareholders of Advantex.

6. The issuance of the Incentive Warrants and the Commitment Warrants received Advantex's shareholder approval at a shareholders' meeting of January 17, 2001.

7. Pursuant to an agreement between Advantex, CIBC and Air Canada (the "Warrant Agreement"), Advantex has agreed to issue to CIBC and/or Air Canada 15 million common share purchase warrants (the "Commitment Warrants") in consideration of Air Canada and CIBC entering into the Air Canada Agreement (as defined below) and the CIBC Agreements (as defined below), respectively. Each Commitment Warrant will entitle the holder to purchase one common share in the capital of Advantex (a "Common Share") at an exercise price of $1.08 at any time after the first anniversary of the date of issuance thereof and up to the fifth anniversary of such date.

8. Pursuant to the Warrant Agreement, Advantex has also agreed to issue to Air Canada and/or CIBC an additional aggregate of up to 55 million warrants (each an "Incentive Warrant") over a five year period.

9. At the beginning of each calendar year commencing in 2001, Air Canada and CIBC will be issued an allotment of Incentive Warrants (the "Annual Allotment"). Each Incentive Warrant will have a term of five years from the date of issuance.

10. No later than March 1st of the year following the issue of an Annual Allotment, commencing on March 1, 2002 (the "Determination Date"), Advantex will confirm the percentage of incremental annual revenue growth generated from the Air Canada Agreement and CIBC Agreements and the resulting number of "vested" Incentive Warrants of the applicable Annual Allotment which Air Canada and CIBC will be entitled to exercise (as determined in accordance with the formula set out in the Warrant Agreement); provided that in the event that Advantex's annual revenue growth is less than 3%, such Incentive Warrants will be cancelled. Such formula provides that if two-thirds of the annual revenue growth is attributable to the Air Canada Agreement and the CIBC Agreements, all of the applicable Annual Allotment of Incentive Warrants will become exercisable. In the event that the contribution of Air Canada and CIBC is less than two-thirds of such revenue growth, a portion of the applicable Annual Allotment will be cancelled, and the number of cancelled Incentive Warrants in respect of a calendar year will be added to the Annual Allotment of Incentive Warrants issuable in respect of the next succeeding calendar year. The Incentive Warrants which are not cancelled will become exercisable effective on the applicable Determination Date.

11. The exercise price of each Incentive Warrant will be the Current Market Price on the first trading date of the calendar year in which the Incentive Warrant is issued; the "Current Market Price" means the weighted average trading price per Common Share for the 20 consecutive trading days ending on the fifth trading day prior to such date.

12. Pursuant to an agreement (the "Air Canada Agreement") dated as of November 21, 2000, between Air Canada and Advantex's subsidiary, Advantex Dining Corporation ("ADC"), Air Canada has agreed to sell Aeroplan Miles to ADC for award by ADC to persons who participate in Advantex's Smart BarProgram, as well as to provide certain types of support for the program.

13. Advantex and CIBC are currently negotiating two agreements (the "CIBC Agreements") pursuant to which ADC will operate an offline loyalty reward program and an online loyalty reward program for holders of credit cards issued by CIBC.

14. Air Canada should be considered to have the ability to obtain and analyze the information needed to assess this particular investment opportunity without the information contained in a prospectus and Air Canada has the financial ability to withstand the loss of any investment in securities of Advantex to be acquired in connection with the Warrant Agreement.

15. Air Canada is familiar with the business and affairs of Advantex as a result of its extensive negotiations with Advantex in relation to the Warrant Agreement and the Air Canada Agreement and its future business dealings with Advantex.

16. Air Canada is a sophisticated party which is at arm's length to Advantex.

17. The proposed issuance to Air Canada of Commitment and Incentive Warrants will not be made in connection with the offer or sale of securities in capital raising transactions.

18. The Commitment Warrants and Incentive Warrants are non-transferable except as between Air Canada and CIBC and between each of Air Canada and CIBC and its respective Affiliates (as defined in the Warrant Agreement).

19. The Commitment Warrants and Incentive Warrants are exercisable after the first anniversary of the issuance thereof, with the only exception that if Advantex enters into a consolidation, arrangement, amalgamation or merger with or into another body corporate, the Commitment Warrants become immediately exercisable.

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 distribution of up to 7.5 million Commitment Warrants and up to 55 million Incentive Warrants to Air Canada shall not be subject to the registration and prospectus requirements of the Legislation, provided that:

1. the first trade in an underlying Common Share of a Commitment Warrant or Incentive Warrant acquired pursuant to this Decision in a Jurisdiction (the "Applicable Jurisdiction") shall be deemed a distribution to the public under the Legislation of such Jurisdiction (the "Applicable Legislation") unless:

    (a) at the time of the first trade, Advantex is a reporting issuer;

    (b) no unusual effort is made to prepare the market or to create a demand for the Common Shares;

    (c) no extraordinary commission or consideration is paid to a person or company in respect of the trade;

    (d) if the seller of the underlying Common Share is an insider or officer of Advantex, the seller has no reasonable grounds to believe that Advantex is in default of any requirement of the Applicable Legislation;

    (e) the hold period of either six, twelve or eighteen months that would be applicable to the Commitment or Incentive Warrant,

as applicable, if such Commitment or Incentive Warrant had been acquired under an exemption for a trade in a security which has an aggregate acquisition cost to a purchaser of not less than $150,000 has elapsed from the later of the date of the initial issuance of the applicable Commitment or Incentive Warrant and the date Advantex became a reporting issuer in the Applicable Jurisdiction; and

(f) 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 any securities of Advantex so as to affect materially the control of Advantex or more than 20% of the outstanding voting securities of Advantex, except where there is evidence showing that the holding of those securities does not affect materially the control of Advantex;

2. the total number of Commitment Warrants distributed to Air Canada and CIBC shall not exceed 15 million Commitment Warrants, and the total number of Incentive Warrants distributed to Air Canada and CIBC shall not exceed 55 million Incentive Warrants; and

3. Advantex has provided Air Canada with a copy of this ruling, together with a statement that as a consequence of this ruling, certain protections, rights and remedies provided under the Legislation, including statutory rights of rescission and damages, will not be available to it with respect to the distribution of such Commitment Warrants, Incentive Warrants and Underlying Common Shares, pursuant to this ruling.

January 31, 2001.

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

2.1.12 Signalgene Inc. - MRRS Decision

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

AND

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

AND

IN THE MATTER OF
SIGNALGENE INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland (the "Jurisdictions") have received an application from SignalGene Inc. ("SignalGene") for a decision under the securities legislation and securities directions of the Jurisdictions (the "Legislation") that the requirement under National Policy Statement No.47 and under the applicable securities legislation of Quebec (collectively) the "POP Requirements") that the calculation of the aggregate market value of an issuer's outstanding equity securities be based upon the average closing prices during the last calendar month of the issuer's most recently completed financial *year* (the "Eligibility Requirements") shall not apply to SignalGene so as to permit SignalGene to participate in the prompt offering qualification system (the "POP System");

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Commission des Valeurs Mobilieres du Quebec is the principal regulator for this application;

AND WHEREAS SignalGene has represented to the Decision Makers that:

1.1 SignalGene is governed by Part 1A of the *Companies Act* (Quebec) and its head office is located at 8475 Christophe-Colomb Avenue) Suite 1000, Montréal) Québec.

1.2 SignalGene is a biotechnology company involved in the genomics business.

1.3 SignalGene has been a reporting issuer under the Legislation of all of the Jurisdictions since December 13, 1996, except in Quebec, where SignalGene has been a reporting issuer since April 30, 1996 and is not, as at the date hereof to the best of its knowledge, in ~ default of any requirement of such Legislation.

1.4 The authorized share capital of SignalGene consists of an unlimited number of common shares (the "Common Shares") and an unlimited number of preferred shares, issuable in series.

1.5 The Common Shares are listed and posted for trading (SGI) on the Toronto Stock Exchange (the "TSE").

1.6 The financial year-end of SignalGene is December 31.

1.7 As at December 31, 1999 (being SignalGene's most recent financial 1 year-end), 95,120,288 Common Shares were issued and outstanding and no preferred shares were issued and outstanding.

1.8 As at December 31, 1999, to the best of SignalGene's knowledge and based upon public records, 45,649,334 of its Common Shares were required to be excluded in the calculation of the public float (the "December 31 Excluded Shares"), in accordance with the POP Requirements.

1.9 The aggregate market value of the Common Shares for the month of December 1999, being the last calendar month of its financial year, was less than $75,000,000 (excluding the value of the December 31 Excluded Shares).

1.10 For the 30-day period ended March 24,2000, SignalGene had 102,404,998 Common Shares issued and outstanding.

1.11 On March 24, 2000, to the best of SignalGene's knowledge and based upon public records, 45,649,334 of its Common Shares were required to be excluded in the calculation of the public float (the "March 24 Excluded Shares"), in accordance with the POP Requirements.

1.12 The arithmetic average of the closing price of the Common Shares on the TSE for each of the trading days for the 30-day period ended March 24, 2000 was $3.51.

a) 140 days after the end of SignalGene' financial year ended December 31, 2000 and;

b) the date of filing a renewal AIF by SignalGene in respect of its financial year ended December 31, 2000.

Dated at Montreal, on April 14, 2000.

Jacques Labelle
Directeur général et
Chef de l'exploitation

2.1.13 Sara Lee Corp. & Coach Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief from issuer bid requirements in connection with securities exchange issuer bid – Parent distributing shares of its subsidiary – Bid made in compliance with U.S. securities laws - Neither parent nor subsidiary is a reporting issuer in any Canadian jurisdiction - Issuer has over 50 shareholders in the Jurisdiction, holding fewer than 1% of outstanding shares.

Distribution of shares of subsidiary pursuant to the issuer bid or subsequent spin off not subject to prospectus qualification or dealer registration requirements - First trade deemed to be a distribution unless executed through the facilities of an exchange outside of Canada.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 1(1)(c), 25, 53, 74(1), 95, 96, 97, 98, 100, 104(2)(c).

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
EACH OF THE PROVINCES AND TERRITORIES OF
CANADA**

AND

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

AND

**IN THE MATTER OF
SARA LEE CORPORATION**

AND

**IN THE MATTER OF
COACH, INC.**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the Provinces and Territories of Canada (collectively, the "Jurisdictions") has received an application from Sara Lee Corporation ("Sara Lee") and Coach, Inc. ("Coach" and, together with Sara Lee, the "Filers") for:

1. a decision under the securities legislation of Ontario, Quebec and British Columbia (the "Issuer Bid Requirements Jurisdictions") that the requirements contained in such legislation relating to delivery of an offer and issuer bid circular and any notices of change or variation thereto, minimum deposit periods and withdrawal rights, take-up and payment for securities tendered to an issuer bid, disclosure, restrictions upon

purchases of securities, financing, identical consideration and collateral benefits (the "Issuer Bid Requirements") shall not apply to a securities exchange issuer bid (the "Issuer Bid") proposed by Sara Lee; and

2. a decision under the securities legislation of each of the Jurisdictions (the "Legislation") that the requirements contained in the Legislation to be registered to trade in a security and to qualify a prospectus in respect of the distribution or primary distribution to the public of a security (the "Registration and Prospectus Requirements") shall not apply to any trade of common shares of Coach ("Coach Shares") by Sara Lee to its shareholders (the "Sara Lee Shareholders") pursuant to the Issuer Bid, or pursuant to any pro rata distribution of any remaining Coach Shares held by Sara Lee following the completion of the Issuer Bid (the "Spin Off"), subject to certain conditions;

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

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

1. Sara Lee is a corporation incorporated under the laws of the State of Maryland having its head office in Chicago, Illinois.

2. The authorized capital of Sara Lee consists of 1.2 billion common shares ("Sara Lee Shares"), of which approximately 827 million Sara Lee Shares were issued and outstanding as of December 30, 2000, and 13.5 million preferred shares, of which approximately 3.4 million shares were issued and outstanding as of December 30, 2000.

3. The Sara Lee Shares are listed and traded on the New York Stock Exchange (the "NYSE").

4. Sara Lee is not a reporting issuer or its equivalent in any of the Jurisdictions and has no present intention of becoming a reporting issuer or its equivalent in any of the Jurisdictions.

5. As at January 10, 2001, there were approximately 1,074 Sara Lee Shareholders resident in Canada (the "Canadian Shareholders"), owning approximately 705,841 Sara Lee Shares (or approximately .0847% of the issued and outstanding Sara Lee Shares). As at January 10, 2001, there were approximately 386 Canadian Shareholders resident in Ontario, 538 Canadian Shareholders resident in Quebec, 63 Canadian Shareholders resident in British Columbia, and fewer than 50 Canadian Shareholders resident in each of the other Jurisdictions.

6. Coach is a corporation incorporated under the laws of the State of Maryland having its head office in New York, New York.

7. The authorized capital of Coach consists of 100 million Coach Shares, of which approximately 43.5 million Coach Shares were issued and outstanding as of December 30, 2000, and 25 million preferred shares, none of which were issued and outstanding as of December 30, 2000.

8. The Coach Shares are listed and traded on the NYSE.

9. Coach is not a reporting issuer or its equivalent in any of the Jurisdictions and has no present intention of becoming a reporting issuer or its equivalent in any of the Jurisdictions.

10. Sara Lee owns approximately 80.5% of the issued and outstanding Coach Shares.

11. Under the Issuer Bid, Sara Lee proposes to offer all the Sara Lee Shareholders, including the Canadian Shareholders, the opportunity to exchange Sara Lee Shares for Coach Shares at an exchange ratio that will, as of the date the Issuer Bid commences, constitute a premium to the market value of the tendered Sara Lee Shares.

12. The Sara Lee Shareholders will have the option of tendering all, some or none of their Sara Lee Shares to the Issuer Bid.

13. In the event that the Issuer Bid is oversubscribed, the number of Sara Lee Shares accepted by Sara Lee from each Sara Lee Shareholder who has validly tendered Sara Lee Shares to the Issuer Bid will be reduced on a pro rata basis (except for certain odd lot holders, who will not be subject to proration).

14. If the Issuer Bid is not fully subscribed but the conditions of the bid are satisfied or waived, then Sara Lee will accept all of the Sara Lee Shares that are validly tendered to the Issuer Bid and, thereafter, distribute its remaining Coach Shares to the Sara Lee Shareholders on a pro rata basis pursuant to the Spin Off.

15. The Issuer Bid and the Spin Off (if any) will be made in compliance with the Securities Act of 1933 (United States) (the "1933 Act"), the Securities Exchange Act of 1934 (United States) (the "1934 Act") and the rules of the U.S. Securities and Exchange Commission pursuant to the 1933 Act and the 1934 Act (collectively, the "Applicable U.S. Securities Laws").

16. All material relating to the Issuer Bid and any amendment thereto, including the offering circular-prospectus, that is sent by or on behalf of Sara Lee to the Sara Lee Shareholders resident in the United States (the "U.S. Shareholders") also will be delivered concurrently to all Canadian Shareholders and filed with each of the Decision Makers.

17. The Coach Shares to be distributed pursuant to the Issuer Bid and the Spin Off (if any) have been approved for listing on the NYSE and it is expected that any resale of the Coach Shares will be effected through the facilities of that exchange.

18. Following the completion of the Issuer Bid, it is estimated that there will be approximately 1,000 holders of Coach Shares resident in Canada, owning approximately 500,000 Coach Shares (or approximately 1.15% of the issued and outstanding Coach Shares).

19. Holders of Coach Shares resident in the Jurisdictions will receive the same continuous disclosure materials furnished to holders of Coach Shares resident in the United States.

20. Sara Lee cannot rely upon the de minimus exemption from the Issuer Bid Requirements under the securities legislation of the Issuer Bid Requirements Jurisdictions because in each of those jurisdictions there are more than 50 Canadian Shareholders.

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 in the Issuer Bid Requirements Jurisdictions under the Legislation of such Jurisdictions is that the Issuer Bid shall be exempt from the Issuer Bid Requirements of the Legislation of such Jurisdictions, provided that:

(a) the Issuer Bid is made in compliance with the requirements of Applicable U.S. Securities Laws; and

(b) all material related to the Issuer Bid and any amendment thereto that is sent by or on behalf of Sara Lee to U.S. Shareholders is also delivered to Canadian Shareholders whose last address, as shown on the books of Sara Lee, is in the Issuer Bid Requirements Jurisdictions and such material is filed with each of the Decision Makers in the Issuer Bid Requirements Jurisdictions; and

THE DECISION of the Decision Makers in each of the Jurisdictions under the Legislation of such Jurisdictions is that the distribution of Coach Shares pursuant to the Issuer Bid and the Spin Off (if any) shall be exempt from the Registration and Prospectus Requirements of the Legislation of such Jurisdictions, provided that the first trade in the Coach Shares acquired pursuant to the Issuer Bid and the Spin Off (if any) shall be deemed to be a distribution or primary distribution to the public unless such trade is executed through the facilities of a stock exchange outside of Canada in accordance with the rules of such exchange.

February 19, 2001.

"Howard I. Wetston" "Theresa McLeod"

2.2 Orders

2.2.1 Deutsche Bank Aktiengesellschaft - s. 80

Headnote

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

Statutes Cited

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

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

AND

**IN THE MATTER OF
DEUTSCHE BANK AKTIENGESELLSCHAFT**

**ORDER
(Section 80)**

UPON application (the "Application") by Deutsche Bank Aktiengesellschaft ("Deutsche Bank AG") to the Ontario Securities Commission (the "Commission") for an order pursuant to section 80 of the Act exempting Deutsche Bank AG from the requirement to obtain registration as an adviser under clause 22(1)(b) of the Act in connection with the banking business to be carried on by Deutsche Bank AG in Ontario;

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

AND UPON Deutsche Bank AG having represented to the Commission that:

1. Deutsche Bank AG is a bank incorporated under the laws of the Federal Republic of Germany, and its head office is in Frankfurt, Germany. It is the largest bank in Germany in terms of assets.

2. Deutsche Bank Canada ("DB Canada") is a foreign bank subsidiary of Deutsche Bank AG and is currently listed on Schedule II to the *Bank Act* (Canada) (the "Bank Act"). Its head office is in Toronto, Ontario.

3. DB Canada carries on a banking business involving corporate lending, real estate investment, inventory financing, global markets and equities businesses. It focuses on institutional clients, providing services to both government and private sectors.

4. The Deutsche Financial Services Division ("DFS Canada") of DB Canada provides wholesale inventory financing to retail dealers across Canada in commercial and consumer durable products, as well as accounts receivable and asset-based financing and inventory control and portfolio management services.

5. DB Canada also owns all of the outstanding shares of Deutsche Bank Securities Limited ("DBSL"), which carries on business, and is registered under applicable provincial securities laws, as a broker and investment dealer.

6. DB Canada provides advice regarding foreign currency transactions in connection with its principal banking business.

7. Deutsche Bank AG will only accept deposits from the following:

   (a) Her Majesty in right of Canada or in right of a province or territory, an agent of Her Majesty in either of those rights and includes a municipal or public body empowered to perform a function of government in Canada, or an entity controlled by Her Majesty in either of those rights;

   (b) the government of a foreign country or any political subdivision thereof, an agency of the government of a foreign country or any political subdivision thereof, or an entity that is controlled by the government of a foreign country or any political subdivision thereof;

   (c) an international agency of which Canada is a member, including an international agency that is a member of the World Bank Group, the Inter American Development Bank, the Asian Development Bank, the Caribbean Development Bank and the European Bank for Reconstruction and Development and any other international regional bank;

   (d) a financial institution (i.e.: (a) a bank or an authorized foreign bank under the Bank Act; (b) a body corporate to which the *Trust and Loan Companies Act* (Canada) applies; (c) an association to which the *Cooperative Credit Association Act* (Canada) applies; (d) an insurance company or a fraternal benefit society to which the *Insurance Companies Act* (Canada) applies; (e) a trust, loan or insurance corporation incorporated by or under an Act of the legislature of a province or territory in Canada; (f) a cooperative credit society incorporated and regulated by or under an Act of the legislature of a province or territory in Canada; (g) an entity that is incorporated or formed by or under an act of Parliament or of the legislature of a province or territory in Canada and that is primarily engaged in dealing in securities, including portfolio management and investment counselling, and is registered to act in such capacity under the applicable Legislation, and (h) a foreign institution that is: (i) engaged in the banking, trust, loan or insurance business, the business of a cooperative credit society or the business of dealing in securities or is otherwise engaged primarily in the business of providing financial services; and (ii) is incorporated or formed otherwise than by or under an Act of

Parliament or of the legislature of a province or territory in Canada);

(e) a pension fund sponsored by an employer for the benefit of its employees or employees of an affiliate that is registered and has total plan assets under administration of greater than $100 million;

(f) a mutual fund corporation that is regulated under an Act of the legislature of a province or territory in Canada or under the laws of any other jurisdiction and has total assets under administration of greater than $10 million;

(g) an entity (other than an individual) that has for the fiscal year immediately preceding the initial deposit, gross revenues on its own books and records of greater than $5 million; or

(h) any other person if the trade is in a security which has an aggregate acquisition cost to the purchaser of greater than $150,000.

8. In June of 1999, amendments to the Bank Act were proclaimed that permit foreign commercial banks to establish direct branches in Canada. These amendments have created a new Schedule III listing foreign banks permitted to carry on banking activities through branches in Canada.

9. Deutsche Bank AG received an order dated January 26, 2001 under the Bank Act permitting it to establish a full service branch under the Bank Act and designating it on Schedule III thereto. Deutsche Bank AG will take over the current wholesale deposit-taking, corporate lending, custody and treasury functions currently conducted by DB Canada. In addition, DB Canada will transfer all the assets of DFS Canada to a newly created wholly-owned Canadian subsidiary of Deutsche Bank AG, and DB Canada will transfer all of the shares of DBSL to Deutsche Bank AB or a wholly-owned non-Canadian subsidiary thereof.

10. Section 31(a) of the Act refers to "a bank listed on Schedule I or II to the Bank Act" in connection with the exemption from the adviser registration requirement; however, no reference is made in the Act to entities listed on Schedule III to the Bank Act.

11. In order to ensure that Deutsche Bank AG , as an entity listed on Schedule III to the Bank Act, will be able to provide banking services to businesses in Ontario it requires similar exemptions enjoyed by banking institutions incorporated under the Bank Act to the extent that the current exemptions applicable to such banking institutions are relevant to the banking business to be undertaken by Deutsche Bank AG in Ontario.

12. Deutsche Bank AG will be performing certain foreign exchange advisory services in connection with its principal banking business.

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

IT IS RULED pursuant to section 80 of the Act that upon the establishment by Deutsche Bank AG of a branch designated on Schedule III of the Bank Act, Deutsche Bank AG is exempt from the requirement of clause 22(1)(b) of the Act where the performance of the service as an adviser is solely incidental to Deutsche Bank AG's principal banking business in Ontario.

February 15th, 2001.

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

2.2.2 Goldie Enterprises Inc. - ss. 83.1(1)

Headnote

Subsection 83.1(1) - issuer deemed to be reporting issuer in Ontario - issuer has been a reporting issuer in each of Alberta and British Columbia for more than 12 months - issuer listed and posted for trading on Tier 2 of CDNX - continuous disclosure requirements of Alberta and British Columbia substantially similar to those of Ontario.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5, as am. s. 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
GOLDIE ENTERPRISES INC.

ORDER
(Subsection 83.1(1))

UPON the application of Goldie Enterprises Inc. ("Goldie") for an order pursuant to subsection 83.1(1) deeming Goldie to be a reporting issuer for the purposes of Ontario securities law;

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

AND UPON Goldie representing to the Commission as follows:

1. Goldie has been a reporting issuer in the Province of British Columbia since January 11, 1980, the date on which Goldie received a receipt from the British Columbia Securities Commission for a final prospectus in connection with an initial public offering of Goldie.

2. Goldie became a reporting issuer in Alberta in November 1999 as a result of the merger of the Vancouver Stock Exchange and the Alberta Stock Exchange to form the Canadian Venture Exchange Inc. ("CDNX").

3. Goldie is not currently a reporting issuer or the equivalent in any jurisdiction in Canada other than Alberta and British Columbia.

4. Goldie is not on the list of defaulting reporting issuers maintained pursuant to the *Securities Act* (British Columbia) (the "British Columbia Act") or pursuant to the *Securities Act* (Alberta) (the "Alberta Act"). Goldie is not in default of any of the rules or regulations of CDNX.

5. The continuous disclosure requirements of the British Columbia Act and the Alberta Act are substantially the same as the requirements under the Act.

6. The continuous disclosure materials filed by Goldie under the British Columbia Act since July 28, 1997 and under the Alberta Act since November 1999 are available on the System for Electronic Document Analysis and Retrieval.

7. Pursuant to an agreement between Goldie and MagiCorp Inc. ("MagiCorp"), Goldie has agreed to acquire all of the issued and outstanding common shares, agent's compensation options, common share options and common share purchase warrants of MagiCorp by the issuance, following the consolidation, of 24,970.29 common shares of Goldie for each MagiCorp share and compensation option, 25,157.23 common share purchase warrants for each MagiCorp warrant and 25,210 options for each MagiCorp common share option (the "Proposed Acquisition").

8. In connection with the Proposed Acquisition, Goldie will prepare and send to its shareholders and file with the appropriate securities regulatory authorities, a management information circular containing disclosure with respect to the business and affairs of Goldie and MagiCorp and the Proposed Acquisition.

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 Goldie be deemed a reporting issuer for the purposes of Ontario securities law.

February 13, 2001.

"Howard I. Wetston" "Theresa McLeod"

2.2.3 Quebecor World Inc. - s. 147 & 80(b)(iii)

Headnote

Section 15.1 of Rule 41-501 - relief from certain requirements of Rule 41-501 where preliminary prospectus and prospectus filed in accordance with National Instrument 44-101.

Subsection 5.1(1) of National Instrument 41-101 – relief from requirements of 41-101 where preliminary prospectus and prospectus filed in accordance with National Instrument 44-101.

Section 147 – relief 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 (final) prospectus.

Paragraph 80(b)(iii) – relief from the requirement to mail annual comparative financial statements concurrently with the filing of such financial statements, subject to conditions.

Subsection 59(2) of Schedule I – waiver of fees.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5. as am, ss. 65(1), 78, 79, 80(b)(iii), 147.

Regulation Cited

Schedule I to General Regulation, Ont. Reg. 1015 R.R.O 1990, as am., s.59(2).

Rules Cited

National Instrument 41-101 Prospectus Disclosure Requirements (2000) 23 OSCB (Supp) 759.

Commission Rule 41-501 General Prospectus Requirements (2000) 23 OSCB (Supp) 765.

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"),
ONTARIO REGULATION 1015, R.R.O. 1990, AS AMENDED (the "Regulation")
NI 44-101 SHORT FORM PROSPECTUS DISTRIBUTIONS (the "Short Form Rule"),
NI 41-101 PROSPECTUS DISCLOSURE REQUIREMENTS (the "Disclosure Rule") and COMMISSION RULE 41-501 GENERAL PROSPECTUS REQUIREMENTS (the "General Prospectus Rule")**

AND

**IN THE MATTER OF
QUEBECOR WORLD INC.**

ORDER AND DECISION

(Section 147 and Paragraph 80(b)(iii) of the Act, Section 15.1 of the General Prospectus Rule, Subsection 5.1(1) of the Disclosure Rule and Subsection 59(2) of Schedule I to the Regulation)

WHEREAS Quebecor World Inc. (the "**Applicant**") filed a preliminary prospectus dated February 7, 2001 (the "**Preliminary Prospectus**") in accordance with the Short Form Rule relating to the qualification of 15,000,000 subordinate voting shares (the "**Offering**") and received a receipt therefor dated February 7, 2001;

AND WHEREAS the Applicant intends to file a (final) prospectus (the "**Prospectus**") in accordance with the Short Form Rule and is desirous of receiving a receipt therefor forthwith;

AND WHEREAS the Applicant has applied for certain relief from the provisions of the Act, the Disclosure Rule and the General Prospectus Rule and for relief from the requirement to pay fees in connection with such application;

AND WHEREAS pursuant to an assignment dated April 12, 1999, as amended on September 7, 1999, February 15, 2000 and January 23, 2001, the Commission assigned certain of its powers and duties under the Act to each "Director", as that term is defined in subsection 1(1) of the Act;

AND WHEREAS on April 12, 1999 the Executive Director issued a determination and designation which designated, *inter alia*, each Manager in the Corporate Finance Branch of the Commission as a "Director" for the purposes of subsection 1(1) of the Act;

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

IT IS HEREBY DECIDED pursuant to section 15.1 of the General Prospectus Rule that the General Prospectus Rule, other than section 13.9 thereof, does not apply to the Preliminary Prospectus and the Prospectus;

AND IT IS FURTHER DECIDED pursuant to subsection 5.1(1) of the Disclosure Rule that the Disclosure Rule does not apply to the Preliminary Prospectus and the Prospectus;

AND IT IS HEREBY ORDERED pursuant to section 147 of the Act that the Offering is exempt from 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 the Preliminary Prospectus and the issuance of a receipt for the Prospectus;

AND IT IS FURTHER ORDERED pursuant to paragraph 80(b)(iii) of the Act that section 79 of the Act does not apply to the Applicant insofar as it requires the Applicant to send financial statements filed under section 78 of the Act to each holder of its securities concurrently with their filing, if:

(a) the Applicant files those financial statements earlier than 140 days from the end of its last financial year because it is required to do so, in connection with the Offering, by the Short Form Rule; and

(b) the financial statements are sent within the time period specified in the Act for filing;

AND IT IS HEREBY DECIDED pursuant to subsection 59(2) of Schedule I to the Regulation that the Applicant be exempt from the requirement under the Act to pay fees in connection with the making of this application.

February 14, 2001.

"Margo Paul"

2.2.4 H&R Real Estate Investment Trust - s. 147 & 80(b)(iii)

Headnote

Section 15.1 of Rule 41-501 - relief from certain requirements of Rule 41-501 where preliminary prospectus and prospectus filed in accordance with National Instrument 44-101.

Subsection 5.1(1) of National Instrument 41-101 – relief from requirements of 41-101 where preliminary prospectus and prospectus filed in accordance with National Instrument 44-101.

Section 147 – relief 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 (final) prospectus.

Paragraph 80(b)(iii) – relief from the requirement to mail annual comparative financial statements concurrently with the filing of such financial statements, subject to conditions.

Subsection 59(2) of Schedule I – waiver of fees.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5. as am, ss. 65(1), 78, 79, 80(b)(iii), 147.

Regulation Cited

Schedule I to General Regulation, Ont. Reg. 1015 R.R.O 1990, as am., s.59(2).

Rules Cited

National Instrument 41-101 Prospectus Disclosure Requirements (2000) 23 OSCB (Supp) 759.

Commission Rule 41-501 General Prospectus Requirements (2000) 23 OSCB (Supp) 765.

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"),
ONTARIO REGULATION 1015, R.R.O. 1990, AS AMENDED (the "Regulation")
NI 44-101 SHORT FORM PROSPECTUS DISTRIBUTIONS (the "Short Form Rule"),
NI 41-101 PROSPECTUS DISCLOSURE REQUIREMENTS (the "Disclosure Rule") and
COMMISSION RULE 41-501 GENERAL PROSPECTUS REQUIREMENTS (the "General Prospectus Rule")

AND

IN THE MATTER OF
H&R REAL ESTATE INVESTMENT TRUST

ORDER AND DECISION
(Section 147 and Paragraph 80(b)(iii) of the Act,
Section 15.1 of the General Prospectus Rule,
Subsection 5.1(1) of the Disclosure Rule and
Subsection 59(2) of Schedule I to the Regulation)

WHEREAS H&R Real Estate Investment Trust (the "**Applicant**") filed a preliminary prospectus dated February 14, 2001 (the "**Preliminary Prospectus**") in accordance with the Short Form Rule relating to the qualification up to 11,000,000 units of the Applicant (the "**Offering**") and received a receipt therefor dated February 14, 2001;

AND WHEREAS the Applicant intends to file a (final) prospectus (the "**Prospectus**") in accordance with the Short Form Rule and is desirous of receiving a receipt therefor forthwith;

AND WHEREAS the Applicant has applied for certain relief from the provisions of the Act, the Disclosure Rule and the General Prospectus Rule and for relief from the requirement to pay fees in connection with such application;

AND WHEREAS pursuant to an assignment dated April 12, 1999, as amended on September 7, 1999, February 15, 2000 and January 23, 2001, the Commission assigned certain of its powers and duties under the Act to each "Director", as that term is defined in subsection 1(1) of the Act;

AND WHEREAS on April 12, 1999 the Executive Director issued a determination and designation which designated, *inter alia*, each Manager in the Corporate Finance Branch of the Commission as a "Director" for the purposes of subsection 1(1) of the Act;

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

IT IS HEREBY DECIDED pursuant to section 15.1 of the General Prospectus Rule that the General Prospectus Rule, other than section 13.9 thereof, does not apply to the Preliminary Prospectus and the Prospectus;

AND IT IS FURTHER DECIDED pursuant to subsection 5.1(1) of the Disclosure Rule that the Disclosure Rule does not apply to the Preliminary Prospectus and the Prospectus;

AND IT IS HEREBY ORDERED pursuant to section 147 of the Act that the Offering is exempt from 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 the Preliminary Prospectus and the issuance of a receipt for the Prospectus;

AND IT IS FURTHER ORDERED pursuant to paragraph 80(b)(iii) of the Act that section 79 of the Act does not apply to the Applicant insofar as it requires the Applicant to send financial statements filed under section 78 of the Act to each holder of its securities concurrently with their filing, if:

(a) the Applicant files those financial statements earlier than 140 days from the end of its last financial year because it is required to do so, in connection with the Offering, by the Short Form Rule; and

(b) the financial statements are sent within the time period specified in the Act for filing;

AND IT IS HEREBY DECIDED pursuant to subsection 59(2) of Schedule I to the Regulation that the Applicant be exempt from the requirement under the Act to pay fees in connection with the making of this application.

February 16, 2001.

"John Hughes"

2.2.5 Cairngorm Mines Limited - s. 147

Headnote

Section 144 - revocation of cease trade order upon remedying of default and mailing financial statements to shareholders.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 127, 144 and Part XVIII.

Applicable Notices

Ontario Securities Commission Notice 35 - Revocation of Cease Trade Orders (1995) 18 OSCB 5.

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

AND

**IN THE MATTER OF
CAIRNGORM MINES LIMITED**

**ORDER
(Section 144)**

WHEREAS the securities of Cairngorm Mines Limited (the "Filer") are subject to a Temporary Order of the Director dated July 19, 1976 and extended by the Order of the Director dated August 3, 1976 made under the predecessor to section 127 of the Act (collectively, the "Cease Trade Order") directing that trading in the securities of the Corporation cease;

AND WHEREAS the Filer has made an application to the Director (the "Director") of the Ontario Securities Commission (the "Commission") pursuant to section 144 of the Act for a revocation of the Cease Trade Order;

AND UPON the Filer having represented to the Director that:

1. The Filer was incorporated on November 15, 1955 under the laws of the Province of Ontario;

2. The authorized capital of the Filer consists of 30,000,000 common shares of which 1,644,006 were issued and outstanding as at February 5, 2001.

3. The Corporation has been a reporting issuer under the Act since 1957, and its common shares will be listed for trading on the Canadian Venture Exchange.

4. The Cease Trade Order was issued due to the Filer's failure to file its annual audited financial statements for the year ended December 31, 1975, and unaudited interim financial statements for the period March 31, 1976 as a result of financial difficulties.

5. Except for the Cease Trade Order, the Filer has not been subject to any other previous cease trade orders issued by the Commission or the Director.

6. The Filer's annual audited financial statements for the years ended December 31,1997 to December 31, 1999, along with its interim unaudited financial statements for the periods ended March 31, June 30, and September 30 for each of 1997, 1998, 1999 and 2000 (collectively "the Financial Statements") were filed with the Commission on February 15, 2001 and will be mailed to shareholders of the Filer forthwith.

7. The Filer is not considering, nor is it involved in any discussions relating to a reverse take-over or similar transaction.

8. The Filer is not a "shell issuer" as that term is defined in the Staff Notice on Revocation of Cease Trade Orders, (1995) 18 OSCB 5.

9. Except for the Cease Trade Order, the Filer is not in default of any requirement of the Act or rules or regulations made thereunder.

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

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

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

IT IS ORDERED, pursuant to section 144 of the Act, that the Cease Trade Order be as is hereby revoked.

February 15, 2001.

John Hughes
Manager, Continuous Disclosure

2.2.6 Air Canada - s. 147 & 80(b)(iii)

Headnote

Section 15.1 of Rule 41-501 - relief from certain requirements of Rule 41-501 where preliminary prospectus and prospectus filed in accordance with National Instrument 44-101.

Subsection 5.1(1) of National Instrument 41-101 – relief from requirements of 41-101 where preliminary prospectus and prospectus filed in accordance with National Instrument 44-101.

Section 147 – relief 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 (final) prospectus.

Paragraph 80(b)(iii) – relief from the requirement to mail annual comparative financial statements concurrently with the filing of such financial statements, subject to conditions.

Subsection 59(2) of Schedule I – waiver of fees.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5. as am, ss. 65(1), 78, 79, 80(b)(iii), 147.

Regulation Cited

Schedule I to General Regulation, Ont. Reg. 1015 R.R.O 1990, as am., s.59(2).

Rules Cited

National Instrument 41-101 Prospectus Disclosure Requirements (2000) 23 OSCB (Supp) 759.

Commission Rule 41-501 General Prospectus Requirements (2000) 23 OSCB (Supp) 765.

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"),
ONTARIO REGULATION 1015, R.R.O. 1990, AS AMENDED (the "Regulation")
NI 44-101 SHORT FORM PROSPECTUS DISTRIBUTIONS (the "Short Form Rule"),
NI 41-101 PROSPECTUS DISCLOSURE REQUIREMENTS (the "Disclosure Rule")
and COMMISSION RULE 41-501 GENERAL PROSPECTUS REQUIREMENTS
(the "General Prospectus Rule")

AND

IN THE MATTER OF
AIR CANADA

ORDER AND DECISION
(Section 147 and Paragraph 80(b)(iii) of the Act, Section 15.1 of the General Prospectus Rule, Subsection 5.1(1) of the Disclosure Rule and Subsection 59(2) of Schedule I to the Regulation)

WHEREAS Air Canada (the "**Applicant**") filed a preliminary prospectus dated February 9, 2001 (the "**Preliminary Prospectus**") in accordance with the Short Form Rule relating to the qualification of 9% Senior Debentures due 2006 (the "**Offering**") and received a receipt therefor dated February 12, 2001;

AND WHEREAS the Applicant intends to file a (final) prospectus (the "**Prospectus**") in accordance with the Short Form Rule and is desirous of receiving a receipt therefor forthwith;

AND WHEREAS the Applicant has applied for certain relief from the provisions of the Act, the Disclosure Rule and the General Prospectus Rule and for relief from the requirement to pay fees in connection with such application;

AND WHEREAS pursuant to an assignment dated April 12, 1999, as amended on September 7, 1999, February 15, 2000 and January 23, 2001, the Commission assigned certain of its powers and duties under the Act to each "Director", as that term is defined in subsection 1(1) of the Act;

AND WHEREAS on April 12, 1999 the Executive Director issued a determination and designation which designated, *inter alia*, each Manager in the Corporate Finance Branch of the Commission as a "Director" for the purposes of subsection 1(1) of the Act;

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

IT IS HEREBY DECIDED pursuant to section 15.1 of the General Prospectus Rule that the General Prospectus Rule, other than section 13.9 thereof, does not apply to the Preliminary Prospectus and the Prospectus;

AND IT IS FURTHER DECIDED pursuant to subsection 5.1(1) of the Disclosure Rule that the Disclosure Rule does not apply to the Preliminary Prospectus and the Prospectus;

AND IT IS HEREBY ORDERED pursuant to section 147 of the Act that the Offering is exempt from 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 the Preliminary Prospectus and the issuance of a receipt for the Prospectus;

AND IT IS FURTHER ORDERED pursuant to paragraph 80(b)(iii) of the Act that section 79 of the Act does not apply to the Applicant insofar as it requires the Applicant to send financial statements filed under section 78 of the Act to each holder of its securities concurrently with their filing, if:

(a) the Applicant files those financial statements earlier than 140 days from the end of its last financial year because it is required to do so, in connection with the Offering, by the Short Form Rule; and

(b) the financial statements are sent within the time period specified in the Act for filing;

AND IT IS HEREBY DECIDED pursuant to subsection 59(2) of Schedule I to the Regulation that the Applicant be exempt from the requirement under the Act to pay fees in connection with the making of this application.

February 15, 2001.

"Margo Paul"

2.2.7 Lois Doreen King - ss. 127(1)

IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990 C.s.5, as amended (the "Act")

AND

IN THE MATTER OF
LOIS DOREEN KING

ORDER
(Subsection 127(1))

WHEREAS on February 12, 2001, the Ontario Securities Commission (the "Commission") issued a notice of hearing pursuant to subsection 127(1) of Act in respect of Lois Doreen King ("the Respondent");

AND WHEREAS the Respondent entered into a settlement agreement dated February 12, 2001 (the "Settlement Agreement") in which she agreed to a proposed settlement of the proceeding, subject to the approval of the Commission;

AND UPON reviewing the Settlement Agreement, and upon hearing submissions from counsel for the Respondent and for 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 dated February 12, 2001, attached to this Order, is hereby approved;

(2) pursuant to paragraph 1 of subsection 127(1) of the Act, the Respondent's registration is terminated;

(3) pursuant to paragraph 2 of subsection 127(1) of the Act, the Respondent will cease trading in securities for a period of three years effective February 9, 2000, with the exception of trading in personal accounts held in her name only or for the account of her registered retirement savings plan (as defined in the *Income Tax Act* (Canada)); and

(4) pursuant to paragraph 6 of subsection 127(1) of the Act, the Respondent is hereby reprimanded.

February 19, 2001.

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

"Robert W. Davis"

2.2.8 Canadian Real Estate Investment Trust - s. 147 & 80(b)(iii)

Headnote

Section 15.1 of Rule 41-501 - relief from certain requirements of Rule 41-501 where preliminary prospectus and prospectus filed in accordance with National Instrument 44-101.

Subsection 5.1(1) of National Instrument 41-101 – relief from requirements of 41-101 where preliminary prospectus and prospectus filed in accordance with National Instrument 44-101.

Section 147 – relief 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 (final) prospectus.

Paragraph 80(b)(iii) – relief from the requirement to mail annual comparative financial statements concurrently with the filing of such financial statements, subject to conditions.

Subsection 59(2) of Schedule I – waiver of fees.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5. as am, ss. 65(1), 78, 79, 80(b)(iii), 147.

Regulation Cited

Schedule I to General Regulation, Ont. Reg. 1015 R.R.O 1990, as am., s.59(2).

Rules Cited

National Instrument 41-101 Prospectus Disclosure Requirements (2000) 23 OSCB (Supp) 759.

Commission Rule 41-501 General Prospectus Requirements (2000) 23 OSCB (Supp) 765.

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"),
ONTARIO REGULATION 1015, R.R.O. 1990, AS AMENDED (the "Regulation")
NI 44-101 SHORT FORM PROSPECTUS DISTRIBUTIONS (the "Short Form Rule"),
NI 41-101 PROSPECTUS DISCLOSURE REQUIREMENTS (the "Disclosure Rule")
and COMMISSION RULE 41-501 GENERAL PROSPECTUS REQUIREMENTS (the "General Prospectus Rule")

AND

IN THE MATTER OF
CANADIAN REAL ESTATE INVESTMENT TRUST

ORDER AND DECISION
(Section 147 and Paragraph 80(b)(iii) of the Act, Section 15.1 of the General Prospectus Rule, Subsection 5.1(1) of the Disclosure Rule and Subsection 59(2) of Schedule I to the Regulation)

WHEREAS Canadian Real Estate Investment Trust (the "Applicant") filed a preliminary prospectus dated February 14, 2001 (the "Preliminary Prospectus") in accordance with the Short Form Rule relating to the qualification of 4,200,000 Units (the "Offering") and received a receipt therefor dated February 14, 2001;

AND WHEREAS the Applicant intends to file a (final) prospectus (the "Prospectus") in accordance with the Short Form Rule and is desirous of receiving a receipt therefor forthwith;

AND WHEREAS the Applicant has applied for certain relief from the provisions of the Act, the Disclosure Rule and the General Prospectus Rule and for relief from the requirement to pay fees in connection with such application;

AND WHEREAS pursuant to an assignment dated April 12, 1999, as amended on September 7, 1999, February 15, 2000 and January 23, 2001, the Commission assigned certain of its powers and duties under the Act to each "Director", as that term is defined in subsection 1(1) of the Act;

AND WHEREAS on April 12, 1999 the Executive Director issued a determination and designation which designated, *inter alia*, each Manager in the Corporate Finance Branch of the Commission as a "Director" for the purposes of subsection 1(1) of the Act;

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

IT IS HEREBY DECIDED pursuant to section 15.1 of the General Prospectus Rule that the General Prospectus Rule, other than section 13.9 thereof, does not apply to the Preliminary Prospectus and the Prospectus;

AND IT IS FURTHER DECIDED pursuant to subsection 5.1(1) of the Disclosure Rule that the Disclosure Rule does not apply to the Preliminary Prospectus and the Prospectus;

AND IT IS HEREBY ORDERED pursuant to section 147 of the Act that the Offering is exempt from 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 the Preliminary Prospectus and the issuance of a receipt for the Prospectus;

AND IT IS FURTHER ORDERED pursuant to paragraph 80(b)(iii) of the Act that section 79 of the Act does not apply to the Applicant insofar as it requires the Applicant to send financial statements filed under section 78 of the Act to each holder of its securities concurrently with their filing, if:

(a) the Applicant files those financial statements earlier than 140 days from the end of its last financial year because it is required to do so, in

connection with the Offering, by the Short Form Rule; and

(b) financial statements are sent within the time period specified in the Act for filing;

AND IT IS HEREBY DECIDED pursuant to subsection 59(2) of Schedule I to the Regulation that the Applicant be exempt from the requirement under the Act to pay fees in connection with the making of this application.

February 19, 2001.

John Hughes
Manager, Corporate Finance

2.3 Rulings

2.3.1 Pink Elephant Inc. - ss. 74(1)

Headnote

The first trade by former employees and trades by the plan administrator on behalf of former employees or the legal representatives of former employees in shares acquired pursuant to the employee share purchase plan of the issuer shall not be subject to section 25 of the Act, subject to certain conditions.

Applicable Ontario Statutes

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

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

AND

**IN THE MATTER OF
PINK ELEPHANT INC.**

**RULING
(Subsection 74(l))**

UPON the application of Pink Elephant Inc. ("Pink Elephant") and Pink Roccade nv ("Parentco") to the Ontario Securities Commission (the "Commission") for a ruling, pursuant to subsection 74(l) of the Act that certain first trades in shares of common stock of Parentco (the "Plan Shares") issued pursuant to the Pink Elephant Share Incentive Programmes for Employees of Parentco and its subsidiaries (the "Plans") shall not be subject to section 25 of the Act;

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

AND UPON Pink Elephant and Parentco having represented to the Commission as follows:

1. Pink Elephant is incorporated pursuant to the laws of Ontario, is not a reporting issuer under the Act and has no present intention of becoming a reporting issuer under the Act.

2. Pink Elephant is a wholly-owned subsidiary of Parentco.

3. Parentco is incorporated pursuant to the laws of Holland, is not a reporting issuer under the Act and has no present intention of becoming a reporting issuer under the Act.

4. Parentco is subject to the securities regulation of Holland and the Plan Shares are listed and posted for trading on the Amsterdam Stock Exchange (the "ASE").

5. Pink Elephant uses the services of ABN AMRO Bank of Holland (the "Plan Administrator") in connection with the Plans. The Plan Administrator is not registered under the Act.

6. Residents of Ontario of record hold not more than 10% of all of the issued and outstanding shares of common stock of Parentco, and the number of Ontario residents of record holding shares of common stock of Parentco is not more than 10% of the total number of holders of shares of common stock of Parentco.

7. The Plans were established for the benefit of eligible employees of Parentco and its subsidiaries, including Ontario employees of Pink Elephant (the "Ontario Employees").

8. Pursuant to the Plans, Ontario Employees will be offered stock options ("Options") to purchase the Plan Shares.

9. As of November 6, 2000 there were approximately 72 Ontario Employees who were eligible to participate in the Plans.

10. An exemption from section 25 of the Act is not available for trades in the Plan Shares that are (i) made by former Ontario Employees directly over the ASE or otherwise in accordance with paragraph (b) below, (ii) made by the Plan Administrator on behalf of former Ontario Employees or (iii) made by the Plan Administrator on behalf of the legal representatives of former Ontario Employees.

11. Because there is no market in Ontario for the Plan Shares and none is expected to develop, any resale of the Plan Shares will be effected through the facilities of and in accordance with the rules of the ASE or otherwise in accordance with paragraph (b) below.

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

IT IS RULED, pursuant to subsection 74(l) of the Act, that first trades in Plan Shares made by (i) former Ontario Employees directly over the ASE or otherwise in accordance with paragraph (b) below, (ii) the Plan Administrator on behalf of former Ontario Employees, or (iii) the Plan Administrator on behalf of the legal representatives of former Ontario Employees will not be subject to section 25 of the Act provided that:

(a) at the time of such first trade neither Parentco or Pink Elephant are reporting issuers under the Act; and

(b) such first trade is executed

(i) through the facilities of a stock exchange outside Ontario;

(ii) on the Nasdaq Stock Market; or

(iii) on the Stock Exchange Automated Quotation System of the London Stock Exchange Limited.

December 22, 2000.

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

2.3.2 Fidelity Investments Canada Ltd. - ss. 74(1)

Headnote

Subsection 74(1) - Trades by pooled funds of additional units to existing unitholders (having made an initial investment of at least $150,000 and holding units having an aggregate acquisition cost or aggregate net asset avlue of not less than $150,000) exempt from section 53 of the Act - Trades in units of funds also exempted from subsection 72(3) of the Act provided with respect to each fund a report in accordance with Form 45-501F1 is filed, along with the fee prescribed for Form 45-501F1, within 30 days of the Fund's financial year end.

Statutes Cited

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

Rules Cited

Ontario Securities Commission Rule 45-501 - Exempt Distributions (1998), 21 OSCB 6548.

Ontario Securities Commission Rule 81-501- Mutual Fund Reinvestment Plans (1998), 21 OSCB 2713.

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

AND

IN THE MATTER OF
FIDELITY INVESTMENTS CANADA LIMITED
RULING AND ORDER
(Subsection 74(1) and Section 147 of the Act)

UPON the application (the "Application") of Fidelity Investments Canada Limited (the "Applicant") to the Ontario Securities Commission (the "Commission") for (i) a ruling pursuant to subsection 74(1) of the Act that certain trades in certain units of the Funds (as hereinafter defined) are not subject to section 53 of the Act; and (ii) an order of the Commission pursuant to section 147 of the Act that certain trades in units of the Funds are not subject to subsection 72(3) of the Act provided a Form 45-501F1 and the prescribed fee are filed within 30 days of the financial year end of each Fund.

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

AND UPON the Applicant representing to the Commission that:

1. The Applicant is a corporation continued under the laws of Ontario and is registered under the Act as a dealer in the category of mutual fund dealer and as an adviser in the categories of investment counsel and portfolio manager.

2. The Applicant is also registered under the *Commodity Futures Act* (Ontario) as a commodity trading manager.

3. The Applicant intends to establish pooled funds (the "Funds") from time to time, and the Applicant will act as the manager of the Funds.

4. Each Fund will be established under the laws of Ontario pursuant to a declaration of trust and the Applicant will act as trustee of the Funds.

5. The Applicant intends to offer discretionary investment management services to pension plans and other investors in Canada (the "Private Clients"). The Applicant will carry out the investment mandate of the Private Clients through the purchase of units of the Funds (the "Units") or through segregated accounts. The Applicant may also permit Private Clients to subscribe for Units directly.

6. The Applicant or affiliates of the Applicant will distribute the Units.

7. Units may be issued in Ontario in reliance upon the prospectus exemption contained in clause 72(1)(d) of the Act and section 3.1 of Rule 45-501 (the "72(1)(d) Exemption") or on other exempt bases.

8. The minimum initial investment in Units by or on behalf of a Private Client made in reliance upon the 72(1)(d) Exemption is $150,000 (the "Initial Investment").

9. The Units will be non-transferable and will be offered on a continuous basis.

10. Following an Initial Investment in a Fund, it is proposed that additional Units (the "Additional Units") of that Fund be permitted to be purchased by or on behalf of Private Clients without being subject to any minimum purchase amount by:

    (a) automatically reinvesting distributions attributable to outstanding Units; or

    (b) subscribing and paying for Additional Units.

11. The issuance of Additional Units to unitholders pursuant to the automatic reinvesting of distributions attributable to outstanding Units will be exempt from the requirements of sections 25 and 53 of the Act pursuant to Rule 81-501.

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

IT IS RULED pursuant to subsection 74(1) of the Act that trades in Additional Units, as described above, are not subject to section 53 of the Act provided that:

(a) this ruling will terminate upon the publication in final form of any rule exempting from section 53 of the Act distributions by a fund manager on behalf of a pooled fund of additional securities which applies to trades of Additional Units as described in paragraph 10(b) above;

(b) at the time of acquisition of Additional Units of a Fund, the unitholder then holds units of that

Fund having an aggregate acquisition cost or an aggregate net asset value of not less than $150,000; and

(c) at the time of the acquisition of Additional Units of a Fund, the Applicant, or if the Additional Units are distributed by an affiliate of the Applicant, that affiliate, is registered under the Act as a mutual fund dealer and such registration is in good standing.

AND IT IS ORDERED, pursuant to section 147 of the Act, that a trade in Units of a Fund made in reliance upon the 72(1)(d) Exemption is not subject to section 72(3) of the Act, provided that:

(a) within 30 days after the financial year end of the Fund, the Fund files a report in accordance with Form 45-501F1 of Rule 45-501 in respect of trades in Units and Additional Units of the Fund during such financial year; and

(b) within 30 days after the financial year end of the Fund, the Fund remits the fee prescribed by Rule 45-510 for reports filed in Form 45-501F1.

February 2, 2001

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

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
Advantedge International Inc.	16 Feb 01	28 Feb 01	-	-
Altaur Gold Explorations Inc.	06 Feb 01	-	16 Feb 01	-
Delicious Alternative Desserts Ltd.	06 Feb 01	-	16 Feb 01	-
Livent Inc.	06 Feb 01	-	16 Feb 01	-
Applied Inventions Management Inc.	08 Feb 01	-	20 Feb 01	-

4.1.2 Cease Trading Orders

Company Name	Date of Lapse/Expire
Eugenic Corp.	16 Feb 01

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Chapter 5

Rules and Policies

5.1 Rules

5.1.1 NI 55-101 & 55-101CP - Exemption from Certain Insider Reporting Requirements

**NOTICE OF NATIONAL INSTRUMENT 55-101
AND COMPANION POLICY 55-101CP
UNDER THE SECURITIES ACT
EXEMPTION FROM CERTAIN INSIDER REPORTING REQUIREMENTS**

AND

**RESCISSION OF OSC POLICY 10.1 APPLICATIONS FOR EXEMPTION
FROM INSIDER REPORTING OBLIGATIONS FOR INSIDERS OF
SUBSIDIARIES AND AFFILIATED ISSUERS**

Notice of Rule and Policy

The Commission has, under section 143 of the *Securities Act* (the "Act"), made National Instrument 55-101 Exemption from Certain Insider Reporting Requirements (the "National Instrument") as a Rule under the Act, and has adopted Companion Policy 55-101CP Exemption from Certain Insider Reporting Requirements (the "Companion Policy") as a Policy under the Act.

The National Instrument and Companion Policy are initiatives of the Canadian Securities Administrators (the "CSA"). The National Instrument has been, or is expected to be, adopted as a rule in each of British Columbia, Alberta, Manitoba, Ontario, Newfoundland and Nova Scotia, a Commission regulation in Saskatchewan, and a policy in all other jurisdictions represented by the CSA. The Companion Policy has been, or is expected to be, implemented as a policy in all the jurisdictions represented by the CSA.

The National Instrument and the material required by the Act to be delivered to the Minister of Finance were delivered on February 23, 2001. If the Minister does not reject the National Instrument or return it to the Commission for further consideration by May 9, 2001, or if the Minister approves the National Instrument, the National Instrument will come into force, pursuant to section 8.1 of the National Instrument, on May 15, 2001. The Companion Policy will come into force on the date that the National Instrument comes into force.

The CSA published drafts of the National Instrument (the "Draft Instrument") and Companion Policy (the "Draft Policy") in June 2000[1] (collectively, the "Draft Instruments"). The instruments had been previously published for comment in August 1999[2].

During the comment period on the Draft Instruments which ended on August 16, 2000, the CSA received two submissions. The comments provided in these submissions have been considered by the CSA and the final versions of the National Instrument and Companion Policy being published with this Notice reflect the decisions of the CSA in this regard. Appendix A of this Notice lists the commentors on the Draft Instruments and provides a summary of the comments received and the response of the CSA.

Substance and Purpose of National Instrument and Companion Policy

The purpose of the National Instrument is to provide certain exemptions from the obligation to file insider reports under Canadian securities legislation. Generally speaking, the National Instrument

- provides an exemption from the obligation to file insider reports for certain directors and senior officers of subsidiaries of a reporting issuer and of affiliates of insiders who neither hold the securities of a reporting issuer in significant amounts nor are in a position to acquire knowledge of undisclosed material information,
- permits directors and senior officers of a reporting issuer or of a subsidiary of the reporting issuer to report acquisitions of securities of the reporting issuer under automatic securities purchase plans on an annual basis in most circumstances,
- permits issuers conducting normal course issuer bids to report acquisitions of securities under such bids on a monthly basis, and
- permits insiders of a reporting issuer to report changes in direct or indirect beneficial ownership of, or control or direction over securities by, such insiders pursuant to certain issuer events, such as a stock split, consolidation or amalgamation, at the time of their next required insider report.

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1 In Ontario, at (2000), 23 OSCB 4212.

2 In Ontario, at (1999), 22 OSCB 5161.

As a result of the implementation of the National Instrument, certain local policies such as Ontario Securities Commission Policy 10.1, British Columbia Local Policy Statement 3-14 and Policy Statement No. Q-10 of the Commission des valeurs mobilières du Québec that set out guidelines for applications for exemptions from the insider reporting obligations in these situations will no longer be necessary. Accordingly, these policies will be rescinded on the date the National Instrument comes into force. In Ontario, Policy 10.1 also sets out guidelines for applications for exemptive relief for directors and senior officers of companies that are insiders of a reporting issuer. Although the National Instrument generally provides for an exemption for directors and senior officers of (i) subsidiaries of a reporting issuer and (ii) affiliates of insiders of a reporting issuer, the National Instrument does not provide for an exemption for directors and senior officers of insiders of a reporting issuer. It was decided not to grant an exemption to these insiders under the National Instrument, as applications for such relief have tended to be rare, and this type of relief is not covered in the corresponding policies of the other CSA jurisdictions. Accordingly, the Commission is prepared to consider applications for this type of relief on a case-by-case basis, and will generally apply the same principles as set out in the National Instrument.

Canadian securities legislation imposes an obligation on insiders to disclose ownership of and trading in securities of reporting issuers, in part in an attempt to deter illegal insider trading and to increase investor confidence in the securities market by providing investors and potential investors with information concerning the trading activities of substantial security holders and other insiders of the issuer. The definition of "insider" in Canadian securities legislation, other than the Québec legislation, includes any person or company beneficially owning, directly or indirectly, or exercising control or direction over, voting securities of a reporting issuer carrying more than 10 percent of the voting rights attached to all voting securities of the reporting issuer. In Québec, the definition is slightly different as an insider includes a person who exercises control over more than 10 percent of a class of voting shares or shares with an unlimited right to a share of the profits or assets of the issuer on a winding-up. Every director or senior officer of an insider of a reporting issuer is also an insider of the reporting issuer. Canadian securities legislation, other than the Québec legislation, stipulates that a company is deemed to beneficially own securities beneficially owned by its affiliates. As a consequence of these definitions, insider reporting obligations are imposed on directors and senior officers of affiliates of an insider of a reporting issuer. These directors and officers may have no relationship with the reporting issuer and no access to undisclosed material information concerning the reporting issuer.

Canadian securities legislation also imposes an obligation on insiders to file a report for each purchase made under automatic securities purchase plans. These purchases are typically in amounts, at prices and at times determined by established formula or criteria and the only investment decision by the insider is the decision to participate in the plan or to cease participating in the plan.

In addition, under Canadian securities legislation, issuers themselves are insiders in respect of purchases of their own shares, and accordingly are required to file a report for purchases of their own shares, such as through issuer bids.

The Canadian securities regulatory authorities have recognized the extent to which compliance with the insider reporting requirements can be unnecessarily burdensome and have, in recent years, provided exemptive relief on a case-by-case basis in response to applications made on behalf of directors and senior officers of subsidiaries and affiliates of corporate insiders of reporting issuers, for purchases made by insiders under automatic securities purchase plans and for issuers conducting normal course issuer bids. The Policy makes it clear that these orders will, except as otherwise provided in them, still be in effect notwithstanding the implementation of the National Instrument. The degree to which the orders replicate each other suggests that the process of granting case-by-case exemptions is routine and for that reason the relief set out in the National Instrument is merited.

It was contemplated that the National Instrument would come into force contemporaneously with National Instrument 55-102 System for Electronic Disclosure by Insiders (SEDI). The proposed National Instrument 55-102 will establish an electronic filing system for insider trading reports. It was also intended that all of the provisions of the National Instrument be capable of effective implementation within the electronic filing system regime to be established under proposed National Instrument 55-102.

The CSA have determined that, notwithstanding the fact that the proposed National Instrument 55-102 System for Electronic Disclosure by Insiders (SEDI) is not coming into force at this time, it was nonetheless appropriate to now bring National Instrument 55-101 into force, so as to make available the types of relief from insider trading requirements contained in National Instrument 55-101.

Part 7 of National Instrument 55-101 is related to provisions which will be contained in proposed National Instrument 55-102 System for Electronic Disclosure by Insiders (SEDI). Although proposed National Instrument 55-102 is not coming into force at this time, the CSA has determined that, in connection with bringing National Instrument 55-101 into force at this time, it was appropriate and desirable to retain the exemptive relief in Part 7 relating to reporting for certain events, as discussed below.

Currently, an insider whose security holdings change automatically as a result of a stock split, or similar event that affects all holders of a class of securities equally, would technically be required to file an insider report disclosing that change, even if there is no proportionate change in the insider's position. The securities legislation of some Canadian jurisdictions provides for an exemption from the insider reporting requirement upon the occurrence of such corporate events where an officer of the issuer files a notice of the transaction within 10 days. Under proposed National Instrument 55-102 System for Electronic Disclosure by Insiders (SEDI), SEDI issuers will be required to report such events. However, under the electronic filing system, such reports would not adjust the individual disclosure for insiders and for this reason the CSA was proposing to revoke the existing exemptive relief in Canadian securities legislation contemporaneously with the implementation of the National Instrument. Nonetheless, as the CSA believed that exemptive relief should be provided to insiders in these circumstances, the exemption in Part 7 of the National Instrument was to be

provided to provide exemptive relief for insiders whose holdings are affected by such events, by permitting such insiders to defer a report of the change caused by such an event until the insider's next required report.

Notwithstanding the fact that proposed National Instrument 55-102 System for Electronic Disclosure by Insiders (SEDI) is not coming into force contemporaneously with the National Instrument, the CSA have determined that it was appropriate to bring National Instrument 55-101 into force containing the exemptive relief provided by Part 7. An issuer would invariably be required to make public disclosure of the issuer event under continuous disclosure requirements. Accordingly, the CSA believe that it continues to be appropriate to provide relief in these circumstances by exempting insiders from disclosing changes in direct or indirect beneficial ownership of, or control or direction over securities by, the insider for securities of the reporting issuer pursuant to an issuer event, as the event, and its effect on security holdings, will generally be disclosed.

National Instrument 55-102 System for Electronic Disclosure by Insiders (SEDI), as proposed, will include a requirement for an issuer to disclose an issuer event. As and when National Instrument 55-102 is implemented, National Instrument 55-101 would be capable of effective implementation within the electronic filing system regime to be established under proposed National Instrument 55-102. In particular, the requirement for an issuer to report an issuer event will effectively co-exist with, and complement, the exemption provided by Part 7.

The CSA have determined that, as and when National Instrument 55-102 is implemented, National Instrument 55-101 will effectively co-exist with National Instrument 55-102.

Securities legislation of some Canadian jurisdictions provides for an exemption from the insider reporting requirement where an officer of the issuer files notice of the acquisition by a person or company of securities of an issuer through a stock dividend plan, a share purchase plan or other plan available to a class of security holders, employees or management of an issuer. The exemptive relief provided by Part 5 of the National Instrument, permitting directors and senior officers to report acquisitions of securities under automatic securities purchase plans on an annual basis in most circumstances, provides relief in respect of the same subject matter as the existing exemptive relief and the CSA therefore will revoke this existing exemptive relief in Canadian securities legislation contemporaneously with the implementation of the National Instrument.

The CSA note that the securities legislation and securities directions of some Canadian jurisdictions provide for additional exemptions from the insider reporting requirement.

The Policy also makes it clear that the National Instrument only provides an exemption from the insider reporting requirements and not from liability for improper trading under Canadian securities legislation.

The following sections summarize the National Instrument and Companion Policy and describe certain of the changes made in the National Instrument and the Companion Policy from the Draft Instruments. For a detailed summary of the contents of the Draft Instruments, reference should be made to the Notice published with those instruments. As the changes to the National Instrument and Companion Policy from the Draft Instruments are not material, the National Instrument is not subject to a further comment period. The changes were made as the result of further consideration of the National Instrument and Companion Policy by the CSA.

Summary of National Instrument and Changes to the National Instrument

Definitions

Part 1 contains a definition section. Summaries of the defined terms, and changes to them from the Draft Instrument, are set forth below in the summaries of the Parts of the Instrument in which the definitions are used.

Exemption for Directors and Senior Officers of Subsidiaries

Part 2 provides an exemption from insider reporting for directors and senior officers of subsidiaries of a reporting issuer, other than persons who are directors or senior officers of major subsidiaries or who in the ordinary course receive or have access to information as to material facts or material changes concerning the reporting issuer prior to general disclosure. This Part was changed to clarify that directors or senior officers who in the ordinary course have access to information as to material facts and material changes concerning the reporting issuer before general disclosure to the public may not rely on the exemption, in addition to directors or senior officers who in the ordinary course receive such information. The exemption is also not available to a person who is an insider of the reporting issuer in some other capacity. This limitation on the availability of the exemption was changed from the Draft Instrument to delete the unnecessary qualification that this limitation did not apply if the insider was otherwise exempted from the insider reporting requirement. A "major subsidiary" is defined in Part 1 to be a subsidiary that represents 10 percent or more of the consolidated assets or revenues of the reporting issuer. The term "major subsidiary" is used, a change from the term "significant subsidiary" used in the Draft Instrument, to avoid confusion with other instruments which use the term "significant" with a different meaning. The definition of the term was also changed to reflect appropriate accounting terminology (such as replacing "statement of income and loss" with "income statement"), consistent with terminology used in other instruments.

Exemption for Directors and Senior Officers of Affiliates

Part 3 provides an exemption for directors and senior officers of affiliates of insiders of a reporting issuer. This exemption is not available to directors or senior officers who in the ordinary course receive or have access to information as to material facts or material changes concerning the reporting issuer before general disclosure of such material facts or material changes. The same change was made to this exemption as was made to the exemption in Part 2, to clarify that the exemption is not available to directors or senior officers of affiliates who in the ordinary course have access to information as to material facts or material changes before general disclosure to the public, as well as directors or officers who in the ordinary course receive such information. The exemption

is also not available to directors or senior officers of an affiliate that supplies goods or services to, or has contractual arrangements with, the reporting issuer or a subsidiary, the nature and scale of which could reasonably be expected to have a significant effect on the market price or value of the reporting issuer's securities. The exemption is also not available to a person who is an insider of the reporting issuer in some other capacity. As was the case in Part 2, this limitation on the availability of the exemption was changed from the Draft Instrument to delete the unnecessary qualification that this limitation did not apply if the insider was otherwise exempted from the insider reporting requirement. It should be noted that Part 3 does not apply in Québec, as under the Québec *Securities Act* directors and senior officers of affiliates of insiders do not have insider reporting obligations.

Lists of Exempted Insiders

Part 4 imposes an obligation on the reporting issuer to maintain a list of all insiders of the reporting issuer exempted by either Parts 2 and 3 of the National Instrument. Changes were made to this Part from the Draft Instrument to clarify that the reporting issuer is to maintain a list of insiders exempted under each of the Parts. This section was also changed to delete the requirement that the reporting issuer set out "the basis" for including an insider in a list under this Part.

Reporting for Automatic Securities Purchase Plans

Part 5 provides an exemption from the obligation to report purchases under automatic securities purchase plans, other than the acquisition of securities pursuant to a lump-sum provision of a plan. The exemption in Part 5 is not available if the insider also satisfies the insider test under securities legislation that is triggered by shareholdings in excess of 10 percent.

The term "automatic securities purchase plan" is defined to mean a dividend or interest reinvestment plan, stock dividend plan or any other plan of a reporting issuer or of a subsidiary of a reporting issuer to facilitate the acquisition of securities of the reporting issuer if the timing of acquisitions of securities, the number of securities which may be acquired under the plan by a director or senior officer of the reporting issuer or of a subsidiary of the reporting issuer and the price payable for the securities are established by written formula or criteria set out in a plan document. The only change to this definition from that in the Draft Instrument was to expressly include in the definition reference to dividend or interest reinvestment plans and stock dividend plans.

The term "lump-sum provision" is defined in Part 1 to mean a provision of an automatic securities purchase plan which allows a director or senior officer to acquire securities in consideration of an additional lump-sum payment, including, in the case of a dividend or interest reinvestment plan which is an automatic securities purchase plan, a cash payment option. The term "cash payment option" is defined in Part 1 to mean a provision in a dividend or interest reinvestment plan under which a participant is permitted to make cash payments to purchase from the issuer, or from an administrator of the issuer, securities of the issuer's own issue, in addition to the securities purchased using the amount of the dividend or interest payable to or for the account of the participant or acquired as a stock dividend or other distribution out of earnings or surplus. A definition of "dividend or interest reinvestment plan" is included in Part 1 to assist in defining "automatic securities purchase plan" and "cash payment option". The term "dividend or interest reinvestment plan" is defined to mean an arrangement under which a holder of securities of an issuer is permitted to direct that the dividends or interest paid on those securities be applied to the purchase, from the issuer or an administrator of the issuer, of securities of the issuer's own issue. The definition of "stock dividend plan" was added to assist in defining " automatic securities purchase plan". The term "stock dividend plan" is defined to mean an arrangement under which securities of an issuer are issued by the issuer to holders of securities of the issuer as a stock dividend or other distribution out of earnings or surplus. No changes were made to the definitions of "cash payment option", "dividend or interest reinvestment plan", "lump-sum provision" from those in the Draft Instrument.

Section 5.1 was changed from the Draft Instrument to clarify that the reporting requirement set out in section 5.3 is not a condition of the availability of the exemption in section 5.1.

Section 5.3 provides for the annual reporting requirement under the National Instrument. Section 5.3 provides that an insider who relies on the exemption from the insider reporting requirement contained in section 5.1 is to file a report, in prescribed form, disclosing each acquisition of securities under automatic securities purchase plans that has not been previously disclosed, (a) for any securities acquired under an automatic securities purchase plan which have been disposed of or transferred, within the time required by securities legislation for filing a report disclosing the disposition or transfer; and (b) for any securities acquired under an automatic securities purchase plan during a calendar year which have not been disposed of or transferred, annually within 90 days of the end of the calendar year. Section 5.3 was changed to conform the wording of the filing requirement more closely to the existing insider reporting requirement and to clarify that the annual report is to disclose each acquisition of securities under a plan.

In considering the provisions of this Part, reference should also be made below to "Regulations Revoked".

Reporting for Normal Course Issuer Bids

Section 6.1 provides that the insider reporting requirement does not apply to an issuer for acquisitions of securities by the issuer under a normal course issuer bid. Section 6.2 provides that an issuer who relies on the exemption in section 6.1 shall file a report, in prescribed form, disclosing each acquisition of securities by it under a normal course issuer bid within 10 days of the end of the month in which the acquisition occurred. The wording and structure of Part 6 of the National Instrument was changed from the Draft Instrument to conform with the wording and structure of Parts 5 and 7 and to clarify that the monthly report is to disclose each acquisition of securities under the bid. The term "normal course issuer bid" is defined in Part 1 for the purposes of this exemption as (a) an issuer bid which is made in reliance on the exemption contained in securities legislation from certain requirements relating to issuer bids which is available if the number of securities acquired by the issuer within a period of twelve months does not exceed 5 percent of the securities of that class issued and outstanding

at the commencement of the period, or (b) a normal course issuer bid as defined in the policies of The Montreal Exchange, The Canadian Venture Exchange or The Toronto Stock Exchange, conducted in accordance with the policies of that exchange. Clause (a) of the definition of "normal course issuer bid" was changed from the Draft Instrument to clarify that the exemption from normal course issuer bid reporting is available for each acquisition as the bid is being conducted if the issuer is relying on the statutory exemption for such bids, as opposed to determining whether the insider reporting exemption was available after the fact of the bid.

Reporting for Certain Issuer Events

As described above, the CSA determined that it was appropriate to provide in Part 7 relief from the insider reporting requirement for insiders affected by issuer events. The exemption from the insider reporting requirement contained in securities legislation for certain corporate events which affect all holdings of a class of securities in the same manner, where an officer of the issuer files a written notice of the event within ten days, is to be revoked.

Section 7.1 provides to insiders of reporting issuers an exemption from the obligation to report a change in direct or indirect beneficial ownership of, or control or direction over, securities of the reporting issuer for securities of the reporting issuer resulting from an issuer event. Section 7.2 provides that an insider who relies on the exemption in section 7.1 shall report the changes within the time required by securities legislation for reporting any other subsequent change in direct or indirect beneficial ownership of, or control or direction over, securities of the reporting issuer. The term "issuer event" is defined in Part 1 to mean a stock dividend, stock split, consolidation, amalgamation, reorganization, merger or other similar event that affects all holdings of a class of securities in the same manner, on a per share basis. Section 7.1 was changed to clarify that the exemption is provided to the insider, and not the issuer event, and to clarify that the reporting requirement contained in section 7.2 is not a condition of the exemption provided in section 7.1. Section 7.2 was changed to conform the wording of the filing requirement more closely to the existing insider reporting requirement and to clarify that the changes resulting from the issuer event are to be reported by the insider within the time required for a report on any other subsequent change. The definition of "issuer event" was changed from that in the Draft Instrument to clarify that an issuer event was such an event which affected all holdings of a class of securities of an issuer in the same manner, on a per share basis.

In considering the provisions of this Part, reference should also be made below to "Regulations Revoked".

Summary of Companion Policy and Changes to the Companion Policy

Purpose

The first part sets out the purpose of the Policy, which has not been changed from the Draft Policy.

Definitions

The second part, which provides commentary on the definition of "automatic securities purchase plan", has been changed from the Draft Policy to refer to stock dividend plans, reflecting the change in the National Instrument from the Draft Instrument.

Scope of Exemptions

The third part, which sets out that the National Instrument only provides exemptions from the insider reporting requirement and not from the provisions in Canadian securities legislation imposing liability for improper insider trading, has not been changed from the Draft Policy.

Automatic Securities Purchase Plans

The fourth part deals with the reporting of acquisitions or dispositions by a director or senior officer of a reporting issuer or of a subsidiary of the reporting issuer of securities under an automatic securities purchase plan. A number of changes have been made to the fourth part of the Policy, a number of which reflect the changes described above to the National Instrument.

Clause (1), which is virtually unchanged from the Draft Policy, indicates that section 5.1 of the National Instrument provides an exemption for acquisitions of securities of a reporting issuer under an automatic securities purchase plan to directors or senior officers of a reporting issuer and of a subsidiary of a reporting issuer. Clause (2) has been changed from the Draft Policy to clarify that the exemption does not apply to securities acquired under the cash option payment components of dividend or interest reinvestment plans, the "lump-sum" provisions of share purchase plans, and stock option plans, so as to conform the wording with that used in the National Instrument. Clause (3) provides that a person relying on this exemption must file a report disclosing each acquisition pursuant to the automatic securities purchase plan annually no later than 90 days after the end of the calendar year. Clause (3) also provides that the annual reporting requirement applies to persons who have not disposed of or transferred securities which were acquired under automatic securities purchase plans. Clause (3) was changed to reflect certain minor changes to the National Instrument, which changes were made to conform the wording of section 5.3 of the National Instrument which, as described above, were made to conform the wording of the filing requirement in section 5.3 of the National Instrument more closely to the wording of the existing insider reporting requirement in securities legislation. Clause (4) of the Policy, which provides that the National Instrument does not relieve a director or senior officer from his or her insider reporting obligations in respect of dispositions or transfers of securities, has not been changed from the Draft Policy. Clause (5) provides that a director or senior officer must report dispositions or transfers of securities, and acquisitions of securities which are not exempt from the insider reporting obligation, within the time periods required by securities legislation and that the report for such acquisitions or dispositions need not include acquisitions under an automatic securities purchase plan, unless clause 5.3(a) of the National Instrument requires disclosure of those acquisitions. Clause (5) was changed to reflect changes in the National Instrument from the Draft Instrument, which, as described

above, were made to conform the wording of clause 5.3(a) more closely to the insider reporting requirement in securities legislation. Clause (6) clarifies that clause 5.3(a) of the National Instrument requires reports disclosing acquisitions of any securities acquired under a automatic securities purchase plan which are disposed of or transferred. It also provides guidance as to the particulars of such insider trades to be reported. Clause (6) was changed to reflect changes in the National Instrument, which, as described above, were made to conform the wording of clause 5.3(a) more closely to the insider reporting requirement in securities legislation. Clause (7), which provides the CSA's views as to the particulars to be included in the annual report, is virtually unchanged from the Draft Policy. Clause (8), which indicates that the report filed for acquisitions under the automatic purchase plan will reconcile acquisitions under the plan with other acquisitions or dispositions, has not been changed from the Draft Policy.

Section 4.2 sets out the views of the CSA that the Instrument provides a limited exemption from insider reporting requirements in circumstances in which an insider, by virtue of participation in an automatic securities purchase plan, is not making discrete investment decisions for acquisitions under such plan. Accordingly, if it is intended that insiders of an issuer rely on this exemption for a particular plan, the issuer should design and administer such plan in a manner which is consistent with this limitation. There is virtually no change in this section from the Draft Policy.

National Instrument and Companion Policy

The texts of the National Instrument and Policy follow.

Regulations Revoked

As described above, in connection with the implementation of the National Instrument, the Commission will revoke subsections (1) and (2) of section 172 of the Regulation. Relief in respect of the same subject matter is being provided by Parts 5 and 7 of the National Instrument.

Text of Rescission of Ontario Securities Commission Policy 10.1

OSC Policy 10.1 is replaced by the National Instrument.

The text of the rescission is:

> "Ontario Securities Commission Policy 10.1 Applications for Exemption from Insider Reporting Obligations for Insiders of Subsidiaries and Affiliated Issuers is rescinded effective upon the date National Instrument 55-101 comes into force."

February 23, 2001.

Appendix "A"

Summary of Comment Letters and Responses

Two comment letters were received, one from Torys and one from the Canadian Bankers Association, in response to the request for comments on the Draft Instruments.

General Comments

One commentator recognized the significant steps taken by the CSA to streamline and decrease the administrative burden with respect to reporting requirements and commended the CSA on the changes made.

Definition of Senior Officer in Securities Legislation - Narrow Insider Reporting Requirements

A commentator submitted that the definition of "senior officer" should be changed. The commentator recommended relief from insider reports filed by vice presidents who are not in a position to receive non-public material information in the ordinary course, on the basis that such filings represent an unnecessary burden which does little to further the objectives of the legislation.

The commentator submitted that a senior officer who meets the following criteria be exempt from the insider reporting requirement:

a) the senior officer is a vice president;

b) the senior officer is not in charge of a principal business unit, division or function of the reporting issuer or subsidiary, as the case may be;

c) the senior officer does not receive, in the ordinary course, information as to material facts or changes concerning the reporting issuer before the material facts or changes are generally disclosed; and

d) the senior officer is not an insider of the reporting issuer or a subsidiary in any other capacity.

The CSA determined that the National Instrument should not be changed at this time to narrow the definition of "senior officer" for insider reporting purposes. Such an amendment was outside the current scope of, and time frame for implementation of, the National Instrument. As indicated in the Notice accompanying the Draft Instrument, the CSA believe that this comment raises broader issues which require significant further consideration, which consideration could not appropriately occur within the time period for the adoption of the National Instrument. The CSA are currently reviewing this matter and it is possible that such review may lead to proposed amendments to the National Instrument in this regard.

Normal Course Issuer Bid Reporting

One commentator suggested that consideration be given to providing that normal course issuer bids effected in compliance with the requirements of the rules of The Toronto Stock Exchange (and other exchanges with similar reporting rules) be exempt from the requirement to file an insider report,

on the basis that the requirements of the TSE already require reporting of all the relevant information that is contained in an insider trading report within 10 days after the end of each month in which acquisitions occur.

The CSA determined not to make any changes in this regard to the National Instrument. The CSA note that the exemption contained in the National Instrument, permitting issuers to disclose acquisitions of securities under a normal course issuer bid within 10 days of the end of the month in which the acquisitions occur, provides new relief from the current insider reporting requirement to file such reports within 10 days of each acquisition under normal course issuer bids. In addition, it is the CSA's understanding that the information required to be reported to the stock exchanges is somewhat different from that required under the insider reporting requirement and, in addition, the information which is made available to the public through the reports to the stock exchanges is also different than that provided through the insider reporting requirement. It is also the understanding of the CSA that the method employed by the exchanges to disseminate that information, and the availability of such information to the public, is more limited than that provided by the current insider reporting requirement. Moreover, it is the CSA's understanding that stock exchanges accept insider trading reports as being sufficient for their reporting purposes, so that there is an opportunity for issuers to reduce the time spent in their preparation of filings in this regard. For all these reasons, the CSA have determined not to make this change.

NATIONAL INSTRUMENT 55-101 EXEMPTION FROM CERTAIN INSIDER REPORTING REQUIREMENTS

TABLE OF CONTENTS

PART	TITLE
PART 1	DEFINITIONS 1.1 Definitions
PART 2	EXEMPTION FROM INSIDER REPORTING FOR DIRECTORS AND SENIOR OFFICERS OF CERTAIN SUBSIDIARIES 2.1 Reporting Exemption 2.2 Limitation
PART 3	EXEMPTION FROM INSIDER REPORTING FOR DIRECTORS AND SENIOR OFFICERS OF AFFILIATES OF INSIDERS OF A REPORTING ISSUER 3.1 Québec 3.2 Reporting Exemption 3.3 Limitation
PART 4	LISTS OF EXEMPTED INSIDERS 4.1 Lists of Exempted Insiders
PART 5	REPORTING OF ACQUISITIONS UNDER AUTOMATIC SECURITIES PURCHASE PLAN 5.1 Reporting Exemption 5.2 Limitation 5.3 Reporting Requirement
PART 6	REPORTING FOR NORMAL COURSE ISSUER BIDS 6.1 Reporting Exemption 6.2 Reporting Requirement
PART 7	REPORTING FOR CERTAIN ISSUER EVENTS 7.1 Reporting Exemption 7.2 Reporting Requirement
PART 8	EFFECTIVE DATE 8.1 Effective Date

NATIONAL INSTRUMENT 55-101
EXEMPTION FROM CERTAIN INSIDER REPORTING REQUIREMENTS

PART 1 DEFINITIONS

1.1 Definitions - In this Instrument

"automatic securities purchase plan" means a dividend or interest reinvestment plan, a stock dividend plan or any other plan of a reporting issuer or of a subsidiary of a reporting issuer to facilitate the acquisition of securities of the reporting issuer if the timing of acquisitions of securities, the number of securities which may be acquired under the plan by a director or senior officer of the reporting issuer or of the subsidiary of the reporting issuer and the price payable for the securities are established by written formula or criteria set out in a plan document;

"cash payment option" means a provision in a dividend or interest reinvestment plan under which a participant is permitted to make cash payments to purchase from the issuer, or from an administrator of the issuer, securities of the issuer's own issue, in addition to the securities

(a) purchased using the amount of the dividend or interest payable to or for the account of the participant; or

(b) acquired as a stock dividend or other distribution out of earnings or surplus;

"dividend or interest reinvestment plan" means an arrangement under which a holder of securities of an issuer is permitted to direct that the dividends or interest paid on the securities be applied to the purchase, from the issuer or an administrator of the issuer, of securities of the issuer's own issue;

"issuer event" means a stock dividend, stock split, consolidation, amalgamation, reorganization, merger or other similar event that affects all holdings of a class of securities of an issuer in the same manner, on a per share basis;

"lump-sum provision" means a provision of an automatic securities purchase plan which allows a director or senior officer to acquire securities in consideration of an additional lump-sum payment, including, in the case of a dividend or interest reinvestment plan which is an automatic securities purchase plan, a cash payment option;

"major subsidiary" means a subsidiary of a reporting issuer if

(a) the assets of the subsidiary, on a consolidated basis with its subsidiaries, as included in the most recent annual audited balance sheet of the reporting issuer that the reporting issuer has filed, are 10 percent or more of the consolidated assets of the reporting issuer reported on that balance sheet, or

(b) the revenues of the subsidiary, on a consolidated basis with its subsidiaries, as included in the most recent annual audited income statement of the reporting issuer that the reporting issuer has filed, are 10 percent or more of the consolidated revenues of the reporting issuer reported on that statement;

"normal course issuer bid" means

(a) an issuer bid which is made in reliance on the exemption contained in securities legislation from certain requirements relating to issuer bids which is available if the number of securities acquired by the issuer within a period of twelve months does not exceed 5 percent of the securities of that class issued and outstanding at the commencement of the period, or

(b) a normal course issuer bid as defined in the policies of The Montreal Exchange, The Canadian Venture Exchange or The Toronto Stock Exchange, conducted in accordance with the policies of that exchange; and

"stock dividend plan" means an arrangement under which securities of an issuer are issued by the issuer to holders of securities of the issuer as a stock dividend or other distribution out of earnings or surplus.

PART 2 EXEMPTION FROM INSIDER REPORTING FOR DIRECTORS AND SENIOR OFFICERS OF CERTAIN SUBSIDIARIES

2.1 Reporting Exemption - Subject to section 2.2, the insider reporting requirement does not apply to a director or senior officer of a subsidiary of a reporting issuer in respect of securities of the reporting issuer.

2.2 Limitation - The exemption in section 2.1 is not available if the director or senior officer

(a) in the ordinary course receives or has access to information as to material facts or material changes concerning the reporting issuer before the material facts or material changes are generally disclosed;

(b) is a director or senior officer of a major subsidiary; or

(c) is an insider of the reporting issuer in a capacity other than as a director or senior officer of the subsidiary.

PART 3 EXEMPTION FROM INSIDER REPORTING FOR DIRECTORS AND SENIOR OFFICERS OF AFFILIATES OF INSIDERS OF A REPORTING ISSUER

3.1 **Québec** - This Part does not apply in Québec.

3.2 **Reporting Exemption** - Subject to section 3.3, the insider reporting requirement does not apply to a director or senior officer of an affiliate of an insider of a reporting issuer in respect of securities of the reporting issuer.

3.3 **Limitation** - The exemption in section 3.2 is not available if the director or senior officer

(a) in the ordinary course receives or has access to information as to material facts or material changes concerning the reporting issuer before the material facts or material changes are generally disclosed;

(b) is an insider of the reporting issuer in a capacity other than as a director or senior officer of an affiliate of an insider of the reporting issuer; or

(c) is a director or senior officer of a company that supplies goods or services to the reporting issuer or to a subsidiary of the reporting issuer or has contractual arrangements with the reporting issuer or a subsidiary of the reporting issuer, and the nature and scale of the supply or the contractual arrangements could reasonably be expected to have a significant effect on the market price or value of the securities of the reporting issuer.

PART 4 LISTS OF EXEMPTED INSIDERS

4.1 **Lists of Exempted Insiders** - A reporting issuer shall maintain a list of all insiders of the reporting issuer exempted from the insider reporting requirement by section 2.1 and shall maintain a list of all insiders of the reporting issuer exempted from the insider reporting requirement by section 3.2.

PART 5 REPORTING OF ACQUISITIONS UNDER AUTOMATIC SECURITIES PURCHASE PLANS

5.1 **Reporting Exemption** - Subject to section 5.2, the insider reporting requirement does not apply to a director or senior officer of a reporting issuer or of a subsidiary of the reporting issuer for the acquisition of securities of the reporting issuer pursuant to an automatic securities purchase plan, other than the acquisition of securities pursuant to a lump-sum provision of the plan.

5.2 **Limitation**

(1) The exemption in section 5.1 is not available to an insider that beneficially owns, directly or indirectly, voting securities of the reporting issuer, or exercises control or direction over voting securities of the reporting issuer, or a combination of both, carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the reporting issuer.

(2) In Québec, subsection (1) does not apply.

(3) In Québec, the exemption in section 5.1 is not available to a person who exercises control over more than 10 percent of a class of shares of a reporting issuer to which are attached voting rights or an unlimited right to a share of the profits of the reporting issuer and in its assets in case of winding-up.

5.3 **Reporting Requirement** - An insider who relies on the exemption from the insider reporting requirement contained in section 5.1 shall file a report, in the form prescribed for insider trading reports under securities legislation, disclosing each acquisition of securities under the automatic securities purchase plan that has not previously been disclosed by or on behalf of the insider

(a) for any securities acquired under the automatic securities purchase plan which have been disposed of or transferred, within the time required by securities legislation for filing a report disclosing the disposition or transfer; and

(b) for any securities acquired under the automatic securities purchase plan during a calendar year which have not been disposed of or transferred, within 90 days of the end of the calendar year.

PART 6 REPORTING FOR NORMAL COURSE ISSUER BIDS

6.1 **Reporting Exemption** - The insider reporting requirement does not apply to an issuer for acquisitions of securities of its own issue by the issuer under a normal course issuer bid.

6.2 **Reporting Requirement** - An issuer who relies on the exemption from the insider reporting requirement contained in section 6.1 shall file a report, in the form prescribed for insider trading reports under securities legislation, disclosing each acquisition of securities by it under a normal course issuer bid within 10 days of the end of the month in which the acquisition occurred.

PART 7 REPORTING FOR CERTAIN ISSUER EVENTS

7.1 **Reporting Exemption** - The insider reporting requirement does not apply to an insider of a reporting issuer whose direct or indirect beneficial ownership of, or control or direction over, securities of the reporting issuer changes as a result of an issuer event of the issuer.

7.2 Reporting Requirement - An insider who relies on the exemption from the insider reporting requirement contained in section 7.1 shall file a report, in the form prescribed for insider trading reports under securities legislation, disclosing all changes in direct or indirect beneficial ownership of, or control or direction over securities by, the insider for securities of the reporting issuer pursuant to an issuer event that have not previously been reported by or on behalf of the insider, within the time required by securities legislation for the insider to report any other subsequent change in direct or indirect beneficial ownership of, or control or direction over, securities of the reporting issuer.

PART 8 EFFECTIVE DATE

8.1 Effective Date - This National Instrument comes into force on May 15, 2001.

COMPANION POLICY 55-101CP TO NATIONAL INSTRUMENT 55-101 EXEMPTION FROM CERTAIN INSIDER REPORTING REQUIREMENTS

TABLE OF CONTENTS

PART	TITLE
PART 1	PURPOSE
	1.1 Purpose
PART 2	DEFINITIONS
	2.1 Definitions
PART 3	SCOPE OF EXEMPTIONS
	3.1 Scope of Exemptions
PART 4	AUTOMATIC SECURITIES PURCHASE PLANS
	4.1 Automatic Securities Purchase Plans
	4.2 Design and Administration of Plans
PART 5	EXISTING EXEMPTIONS
	5.1 Existing Exemptions

COMPANION POLICY 55-101CP TO NATIONAL INSTRUMENT 55-101 EXEMPTION FROM CERTAIN INSIDER REPORTING REQUIREMENTS

PART 1 PURPOSE

1.1 **Purpose** - The purpose of this Companion Policy is to set out the views of the Canadian securities regulatory authorities on various matters relating to National Instrument 55-101 Exemption from Certain Insider Reporting Requirements (the "Instrument").

PART 2 DEFINITIONS

2.1 **Definitions** - The definition of automatic securities purchase plan in the Instrument includes employee share purchase plans, stock dividend plans and dividend or interest reinvestment plans so long as the criteria in the definition are met.

PART 3 SCOPE OF EXEMPTIONS

3.1 **Scope of Exemptions** - The exemptions under the Instrument are only exemptions from the insider reporting requirement and are not exemptions from the provisions in Canadian securities legislation imposing liability for improper insider trading.

PART 4 AUTOMATIC SECURITIES PURCHASE PLANS

4.1 **Automatic Securities Purchase Plans**

(1) Section 5.1 of the Instrument provides an exemption from the insider reporting requirement for acquisitions by a director or senior officer of a reporting issuer or of a subsidiary of a reporting issuer of securities of the reporting issuer pursuant to an automatic securities purchase plan.

(2) The exemption does not apply to securities acquired under a cash payment option of a dividend or interest reinvestment plan, a "lump-sum" provision of a share purchase plan, or a stock option plan.

(3) A person relying on this exemption who does not dispose of or transfer securities which were acquired under an automatic securities purchase plan during the year must file a report disclosing all acquisitions under the automatic securities purchase plan annually no later than 90 days after the end of the calendar year. If a person who relies on the exemption does dispose of or transfer securities acquired under an automatic securities purchase plan, the person must file a report disclosing the acquisition of those securities as contemplated by clause 5.3(a) of the Instrument.

(4) This section does not relieve a director or senior officer from his or her insider reporting obligations in respect of dispositions or transfers of securities.

(5) A director or senior officer must file a report disclosing dispositions or transfers of securities, and any acquisitions of securities which are not exempt from the insider reporting obligation, within the time periods prescribed by securities legislation.

The report for such acquisitions or dispositions need not include acquisitions under an automatic securities purchase plan unless clause 5.3(a) of the Instrument requires disclosure of those acquisitions.

(6) Clause 5.3(a) requires reports to be filed disclosing acquisitions of any securities under an automatic securities purchase plan which are disposed of or transferred. Accordingly, in these circumstances, if securities acquired under an automatic securities purchase plan are disposed of or transferred, and the acquisitions of these securities have not been previously disclosed in a report, the insider report will disclose, for each acquisition of securities which are disposed of or transferred, the particulars relating to the date of acquisition of such securities, the number of securities acquired and the acquisition price of such securities. The report would also disclose, for each disposition or transfer, the related particulars for each such disposition or transfer of securities. It would be prudent practice for the director or senior officer to indicate in such insider report, by way of the "Remarks" section, or otherwise, that he or she participates in an automatic securities purchase plan and that not all purchases under that plan have been included in the report.

(7) The annual report should include, for acquisitions of securities under a plan not previously reported, disclosure for each acquisition, showing the date of acquisition, the number of securities acquired, and the unit price for each acquisition.

(8) The annual report that an insider files for acquisitions under the automatic securities purchase plan in accordance with clause 5.3(b) of the Instrument will reconcile the acquisitions under the plan with other acquisitions or dispositions by the director or senior officer so that the report provides an accurate listing of the director's or senior officer's total holdings. As required by securities legislation, the report filed by the insider must differentiate between securities held directly and indirectly and must indicate the registered holder if securities are held indirectly. In the case of securities acquired pursuant to a plan, the registered holder is often a trustee or plan administrator.

4.2 **Design and Administration of Plans** - Part 5 of the Instrument provides a limited exemption from the insider reporting requirement only in circumstances in which an insider, by virtue of participation in an automatic securities purchase plan, is not making discrete investment decisions for acquisitions under such plan. Accordingly, if it is intended that insiders of an issuer rely on this exemption for a particular plan of an issuer, the issuer should design and administer the plan in a manner which is consistent with this limitation.

PART 5 EXISTING EXEMPTIONS

5.1 **Existing Exemptions** - Insiders can continue to rely on orders of Canadian securities regulatory authorities, subject to their terms, which exempt certain insiders, on conditions, from all or part of the insider reporting requirement, despite implementation of the Instrument.

Chapter 6

Request for Comments

THERE IS NO MATERIAL FOR THIS CHAPTER

IN THIS ISSUE

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Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

Exempt Financings

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

Reports of Trades Submitted on Form 45-501f1

Trans. Date	Security	Price ($)	Amount
31Jan01	701.Com Corp. - 12% Secured Promissory Notes	$600,000	$600,000
31Jan01	ADA Three Limited Partnership - Units	20,000	1,636
18Jan01	Adelphia Communications Corp. - Class A Common Shares	US$223,750	5,000
19Jan01	Advantexcel.com Communications Corp. - Units	192,871	1,041,667
01Feb01	AGII Growth Fund - Trust Units	150,000	15,000
01Feb01	AGII RRSP Growth Fund - Trust Units	188,122	18,812
01Feb01	BDC Offshore Fund Ltd. - Class C Shares	US$50,000,000	50,000,000
01Feb01	Biosign, Inc. - Units	1,180,956	789,990
19Jan01	BPI Global Opportunities III Fund - Units	274,999	2,591
02Feb01	Canadian Imperial Venture Corp. - Units	550,000	1,375,000
31Dec00	CI Trident Fund - Units	5,487,358	31,904
14Feb01	Devlan Exploration Inc. - Common Shares Options	30,500	10,000
31Dec00	Halton 701 Gold Book L.P. - Limited Partnership Units	300,000	300,000
09Feb01 & 13Feb01	Heritage Concepts International Inc. - Common Shares	750,000	4,838,711
31Jan01	Icon Laser Eye Centres, Inc. - Units	US$300,000	300
09Jan01	Lifepoints Achievement Fund, Lifepoints Progress Fund, Lifepoints Opportunity Fund, Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell Global Equity Fund - Units	53,393	454
21Dec00	Lifepoints Achievement Fund, Lifepoints Progress Fund, Lifepoints Opportunity Fund, Russell Canadian Fixed Income Fund, Russell Global Equity Fund - Units	20,042	192
28Dec00	Lifepoints Achievement Fund, Lifepoints Progress Fund, Lifepoints Opportunity Fund, Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell Global Equity Fund - Units	47,736	408
01Dec00	Lifepoints Achievement Fund, Lifepoints Progress Fund, Lifepoints Opportunity Fund, Russell US Equity Fund, Russell Overseas Equity Fund - Units	9,723	72
20Dec00	Lifepoints Achievement Fund, Lifepoints Progress Fund, Lifepoints Opportunity Fund - Units	238	2
05Jan01	Lifepoints Achievement Fund, Lifepoints Progress Fund, Lifepoints Opportunity Fund - Units	505	4
27Dec00	Lifepoints Achievement Fund, Lifepoints Progress Fund, Lifepoints Opportunity Fund - Units	8,069	76
19Dec00	Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Canadian Equity Fund, Russell Global Equity Fund - Units	111,984	1,048

Trans. Date	Security	Price ($)	Amount
02Jan01	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	140,420	1,281
09Jan01	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	56,789	470
04Jan01	Lifepoints Balanced Long Term Growth Fund, Russell Canadian Equity Fund, Russell Overseas Equity Fund - Units	100,896	832
01Dec00	Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Canadian Fixed Income Fund, Russell Global Equity Fund, Russell U.S. Equity Fund, Russell Overseas Equity Fund - Units	1,386,675	12,952
10Jan01	Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell Overseas Equity Fund - Units	115,984	1,066
11Jan01	Lifepoints Balanced Growth Fund, Russell Overseas Equity Fund - Units	173,856	887
27Dec00	Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell Global Equity Fund - Units	103,972	985
08Jan08	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	28,252	261
05Jan01	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	22,381	198
01Dec00	Lifepoints Opportunity Fund, Russell Canadian Equity Fund, Russell Global Equity Fund - Units	400	2
31Jan01	Marquest Balanced Fund #750 - Units	1,080,952	92,485
31Jan01	Marquest Canadian Equity Growth Fund #501 - Units	401,125	31,008
31Jan01	Marquest Canadian Equity Fund #650 - Units	150,000	16,450
31Jan01	Marquest Dividend Income Fund #850 - Units	903,529	90,868
31Jan01	Marquest Technology Fund #401US - Units	150,000	22,697
01Feb01	McElvaine Investment Trust, The - Units	35,000	2,746
29Jan01	MDS Proteomics - Special Warrants	US$10,000,012	424,546
09Nov00	Megawheels.com Inc. - Shares Purchase Warrants and Convertible Promissory Notes	500,000	500,000
15Jan01	Meridex Network Corporation - Common Shares	600,000	750,000
02Feb01	Mirant Trinidad Investments, Inc. - 10.20% Notes due January 31, 2006	$7,477,500	$7,477,500
31Jan01	Mobile Computing Corporation - 9-3/8% Convertible Secured Subordinated Debentures due November 30, 2002	2,500,000	2,500,000
01Jan00 to 31Dec00	Monogram Balanced Conservative Fund - Units	49,691,587	3,558,376
01Jan00 to 31Dec00	Monogram Balanced Growth Fund - Units	7,534,671	1,485,642
01Jan00 to 31Dec00	Monogram Canadian Balanced Fund - Units	15,315,216	3,782,858
01Jan00 to 31Dec00	Monogram Canadian Income Fund - Units	32,866,791	1,783,049
01Jan00 to 31Dec00	Monogram Canadian Conservative Equity Fund - Units	5,663,731	291,400
01Jan00 to 31Dec00	Monogram Canadian Balanced Growth Fund - Units	16,820,833	661,697
01Jan00 to 31Dec00	Monogram Canadian Equity Fund - Units	5,612,508	195,554
01Jan00 to 31Dec00	Monogram Conservative Equity Fund - Units	5,499,428	568,016

Trans. Date	Security	Price ($)	Amount
01Jan00 to 31Dec00	Monogram Growth Equity Fund - Units	4,057,101	681,725
31Jan01	Morgan Stanley Dean Witter Investment Management Inc. - Units	2,000,000	151,061
02Feb01	Petromin Resources Ltd. - Flow-Through Shares	443,750	986,111
	Presbyterian Church in Canada, The - Units	204,000	19
30Nov00	Presbyterian Church in Canada, The - Units	150,000	15
29Sep00	Presbyterian Church in Canada, The - Units	246,000	24
02Feb01	Profico Energy Management Ltd. - Common Shares	3,940,000	497,850
01Oct00 to Dec00	Royal Trust Company The, - Units	35,940,018	1,155,187
27Dec00	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	19
20Dec00	Russell Canadian Equity Fund, Russell Overseas Equity Fund - Units	15,080	126
29Dec00	Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell US Equity Fund, Russell Overseas Equity Fund, Lifepoints Balanced Long Term Growth Fund - Units	75,593	497
15Dec00	Russell Canadian Equity Fund - Units	5,483	30
02Jan01	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 Growth Fund, Lifepoints Balanced Income Fund - Units	305,387	2,660
19Dec00	Russell Canadian Fixed Income Fund, Russell US Equity Fund, Russell Overseas Equity Fund, Lifepoints Balanced Income Fund - Units	16,473	137
28Dec00	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 Growth Fund, Lifepoints Balanced Income Fund - Units	224,324	1,576
09Jan01	Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell US Equity Fund, Russell Overseas Equity Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund - Units	69,374	544
27Dec00	Russell Canadian Equity Fund, Russell Fixed Income Fund, Russell Global Equity Fund - Unit	172	1
08Jan01	Russell Canadian Equity Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund - Units	161,516	1,508
20Dec00	Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell US Equity Fund, Russell Overseas Equity Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund - Units	106,687	907
02Jan01	Russell Overseas Equity Fund - Units	4,7222	39
19Jan01	Sports Vault Corp. - Option to Acquire Class A Common Shares	150,000	225,000
31Jan01	Sprott Hedge Fund Limited Partnership - Limited Partnership Units	800,001	725
02Feb01	Stacey Investment Limited Partnership - Units	10,008	438
05Feb01	True Energy Inc. - Special Warrants	556,664	463,887
01Jan01	TT International Investment Funds - EAFE Portfolio - Units	89,000,000	9,618,426
01Nov00	TT International Investment Funds - EAFE Portfolio - Units	111,000	11,612
31Dec00	TT International Investment Funds - EAFE Portfolio - Units	246,303	26,706
30Jan01	Upper Circle Equity Fund, The - Units	150,000	11,152
31Jan01	Vertex Fund Limited Partnership - Limited Partnership Units	600,000	23,926
31Jan01	Vertex Balanced Fund - Trust Units	750,000	59,143
02Feb01	ZTEST Electronics Inc. - Units	576,000	1,200,000

Resale of Securities - (Form 45-501f2)

Date of Resale	Date of Orig. Purchase	Seller	Security	Price ($)	Amount
24Apr98	19Jan01	Investors Group Trust Co. Ltd. as Trustee for Investors Corporate Bond Fund	CARDS Trust - 5.51% Series 1998-2 Debentures due 21Jun03	5,000,000	5,000,000

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

Seller	Security	Amount
Shen, Francis N.	Aastra Technologies Limited - Common Shares	200,000
Buhler, John	Buhler Industries Inc. - Common Shares	1,000,000
Gestion Drab Inc.	Cossette Communication Group Inc. - Subordinate Voting Shares	15,000
Communication Mens Sana Incorporee	Cossette Communication Group Inc. - Subordinate Voting Shares	15,479
Xenolith Gold Limited	Kookaburra Resources Ltd. - Common Shares	1,943,700
Mourin, Stanley	Western Troy Capital Resources Inc. - Common Shares	60,000

Chapter 9

Legislation

THERE IS NO MATERIAL FOR THIS CHAPTER

IN THIS ISSUE

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
IVRnet Inc. (Formerly Entreplex Technology Corporation)
Principal Regulator - Alberta
Type and Date:
Amended and Restated Preliminary Prospectus dated February 13th, 2001
Mutual Reliance Review System Receipt dated February 15th, 2001
Offering Price and Description:

Underwriter(s) or Distributor(s):

Promoter(s):
-
Project #3323140

Issuer Name:
ACS Freezers Income Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated February 19th, 2001
Mutual Reliance Review System Receipt dated February 19th, 2001
Offering Price and Description:
$36,975,000 - 4,250,000 Trust Units
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns
Scotia Capital Inc.
TD Securities Inc.
RBC Dominion Securities Inc.
HSBC Securities (Canada) Inc.
National Bank Financial Inc.
Thomson Kernaghan & Co. Limited
Promoter(s):
-
Project #333130

Issuer Name:
Alliance Pipeline Limited Partnership
Principal Regulator - Alberta
Type and Date:
Preliminary Shelf Prospectus dated February 20th, 2001
Mutual Reliance Review System Receipt dated 21st 2001
Offering Price and Description:
$1,200,000,000 Senior Notes
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
RBC Dominion Securities Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Promoter(s):
-
Project #333738

Issuer Name:
BioCapital Biotechnology and Healthcare Fund
Principal Regulator - Quebec
Type and Date:
Preliminary Simplified Prospectus dated February 19th, 2001
Mutual Reliance Review System Receipt dated February 21st, 2001
Offering Price and Description:
Mutual Fund Securities - Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #333312

Issuer Name:
Biotech RAIDers Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated February 15th, 2001
Mutual Reliance Review System Receipt dated February 16th, 2001
Offering Price and Description:
$ * per Unit $ * (maximum) Units
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotial Capital Inc.
TD Securities Inc.
HSBC Securities (Canada) Inc.
Raymond James Inc.
Canaccord Capital Corporation.
Yorkton Securities Inc.
Promoter(s):
-
Project #332424

Issuer Name:
Emera Incorporated
Principal Regulator - Nova Scotia
Type and Date:
Preliminary Short Form Shelf Prospectus dated February 14th, 2001
Mutual Reliance Review System Receipt dated February 15th, 2001
Offering Price and Description:
$100,000,000 - Debt Securities (Unsecured)
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #330956

Issuer Name:
Nexfor Inc.
Type and Date:
Preliminary Short Form Shelf Prospectus dated February 19th, 2001
Receipted February 20th, 2001
Offering Price and Description:
US$200,000,000 Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #333339

Issuer Name:
Teknion Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated February 16th, 2001
Mutual Reliance Review System Receipt dated February 19th, 2001
Offering Price and Description:
$100,375,000 - 5,500,000 Subordinate Voting Shares
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
TD Securities Inc.
Merrill Lynch Canada Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
Sprott Securities Inc.
Trilion Securities Corporation
Promoter(s):
-
Project #332867

Issuer Name:
APF Energy Trust
Principal Regulator - Alberta
Type and Date:
Final Prospectus dated February 16th, 2001
Mutual Reliance Review System Receipt dated February 16th, 2001
Offering Price and Description:
-
Underwriter(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:
Dynex Power Inc.
Type and Date:
Final Prospectus dated February 14th, 2001
Receipted February 15th, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Loewen, Ondaatje, McCutcheon
Promoter(s):
Michael LeGoff
Mark Scott
Gavin Garbutt
Project #326084

Issuer Name:
Pro-AMS Trust
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated February 15th, 2001
Mutual Reliance Review System Receipt dated 19th day of February, 2001
Offering Price and Description:

Underwriter(s), Agent(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #321223

Issuer Name:
ICEBERG MEDIA.COM INC.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated February 13th, 2001
Mutual Reliance Review System Receipt dated 15th day of February, 2001
Offering Price and Description:

Underwriter(s), Agent(s) or Distributor(s):
Griffiths McBurney & Partners
Yorkton Securities Inc.

Promoter(s):
N/A
Project #321843

Issuer Name:
TRANSITION THERAPEUTICS INC.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated February 19th, 2001
Mutual Reliance Review System Receipt dated 20th day of February, 2001
Offering Price and Description:

Underwriter(s), Agent(s) or Distributor(s):
Canaccord Capital Corporation
Promoter(s):
Tony Cruz
Project #322296

Issuer Name:
Air Canada
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated February 16th, 2001
Mutual Reliance Review System Receipt dated February 16th, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-

National Bank Financial Inc.
Merrill Lynch Canada Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
Scotial Capital Inc.
CIBC World Markets Inc.
TD Securities Inc.
Promoter(s):
-
Project #331301

Issuer Name:
Enerplus Resources Fund
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated February 15th, 2001
Mutual Reliance Review System Receipt dated February 16th, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Merrill Lynch Canada Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
-
Project #329714

Issuer Name:
Cominar Real Estate Investment Trust
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated February 7th, 2001
Mutual Reliance Review System Receipt dated 8th day of February, 2001
Offering Price and Description:

Underwriter(s), Agent(s) or Distributor(s):
National Bank Financial Inc.
TD Securities Inc.
Desjardins Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Scotia Capital Inc.

Promoter(s):

Project #328540

Issuer Name:
H&R Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated February 20th, 2001
Mutual Reliance Review System Receipt dated February 21st, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Merrill Lynch Canada Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Promoter(s):
-
Project #332044

Issuer Name:
Quebecor World Inc.
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated February 15th, 2001
Mutual Reliance Review System Receipt dated February 16th, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
RBC Dominion Securities
BMO Nesbitt Burns Inc.
TD Securities Inc.
CIBC World Markets Inc.
Credit Suisse First Boston Securities Canada Inc.
Promoter(s):
-
Project #330801

Issuer Name:
Quebecor World Inc.
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated February 19th, 2001
Mutual Reliance Review System Receipt dated February 21st, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
BMO Nebitt Burns Inc
RBC Dominion Securities Inc.
Scotia Capital Inc.
National Bank Financial Inc.
CIBC World Markets Inc.
Merrill Lynch Canada Inc.
TD Securities Inc.
Promoter(s):
-
Project #331221

Issuer Name:
BMO RSP Global Technology Fund (series A, F and O units)
BMO RSP Global Health Sciences Fund (series A, F and O units)
BMO RSP NASDAQ Index Fund (series A, F and O units)
BMO RSP Global Opportunities Fund (series A, F and O units)
BMO RSP Global Balanced Fund (series A, F and O units)
BMO RSP Global Financial Services Fund (series A, F and O units)
BMO Global Bond Fund (series A, F and O units)
BMO RSP Japanese Fund
BMO RSP Global Science & Technology Fund
BMO AIR MILES Money Market Fund
BMO RSP European Fund
BMO RSP International Index Fund
BMO Monthly Income Fund
BMO U.S. Dollar Equity Index Fund
BMO U.S. Dollar Money Market Fund
BMO U.S. Dollar Bond Fund
BMO U.S. Value Fund
BMO Premium Money Market Fund
BMO U.S. Special Equity Fund
BMO RSP U.S. Equity Index Fund
BMO U.S. Growth Fund
BMO T-Bill Fund
BMO Resource Fund
BMO Special Equity Fund
BMO Precious Metals Fund
BMO NAFTA Advantage Fund
BMO Money Market Fund
BMO Mortgage Fund
BMO Latin American Fund
BMO International Bond Fund
BMO Japanese Fund
BMO International Equity Fund
BMO Equity Fund
BMO Far East Fund
BMO Emerging Markets Fund
BMO Global Science & Technology Fund
BMO European Fund
BMO Bond Fund
BMO Asset Allocation Fund
BMO Equity Index Fund
BMO Dividend Fund
BMO Global Technology Class (series A, F and O shares)
BMO Global Opportunities Class (series A, F and O shares)
BMO Global Health Sciences Class (series A, F and O shares)
BMO Global Financial Services Class (series A, F and O shares)
BMO Global Balanced Class (series A, F and O shares)
BMO Short-Term Income Class (series A, F and O shares)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated February 9th, 2001
Mutual Reliance Review System Receipt dated February 20th, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
BMO Investments Inc.
First Canadian Funds Inc.
Promoter(s):
-
Project #324787

Issuer Name:
iUnits S&P/TSE 60 Capped Index Fund
iUnits S&P/TSE Canadian MidCap Index Fund
iUnits S&P/TSE Canadian Energy Index Fund
iUnits S&P/TSE Canadian Information Technology Index Fund
iUnits S&P/TSE Canadian Gold Index Fund
iUnits S&P/TSE Canadian Financials Index Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated February 15th, 2001
Mutual Reliance Review System Receipt dated 16th day of February, 2001
Offering Price and Description:
Mutual Fund Securities - Net Asset Value
Underwriter(s), Agent(s) or Distributor(s):
Registered Dealer
Promoter(s):
N/A

Project #301092

Issuer Name:
Desjardins Money Market Fund
Desjardins Mortgage Fund
Desjardins Bond Fund
Desjardins Balanced Fund
Desjardins Quebec Fund
Desjardins Diversified Secure Fund
Desjardins Diversified Moderate Fund
Desjardins Diversified Audacious Fund
Desjardins Diversified Ambitious Fund
Desjardins Select Balanced Fund
Desjardins Ethical Income Fund
Desjardins Ethical Balanced Fund
Desjardins Dividend Fund
Desjardins Equity Fund
Desjardins Environment Fund
Desjardins Growth Fund
Desjardins High Potential Sectors Fund
Desjardins Select Canadian Fund
Desjardins Worldwide Balanced Fund
Desjardins American Market Fund
Desjardins International Fund
Desjardins International Rsp Fund
Desjardins Europe Fund
Desjardins Asia/pacific Fund
Desjardins Global Science And Technology Fund
Desjardins Select American Fund
Desjardins Select Global Fund
Desjardins Ethical North American Fund
Principal Regulator - Quebec
Type and Date:
Final Simplified Prospectus and Annual Information Form dated January 12th, 2001
Mutual Reliance Review System Receipt dated 23rd day of January, 2001
Offering Price and Description:
Mutual Fund Securities - Net Asset Value
Underwriter(s), Agent(s) or Distributor(s):
Registered Dealer
Promoter(s):
Desjardins Trust Inc
Project #310218

Issuer Name:
Premium Global Income Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated February 16th, 2001
Mutual Reliance Review System Receipt dated February 19th, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Mulvihill Capital Management Inc.
Promoter(s):
-
Project #324455

Issuer Name:
Viscount Canadian Equity Pool
Viscount U.S. Equity Pool
Viscount RSP U.S. Equity Pool
Viscount International Equity Pool
Viscount RSP International Equity Pool
Viscount Canadian Bond Pool
Viscount High Yield U.S. Bond Pool
Viscount RSP High Yield U.S. Bond Pool
Viscount RSP U.S. Index Pool
Viscount RSP International Index Pool
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated February 16th, 2001
Mutual Reliance Review System Receipt dated February 21st, 2001
Offering Price and Description:
Mutual Fund Securities - Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #324486

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Chapter 12

Registrations

12.1.1 Securities

Type	Company	Category of Registration	Effective Date
New Registration	All-Canadian Management Inc. Attention: Michael Anthony Parente P.O. Box 7320 Ancaster ON L9G 3N6	Mutual Fund Dealer	Feb 15/01
New Registration	Market Asset Management Inc. Attention: Barry Stewart Allan Suite 840, BCE Place 181 Bay Street Toronto ON M5J 2T3	Investment Counsel & Portfolio Manager Commodity Trading Manager	Feb 20/01
New Registration	Solium Capital Online Inc. Attention: Mark Patrick Vanhees 323 Tenth Avenue Southwest, Suite 300 Calgary AB T2R 0A5	Investment Dealer	Feb 19/01
New Registration	J.C. Clark Ltd. Attention: John Churchill Clark 161 Bay Street, BCE Place Suite 2240, P.O. Box 218 Toronto ON M5J 2S1	Investment Dealer Equities Managed Accounts	Feb 20/01

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Chapter 13

SRO Notices and Disciplinary Proceedings

THERE IS NO MATERIAL FOR THIS CHAPTER

IN THIS ISSUE

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Chapter 25

Other Information

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IN THIS ISSUE

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Index

Advantedge International Inc.
Cease Trading Orders 1281

Advantex Marketing International Inc.
MRRS Decision 1259

Air Canada
Order - s. 147 & 80(b)(iii) 1272

All-Canadian Management Inc.
New Registration 1357

Altaur Gold Explorations Inc.
Cease Trading Orders 1281

Applied Inventions Management Inc.
Cease Trading Orders 1281

BMO Nesbitt Burns Inc.
MRRS Decision 1246

Cairngorm Mines Limited
Order - s. 147 1271

Canadian Association of Financial Planners
MRRS Decision 1226

Canadian Real Estate Investment Trust
Order - s. 147 & 80(b)(iii) 1274

Canadian Satellite Communications Inc.
MRRS Decision 1256

Canbras Communications Corp.
MRRS Decision 1246

Coach Inc.
MRRS Decision 1262

Current Proceedings Before The Ontario Securities Commission
Notice 1215

Delicious Alternative Desserts Ltd.
Cease Trading Orders 1281

Deutsche Bank Aktiengesellschaft
MRRS Decision 1228
Order - s. 80 1265

Eicon Technology Corporation
MRRS Decision 1233

Eugenic Corp.
Cease Trading Orders 1281

Exemption from Certain Insider Reporting Requirements
Notice 1218
Rules 1283

Fidelity Investments Canada Ltd.
MRRS Decision 1226
Ruling - ss. 74(1) 1277

G.T.C. Transcontinental Group Ltd.
MRRS Decision 1243

Goldie Enterprises Inc.
Order - ss. 83.1(1) 1267

H&R Real Estate Investment Trust
Order - s. 147 & 80(b)(iii) 1269

Ingram Micro Inc.
MRRS Decision 1254

J.C. Clark Ltd.
New Registration 1357

King, Lois Doreen
News Releases 1222
Notice of Hearing - Statement of Allegations 1219
Order - ss. 127(1) 1273
Settlement Agreement 1250

Livent Inc.
Cease Trading Orders 1281

Market Asset Management Inc.
New Registration 1357

NI 55-101 Exemption from Certain Insider Reporting Requirements
Notice 1218
Rules 1283

Pink Elephant Inc.
Ruling - ss. 74(1) 1276

Proficiency Requirements for Registrants - Financial Planning
News Releases 1223

Quebecor World Inc.
Order - s. 147 & 80(b)(iii) 1268

Robert Mitchell Inc.
MRRS Decision 1225

Sara Lee Corp.
MRRS Decision 1262

Seagram Company Ltd.
MRRS Decision 1234

Shaw Communications Inc.
MRRS Decision 1256

Signalgene Inc.
MRRS Decision 1261

Solium Capital Online Inc.
New Registration 1357

Star Choice Communications Inc.
MRRS Decision 1256

Vivendi S. A.
MRRS Decision 1234

Vivendi Universal Exchangeco Inc.
MRRS Decision 1234

Vivendi Universal Holdings Company
MRRS Decision 1234