The Ontario Securities Commission

OSC Bulletin

June 22, 2001

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

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Table of Contents

Table of Contents
(cont'd)

Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

June 22, 2001

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

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

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

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Howard Wetston, Q.C., Vice-Chair	—	HW
Kerry D. Adams, FCA	—	KDA
Stephen N. Adams, Q.C.	—	SNA
Derek Brown	—	DB
Robert W. Davis, FCA	—	RWD
John A. Geller, Q.C.	—	JAG
Robert W. Korthals	—	RWK
Mary Theresa McLeod	—	MTM
R. Stephen Paddon, Q.C.	—	RSP

SCHEDULED OSC HEARINGS

Date to be announced	**Mark Bonham and Bonham & Co. Inc.** s. 127 Mr. A.Graburn in attendance for staff. Panel: TBA
July 9 - 12 July 16 -19 July 23-26 July 30 - Aug 2 August 13 -16 August 20,22,23 August 27-30 /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 K. Daniels / M. Code / J. Naster / I. Smith in attendance for staff. Panel: HIW / DB / RWD
August 13/ 2001 10:00 a.m.	**Jack Banks et al.** s. 127 Mr. Tim Moseley in attendance for staff. Panel: TBA

ADJOURNED SINE DIE

Michael Bourgon

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

First Federal Capital (Canada) Corporation and Monter Morris Friesner

Global Privacy Management Trust and Robert Cranston

Irvine James Dyck

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

Offshore Marketing Alliance and Warren English

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

Southwest Securities

Terry G. Dodsley

Wayne Umetsu

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
July 13, 2001 1:30 p.m. Courtroom C	**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
September 17/2001 9:30 a.m.	**Einar Bellfield** s. 122 Ms. Sarah Oseni in attendance for staff. Courtroom 111, Provincial Offences Court Old City Hall, Toronto

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

1.1.2 MI 33-105 & CP 33-105 Underwriting Conflicts

NOTICE OF REQUEST FOR COMMENTS

PROPOSED MULTILATERAL INSTRUMENT 33-105 AND COMPANION POLICY 33-105CP UNDERWRITING CONFLICTS

Notice of request for comments in respect of proposed Multilateral Instrument 33-105 and proposed Companion Policy 33-105CP Underwriting Conflicts, and notice of proposed amendment to Regulation 1015 of the Revised Regulations of Ontario, 1990

The Commission is publishing in today's Bulletin the following documents:

(1) Notice of proposed changes to proposed Multilateral Instrument 33-105 and Companion Policy 33-105CP Underwriting Conflicts;

(2) Proposed Multilateral Instrument 33-105 Underwriting Conflicts; and

(3) Proposed Companion Policy 33-105CP Underwriting Conflicts.

The materials are published in Chapter 6 of this Bulletin.

1.2 Notice of Hearing

1.2.1 Richard Therberge

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

AND

IN THE MATTER OF
RICHARD THERBERGE

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 Friday, June 22, 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 2 of subsection 127(1) of the Act, that trading in any securities by Therberge cease permanently or for such period as may be specified in the order;

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

(c) 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 Therberge, which approval will be sought by Staff and by Therberge;

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.

June 15, 2001.

"John Stevenson"

1.2.2 Richard Therberge - Statement of Allegations

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

AND

IN THE MATTER OF
RICHARD THERBERGE

STATEMENT OF ALLEGATIONS OF
STAFF OF THE ONTARIO SECURITIES COMMISSION

Staff of the Ontario Securities Commission ("OSC") make the following allegations:

1. CML Industries Ltd. ("CML") was at all material times a reporting issuer within the meaning of subsection 1(1) of the *Act* . Its common shares were listed on the Toronto Stock Exchange ("TSE").

2. The Respondent, a resident of Pickering, Ontario, was at all material times employed by CML as a Cost Analyst. The Respondent had worked for CML for nine years in various positions. His father was Chairman of the Board, Chief Executive Officer and a director of CML. By virtue of his employment, the Respondent was in a special relationship with CML pursuant to section 76(5) (c) of the *Act*.

3. On March 30, 2000 the Respondent was advised by his father that he was not to trade in shares of CML as there was the likelihood of a deal involving the takeover of CML by Supremex Inc. ("Supremex") at $6.00 a share. Supremex is a wholly owned subsidiary of Mail-Well Inc., a public company listed on the New York Stock Exchange.

4. Notwithstanding the instructions of his father, on May 4, 2000 the Respondent purchased 3,000 shares of CML at $3.30. He purchased another 3,000 shares at $3.25 on May 5, 2000 and on May 10, 2000, a further 500 shares at $4.25. This last purchase occurred at 10:37 am.

5. At 11:44 am on May 10, 2000 the TSE halted trading in CML in anticipation of a press release announcing that Supremex would be making an offer to purchase all CML common shares for $6 per share. This press release was issued at 1:14pm.

6. On May 23, 2000 the Respondent sold all his shares of CML at $5.50 per share.This included 3,000 shares which had been purchased prior to the conversation of March 30, 2000 with his father. Excluding the 3,000 shares purchased prior to March 30, 2000 the Respondent realized a profit of approximately $15,925.

7. Sometime during the last two weeks of May, 2000 the Respondent became aware that the Market Surveillance Division of the TSE was conducting a review of the trading of shares of CML.

8. On June 8, 2000 the Respondent voluntarily advised the OSC staff of his conduct and offered his full cooperation to Staff.

9. On February 27th, 2001, the Respondent again attended the offices of the OSC and admitted under oath that he had purchased shares of CML with knowledge of a material fact or material change with respect to CML that had not been generally disclosed to members of the public. The Respondent co-operated with Staff=s investigation and expressed deep remorse for his conduct. He instructed his counsel at the earliest stage to engage Staff in settlement discussions of this matter.

Conduct Contrary to the Public Interest

10. By engaging in the conduct described above, the Respondent acted in a manner contrary to the public interest.

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

June 15, 2001.

1.2.3 Datek Online Brokerage Services LLC et al.

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

AND

IN THE MATTER OF
DATEK ONLINE BROKERAGE SERVICES LLC, AMERITRADE, INC. AND TD WATERHOUSE INVESTOR SERVICES, INC.

NOTICE OF HEARING
(Section 127)

TAKE NOTICE that the Ontario Securities Commission (the "Commission"), will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at the offices of the Commission, located at 20 Queen St. West, Toronto, Ontario, in the Large Hearing Room, 17th Floor, on Tuesday, June 19, 2001 at 2:30 pm (E.D.T.) or as soon thereafter as the hearing can be held;

AND TAKE NOTICE that the purpose of the hearing will be for the Commission to consider whether to approve the proposed settlements of the proceeding entered into between Staff of the Commission ("Staff") and the Respondents pursuant to section 127 of the Act, which approval will be sought by Staff and the Respondents;

AND TAKE NOTICE that the hearing will be held jointly with the Manitoba Securities Commission, the Nova Scotia Securities Commission and the Commission des Valeurs Mobilieres du Quebec, in accordance with Rule 8 of the Commission's Rules of Practice;

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

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

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

June 18, 2001.

"John Stevenson"

1.2.4 Datek Online Brokerage Services LLC et al. - Statement of Allegations

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

AND

IN THE MATTER OF
DATEK ONLINE BROKERAGE SERVICES LLC, AMERITRADE, INC. AND TD WATERHOUSE INVESTOR SERVICES, INC.

STATEMENT OF ALLEGATIONS OF
STAFF OF THE ONTARIO SECURITIES COMMISSION

Staff of the Ontario Securities Commission makes the following allegations:

1. Datek Online Brokerage Services, Inc. ("Datek") is a limited liability company organized under the laws of New York and is registered as a broker-dealer with the United States Securities and Exchange Commission (the "SEC") and in all of the states of the United States. It operates a web-based internet securities trading service from its offices in New Jersey. Datek is not registered in Ontario or elsewhere in Canada to trade in securities.

2. Ameritrade, Inc. ("Ameritrade") is a company incorporated in Nebraska. It operates a web-based internet securities trading service from its offices in Omaha, Nebraska. Ameritrade is not registered in Ontario or elsewhere in Canada to trade in securities.

3. TD Waterhouse Investor Services, Inc. ("TD Waterhouse US") is a corporation organized under the laws of New York. It is registered as a broker-dealer with the United States Securities and Exchange Commission and as a broker-dealer in all 50 states, the District of Columbia and Puerto Rico. TD Waterhouse US operates a web-based internet securities trading service from its offices in New York, New York. TD Waterhouse US is not registered in Ontario or elsewhere in Canada to trade in securities.

4. The securities trading websites operated by Datek, Ameritrade, and TD Waterhouse US are accessible over the internet to residents of Canada. Residents of Canada could log onto these websites and open an account with Datek, Ameritrade and/or TD Waterhouse US, as the case may be, for the purpose of trading securities in the organized markets in the United States.

5. Since at least January 1999, Datek, Ameritrade and TD Waterhouse US have, on behalf of residents of Ontario, executed trades in securities in the organized markets in the United States without being registered in Ontario to do so, contrary to section 25 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended.

6. The conduct alleged above contravenes Ontario securities law and is contrary to the public interest.

7. Staff reserves the right to make such further and other allegations as Staff may submit and the Commission may allow.

1.3 News Releases

1.3.1 OSC to Consider Settlement of Allegations Against Richard Therberge

FOR IMMEDIATE RELEASE
June 18, 2001

OSC TO CONSIDER SETTLEMENT OF ALLEGATIONS AGAINST RICHARD THERBERGE

TORONTO - On June 15, 2001, the Ontario Securities Commission (the "Commission") issued a notice of hearing and statement of allegations against Richard Therberge ("Therberge"). At the relevant time, Therberge was an employee of CML Industries Ltd. ("CML")

In the proceeding, Therberge is alleged to have acted contrary to the public interest by purchasing shares of CML with knowledge of a pending deal for the takeover of CML by Supremex Inc., a material fact that had not been generally disclosed to members of the public at the time of his purchases.

The hearing of this matter is scheduled to proceed on Friday June 22, 2001, at which time the Commission will consider a settlement entered into between Therberge 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.

References:

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

Frank Switzer
Director, Communications
(416) 593-8120

1.3.2 CSA News Release - Commissions Hold Hearings To Consider Settlement Agreement

FOR IMMEDIATE RELEASE
June 18, 2001

COMMISSIONS HOLD HEARINGS TO CONSIDER SETTLEMENT AGREEMENT

VANCOUVER -- The Enforcement staffs of member commissions of the Canadian Securities Administrators have entered into settlement agreements with three US online brokerage firms-- Datek Online Holdings, Ameritrade Inc., and TD Waterhouse Investor Services (US).

A joint hearing will be held June 19 at 2:30 p.m. EDT at the securities commissions in Ontario, Quebec, Manitoba and Nova Scotia, which must hold a hearing to approve the settlements. The settlements have been approved by British Columbia and Alberta, which do not require a hearing to approve the settlements.

The remaining Canadian securities regulators are relying on the proposed settlements, which were negotiated on behalf of the Canadian Securities Administrators by the BC Securities Commission.

Details of the settlement agreements will not be released until they have been approved by all the regulators.

Contacts:

Michael Bernard
Communications Manager
BC Securities Commission
(604 899-6524

Frank Switzer
Director of Communications
Ontario Securities Commission
(416) 593-8120

Denis Dube
Manager of Public Relations
Commission des valeurs mobilieres du Quebec
(514) 940-2199, Ext. 4441

Joni Delaurier
Communications Co-ordinator
Alberta Securities Commission
(403) 297-4481

1.3.3 CSA News Release - U.S. Online Brokers Agree To Abide By Canadian Rules

FOR IMMEDIATE RELEASE
June 19, 2001

U.S. ONLINE BROKERS AGREE TO ABIDE BY CANADIAN RULES

VANCOUVER -- A trio of U.S. online brokers have agreed to pay Canadian securities regulators more than $2 million (Cdn) resulting from accepting and executing trades or orders on behalf of Canadian clients.

The three brokers, Datek Online Brokerage Services LLC., Ameritrade Inc., and TD Waterhouse Investor Services (US) admit they were not registered in Canada to execute trades or orders for Canadian residents and acknowledged that such registration is required. Each has agreed to pay $800,000.

As part of the settlement with Canadian regulators, Datek and Ameritrade agreed to seek registration in the Canadian provinces and territories in which they have clients. In return, the companies have been granted exemptions to continue making trades on behalf of existing clients until September 30, 2001, providing they otherwise comply with the regulations.

TD Waterhouse (US) has transferred its Canadian clients to TD Waterhouse (Canada) as of December 18, 2000.

"This agreement provides protection for Canadian investors while allowing the marketplace to continue functioning in an open and competitive manner," said Doug Hyndman, chair of the Canadian Securities Administrators, the umbrella organization for Canada's 13 provincial and territorial securities commissions.

"This is the first ever CSA co-ordinated settlement negotiated on behalf of all affected CSA jurisdictions at one time.

"The U.S. dealers' agreement to seek Canadian registration reaffirms the Canadian regulatory structure and will ensure that Canadian clients receive the full protection to which they are entitled. These protections are similar to those provided by other Canadian discount brokers."

Under both Canadian and U.S. securities regulations, anyone trading securities or advising clients about securities must be registered (licensed) with securities regulators in the province, territory or state where the trading occurs. Trading is considered to have occurred in both jurisdictions if a trade is ordered in one jurisdiction and executed in another.

Dealer registration ensures that basic standards such as educational qualifications and minimum capital requirements are met. Registration allows regulators to monitor investment dealers and provide investors with assistance in the event of broker misconduct. Registered Canadian investment dealers are also members of the Canadian Investor Protection Fund. This fund covers clients for up to $1 million per account in losses resulting from an investment dealer's bankruptcy.

Quick Facts:

- The Canadian Securities Administrators is an umbrella group made up of all 13 provincial and territorial securities regulators.
- Anyone trading in securities or advising clients in securities is required to be registered (or licensed) in the jurisdiction where the trading occurs.
- Registration requires individuals have a certain level of educational qualifications and that firms maintain sufficient operating capital.
- Registration allows regulators to monitor investment dealers and provide investors an avenue of complaint in the event of broker misconduct.
- U.S. securities regulations require registration in any state where trading occurs.
- Canadian regulations require registration in any province or territory where trading occurs.
- In instances where a trade is ordered in one jurisdiction and executed in another, securities regulations consider the trade to have occurred in both jurisdictions.

The issue:

U.S. online brokers have executed trades or orders in securities on behalf of Canadian clients without Canadian registration.

The problem:

The U.S. brokers are not registered in the Canadian jurisdictions in which they have been doing business.

Possible consequences:

The normal investor protection facilities of the Investment Dealers Association of Canada are not available to the Canadian clients of these firms. Specifically, it is questionable whether Canadians making trades through these brokers are covered by any investor protection funds.

Solution:

U.S. brokers have agreed to seek registration in all Canadian jurisdictions in which they have clients and to pay $800,000 each.

Contacts:

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Media Relations Officer
BC Securities Commission
(604) 899-6880

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Manager of Public Relations
Quebec Securities Commission (CVMQ)
(514) 940-2199 Ext. 4441

Frank Switzer
Director of Communications
Ontario Securities Commission
(416) 593-8120

Joni Delaurier
Communications Co-ordinator
Alberta Securities Commission

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Heller Financial, Inc. & Heller Financial Canada, Ltd. & MRRS Decision

Headnote

Variation of two non-substantive conditions in a previous Decision Document.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., ss.25, 74(1), 144.

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

AND

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

AND

IN THE MATTER OF
HELLER FINANCIAL, INC. AND
HELLER FINANCIAL CANADA, 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, Newfoundland and Nova Scotia (collectively, the "Jurisdictions") has received an application from Heller Financial, Inc. ("Heller US") and its subsidiary Heller Financial Canada, Ltd. (the "Issuer", and together with Heller US, the "Filer") for a decision (the "Decision") under the securities legislation of the Jurisdictions (the "Legislation") varying the decision of the Decision Maker entitled In the Matter of Heller Financial, Inc. and Heller Financial Canada, Ltd. dated March 2, 2001 (the "Previous Decision");

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

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

1. The Previous Decision included a condition that the Filer file its Form 8-K dated August 25, 2000 (the "August 25th Form 8-K").

2. Except for the above condition, the Filer has complied with the conditions in the Previous Decision.

3. A Form 8-K dated August 25 has never been required on the part of the Filer nor has the Filer ever created a Form 8-K dated August 25.

4. The Previous Decision included a condition that the Filer file with each of the Decision Makers, copies of certain documents filed by the Filer with the Securities and Exchange Commission ("SEC"), within 24 hours after filing with the SEC.

5. The different public holidays between the United States and Canada, together with the standard five day work week within which the Decision Makers conduct business, may create circumstances in which it is not possible to satisfy the obligation to file documents within 24 hours.

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 Previous Decision be varied by:

1. amending subparagraph (b)(ii) on page 5 of the Previous Decision as follows:

   "Heller US files with the Decision Makers, in electronic format under the Issuer's SEDAR profile, the documents that Heller US has filed under the 1934 Act during the last year being, as of the date hereof, Heller US's 1999 annual report on Form 10-K, its quarterly report on Form 10-Q for the periods ended March 31, 2000, June 30, 2000 and September 30, 2000 and its Current Reports on Form 8-K dated April 19, 2000 (two separate reports), July 19, 2000 (two separate reports), October 18, 2000 and October 19, 2000."; and

2. amending paragraph (a) on page 6 of the Previous Decision as follows:

"Heller US files with each of the Decision Makers, in electronic format under the Issuer's SEDAR profile, copies of all documents filed by it with the SEC under sections 13, 14 and 15(d) of the 1934 Act, within one business day after filing with the SEC including, but not limited to, copies of any Form 10-K, Form 10-Q, Form 8-K (including press releases), and proxy statements prepared in connection with Heller US's annual meetings."

June 12, 2001.

"Paul Moore" "Howard I. Wetston"

2.1.2 Twenty-First Century Funds Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - trades by pooled funds of additional units to existing unitholders holding units having an aggregate acquisition cost or net asset value of not less than the minimum amount prescribed by legislation under "private placement" exemption exempted from registration and prospectus requirement - trades by pooled funds of units to existing unitholders pursuant to automatic reinvestment of distributions by pooled funds exempted from registration and prospectus requirement - trades in units of pooled funds not subject to requirement to file reports of trade within 10 days of trades provided prescribed reports filed and fees paid within 30 days of financial year end of pooled funds.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5, 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 LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA ONTARIO, NOVA SCOTIA, NEW BRUNSWICK, NEWFOUNDLAND, PRINCE EDWARD ISLAND, YUKON, NORTHWEST TERRITORIES AND NUNAVUT

AND

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

AND

IN THE MATTER OF
TWENTY-FIRST CENTURY FUNDS INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, New Brunswick, Newfoundland, Prince Edward Island, Yukon, Northwest Territories and Nunavut, (the "Jurisdictions") has received an application from Twenty-First Century Funds Inc. (the "Manager") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that:

(a) certain trades in units ("Units") of the Funds (as defined below) managed by the Manager from time to time are not subject to the prospectus requirements of the Legislation of Manitoba, Ontario, New Brunswick, Newfoundland, Prince Edward Island and the Yukon (the "Prospectus Jurisdictions") or to the registration requirements of the Legislation of Manitoba, New Brunswick, Newfoundland, Prince Edward Island and the Yukon (the "Registration Jurisdictions"); and

(b) trades in Units are not subject to the requirements of the Legislation of the Jurisdictions, other than Manitoba, relating to the filing of forms and the payment of fees within 10 days of each trade or in some cases within 10 days after the end of the calendar year in which the distribution takes place, 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 it has been represented by the Manager to the Decision Makers that:

1. The Manager is registered under the Legislation of Ontario as a mutual fund dealer;

2. The Manager has established four pooled fund trusts for which the Manager acts as manager, Twenty-First Century International Fund, Twenty-First Century American Equity Fund, Twenty-First Century Canadian Equity Fund and Twenty-First Century Canadian Bond Fund. The Manager may also establish other pooled fund trusts from time to time for which it also will act as the Manager. All such pooled fund trusts that are or may be managed by the Manager from time to time are collectively referred to as the "Funds";

3. Each Fund is or will be a "mutual fund" as defined in the Legislation;

4. Units in each of the Funds will be non-transferable but will be redeemable at their net asset value in accordance with the procedures set out in the trust agreement of the particular Fund;

5. Units of the Funds may be offered on a continuous basis to taxable and non-taxable investors, including, but not limited to, high net worth individuals, pension plans, religious orders, charitable organizations, foundations, endowments, insurance companies and other institutional or private clients;

6. Units of the Funds will be sold to purchasers resident in the Jurisdictions by the Manager and/or by dealers registered in the relevant Jurisdiction;

7. The initial minimum investment (the "Initial Minimum Investment") in any of the Funds by an investor in a Jurisdiction will be not less than the minimum aggregate purchase amount prescribed by the applicable Legislation of such Jurisdiction (the "Prescribed Amount") and will be made in reliance upon prospectus exemptions in each of the Jurisdictions, and upon the dealer registration exemptions in each of the Jurisdictions other than Ontario (the "Private Placement Exemption");

8. Following the Initial Minimum Investment, it is proposed that unitholders of the Funds who were sold Units in reliance upon the Private Placement Exemption be permitted to subscribe for additional units (the "Subscribed Units"), provided that at the time of such subsequent acquisition the investor holds Units of the Fund with an aggregate acquisition cost or aggregate net asset value of at least the Prescribed Amount; and

9. Each Fund proposes to distribute additional Units ("Reinvested Units") by way of automatic reinvestment of distributions to unitholders of such Fund, unless otherwise requested by a unitholder;

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

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

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

(a) the registration requirements contained in the Legislation of the Registration Jurisdictions, and the prospectus requirements contained in the Legislation of the Prospectus Jurisdictions shall not apply to:

(i) the issuance of Subscribed Units of a Fund to a unitholder of that Fund provided that

(A) the initial investment in Units of that Fund was pursuant to the applicable Private Placement Exemption;

(B) at the time of the issuance of such Subscribed Units, the unitholder then owns Units of that Fund having an aggregate acquisition cost or an aggregate net asset value of not less than the Prescribed Amount of the applicable Prospectus Jurisdiction;

(C) at the time of the issuance of such Subscribed Units, the Manager is registered under the Legislation of Ontario as a mutual fund dealer and such registration is in good standing; and

(D) this clause (i) will cease to be in effect with respect to a Prospectus Jurisdiction 90 days after the coming into force of any

legislation, regulation or rule in such Jurisdiction relating to the distribution of Subscribed Units of pooled funds; and

(ii) an issuance of Reinvested Units of a Fund to a unitholder of that Fund provided that

(A) no sales commission or other charge in respect of such issuance of Reinvested Units is payable; and

(B) the unitholder has received, not more than 12 months before such issuance, a statement describing (A) the details of any deferred or contingent sales charge or redemption fee that is payable at the time of the redemption of a Unit, (B) the right, if any, that the unitholder has to make an election to receive cash instead of Units on the payment of the net income or net realized capital gains distributed by the Fund, (C) instructions on how the right referred to in subclause (B) can be exercised, and (D) the fact that no prospectus is available for the Fund as Units are offered pursuant to prospectus exemptions only; and

(b) the requirements contained in the Legislation of the Jurisdictions other than Manitoba to file a report of a distribution of Units under the Private Placement Exemption or of Subscribed Units or Reinvested Units within 10 days of such trade, or in some cases within 10 days after the end of the calendar year in which the distribution takes place, shall not apply to such trade, provided that within 30 days after each financial year end of each Fund, such Fund:

(i) files with the applicable Decision Maker a report in respect of all trades in Units of that Fund during such financial year, in the form prescribed by the applicable Legislation; and

(ii) remits to the applicable Decision Maker the fee prescribed by the applicable Legislation.

June 14, 2001.

"Paul M. Moore" "J. A. Geller"

2.1.3 Mellon Financial Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications- Registration relief for first trades by Canadian Employees (including former Employees) of foreign issuer.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., s. 74.

Applicable Ontario Policies

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

OSC Rule 72-501 - Prospectus Exemption for First Trade Over a Market Outside Ontario.

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ONTARIO AND ALBERTA

AND

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

AND

IN THE MATTER OF
MELLON FINANCIAL CORPORATION

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Makers") in each of Ontario and Alberta (collectively the "Jurisdictions") has received an application from Mellon Financial Corporation ("Mellon") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the Registration Requirements of the Legislation shall not apply to the first trade of Mellon shares of Common Stock acquired under the Mellon Financial Corporation Employee Stock Purchase Plan (the "Plan").

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 Mellon has represented to the Decision Makers as follows:

1. Mellon is a corporation incorporated under the laws of the Commonwealth of Pennsylvania, is not a reporting issuer or its equivalent under the Legislation and has no present intention of becoming a reporting issuer or its equivalent under the Legislation. The majority of the

directors and senior officers of Mellon reside outside of Canada.

2. Mellon currently has and in the future will have designated affiliates in Canada participating in the Plan ("the Affiliates"). The current Affiliates are Mellon Bank Canada Leasing, Inc., Bornstein Insurance Agency, Inc., Buck Consultants Ltd., CAFO, Inc., Mellon Bank N.A. Canadian Branch and Mellon Asset Management Ltd. None of Mellon nor the Affiliates is a reporting issuer or its equivalent in any of the Jurisdictions nor has any present intention of becoming a reporting issuer or its equivalent.

3. The authorized share capital of Mellon consists of 800,000,000 shares of common stock, par value US$.50 per share (the "Shares") and 50,000,000 shares of preferred stock, par value US$1.00 (the "Preferred Shares"). As of April 30, 2001, there were 477,120,186 Shares and no Preferred Shares issued and outstanding.

4. Mellon is subject to the requirements of the *U.S. Securities Exchange Act of 1934*, as amended, including the reporting requirements. The Shares are listed for trading on the New York Stock Exchange.

5. The purpose of the Plan is to assist Mellon and the Affiliates (collectively the "Mellon Companies") in attracting, retaining and motivating employees of the Mellon Companies (the "Eligible Participants") as well as enabling the Eligible Participants to participate in the long-term growth and financial success of Mellon.

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

7. Under the Plan, Mellon may provide any Eligible Participants the right to purchase Shares under the Plan.

8. The Human Resources Committee of the Board of Directors of Mellon (the "Committee") or its delegates shall establish procedures governing the purchase of Shares under the Plan. On the first day of each purchase period, each Eligible Participant who has elected to participate in the Plan (the "Plan Participant") shall be granted the right to purchase the number of Shares which may be purchased with the payroll deductions to be accumulated on behalf of such Eligible Participant. On the last business day of each purchase period, Shares will automatically be purchased for each Plan Participant using the accumulated payroll deductions credited to the Plan Participant's account.

9. The Mellon Companies will identify the Eligible Participants resident in Canada who will be eligible to participate in the Plan as Plan participants (the "Canadian Participants").

10. Mellon proposes to use the services of an administrative agent, Mellon Investor Services, LLC, and a broker, Future Share Financial, LLC, which is an affiliate of Mellon Investor Services, LLC, (collectively the "Agent"), which will act on behalf of or for the benefit of Plan Participants in connection with the Plan. The current broker is and, if replaced will be, a corporation registered under the applicable U.S. securities or banking legislation to trade in securities and has been or will be authorized by Mellon to provide services under the Plan. The Agent 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.

11. The Agent's role in the Plan will involve various administrative functions including but not limited to: (i) holding on behalf of the Plan Participants Shares issued by Mellon upon the purchase of Shares under the Plan or otherwise; (ii) maintaining accounts on behalf of the Plan Participants; and (iii) facilitating the resale of Shares acquired under the Plan through an exchange or market outside of Canada.

12. As of April 30, 2001, there were approximately 346 Eligible Participants in Canada who are eligible to participate in the Plan of which 25 are resident in Alberta and 285 in Ontario.

13. Participation in the Plan is voluntary and Eligible Participants are not induced to participate in the Plan or acquire Shares under the Plan by expectation of employment or continued employment.

14. The right to purchase Shares under the Plan may not be assigned, transferred, pledged or otherwise disposed of other than by will or the laws of descent and distribution.

15. Plan Participants may purchase Shares under the Plan and resell Shares acquired under the Plan through instructions to the Agent.

16. A Plan Participant may authorize payroll deductions of any whole percentage of eligible compensation not to exceed 15% or such greater percentage as specified by the Committee; such payroll deductions will be credited to the Plan Participant's account and will be used to purchase Shares at the end of each purchase period. The purchase price for each Share shall be 85% of the lower of the fair market value of the Shares at the commencement of the purchase period and last day of the purchase period.

17. The Committee may require that the Shares purchased under the Plan participate in a dividend reinvestment program maintained for the Plan by Mellon.

18. A copy of the U.S. prospectus related to the Plan will be delivered to each Canadian Participant. The annual reports, proxy materials and other materials Mellon is required to file with the SEC will be provided or made available to all Canadian Participants who become shareholders of Mellon at the same time and in the same manner as such materials are provided or made available to U.S. resident shareholders of Mellon.

19. Canadian Participants, including former Plan Participants who participated in the Plan and had their office or employment with the Mellon Companies

voluntarily or involuntarily terminated, and their representatives may resell Shares acquired under the Plan through instructions to the Agent.

20. The aggregate number of Canadian residents in any one of the Jurisdictions do not represent in number more than 10% of the total number of holders of Shares and Canadian residents in any one of the Jurisdictions do not hold, in the aggregate, in excess of 10% of the total number of outstanding Shares.

21. If at any time during the effectiveness of the Plan the direct and indirect shareholders of Mellon in any one Jurisdiction hold in the aggregate, greater than 10% of the total number of issued and outstanding Shares or if such shareholders constitute more than 10% of all shareholders of Mellon, Mellon will apply to the relevant Decision Maker for an order with respect to further trades to and by Participants in that Jurisdiction in respect of Shares acquired under the Plan.

22. 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.

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 first trade in Shares acquired through the Plan by a Canadian Participant (including a former Canadian Participant) effected through the Agent, shall not be subject to the Registration Requirements, provided

(i) at the time of the trade, Mellon is not a reporting issuer under the Legislation of the Jurisdiction in which the trade is being made; and

(ii) such first trade is executed on an exchange or market outside Canada in accordance with the rules and policies of such exchange or market and in accordance with all laws applicable to such exchange or market.

June 12, 2001.

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

2.1.4 407 International Inc. et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Issuer is a connected issuer, but not a related issuer, in respect of registrants that are underwriters in proposed distributions of debt securities where issuer is not in financial difficulty - Underwriters exempt from the independent underwriter requirement in the legislation - form of Decision Document of no precedential value because it follows form of Decision Document previously granted to applicants regarding distribution of debt securities by the same issuer.

Applicable Ontario Regulations

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

Applicable Ontario Rules

Proposed Multi-Jurisdictional Instrument 33-105 Underwriting Conflicts (published for comment February 6, 1998).

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

AND

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

IN THE MATTER OF
BMO NESBITT BURNS INC., CIBC WORLD MARKETS INC. AND 407 INTERNATIONAL INC.

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Ontario and Newfoundland (the "Jurisdictions") has received an application from BMO Nesbitt Burns Inc. and CIBC World Markets Inc. (together, the "Filers") and 407 International Inc. ("407 International"), 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 prohibits a registrant from acting as underwriter in connection with a distribution of securities of an issuer, made by means of a prospectus, where the issuer is a "related issuer" (or the equivalent) of the registrant, or, in connection with the distribution, a "connected issuer" (or the equivalent) of the registrant without certain required participation in the distribution by one or more other registrants, in respect of which the issuer is neither a related issuer (or the equivalent) of the registrant, nor, in connection with the distribution, a connected issuer (or the equivalent) of the registrant, shall not apply to the Filers in respect of a proposed distribution (the

"Distribution") of Subordinated Bonds, Series 01-C1 (the "Series 01-C1 Bonds") of 407 International to be made by means of a prospectus (the "Prospectus") expected to be filed with the securities regulatory authority or regulator (the "Securities Regulators") in each of the provinces of 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 the Filers and 407 International have represented to the Decision Makers that:

1. 407 International was incorporated on March 17, 1999 under the provisions of the *Business Corporations Act* (Ontario), has its head office in the City of Toronto in the Province of Ontario and, as of July 20, 1999, is a reporting issuer in each of the Jurisdictions.

2. 407 International was formed for the purpose of submitting a bid to the Government of the Province of Ontario (the "Province") in connection with the privatization of Highway 407 ETR by the Province. 407 International was selected as the successful bidder and on May 5, 1999 acquired from the Province, at a purchase price of approximately $3.1 billion (the "Acquisition Cost"), all of the shares of 407 ETR Concession Company Limited (the "Concessionaire") (the company established by the Province to hold the concession rights in respect of Highway 407 ETR).

3. In preparing its bid for the Concessionaire, 407 International, under the guidance and with the advice of its financial advisors, determined that the optimal means of financing for 407 International would consist largely of a variety of capital market debt instruments. However, because of the competitive nature of the bidding process for Highway 407 ETR and the requirement of the Province that the successful bidder have in place prior to April 12, 1999 committed financing sufficient to satisfy the Acquisition Cost, 407 International initially financed the Acquisition Cost with bridge financing.

4. 407 International has established a "Capital Markets Platform" to provide a common security package and a common set of principal covenants for all lenders, whether capital market investors or members of the banking syndicate that provided bridge financing in respect of the Acquisition Cost.

5. To refinance the bridge financing of the Acquisition Cost, 407 International has completed (i) on July 27, 1999, an initial public offering of "A" rated senior bonds in an aggregate principal amount of $1.1 billion, (ii) on August 20, 1999, a private placement of "A" rated senior bonds in an aggregate principal amount of $650 million, (iii) on October 15, 1999, a public offering of "A" rated senior bonds in an aggregate principal amount of $400 million, (iv) on February 2, 2000, a private placement of "A" rated senior bonds in an aggregate principal amount of $325 million, which bonds were replaced on March 9, 2000 with "A" rated senior bonds qualified by prospectus, (v) on March 15, 2000, a public offering of "A" rated exchangeable senior bonds in an aggregate principal amount of $430 million, (vi) on May 31, 2000, a public offering of "BBB" rated subordinated bonds in an aggregate principal amount of $300 million, and (vii) on July 24, 2000 a public offering of "A-" rated junior bonds in the aggregate principal amount of $165 million.

6. In connection with the May 31, 2000 offering of subordinated bonds, on May 31, 2000 a portion of the bridge financing in respect of the Acquisition Cost was refinanced by 407 International with a subordinated term credit facility (the "Subordinated Term Credit Facility") provided by a syndicate of Canadian and foreign banks (the "Subordinated Facility Banks"). The Subordinated Facility Banks have agreed to amend the Subordinated Term Credit Facility so that a portion of the indebtedness under the Subordinated Term Credit Facility will be represented by subordinated bonds issued to the Subordinated Facility Banks.

7. The Subordinated Facility Banks provided the Subordinated Term Credit Facility with the understanding that 407 International would refinance the Subordinated Term Credit Facility through publicly offered securities.

8. In connection with the Offering, a Canadian chartered bank will provide 407 International with a short-term credit facility (the "Short-Term Credit Facility") which will be utilized by 407 International to repurchase those bonds issued under the Subordinated Term Credit Facility which are to be resold in the Offering. The proceeds of the Offering will be used to repay the indebtedness under the Short-Term Credit Facility.

9. BMO Nesbitt Burns Inc. will be the lead underwriter for the Offering, and the underwriting syndicate also will include RBC Dominion Securities Inc., CIBC World Markets Inc., National Bank Financial Inc., Scotia Capital Inc. and Casgrain & Company Limited.

10. With respect to each Filer, 407 International is not a "related issuer", but is a "connected issuer" in connection with the Distribution, as such terms are defined in draft Multi-Jurisdictional Instrument 33-105 - Underwriting Conflicts ("Draft Instrument 33-105") because the Filers are subsidiaries of Canadian chartered banks that has provided the Subordinated Term Credit Facility to 407 International and BMO Nesbitt Burns Inc. is a subsidiary of a Canadian chartered bank that also has provided the Short-Term Credit Facility to 407 International.

11. Each of the Filers, is registered under the securities legislation of each of Alberta, Ontario and Newfoundland as an "investment dealer" and "broker" and under the securities legislation of British Columbia as an "investment dealer" and "underwriter".

12. 407 International has received from Standard & Poor's Rating Service a "BBB" rating and an equivalent rating from Dominion Bond Rating Service Limited in respect of the Series 01-C1 Bonds comprising the Distribution.

13. The Prospectus will contain the information specified in Appendix "C" of the Draft Instrument, on the basis that 407 International is a "connected issuer" of each Filer, as such term is defined in Draft Instrument 33-105.

14. 407 International is in good financial condition and is not a "specified party" as defined in Draft Instrument 33-105, and is not a "related issuer" (or the equivalent) of any of the Filers as such term is defined in the Legislation of any of 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 Distribution, the Independent Underwriter Requirement shall not apply to the Filers.

June 14, 2001.

"Paul Moore" "Stephen N. Adams"

2.1.5 Uniforêt Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Issuer under CCAA protection - granted extension for filing and delivering to security holders interim financial statements and MD&A.

Applicable Ontario Statutory Provision

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

Applicable Ontario Policies

OSC Rule 51-501 - AIF and MD&A.

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUÉBEC, 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
UNIFORÊT INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "**Decision Maker**") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, Prince Edward Island and Newfoundland (the "**Jurisdictions**") has received an application from Uniforêt Inc. (the "**Filer**") for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") that the requirements contained in the Legislation to file and deliver to registered holders of its securities quarterly financial statements, including interim MD&A, where applicable, within 60 days from the end of the period ended March 31, 2001, shall not apply to the Filer.

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

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

1. The Filer is a corporation incorporated under the Canada Business Corporations Act on November 22, 1993.

2. The Filer is a reporting issuer, or the equivalent thereof, under the Legislation in each of the Jurisdictions. The Filer is not, to its knowledge, in default of any applicable requirement of the Legislation.

3. The Filer's subordinated voting shares are listed and posted for trading on the Toronto Stock Exchange (the "**TSE**") under the trading symbol UNF.A. Also, the Filer's debentures series A are listed and posted for trading on the TSE under the trading symbol UNF.DB.

4. The Filer is required to file and deliver to registered holders of its securities its quarterly financial statements, including interim MD&A, where applicable, within 60 days from the end of its quarter. The Filer's quarterly financial statements for the period ended March 31, 2001 must then be filed and delivered to holders on or before May 30, 2001.

5. Over the last few months, the Filer has experienced cash flow difficulties and issued on several occasions press releases announcing that it was no longer able to face some of its obligations. In addition, since demand for commercial pulp has slowed considerably in recent months, Uniforêt announced halts in production at the Port-Cartier pulp mill starting February 16, 2001.

6. As a result of the financial and operational difficulties experienced by the Filer, on April 17, 2001, the Filer applied for, and obtained, an Order from the Superior Court of the province of Quebec, district of Montreal, under the *Companies' Creditors Arrangement Act* (the "**CCAA Order**") under which, amongst other things, all legal proceedings against the Filer were stayed for a period of at least 30 days from the date of the grant of the CCAA Order.

7. The CCAA Order also stated that the Filer shall submit a plan of arrangement or compromise to its creditors within the same period of 30 days from the date of the grant of the CCAA Order (the "**Plan**").

8. On May 16, 2001, an extension of the CCAA Order for an additional 45-day period has been obtained by Uniforêt to submit the Plan to its creditors before June 30, 2001. Thus, the Filer's representatives are expecting to produce such Plan over the month of June 2001 so that the Filer will seek approval of the Plan by its creditors by the end of June 2001.

9. The Filer is hereby requesting an extension of deadline to file and deliver to shareholders its quarterly financial statements, including interim MD&A, where applicable. The principal reason for that is that the Filer's representatives have determined that there are some potential adjustments to be made to the quarterly financial statements, more specifically to the balance sheet of the corporation, depending on the outcome of the Plan to be presented to the Filer's creditors.

10. The Filer acknowledges that further filing extension deadlines will not be contemplated by the Decision Makers.

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 is that the requirements contained in the Legislation to file with the securities regulatory authorities of the Jurisdictions and deliver to registered holders of its securities the quarterly financial statements, including interim MD&A, where applicable, within 60 days from the end of the period ended March 31, 2001 shall not apply to the Filer provided that :

1. The Filer issues a press release disclosing the details of the granting of this order; and

2. The Filer files with the securities regulatory authorities of the Jurisdictions its quarterly financial statements, including interim MD&A, where applicable, for the period ended March 31, 2001 by July 30, 2001 and delivers them to registered holders of its securities concurrently with the filing thereof.

DATED at Montreal, Québec, the 30th day of May, 2001.

"Edvie Élysée"

2.1.6 BO Gas Limited et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - registration and prospectus relief in connection with a reorganization plan to cure past distribution deficiencies.

Statutes Cited

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

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

AND

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

AND

IN THE MATTER OF
BO GAS LIMITED, BO TECH BURNER SYSTEMS LTD.,
BO DEVELOPMENT ENTERPRISES LTD. AND
CLEAN ENERGY COMBUSTION SYSTEMS, INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "**Decision Maker**") in each of British Columbia, Manitoba and Ontario (the "**Jurisdictions**") has received an application from BO Gas Limited ("**BO Gas**"), BO Tech Burner Systems Ltd. ("**BO Tech**") and BO Development Enterprises Ltd. ("**BO Development**", collectively BO Gas, BO Tech and BO Development are referred to as the "**Filers**") for a decision pursuant to 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 Requirement**") and to file and obtain a receipt for a preliminary prospectus and a prospectus in respect of the security (the "**Prospectus Requirement**") shall not apply to intended trades in the common stock of Clean Energy Combustion Systems, Inc. ("**Clean Energy**") in connection with the reorganization of the Filers;

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

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

1. Clean Energy is a corporation formed under the laws of the State of Delaware; is a reporting company under the *Securities and Exchange Act of 1934* (United States) (the "**1934 Act**"); is not in default of any requirement of the 1934 Act; and is not now, and has no intention of becoming, a reporting issuer under the Legislation;

2. Clean Energy's authorized capital consists of 15,000,000 shares of common stock and 1,000,000 shares of preferred stock issuable in one or more series having such preferences and rights as determined by the directors of Clean Energy; as at January 23, 2001, 10,390,980 shares of common stock (the "**Clean Energy Shares**") were issued and outstanding and three series of preferred stock had been authorized as follows: 1,000 shares of series "A" preferred stock, 250,001 shares of series "B" preferred stock and 500,000 shares of series "C" preferred stock, of which 1,000 shares of series "A" preferred stock, 250,001 shares of series "B" preferred stock and no series "C" preferred stock were issued and outstanding;

3. The Clean Energy Shares are not currently traded on any exchange or market;

4. BO Development, a corporation formed under the laws of British Columbia, is not now, and has no intention of becoming, a reporting issuer under the Legislation;

5. BO Development's authorized capital consists of 9,995,000 common shares without par value of which 3,170,000 common shares are issued and outstanding, of which 54%, or 1,719,250 common shares, are owned by a founder of BO Development and 46%, or 1,450,750 common shares, are owned by 27 persons, none of whom are related to any of the Filers;

6. BO Tech, a corporation formed under the laws of British Columbia, is not now, and has no intention of becoming, a reporting issuer under the Legislation;

7. BO Tech's authorized capital consists of 100,000,000 common shares of which 8,971,519 common shares are issued and outstanding, of which 56%, or 5,052,198 common shares, are owned by BO Development and 44%, or 3,919,321 common shares, are owned by 53 persons, none of whom are related to any of the Filers;

8. BO Gas, a corporation formed under the laws of British Columbia, is not now, and has no intention of becoming, a reporting issuer under the Legislation;

9. BO Gas' authorized capital consists of 10,000,000 common shares of which all 10,000,000 common shares (the "**BO Gas Shares**") are issued and outstanding as follows:

   (a) 58.53% or 5,853,120 of the BO Gas Shares are owned by BO Tech;

   (b) 20% or 2,000,000 of the BO Gas Shares are owned by the founders of BO Gas;

   (c) 19.91% or 1,991,288 of the BO Gas Shares (the "**BO Gas Public Shares**") are owned by 130 persons (the "**BO Gas Public Shareholders**") none of whom are related to any of the Filers and of which 108 are resident in British Columbia (the "**BC BO Gas Public Shareholders**"), one is resident in Ontario (the "**Ontario BO Gas Public Shareholder**"), one is

resident in Manitoba (the "**Manitoba BO Gas Public Shareholder**") and 20 are resident outside of the Jurisdictions; and

(d) 1.56% or 155,592 of the BO Gas Shares are owned by four persons resident in Alberta;

10. Certain trades in BO Gas Shares to BO Gas Public Shareholders by BO Gas contravened the Registration Requirement and Prospectus Requirement; as a result of such contraventions, BO Gas and its directors are subject to an order by the British Columbia Securities Commission dated June 23, 2000 (the "**BCSC Order**") which provides, in part, that it may be revoked after BO Gas has sent to each BO Gas Public Shareholder a rescission offer in respect of the BO Gas Shares purchased by such shareholders (the "**Rescission Offer**");

11. In connection with the Rescission Offer, BO Gas will deliver to each BO Gas Public Shareholder a rescission offer circular, a copy of this Decision, certain supplementary information regarding the business of Clean Energy and a fairness opinion prepared by a qualified independent third party stating that the number of Clean Energy Shares a BO Gas Public Shareholder will receive if they reject the Rescission Offer is fair, from a financial point of view, when compared to the amount of cash they will receive if they accept the Rescission Offer (together the "**Disclosure Documents**");

12. The Disclosure Documents will provide prospectus level disclosure regarding BO Gas, Clean Energy and the Rescission Offer;

13. The payment of cash to BO Gas Public Shareholders that accept the Rescission Offer for their BO Gas Shares will be funded by Ravenscraig Properties Limited; as a condition to funding the Rescission Offer, Ravenscraig Properties Limited requires that the first trade by a BO Gas Public Shareholder in Clean Energy Shares that they may acquire in the BO Gas Trades, as defined below, will not be subject to the Prospectus Requirement if such trade is executed on an exchange, or market, outside Canada;

14. The Filers have initiated a reorganization of their businesses which includes the following trades in Clean Energy Shares:

(a) the issuance by Clean Energy of 6,525,713 Clean Energy Shares to BO Tech under the "private issuer" registration and prospectus exemptions in sections 46(j) and 75(a), respectively, of the *Securities Act* (British Columbia)(the "**Clean Energy Trade**");

(b) the distribution by BO Tech of the 6,525,713 Clean Energy Shares it received under the Clean Energy Trade as follows: 753,724 Clean Energy Shares to BO Gas as a gift; 4,684,079 Clean Energy Shares to BO Tech shareholders by way of a dividend *in specie*; and 1,087,910 Clean Energy Shares to five claimants, two of which are resident in British Columbia and three of which are resident outside of the Jurisdictions, as settlement of certain claims against BO Tech and its affiliated companies (the "**BO Tech Trades**");

(c) the distribution by BO Development of the 2,599,084 Clean Energy Shares that it receives in the BO Tech Trades, as a result of BO Development being a shareholder of BO Tech, to the shareholders of BO Development by way of a dividend *in specie* (the "**BO Development Trades**"); and

(d) the distribution by BO Gas of 699,099 of the Clean Energy Shares that it receives in the BO Tech Trades to holders of the BO Gas Public Shares by way of a dividend *in specie* (the "**BO Gas Trades**");

15. The following conditions will be satisfied before undertaking the BO Gas Trades:

(a) a copy of the Disclosure Documents will be delivered to each BO Gas Public Shareholder;

(b) a person whose registration under the *Securities Act* (British Columbia) permits such person to trade and advise in securities in British Columbia (the "**Registrant**") is retained by BO Gas, at the expense of BO Gas, to assist each BC BO Gas Public Shareholder in deciding whether to accept or reject the Rescission Offer;

(c) the Registrant makes a reasonable effort to contact each of the BC BO Gas Public Shareholders and have each of them open a new client account with the Registrant, so that it may advise each BC BO Gas Public Shareholder on their decision to accept or reject the Rescission Offer;

(d) a BC BO Gas Public Shareholder that becomes a client of the Registrant is advised by the Registrant as to the suitability of their investment decision to accept or reject the Rescission Offer;

(e) BO Gas has paid, or agreed to pay, up to $500.00 of the reasonable fees charged by a duly registered adviser for advising the Ontario BO Gas Public Shareholder in connection with their decision to accept or reject the Rescission Offer;

(f) BO Gas has paid, or agreed to pay, up to $500.00 of the reasonable fees charged by a duly registered adviser for advising the Manitoba BO Gas Public Shareholder in connection with their decision to accept or reject the Rescission Offer;

(g) each BO Gas Public Shareholder accepts, rejects or is deemed to reject the Rescission Offer in accordance with its terms;

(h) each BO Gas Public Shareholder that accepts the Rescission Offer is paid in full for their BO Gas Shares in accordance with the terms of the Rescission Offer; and

(i) the BCSC Order is revoked by the Executive Director of the British Columbia Securities Commission;

(collectively the conditions are referred to as the "**BO Gas Trade Conditions**");

16. BO Gas Public Shareholders who accept the Rescission Offer will not participate in the BO Gas Trades, because they will no longer be shareholders in BO Gas as of the record date declared in connection with the dividend that constitutes the BO Gas Trades;

17. At the conclusion of the BO Tech Trades, BO Gas Trades and the BO Development Trades, a maximum of: 7,500 Clean Energy Shares, representing 0.0722% of the total issued common stock of Clean Energy, will be held by one resident of Manitoba; 17,500 Clean Energy Shares, representing 0.2954% of the total issued common stock of Clean Energy, will be held by five residents of Ontario; and 5,034,256 Clean Energy Shares, representing 48.45% of the total issued common stock of Clean Energy, will be held by 177 residents of British Columbia;

18. There are no exemptions in the Legislation from the Registration Requirement and the Prospectus Requirement for the BO Tech Trades, the BO Development Trades or the BO Gas Trades;

19. There are no exemptions in the Legislation applicable to Manitoba for the offering of the Rescission Offer to the Manitoba BO Gas Public Shareholder;

20. Each Canadian resident that is to receive Clean Energy Shares under this Decision will be provided with a copy of Clean Energy's Form SB-2 Registration Statement and most recent Form 10K, both of which have been filed with the SEC; and

21. All Canadian shareholders of Clean Energy will receive the same continuous disclosure materials as the United States shareholders of Clean Energy;

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 BO Tech Trades, BO Development Trades and BO Gas Trades are not subject to the Registration Requirement or the Prospectus Requirement, provided the BO Gas Trade Conditions have been satisfied;

2. A trade in a Clean Energy Share acquired under this Decision is deemed to be a distribution or, where applicable, a primary distribution to the public, unless the Clean Energy Share was acquired by the seller as part of the BO Gas Trades and the trade is executed on or through an exchange, or market, outside Canada; and

3. The trades made in connection with the Rescission Offer involving the Manitoba BO Gas Public Shareholder are not subject to the Registration Requirement or the Prospectus Requirement applicable in Manitoba.

June 13, 2001.

"Brent W. Aitken"

2.1.7 Genesis Exploration Ltd. - MRRS Decision

Headnote

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

Applicable Ontario Statutory Provisions

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

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ONTARIO, ALBERTA,
SASKATCHEWAN AND QUÉBEC

AND

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

AND

IN THE MATTER OF
GENESIS EXPLORATION LTD.

MRRS DECISION DOCUMENT

1. **WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of Ontario, Alberta, Saskatchewan and Québec (the "Jurisdictions") has received an application from Genesis Exploration Ltd. ("Genesis") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that Genesis be declared to no longer be a reporting issuer or the equivalent under the Legislation;

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

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

   3.1 Genesis is a corporation amalgamated under the *Business Corporations Act* (Alberta) (the "ABCA");

   3.2 the principal office of Genesis is in Calgary, Alberta;

   3.3 Genesis is a reporting issuer or the equivalent under the Legislation;

   3.4 with the exception of the failure to file interim financial statements for the period ended March 31, 2001, Genesis is not in default of any requirement under the Legislation;

   3.5 the authorized capital of Genesis consists of an unlimited number of common shares (the "Common Shares") and an unlimited number of preferred shares ("Preferred Shares");

   3.6 there is 1 Common Share and no Preferred Shares outstanding;

   3.7 the outstanding Common Share is held by Vintage Petroleum, Inc. ("Vintage");

   3.8 Genesis was formed by the amalgamation (the "Amalgamation") on May 2, 2001 of Genesis Exploration Ltd. ("Old Genesis") and Vintage Acquisition Corp ("VAC"), a wholly owned subsidiary of Vintage;

   3.9 under an offer to purchase dated March 30, 2001 and a subsequent compulsory acquisition under the provisions of the ABCA, VAC had acquired all of the outstanding common shares of Old Genesis;

   3.10 as Old Genesis was a reporting issuer or the equivalent in the Jurisdictions at the time of the Amalgamation, Genesis became a reporting issuer or the equivalent in the Jurisdictions as a result of the Amalgamation;

   3.11 the common shares of Old Genesis had been listed for trading on The Toronto Stock Exchange, but were delisted at the close of business on May 3, 2001;

   3.12 no securities of Genesis are listed on any exchange or quoted on any market;

   3.13 no securities of Genesis, including debt securities, are currently outstanding other than the Common Shares;

   3.14 Genesis does not intend to seek public financing by way of an offering of its securities;

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

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

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

June 8, 2001.

"Patricia Johnston"

2.1.8 Deere & Company and John Deere Credit Inc. - MRRS Decision

Headnote

Mutual Reliance Review System

NI 44-101 - Director grants exemption from the GAAP Reconciliation Requirement and the GAAS Reconciliation Requirement.

Form 44-101F3 - Director grants exemption from Prospectus Disclosure Requirements.

OSC Rule 51-501 - Director grants exemption from AIF Requirements of Ontario, Quebec and Saskatchewan.

Commission grants exemptions from the MD&A Requirements, Material Change Requirements, Circular Requirements, Proxy Requirements and Insider Reporting Requirements.

National Instruments Cited

National Instrument 44-101 Short Form Prospectus Distributions, ss. 7.1(2)(b), 7.4, 7.5 and 15.1.

Form 44-101F3 to National Instrument 44-101, items 12.1(1)(1) to 12.1(1)(2), 12.1(1)(5) to 12.1(1)(8), 12.2(1), 12.2(4) and 13.1(1)(2).

National Instrument 44-102 Shelf Distributions.

National Instrument 71-101 The Multijurisdictional Disclosure System.

National Policy Cited

National Policy Statement No. 41, Part XII.

Ontario Rule Cited

Rule 51-501 AIF and MD&A, s. 5.1.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 75, 80(b)(iii), 81(2), 107, 108, 109 and 121(2)(a)(ii).

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

AND

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

AND

IN THE MATTER OF
DEERE & COMPANY AND
JOHN DEERE CREDIT INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "**Decision Maker**") in each of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland, Nova Scotia, Ontario, Prince Edward Island, Quebec and Saskatchewan (the "**Jurisdictions**") has received an application from Deere & Company ("**Deere**") and John Deere Credit Inc. ("**JDCI**", and together with Deere, the "**Filer**") for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") that the requirements contained in the Legislation that:

(a) JDCI comply with the requirement (the "**Canadian GAAP Reconciliation Requirement**") to reconcile financial statements included in a prospectus and prepared in accordance with generally accepted accounting principles ("**GAAP**") of a foreign jurisdiction to Canadian GAAP;

(b) JDCI comply with the requirement (the "**Canadian GAAS Reconciliation Requirement**" and together with the Canadian GAAP Reconciliation Requirement, the "**Reconciliation Requirements**") to provide, where financial statements included in a prospectus are audited in accordance with generally accepted auditing standards ("**GAAS**") of a foreign jurisdiction, a statement by the auditor (i) disclosing any material differences in the form and content of the auditor's report as compared to a Canadian auditor's report; and (ii) confirming that the auditing standards of the foreign jurisdiction are substantially equivalent to Canadian GAAS;

(c) JDCI comply with the annual information form requirements in the provinces of Ontario, Québec and Saskatchewan (the "**AIF Requirements**");

(d) JDCI file with the Decision Makers an annual report, where applicable, annual MD&A and interim MD&A, where applicable (the "**MD&A Requirements**");

(e) JDCI issue and file with the Decision Makers press releases, and file with the Decision Makers material change reports (together, the "**Material Change Requirements**");

(f) JDCI comply with the proxy and proxy solicitation requirements under the Legislation, including filing an information circular or report in lieu thereof (the "**Proxy Requirements**");

(g) insiders of JDCI ("**Insiders**") file insider reports with the Decision Makers (the "**Insider Reporting Requirements**"); and

(h) JDCI comply with the requirements (the "**Prospectus Disclosure Requirements**") of items 12.1(1)(1) to 12.1(1)(2), items 12.1(1)(5) to 12.1(1)(8), item 12.2(1), item 12.2(4) and item 13.1(1)(2) of Form 44-101F3;

shall not apply;

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. JDCI's primary business is to provide and administer financing for retail purchases of new and used John Deere agricultural, construction and commercial and consumer equipment.

2. JDCI is the result of the amalgamation under the *Canada Business Corporations Act* on October 28, 1996 of Canadian Equipment Finance Corporation and John Deere Finance Limited. JDCI is (indirectly) wholly owned by Deere.

3. JDCI became a reporting issuer or the equivalent in the Jurisdictions by virtue of it filing a short form shelf prospectus dated July 22, 1999 with the Decision Makers in connection with the establishment in Canada of a medium term note program (the "**1999 MTN Program**") under the provisions of former National Policy Statement No. 47 and former National Policy Statement No. 44. JDCI currently maintains the 1999 MTN Program.

4. Deere was incorporated under the laws of Delaware on April 25, 1958, and is not a reporting issuer or the equivalent in any of the Jurisdictions.

5. Deere has been a reporting company under the Securities Exchange Act of 1934, as amended (the "**1934 Act**") since 1958. Deere has filed annual reports on form 10-K and quarterly reports on form 10-Q (collectively, the "**Deere Financial Statements**") since it first became a reporting company, in accordance with the filing obligations set out in sections 13 and 15(d) of the 1934 Act.

6. In connection with the establishment of the 1999 MTN Program, JDCI and Deere obtained a decision document (the "**1999 John Deere Order**") from the Decision Makers dated June 25, 1999 relieving JDCI and Deere from the requirement under the Canadian short form prospectus rules that an issuer guaranteeing debt issued by a subsidiary be a reporting issuer with a 12 month reporting history in a Canadian province or territory. This relief was granted on the condition, among others, that Deere file with the Decision Makers all documents that it files with the Securities Exchange Commission ("**SEC**") under Sections 13 and 15(d) of the 1934 Act.

7. JDCI and Deere are in compliance with the conditions of the 1999 John Deere Order.

8. Pursuant to the 1999 MTN Program, JDCI may issue up to Cdn.$1,000,000,000 (or the equivalent thereof in lawful money of the United States of America) of non-convertible medium-term notes (the "**First Series Notes**"). Deere has fully and unconditionally guaranteed the payment of principal and interest, together with any other amounts which may become due under the First Series Notes. As at January 31, 2001, JDCI had issued and outstanding a total of Cdn.$370,000,000 in principal amount of First Series Notes.

9. As at January 31, 2001, Deere and its consolidated subsidiaries had approximately US$5.465 billion in long term debt outstanding. Deere's senior, unsecured long term debt is rated "A+" by Standard & Poor's, "A2" by Moody's Investors Service and "A" by Fitch Investors Service.

10. Deere satisfies the criteria set forth in paragraph 3.1(a) of National Instrument 71-101 ("**NI 71-101**") and is eligible to use the multi-jurisdictional disclosure system ("**MJDS**") (as set out in NI 71-101) for the purpose of distributing approved rating non-convertible debt in Canada based on compliance with United States prospectus requirements with certain additional Canadian disclosure.

11. Except for the fact that JDCI is not incorporated under United States law, the Offering (as defined below) would comply with the alternative eligibility criteria of non-convertible debt having an approved rating under the MJDS as set forth in paragraphs 3.1 and 3.2 of NI 71-101.

12. JDCI proposes to "renew" the 1999 MTN Program pursuant to National Instrument 44-101 ("**NI 44-101**") and National Instrument 44-102 (collectively, the "**Shelf Requirements**") to raise up to a fixed amount in Canada (the "**Offering**") through the issuance of notes (the "**Second Series Notes**" and together with the First Series Notes, the "**Notes**") from time to time over a two-year period. The Second Series Notes will be fully and unconditionally guaranteed by Deere as to payment of principal, interest and all other amounts due thereunder. All Second Series Notes will have an approved rating (as defined in NI 44-101) and will be rated by a recognized security evaluation agency in one of the categories determined by the Commission des valeurs mobilières du Québec (an "**Approved Rating**").

13. In connection with the Offering:

(a) a short form base shelf prospectus (the "**2001 Prospectus**") will be prepared pursuant to the Shelf Requirements, with the disclosure required by (i) item 12 of Form 44-101F3 of NI 44-101

("**Form 44-101F3**") being addressed by incorporating by reference (A) Deere's public disclosure documents, including Deere's annual information form in the form of an annual report on form 10-K; and (B) JDCI's audited Canadian GAAP financial statements for two consecutive financial years ending October 31, 2000 and JDCI's Canadian GAAP financial statements for any subsequent interim periods; and (ii) item 13.1(1)(2) of Form 44-101F3 in respect of JDCI being addressed by incorporating by reference in the 2001 Prospectus the information described in paragraph 13(a)(i)(B) above;

(b) the 2001 Prospectus will incorporate by reference (i) disclosure made in Deere's most recent annual report on form 10-K filed under the 1934 Act, together with all quarterly reports on form 10-Q and current reports on form 8-K filed under the 1934 Act in respect of the financial year following the year that is the subject of Deere's most recently filed annual report on form 10-K and (ii) any documents of the foregoing type filed after the date of the 2001 Prospectus and prior to the termination of the Offering;

(c) the only continuous disclosure filings to be made by JDCI with the Decision Makers and incorporated by reference in the 2001 Prospectus will be the audited annual financial statements and unaudited interim financial statements (excluding interim MD&A) that JDCI is obligated to file pursuant to the applicable requirements of the Legislation; the current AIF (as defined in NI 44-101) of JDCI will not be included or incorporated by reference in the 2001 Prospectus;

(d) Deere will fully and unconditionally guarantee payment of the principal and interest on the Second Series Notes, together with any other amounts that may be due under any provisions of the trust indenture relating to the Second Series Notes;

(e) the Second Series Notes will have an Approved Rating;

(f) Deere will sign the 2001 Prospectus as promoter; and

(g) Deere will undertake to file with the Decision Makers all documents that it files under sections 13 and 15(d) of the 1934 Act until such time as the Second Series Notes are no longer outstanding.

AND WHEREAS under 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 securities regulatory authority or securities regulator in each of Ontario, Québec and Saskatchewan is that the AIF Requirements shall not apply to JDCI provided that JDCI and Deere comply with all of the requirements of each of the Decisions below.

June 13, 2001

"K. Soden"

AN FURTHER, THE DECISION of the Decision Makers under the Legislation is that the Reconciliation Requirements shall not apply to the Deere Financial Statements included or incorporated by reference in a prospectus of JDCI provided that:

(a) the Deere Financial Statements that are included or incorporated by reference in a prospectus of JDCI are prepared in accordance with United States GAAP and otherwise comply with the requirements of United States law, and in the case of the audited annual financial statements, such financial statements are audited in accordance with United States GAAS;

(b) the Notes maintain an Approved Rating;

(c) Deere maintains direct or indirect 100% ownership of the voting shares of JDCI;

(d) Deere continues to satisfy the eligibility criteria set forth in paragraph 3.1 of NI 71-101 (or any applicable successor provision) for using MJDS (or any successor instrument) for the purpose of distributing approved rating non-convertible debt in Canada based on compliance with United States prospectus requirements with certain additional Canadian disclosure; and

(e) Deere continues to fully and unconditionally guarantee payment of the principal and interest on the Notes, together with any other amounts that may be due under any provisions of the trust indenture relating to the Notes.

June 13, 2001.

"K. Soden"

AND FURTHER, THE DECISION of the Decision Makers under the Legislation is that the Prospectus Disclosure Requirements shall not apply to the 2001 Prospectus provided that each of JDCI and Deere comply with paragraph 13.

June 13, 2001.

"K.Soden"

AND FURTHER, THE DECISION of the Decision Makers under the Legislation is that:

A. the MD&A Requirements shall not apply to JDCI, provided that (i) Deere files with the Decision Makers, in electronic format through SEDAR under JDCI's SEDAR profile, the annual reports on form 10-K filed by

Deere with the SEC, by the end of the business day following the day on which they are filed with the SEC; (ii) Deere files with the Decision Makers, in electronic format through SEDAR under JDCI's SEDAR profile, each of the quarterly reports on form 10-Q filed by Deere with the SEC, by the end of the business day following the day on which they are filed with the SEC; and (iii) that such documents are provided to security holders whose last address as shown on the books of JDCI is in Canada, in the manner, at the time and if required by applicable United States law to be sent to Deere debt holders;

B. the Material Change Requirements shall not apply to JDCI, provided (i) Deere (A) files with the Decision Makers, in electronic format through SEDAR under JDCI's SEDAR profile, each of the current reports on Form 8-K filed by Deere with the SEC by the end of the business day following the day on which they are filed with the SEC; (B) complies with the requirements of the New York Stock Exchange (or such other principal stock exchange on which its common shares are then listed) in respect of making public disclosure of material information on a timely basis; and (C) forthwith issues in each Jurisdiction and files with the Decision Makers, any press release which discloses a material change in Deere's affairs; and (ii) if there is a material change in respect of the business, operations or capital of JDCI that is not a material change in respect of Deere, JDCI will comply with the requirements of the Legislation to issue a press release and file a material change report notwithstanding that the change may not be a material change in respect of Deere;

C. the Proxy Requirements shall not apply to JDCI, provided that (i) Deere complies with the requirements of the 1934 Act and the rules and regulations made thereunder relating to proxy statements, proxies and proxy solicitations in connection with any meeting of the holders of its Notes; (ii) Deere files with the Decision Makers, in electronic format through SEDAR under JDCI's SEDAR profile, materials relating to the meeting filed by it with the SEC by the end of the business day following the day on which they are filed with the SEC; and (iii) such documents are provided to such holders of Notes whose last address as shown on the books of JDCI is in Canada, in the manner, at the time and if required by applicable United States law to be sent to Deere debt holders; and

D. the Insider Reporting Requirements shall not apply to Insiders of JDCI, provided that each insider (as defined in the Legislation) files with the SEC on a timely basis the reports, if any, required to be filed with the SEC pursuant to section 16(a) of the 1934 Act and the rules and regulations thereunder;

provided that (for A. through D.):

(a) JDCI complies with all of the other requirements of NI 44-101, Form 44-101F1 and Form 44-101F3, except as described in paragraphs 13(a) and (c);

(b) JDCI does not issue additional securities other than the Notes (or any other series of notes which hereinafter may be issued), debt securities ranking pari passu to the Notes, any debentures issued in connection with the security granted by JDCI to the holders of the Notes or debt ranking pari passu with the Notes, and those securities currently issued and outstanding, other than to Deere or to direct or indirect wholly-owned subsidiaries of Deere; and

(c) each of JDCI and Deere comply with paragraph 13;

(d) the Notes maintain an Approved Rating;

(e) Deere maintains direct or indirect 100% ownership of the voting shares of JDCI;

(f) Deere maintains a class of securities registered pursuant to section 12 of the 1934 Act;

(g) Deere continues to satisfy the eligibility criteria set forth in paragraph 3.1 of NI 71-101 (or any applicable successor provision) for using MJDS (or any successor instrument) for the purpose of distributing approved rating non-convertible debt in Canada based on compliance with US prospectus requirements with certain additional Canadian disclosure;

(h) Deere continues to fully and unconditionally guarantee payment of the principal and interest on the Notes, together with any other amounts that may be due under any provisions of the trust indenture relating to the Notes; and

(i) all filing fees that would otherwise be payable by JDCI in connection with the MD&A Requirements, the Material Change Requirements, the Proxy Requirements and the Insider Reporting Requirements are paid.

June 13, 2001.

"Paul Moore" "R. S. Paddon"

2.1.9 SPX Corporation & United Dominion Industries Ltd. - 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 where the "arrangement exemption" is not available for technical reasons.

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).

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

AND

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

AND

IN THE MATTER OF
SPX CORPORATION AND
UNITED DOMINION INDUSTRIES LIMITED

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "**Decision Maker**") in each of British Columbia, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Newfoundland, Nova Scotia, Prince Edward Island, The Northwest Territories, Nunavut and The Yukon Territory (collectively, the "**Jurisdictions**") has received an application from SPX Corporation ("**SPX**") and the SPX Entities (as defined below) and United Dominion Industries Limited ("**UDI**") (collectively, the "**Filer**") for a decision pursuant to the securities legislation of the Jurisdictions (the "**Legislation**") that the trades of securities involved in connection with the proposed acquisition by an indirect subsidiary of SPX of all of the common shares of UDI (the "**UDI Common Shares**") to be effected by way of an Arrangement (as defined below) shall be exempt from the registration and prospectus requirements of the Legislation subject to certain conditions, as described below;

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. Pursuant to a merger agreement (the "**Merger Agreement**") dated as of March 10; 2001 between SPX and UDI, an indirect subsidiary of SPX intends to acquire, through a series of contemporaneous transactions (collectively, the "**Transaction**"), all of the outstanding UDI Common Shares. The Transaction is to be effected pursuant to a plan of arrangement (the "**Arrangement**") under section 192 of the Canada Business Corporations Act (the "**CBCA**"). The effect of the Arrangement will be: (i) to provide shareholders of UDI ("**UDI Shareholders**") (other than dissenting shareholders (the "**Dissenting Shareholders**")) with shares in the common stock of SPX (the "**SPX Transaction Shares**") in exchange for their UDI Common Shares, based on the Exchange Ratio of 0.2353 of an SPX Transaction Share for each UDI Common Share (the "**Exchange Ratio**") and, in respect of the Amalco Special Share (as defined below) (which Share will immediately be redeemed for one SPX Transaction Share), a fraction thereof based on the shareholder's *pro rata* interest therein; (ii) for UDI to amalgamate (the "**Amalgamation**") with SPX Mergeco Inc., an indirect subsidiary of SPX ("**Mergeco**"), such that, upon completion of the Transaction, SPX will indirectly beneficially own all of the common shares of the continuing corporation ("**Amalco**"); and (iii) that each outstanding UDI Option (as defined below) that is not exercised prior to the Effective Time (as defined below) will be exchanged for an option to purchase SPX Common Shares ("**Replacement Options**") on the basis described below. Subject to satisfying all closing conditions under the Merger Agreement, it is anticipated that the Transaction will be completed on the date shown on the certificate of arrangement (the "**Certificate**") to be issued by the Director under the CBCA (the "**Effective Date**"), which is expected to be on or about May 24, 2001.

2. SPX is a company incorporated under the laws of Delaware. The common shares of SPX ("**SPX Common Shares**") are listed on the New York Stock Exchange (the "**NYSE**") and the Pacific Stock Exchange (the "**PSE**") under the symbol "SPW".

3. SPX is currently subject to the *United States Securities Exchange Act of 1934*, as amended (the "**Exchange Act**"). SPX is not a "reporting issuer" or the equivalent in any province or territory of Canada. It is not SPX's intention to list the SPX Common Shares on any stock exchange or market in Canada following completion of the Transaction.

4. As of March 8, 2001 there were 30,447,446 SPX Common Shares issued and outstanding and 500,000 shares have been designated as Series A Preferred Stock, of which none are issued and outstanding. As of March 20, 2001 there were 68 registered shareholders in Canada holding 3,596 SPX Common Shares, representing approximately 0.0001% of the total number of issued and outstanding SPX Common Shares. As of March 20, 2001, of all of the outstanding

options to purchase SPX Common Shares ("**SPX Options**"), there were 14 holders of SPX Options in Canada holding options to purchase an aggregate 24,250 SPX Common Shares, representing approximately 0.003% of the SPX Options.

5. The SPX Entities consist of two directly owned Delaware subsidiaries ("**SPX Subco No. 1**" and "**SPX Subco No. 2**"), an indirectly owned Delaware subsidiary ("**SPX Subco No. 3**"), an indirectly owned Nova Scotia subsidiary, ("**SPX Nova Scotia Subco**"), Mergeco and Amalco.

6. SPX Nova Scotia Subco is an unlimited liability company formed under the laws of the Province of Nova Scotia. SPX Nova Scotia Subco will hold all of the SPX Transaction Shares to be exchanged for the UDI Common Shares under the Arrangement (other than those UDI Common Shares held by the Dissenting Shareholders and the Electing Qualified Investors (as defined below) in respect of their Directly Exchanged UDI Common Shares (as defined below)).

7. Mergeco is a company incorporated under the CBCA for the purpose of amalgamating with UDI pursuant to the Arrangement.

8. Amalco will be the corporation resulting from the Amalgamation of Mergeco and UDI. As soon as practicable after obtaining the Certificate, Amalco will be continued under the laws of the Province of Nova Scotia.

9. Upon the completion of the Transaction, SPX will become or will be deemed to become a reporting issuer or the equivalent in certain of the Jurisdictions.

10. UDI is a company incorporated under the CBCA. The UDI Common Shares are listed on The Toronto Stock Exchange (the "**TSE**") and the NYSE under the symbol "UDI".

11. UDI is a "reporting issuer" or the equivalent in all provinces of Canada. To the best of the knowledge of SPX and UDI, UDI is not in default of any of the requirements of the securities legislation of the Jurisdictions. UDI is also currently subject to the reporting requirements applicable to "foreign private issuers" under the Exchange Act.

12. As of March 1, 2001, 39,134,539 UDI Common Shares and no preferred shares of UDI were issued and outstanding. As of February 28, 2001, there were approximately 884 registered shareholders in Canada holding approximately 24,634,830 UDI Common Shares, representing approximately 63% of the total number of issued and outstanding UDI Common Shares. As of March 21, 2001, of all of the options outstanding under the UDI stock option plans ("**UDI Options**"), UDI Options to acquire approximately 126,000 UDI Common Shares were held by twelve residents in Canada, representing approximately 4.1% of the total number of outstanding UDI Options.

13. In connection with the Transaction, UDI has applied to the Ontario Superior Court of Justice on or about April 6, 2001 for and has received an interim order (the "**Interim Order**") permitting (i) the calling of the annual and special meeting (the "**Meeting**") of UDI Shareholders to seek approval of the Arrangement; and (ii) the mailing of the management proxy circular (the "**Circular**"), in which UDI will ask the UDI Shareholders to approve, among other things, the Transaction and related materials.

14. Pursuant to the Interim Order, the Meeting of the UDI Shareholders will be held on or about May 17, 2001. At the Meeting, UDI will seek, in addition to customary annual meeting matters, the requisite shareholder approval (of 66 2/3% of the votes attached to the UDI Common Shares represented at the Meeting) for the special resolution approving the Arrangement, the effect of which will be to supersede the annual meeting matters.

15. In connection with the Meeting, UDI has mailed on or about April 17, 2001 to each UDI Shareholder and each holder of UDI Options (i) a notice of Meeting and a notice of application to the Ontario Superior Court of Justice seeking the final order (the "**Final Order**"), (ii) a form of proxy (in the case of UDI Shareholders only), and (iii) the Circular. The Circular contained prospectus level disclosure of the business and affairs of UDI and SPX and of the Transaction and the Arrangement.

16. Following approval by the UDI Shareholders of the special resolution approving the Arrangement and issuance by the Ontario Superior Court of Justice of a favourable Final Order, UDI will effect the Arrangement by filing Articles of Arrangement. Pursuant to the Arrangement, the following shall be deemed to occur in the following order without any further act or formality commencing at 12:01 a.m. (Eastern Daylight Time) (the "**Effective Time**") on the Effective Date:

    (a) the UDI Common Shares held by Dissenting Shareholders who have validly exercised their dissent rights will be cancelled and cease to be outstanding and, as of the Effective Time, such Dissenting Shareholders shall cease to have any rights as UDI Shareholders other than the right to be paid the fair value of their shares;

    (b) SPX will issue SPX Transaction Shares to two wholly-owned subsidiaries and, through a series of intra-group transfers between certain of the SPX Entities, the SPX Transaction Shares will ultimately be delivered to SPX Nova Scotia Subco for distribution to the holders of UDI Common Shares other than Electing Qualified Investors;

    (c) certain eligible UDI Shareholders (being a taxpayer described in any of paragraphs 205(a) to (f) of the *Income Tax Act* (Canada) (the "**ITA**")) who are being given the opportunity to elect, and who have elected (the "**Electing Qualified Investors**"), to exchange their UDI

Common Shares directly with SPX, rather than with SPX Nova Scotia Subco (the "**Directly Exchanged UDI Common Shares**") for SPX Transaction Shares, will receive SPX Transaction Shares in exchange for their UDI Common Shares as determined by the Exchange Ratio, but will not receive a fraction of the Amalco Special Share. Electing Qualified Investors are being given the opportunity to make this election so that the SPX Transaction Shares received will not be treated as foreign property (as defined in the ITA) until 24 months after the Arrangement. A maximum of 30% of the outstanding UDI Common Shares will be eligible for elections such that, if the number of UDI Common Shares that would otherwise be subject to direct exchange elections exceeds 30% of the outstanding UDI Common Shares, the number of Directly Exchanged UDI Common Shares shall be reduced *pro rata* to such 30% threshold;

(d) through a series of intra-group transfers between certain of the SPX Entities, the Directly Exchanged UDI Common Shares will ultimately be delivered from SPX to Mergeco;

(e) UDI and Mergeco will carry out the Amalgamation as follows:

(i) Amalco will issue to each holder of UDI Common Shares then outstanding, other than Electing Qualified Investors and Mergeco, a fraction of one Amalco Special Share (the "**Amalco Special Share**"), the numerator of which is one and the denominator of which will be equal to the aggregate number of UDI Common Shares outstanding immediately prior to the Amalgamation, after deducting the number of Directly Exchanged UDI Common Shares;

(ii) SPX Nova Scotia Subco will deliver to each holder of UDI Common Shares then outstanding, other than Electing Qualified Investors and Mergeco, the requisite number of SPX Transaction Shares as determined by the Exchange Ratio;

(iii) all Directly Exchanged UDI Common Shares (all of which will be held by Mergeco immediately before the Amalgamation) will be cancelled. Each outstanding Mergeco Common Share will be exchanged for one Amalco Common Share (and no further consideration);

(iv) in consideration of SPX Nova Scotia Subco delivering SPX Transaction Shares to holders of UDI Common Shares, Amalco will issue to SPX Nova Scotia Subco a number of Amalco Common Shares equal to the aggregate number of SPX Transaction Shares issued by SPX pursuant to paragraph (b) less one share;

(f) the Amalco Special Share will be redeemed and cancelled for all purposes upon the delivery by SPX Nova Scotia Subco, to the depositary on behalf of persons holding a fractional interest in the Amalco Special Share, of an equal fractional interest in one SPX Transaction Share in the aggregate. In consideration therefor, Amalco will issue one Amalco Common Share to SPX Nova Scotia Subco. On completion of the Arrangement, a holder of a net fractional interest in an SPX Transaction Share will receive a cash payment in lieu thereof; and

(g) each UDI Option that is unexercised and outstanding immediately prior to the Effective Time will be exchanged for a Replacement Option to purchase SPX Common Shares. Each Replacement Option will continue to have, and be subject to, the same terms and conditions set forth in the relevant UDI Stock Option Plan and the applicable stock option agreement as they exist immediately prior to the Effective Time, except that (i) such Replacement Option will be exercisable for that number of whole SPX Common Shares as is equal to the product obtained by multiplying the number of UDI Common Shares that were issuable upon the exercise of such UDI Option immediately prior to the Effective Time by the Exchange Ratio, rounded down to the nearest whole number of SPX Common Shares; (ii) the exercise price per share for the SPX Common Shares issuable upon exercise of such Replacement Options will be equal to the quotient determined by dividing the exercise price per UDI Common Share at which such UDI Option is exercisable immediately prior to the Effective Time (adjusted, where necessary, for the U.S. dollar/Canadian dollar exchange rate effective as of the close of business on the Effective Date) by the Exchange Ratio, rounded up to the nearest whole cent; and (iii) such Replacement Option will vest fully immediately following the Effective Time.

17. The Transaction and the completion thereof and the exercise of the Replacement Options involve or may involve a number of trades of securities in the Jurisdictions (collectively, the "**Trades**").

18. The fundamental investment decision to be made by a holder of UDI Common Shares will be made at the time when such holder votes his or her UDI Common Shares in respect of the Arrangement. As a result of this decision, a UDI Shareholder will ultimately receive SPX Transaction Shares in exchange for the UDI Common Shares held by such shareholder or become a Dissenting Shareholder. UDI Shareholders who receive SPX Transaction Shares in exchange for their UDI Common Shares will, after the Effective Date, receive the same continuous disclosure information that current holders of SPX Common Shares receive pursuant to

the applicable requirements of the Exchange Act and the NYSE and PSE.

19. Upon the completion of the Arrangement, assuming that there are no Dissenting Shareholders, it is expected that the holders of SPX Common Shares resident in Canada will hold less than 15% of the issued and outstanding shares of SPX and would represent less than 15% of all holders of the shares of SPX. Such percentages would remain less than 15% and 15% respectively, even if it is assumed that all of the UDI Options and SPX Options held by Canadian residents will be exercised prior to the Effective Time.

20. SPX has received conditional listing approval from each of the NYSE and the PSE with respect to the listing of the SPX Transaction Shares issued pursuant to the Arrangement, and the SPX Common Shares issuable on exercise of Replacement Options. SPX does not, at present, intend to list any of its shares on any stock exchange in Canada following completion of the Transaction.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the requirements contained in the Legislation to be registered to trade in a security and to file a preliminary prospectus and a prospectus and receive receipts therefor shall not apply to any of the Trades provided that the first trade in SPX Transaction Shares or SPX Common Shares received pursuant to this exemptive relief shall be deemed to be a distribution or a primary distribution to the public under the applicable Legislation unless otherwise exempt or unless:

(a) in a Jurisdiction in which SPX is not a reporting issuer or the equivalent at the time of such first trade, such first trade is executed through the facilities of a stock exchange or market outside of Canada and such first trade is made in accordance with the rules of the stock exchange or market upon which the first trade is made and in accordance with all laws applicable to such stock exchange or market; and

(b) in a Jurisdiction in which SPX is a reporting issuer or the equivalent at the time of such first trade:

(i) no unusual effort is made to prepare the market or to create a demand for such shares;

(ii) if the seller of the shares is an insider or officer of SPX, the seller has no reasonable grounds to believe that SPX is in default of any requirement of the applicable Legislation in such Jurisdiction; and

(iii) except in Quebec, the first trade is not a distribution from the holdings of a person or company or a combination of persons or companies holding a sufficient number of any securities of SPX so as to affect materially the control of SPX, or more than 20% of the outstanding voting securities of SPX except where there is evidence showing that the holding of these securities does not affect materially the control of SPX.

May 23, 2001.

"J.A. Geller" "Robert W. Korthals"

2.1.10 Encal Energy Ltd. - MRRS Decision

Headnote

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

Applicable Ontario Statutory Provisions

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

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

AND

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

AND

IN THE MATTER OF
ENCAL ENERGY LTD.

MRRS DECISION DOCUMENT

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

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

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

   3.1 Encal is the corporation that continued from the amalgamation (the "Amalgamation") under the *Business Corporations Act* (Alberta) (the "ABCA") on April 19, 2001 of Encal Energy Ltd. and Encal Resources Ltd.;

   3.2 Encal's head office is located in Calgary, Alberta;

   3.3 Encal is a reporting issuer in the Jurisdictions;

   3.4 as Encal Energy Ltd. was a reporting issuer in the Jurisdictions at the time of the Amalgamation, Encal became a reporting issuer in the Jurisdictions as a result of the Amalgamation;

   3.5 Encal is not in default of any of the requirements of the Legislation;

   3.6 the authorized capital of Encal consists of an unlimited number of common shares (the "Common Shares") and an unlimited number of Class A preferred shares (the "Preferred Shares") of which there are 111,209,865 Common Shares outstanding and no Preferred Shares outstanding;

   3.7 pursuant to an arrangement (the "Arrangement") under section 186 of the ABCA completed effective April 19, 2001, Calpine Canada Holdings Ltd. ("Calpine Canada"), an indirect wholly-owned subsidiary of Calpine Corporation, acquired all of the Common Shares;

   3.8 Calpine Canada now holds all of the Common Shares;

   3.9 the Common Shares were delisted from The Toronto Stock Exchange at the close of trading on April 20, 2001 and no securities of Encal are listed or quoted on any exchange or market;

   3.10 other than the Common Shares, Encal has no securities, including debt securities, outstanding; and

   3.11 Encal does not intend to seek public financing by way of an offering of its securities;

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

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

6. **THE DECISION** of the Decision Makers under the Legislation is that Encal is deemed to have ceased to be a reporting issuer under the Legislation.

June 4, 2001.

"Patricia M. Johnston"

2.1.11 Elliott & Page Limited - MRRS Decision

Headnote

MRRS - trades by institutional class of mutual funds of additional units to existing unitholders holding units of such class of a fund having an aggregate acquisition cost or net asset value of not less than a prescribed amount ($150,000 in Ontario) exempted from dealer registration requirement and prospectus requirement - trades in institutional class of units exempt from requirements to file a report of such trades within ten days of the trade provided that reports filed and fees paid yearly.

Statutes Cited

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

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

AND

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

AND

IN THE MATTER OF
ELLIOTT & PAGE LIMITED

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland (the "Jurisdictions") has received an application from Elliott & Page Limited (the "Applicant"), the Manager of certain Elliott & Page Mutual Funds (as hereinafter defined), for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the following provisions of the Legislation shall not apply to trades in Additional Units (as hereinafter defined) of an Elliott & Page Mutual Fund (as hereinafter defined) to existing holders of Institutional Classes of Units (as hereinafter defined):

1. under the Legislation of each of the Jurisdictions, other than British Columbia, Alberta, Saskatchewan and Nova Scotia, the dealer registration requirement and prospectus requirement (the "Dealer Registration Requirement and Prospectus Requirement"); and

2. under the Legislation of each of the Jurisdictions, other than New Brunswick and Prince Edward Island (the "Non-Reporting Jurisdictions"), the requirement to file a report of an exempt trade within the time periods prescribed by the Legislation (the "Report Filing Requirements").

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 to the Decision Makers as follows:

1. The Applicant was incorporated under the *Business Corporations Act* (Ontario) on December 28, 1954 and is registered under the *Securities Act* (Ontario) (the "Act") as a mutual fund dealer and as an adviser in the categories of investment counsel and portfolio manager. The Applicant is not a reporting issuer under the Act and is not in default of any of the requirements of the Act or the regulation made thereunder.

2. The Applicant is the trustee, manager, principal distributor, promoter and the registrar and transfer agent of each of Elliott & Page Money Fund, Elliott & Page T-Bill Fund, Elliott & Page Active Bond Fund, Elliott & Page Monthly High Income Fund, Elliott & Page Balanced Fund, Elliott & Page Growth & Income Fund, Elliott & Page Value Equity Fund, E&P Cabot Canadian Equity Fund, Elliott & Page Generation Wave Fund, E&P Cabot Blue Chip Fund, Elliott & Page Sector Rotation Fund, Elliott & Page Growth Opportunities Fund, Elliott & Page American Growth Fund, Elliott & Page U.S. Mid-Cap Fund, Elliott & Page Global Equity Fund, E&P Cabot Global MultiStyle Fund, Elliott & Page Global Momentum Fund, Elliott & Page European Equity Fund, Elliott & Page Asian Growth Fund, Elliott & Page RSP American Growth Fund, Elliott & Page RSP U.S. Mid-Cap Fund and Elliott & Page RSP Global Equity Fund (collectively, the "Existing Elliott & Page Mutual Funds"). Advisor Class, Class F and Class T Units of the Existing Elliott & Page Mutual Funds are offered for sale on a continuous basis in each of the provinces and territories of Canada pursuant to a combined simplified prospectus and annual information form dated August 16, 2000.

3. Each of the Elliott & Page Mutual Funds (as hereinafter defined) is or likely will be an open-end mutual fund trust. E&P Cabot Canadian Equity Fund, E&P Cabot Blue Chip Fund and E&P Cabot Global MultiStyle Fund are established or governed under the laws of Ontario by an amended and restated Master Declaration of Trust dated June 1, 2000 and a separate Regulation for each such fund. Each of the other Existing Elliott & Page Mutual Funds is established or governed under the laws of Ontario by an amended and restated Master Declaration of Trust dated June 19, 2000 and a separate Regulation for each such fund. The fiscal year end of each of the Elliott & Page Mutual Funds (as hereinafter defined) is or likely will be December 31st.

4. Additional mutual fund trusts may be established by the Applicant from time to time in the future as members of the Elliott & Page Mutual Funds to better service the clients of the Applicant (the "Future Elliott & Page

Mutual Funds", and collectively with the Existing Elliott & Page Mutual Funds, the "Elliott & Page Mutual Funds"). It is anticipated that the management structure and general nature of the Future Elliott & Page Mutual Funds will be substantially the same as that of the Existing Elliott & Page Mutual Funds.

5. Each of the Elliott & Page Mutual Funds is, or will be, a reporting issuer under the securities legislation of each of the provinces and territories of Canada. None of the Existing Elliott & Page Mutual Funds is in default of any requirements of the securities legislation, regulations or rules applicable in each of the provinces and territories of Canada.

6. The Applicant has or is in the process of creating one or more additional classes of units (collectively referred to herein as the "Existing Institutional Classes of Units") of each Existing Elliott & Page Mutual Fund and, similarly, may create one or more additional classes of units (the "Future Institutional Classes of Units", and collectively with the Existing Institutional Classes of Units, the "Institutional Classes of Units") of each Future Elliott & Page Mutual Fund.

7. Each Elliott & Page Mutual Fund is or will be divided into units ("Units") of one or more classes. Units of a class of an Elliott & Page Mutual Fund rank equally with every other Unit of the same class of the fund, other than with respect to management fee rebates. Units of the Elliott & Page Mutual Funds are not, or will not be, transferable.

8. Except for the fact that the Institutional Classes of Units are not offered pursuant to a simplified prospectus, each class of an Elliott & Page Mutual Fund is, or will be, administered, managed and invested in accordance with the requirements of National Instrument 81-102 Mutual Funds.

9. Institutional Classes of Units of each Elliott & Page Mutual Fund are or will be offered on a continuous basis to investors in all of the Jurisdictions at a price per Unit equal to the net asset value per Unit for such class of Units of the Elliott & Page Mutual Fund calculated in accordance with the Master Declaration of Trust and Regulation of the relevant fund. Institutional Classes of Units of the Elliott & Page Mutual Funds will be redeemable at the option of investors, in accordance with the Master Declaration of Trust and Regulation of each Elliott & Page Mutual Fund.

10. Institutional Classes of Units of the Elliott & Page Mutual Funds may be offered pursuant to a confidential offering memorandum, in which a description of the following will be included: the investment objectives and restrictions of the Elliott & Page Mutual Fund, how Institutional Classes of Units may be purchased and redeemed, the management structure of the Elliott & Page Mutual Fund, the relevant risk factors, tax considerations, all applicable fees and expenses, the rights of action and rescission as required under applicable Legislation and the other rights of holders of Institutional Classes of Units of the Elliott & Page Mutual Fund. In addition, unitholders of the Elliott & Page Mutual Funds are or will be provided with a regular statement setting out the number and value of the Units they hold in the relevant fund, any transactions they have made since the last report they received and any other relevant information.

11. Institutional Classes of Units of the Elliott & Page Mutual Funds may be offered to, among other investors, institutional investors including (and in Manitoba, limited to), banks, loan or trust corporations, insurance companies, pension plans and registered charities.

12. The assets of each Elliott & Page Mutual Fund will be invested from time to time upon the advice of the Applicant or upon the advice of an investment adviser appointed by the Applicant based on the objectives of such fund as set out in its Master Declaration of Trust and Regulation.

13. The minimum required initial investment (the "Initial Investment") and minimum required continuous holding by an individual investor in an Institutional Class of Units in each of the Elliott & Page Mutual Funds will be an amount (the "Prescribed Amount") no less than $150,000 in Ontario, Québec, Nova Scotia and Saskatchewan, $100,000 in Newfoundland and British Columbia, and $97,000 in Prince Edward Island, New Brunswick, Manitoba and Alberta.

14. Institutional Classes of Units of each Elliott & Page Mutual Fund are or will be distributed in the Jurisdictions by registered dealers, including the Applicant, pursuant to exemptions from the Dealer Registration Requirement and Prospectus Requirement.

15. In British Columbia, the Applicant and all other mutual fund dealers offering the Institutional Classes of Units for sale will comply with all conditions of registration imposed on such dealers in connection with the offering of such Institutional Classes of Units.

16. Following a unitholder's Initial Investment in an Institutional Class of Units of an Elliott & Page Mutual Fund, the unitholder from time to time may wish to purchase additional Units of the same class of such Elliott & Page Mutual Fund ("Additional Units") having an acquisition value of less than the Prescribed Amount. The purchase of Additional Units is permitted pursuant to statutory exemptions from the Dealer Registration Requirement and Prospectus Requirement contained in the Legislation of Nova Scotia, Saskatchewan, Alberta and British Columbia, subject to certain conditions including that, in each case, at the time of the subsequent acquisition the unitholder holds such Institutional Class of Units of such Elliott & Page Mutual Fund with an aggregate acquisition cost or aggregate net asset value equal to at least the Prescribed Amount.

17. The Legislation in each Jurisdiction except the Non-Reporting Jurisdictions requires the filing of a report providing certain details of certain exempt trades (and in certain provinces a copy of any offering

memorandum used) and the payment of a related fee in respect of each such trade, such filings and payment to be made in accordance with the Report Filing Requirements. There are no Report Filing Requirements in the Non-Reporting Jurisdictions.

18. In the absence of the Decision, an exemption from the Dealer Registration Requirement and Prospectus Requirement may not be available with respect to the purchase of Additional Units having an acquisition value less than the Prescribed Amount in Manitoba, Ontario, Québec, New Brunswick, Prince Edward Island and Newfoundland.

19. In the absence of the Decision, an exemption from the Report Filing Requirements may not be available in each of the Jurisdictions except the Non-Reporting Jurisdictions.

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 pursuant to the Legislation is that:

1. The Dealer Registration Requirement and Prospectus Requirement do not apply to the purchase of Additional Units provided that:

   (a) this Decision, as it relates to the jurisdiction of a Decision Maker, shall terminate 90 days after the publication in final form of any legislation or rule of that Decision Maker regarding trades in securities of pooled funds;

   (b) at the time of the acquisition of Additional Units of an Elliott & Page Mutual Fund, the Unitholder who made the Initial Investment in an Institutional Class of Units of such fund of at least the Prescribed Amount then owns such Institutional Class of Units of that Elliott & Page Mutual Fund having an aggregate purchase price or net asset value of not less than the Prescribed Amount; and

   (c) at the time of the acquisition of Additional Units of an Elliott & Page Mutual Fund, the Applicant or any party assisting the Applicant in selling the Units, where required under the applicable Legislation, is registered or exempt from registration under the applicable Legislation as a dealer in the appropriate category and such registration is in good standing.

2. The Report Filing Requirements do not apply to trades in Institutional Classes of Units of the Elliott & Page Mutual Funds, provided that within 30 days after each financial year end of the Elliott & Page Mutual Funds:

   (a) the Applicant files a report of exempt trades in accordance with the form requirements prescribed by the respective Decision Maker in respect of trades in Institutional Classes of Units or Additional Units of the Elliott & Page Mutual Funds during such financial year; and

   (b) the Applicant remits, on behalf of the Elliott & Page Mutual Funds, the fee that would otherwise be payable if each report of exempt trades was filed in accordance with the Report Filing Requirements.

3. In Québec only, the Applicant will, in respect of each Future Elliott & Page Mutual Fund that intends to rely on this Decision, notify staff of the Commission des valeurs mobilières du Québec (the "CVMQ") prior to relying on the relief granted by this Decision, and will obtain confirmation from staff of the CVMQ of such fund's ability to rely on this Decision at that time.

June 1, 2001.

"J.A. Geller" "Robert W. Korthals"

2.1.12 Northwest Mutual Funds Inc. - Decision

Headnote

Section 5.1 of O.S.C. Rule 31-506 *SRO Membership - Mutual Fund Dealers* - mutual fund manager exempted from the requirements of the Rule that it file an application for membership and prescribed fees with the Mutual Fund Dealers Association of Canada (the "MFDA") and become a member of the MFDA, subject to certain terms and conditions of registration.

Statute Cited

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

Rules Cited

O.S.C. Rule 31-506 SRO Membership - Mutual Fund Dealers, ss. 2.1, 3.1, 5.1.

Published Document Cited

Letter sent to the Investment Funds Institute of Canada and the Investment Counsel Association of Canada, December 6, 2000, (2000) OSCB 8467.

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

AND

ONTARIO SECURITIES COMMISSION
RULE 31-506 SRO MEMBERSHIP
– MUTUAL FUND DEALERS
(the "Rule")

AND

IN THE MATTER OF
NORTHWEST MUTUAL FUNDS INC.

DECISION
(Section 5.1 of the Rule)

UPON The Director having received an application (the "Application") from Northwest Mutual Funds Inc. (the "Registrant") for a decision, pursuant to section 5.1 of the Rule, exempting the Registrant from the requirements in sections 2.1 and 3.1 of the Rule, which would otherwise require that the Registrant be a member of the Mutual Fund Dealers Association (the "MFDA") on and after July 2, 2002, and file with the MFDA, no later than May 23, 2001, an application and corresponding fees for membership;

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

AND UPON the Registrant having represented to the Director that:

1. the Registrant is registered under the Act as a dealer in the category of mutual fund dealer;

2. the Registrant is the manager of the mutual funds collectively comprising the Northwest Core and Northwest Specialty groups of funds (the "Funds");

3. the Registrant acts as trustee and principal distributor of the Funds;

4. the securities of the Funds are generally sold to the public through other registered dealers;

5. the Registrant maintains its registration as a mutual fund dealer primarily to provide it with greater flexibility in fulfilling its role as principal distributor of the Funds and in carrying out marketing and wholesaling activities in respect of the Funds;

6. the Registrant, from time to time, permits employees and family members of employees to purchase units of the Funds directly though the Registrant;

7. the Registrant currently maintains several house accounts of employees and family members of employees;

8. the Registrant's trading activities as a mutual fund dealer currently represent and will continue to represent activities that are incidental to its principal business activities;

9. the Registrant has agreed to the imposition of the terms and conditions on the Registrant's registration as a mutual fund dealer set out in the attached Schedule "A", which outlines the activities the Registrant has agreed to adhere to in connection with its application for this Decision;

10. any person or company that is not currently a client of the Registrant on the effective date of this Decision, will, before they are accepted as a client of the Registrant, receive prominent written notice from the Registrant that:

    The Registrant is not currently a member, and does not intend to become a member of the Mutual Fund Dealers Association; consequently, clients of the Registrant will not have available to them investor protection benefits that would otherwise derive from membership of the Registrant in the MFDA, including coverage under any investor protection plan for clients of members of the MFDA;

11. upon the next general mailing to its account holders and in any event before May 23, 2002, the Registrant shall provide, to any client that was a client of the Registrant on the effective date of this Decision, the prominent written notice referred to in paragraph 10, above;

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

IT IS THE DECISION of the Director, pursuant to section 5.1 of the Rule, that, effective May 23, 2001, the Registrant is exempt from the requirements in sections 2.1 and 3.1 of the Rule;

PROVIDED THAT:

The Registrant complies with the terms and conditions on its registration under the Act as a mutual fund dealer set out in the attached Schedule "A".

June 12, 2001.

"William R. Gazzard"

SCHEDULE "A"

TERMS AND CONDITIONS OF REGISTRATION OF NORTHWEST MUTUAL FUNDS INC. AS A MUTUAL FUND DEALER

Definitions

1. For the purposes hereof, unless the context otherwise requires:

(a) "Act" means the *Securities Act*, R.S.O. 1990, c. S.5, as amended;

(b) "Adviser" means an adviser as defined in subsection 1(1) of the Act;

(c) "Client Name Trade" means, for the Registrant, a trade to, or on behalf of, a person or company, in securities of a mutual fund, that is managed by the Registrant or an affiliate of the Registrant, where the person or company is shown on the records of the mutual fund or of an other mutual fund managed by the Registrant or an affiliate of the Registrant as the holder of securities of such mutual fund, and the trade consists of:

(A) a purchase, by the person or company, through the Registrant, of securities of the mutual fund; or

(B) a redemption, by the person or company, through the Registrant, of securities of the mutual fund;

and where, the person or company is either a client of the Registrant that was not solicited by the Registrant or was an existing client of the Registrant on the Effective Date;

(d) "Commission" means the Ontario Securities Commission;

(e) "Effective Date" means May 23, 2001;

(f) "Employee", for the Registrant, means:

(A) an employee of the Registrant;

(B) an employee of an affiliated entity of the Registrant; or

(C) an individual that is engaged to provide, on a *bona fide* basis, consulting, technical, management or other services to the Registrant or to an affiliated entity of the Registrant, under a written contract between the Registrant or the affiliated entity and the individual or a consultant company or consultant partnership of the individual, and, in the reasonable opinion of the Registrant, the individual spends or will spend a significant amount of time and attention on the affairs and business of the Registrant or an affiliated entity of the Registrant;

(g) "Employee", for a Service Provider, means an employee of the Service Provider or an affiliated entity of the Service Provider, provided that, at the relevant time, in the reasonable opinion of the Registrant, the employee spends or will spend, a significant amount of time and attention on the affairs and business of:

(A) the Registrant or an affiliated entity of the Registrant; or

(B) a mutual fund managed by the Registrant or an affiliated entity of the Registrant;

(h) "Employee Rule" means Ontario Securities Commission Rule 45-503 Trades To Employees, Executives and Consultants;

(i) "Executive", for the Registrant, means a director, officer or partner of the Registrant or of an affiliated entity of the Registrant;

(j) "Executive", for a Service Provider, means a director, officer or partner of the Service Provider or of an affiliated entity of the Service Provider;

(k) "Exempt Trade", for the Registrant, means:

(i) a trade in securities of a mutual fund that is made between a person or company and an underwriter acting as purchaser or between or among underwriters; or

(ii) any other trade for which the Registrant would have available to it an exemption from the registration requirements of clause 25(1)(a) of the Act if the Registrant were not a "market intermediary" as such term is defined in section 204 of the Regulation;

(l) "Fund-on-Fund Trade", for the Registrant, means a trade that consists of:

(i) a purchase, through the Registrant, of securities of a mutual fund that is made by another mutual fund;

(ii) a purchase, through the Registrant, of securities of a mutual fund that is made by a counterparty, an affiliated entity of the counterparty or an other person or company, pursuant to an agreement to purchase the securities to effect a hedge of a liability relating to a contract for a specified derivative or swap made between the counterparty and another mutual fund; or

(iii) a sale, through the Registrant, of securities of a mutual fund that is made by another mutual fund where the party purchasing the securities is:

(A) a mutual fund managed by the Registrant or an affiliated entity of the Registrant; or

(B) a counterparty, affiliated entity or other person or company that acquired the securities pursuant to an agreement to purchase the securities to effect a hedge of a liability relating to a contract for a specified derivative or swap made between the counterparty and another mutual fund; and where, in each case, at least one of the referenced mutual funds is a mutual fund that is managed by either the Registrant or an affiliated entity of the Registrant;

(m) an "In Furtherance Trade" means, for the Registrant, a trade by the Registrant that consists of any act, advertisement, or solicitation, directly or indirectly in furtherance of an other trade in securities of a mutual fund, where the other trade consists of:

(i) a purchase or sale of securities of a mutual fund that is managed by the Registrant or an affiliated entity of the Registrant; or

(ii) a purchase or sale of securities of a mutual fund where the Registrant acts as the principal distributor of the mutual fund; and where, in each case, the purchase or sale is made by or through an other registered dealer if the Registrant is not otherwise permitted to make the purchase or sale pursuant to these terms and conditions;

(n) "Mutual Fund Instrument" means National Instrument 81-102 Mutual Funds, as amended;

(o) "Permitted Client", for the Registrant, means a person or company that is a client of the Registrant, and that is, or was at the time the person or company became a client of the Registrant:

(i) an Executive or Employee of the Registrant;

(ii) a Related Party of an Executive or Employee of the Registrant;

(iii) a Service Provider of the Registrant or an affiliated entity of a Service Provider of the Registrant;

(iv) an Executive or Employee of a Service Provider of the Registrant; or

(v) a Related Party of an Executive or Employee of a Service Provider of the Registrant;

(p) "Registered Plan" means a registered pension plan, deferred profit sharing plan, registered retirement savings plan, registered retirement income fund, registered education savings plan or other deferred income plan registered under the Income Tax Act (Canada);

(q) "Registrant" means Northwest Mutual Funds Inc.;

(r) "Regulation" means R.R.O. 1990, Reg. 1015, as amended, made under the Act;

(s) "Related Party", for a person, means an other person who is:

(i) the spouse of the person;

(ii) the issue of:

(A) the person,

(B) the spouse of the person, or

(C) the spouse of any person that is the issue of a person referred to in subparagraphs (A) or (B) above;

(iii) the parent, grandparent or sibling of the person, or the spouse of any of them;

(iv) the issue of any person referred to in paragraph (iii) above; or

(v) a Registered Plan established by, or for the exclusive benefit of, one, some or all of the foregoing;

(vi) a trust where one or more of the trustees is a person referred to above and the beneficiaries of the trust are restricted to one, some, or all of the foregoing;

(vii) a corporation where all the issued and outstanding shares of the corporation are owned by one, some, or all of the foregoing;

(t) "securities", for a mutual fund, means shares or units of the mutual fund;

(u) "Seed Capital Trade" means a trade in securities of a mutual fund made to a persons or company referred to in any of subparagraphs 3.1(1)(a)(i) to 3.1(1)(a)(iii) of the Mutual Fund Instrument;

(v) "Service Provider", for the Registrant, means:

(i) a person or company that provides or has provided professional, consulting, technical, management or other services to the Registrant or an affiliated entity of the Registrant;

(ii) an Adviser to a mutual fund that is managed by the Registrant or an affiliated entity of the Registrant; or

(iii) a person or company that provides or has provided professional, consulting, technical, management or other services to a mutual fund that is managed by the Registrant or an affiliated entity of the Registrant

2. For the purposes hereof, a person or company is considered to be an "affiliated entity" of an other person or company if the person or company would be an affiliated entity of that other person or company for the purposes of the Employee Rule.

3 For the purposes hereof:

(a) "issue", "niece", "nephew" and "sibling" includes any person having such relationship through adoption, whether legally or in fact;

(b) "parent" and "grandparent" includes a parent or grandparent through adoption, whether legally or in fact;

(c) "registered dealer" means a person or company that is registered under the Act as a dealer in a category that permits the person or company to act as dealer for the subject trade; and

(d) "spouse", for an Employee or Executive, means a person who, at the relevant time, is the spouse of the Employee or Executive.

4. Any terms that are not specifically defined above shall, unless the context otherwise requires, have the meaning:

(a) specifically ascribed to such term in the Mutual Fund Instrument; or

(b) if no meaning is specifically ascribed to such term in the Mutual Fund Instrument, the same meaning the term would have for the purposes of the Act.

Restricted Registration

Permitted Activities

5. The registration of the Registrant as a mutual fund dealer under the Act shall be for the purposes only of trading by the Registrant in securities of a mutual fund where the trade consists of:

(a) a Client Name Trade;

(b) an Exempt Trade;

(c) a Fund-on-Fund Trade;

(d) an In Furtherance Trade;

(e) a trade to a person who is a Permitted Client or who represents to the Registrant that he or she is a person included in the definition of Permitted Client; or

(f) a Seed Capital Trade;

provided that, in the case of all trades that are only referred to in clauses (a) or (e), the trades are limited and incidental to the principal business of the Registrant

2.1.13 Sentry Select Capital Corp. - Decision

Headnote

Section 5.1 of O.S.C. Rule 31-506 *SRO Membership - Mutual Fund Dealers* - mutual fund manager exempted from the requirements of the Rule that it file an application for membership and prescribed fees with the Mutual Fund Dealers Association of Canada (the "MFDA") and become a member of the MFDA, subject to certain terms and conditions of registration.

Statute Cited

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

Rules Cited

O.S.C. Rule 31-506 SRO Membership - Mutual Fund Dealers, ss. 2.1, 3.1, 5.1.

Published Document Cited

Letter sent to the Investment Funds Institute of Canada and the Investment Counsel Association of Canada, December 6, 2000, (2000) OSCB 8467.

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

AND

ONTARIO SECURITIES COMMISSION
RULE 31-506 SRO MEMBERSHIP –
MUTUAL FUND DEALERS
(the "Rule")

AND

IN THE MATTER OF
SENTRY SELECT CAPITAL CORP.

DECISION
(Section 5.1 of the Rule)

UPON The Director having received an application (the "Application") from Sentry Select Capital Corp. (the "Registrant") for a decision, pursuant to section 5.1 of the Rule, exempting the Registrant from the requirements in sections 2.1 and 3.1 of the Rule, which would otherwise require that the Registrant be a member of the Mutual Fund Dealers Association (the "MFDA") on and after July 2, 2002, and file with the MFDA, no later than May 23, 2001, an application and corresponding fees for membership;

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

AND UPON the Registrant having represented to the Director that:

1. the Registrant is registered under the Act as a dealer in the category of mutual fund dealer and as an investment counsel and portfolio manager;

2. the Registrant is the manager of the existing Sentry mutual funds (the "Current Funds") and will be the manager of any Sentry mutual funds mutual funds established in the future (the "Future Funds", together with the Current Funds, the "Funds");

3. the securities of the mutual funds managed by the Registrant are generally sold to the public through other registered dealers;

4. the principal business of the Registrant is managing the Funds;

5. as a registered mutual fund dealer, the Registrant must obtain membership in the Mutual Fund Dealers Association (the "MFDA") by filing the appropriate application and fee within the prescribed time or obtain an exemption from such requirements;

6. registration as a member in the MFDA is not appropriate due to the nature of the Registrant's business as being primarily a mutual fund manager;

7. the Registrant will continue to maintain its registration as a mutual fund dealer and comply with applicable securities legislation and rules;

8. the Registrant's trading activities as a mutual fund dealer currently represent and will continue to represent activities that are incidental to its principal business activities;

9. the Registrant has agreed to the imposition of the terms and conditions on the Registrant's registration as a mutual fund dealer set out in the attached Schedule "A", which outlines the activities the Registrant has agreed to adhere to in connection with its application for this Decision;

10. any person or company that is not currently a client of the Registrant on the effective date of this Decision, will, before they are accepted as a client of the Registrant, receive prominent written notice from the Registrant that:

> *The Registrant is not currently a member, and does not intend to become a member of the Mutual Fund Dealers Association; consequently, clients of the Registrant will not have available to them investor protection benefits that would otherwise derive from membership of the Registrant in the MFDA, including coverage under any investor protection plan for clients of members of the MFDA*;

11. upon the next general mailing to its account holders and in any event before May 23, 2002, the Registrant shall provide, to any client that was a client of the Registrant on the effective date of this Decision, the prominent written notice referred to in paragraph 10, above;

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

IT IS THE DECISION of the Director, pursuant to section 5.1 of the Rule, that, effective May 23, 2001, the Registrant is exempt from the requirements in sections 2.1 and 3.1 of the Rule;

PROVIDED THAT:

The Registrant complies with the terms and conditions on its registration under the Act as a mutual fund dealer set out in the attached Schedule "A".

June 12, 2001.

"William R. Gazzard"

SCHEDULE "A"

TERMS AND CONDITIONS OF REGISTRATION OF SENTRY SELECT CAPITAL CORP. AS A MUTUAL FUND DEALER

Definitions

1. For the purposes hereof, unless the context otherwise requires:

(a) "Act" means the *Securities Act*, R.S.O. 1990, c. S.5, as amended;

(b) "Adviser" means an adviser as defined in subsection 1(1) of the Act;

(c) "Client Name Trade" means, for the Registrant, a trade to, or on behalf of, a person or company, in securities of a mutual fund, that is managed by the Registrant or an affiliate of the Registrant, where the person or company is shown on the records of the mutual fund or of an other mutual fund managed by the Registrant or an affiliate of the Registrant as the holder of securities of such mutual fund, and the trade consists of:

(A) a purchase, by the person or company, through the Registrant, of securities of the mutual fund; or

(B) a redemption, by the person or company, through the Registrant, of securities of the mutual fund;

and where, the person or company is either a client of the Registrant that was not solicited by the Registrant or was an existing client of the Registrant on the Effective Date;

(d) "Commission" means the Ontario Securities Commission;

(e) "Effective Date" means May 23, 2001;

(f) "Employee", for the Registrant, means:

(A) an employee of the Registrant;

(B) an employee of an affiliated entity of the Registrant; or

(C) an individual that is engaged to provide, on a *bona fide* basis, consulting, technical, management or other services to the Registrant or to an affiliated entity of the Registrant, under a written contract between the Registrant or the affiliated entity and the individual or a consultant company or consultant partnership of the individual, and, in the reasonable opinion of the Registrant, the individual spends or will spend a significant amount of time and attention on the affairs and business of the Registrant or an affiliated entity of the Registrant;

(g) "Employee", for a Service Provider, means an employee of the Service Provider or an affiliated entity of the Service Provider, provided that, at the relevant time, in the reasonable opinion of the Registrant, the employee spends or will spend, a significant amount of time and attention on the affairs and business of:

(A) the Registrant or an affiliated entity of the Registrant; or

(B) a mutual fund managed by the Registrant or an affiliated entity of the Registrant;

(h) "Employee Rule" means Ontario Securities Commission Rule 45-503 Trades To Employees, Executives and Consultants;

(i) "Executive", for the Registrant, means a director, officer or partner of the Registrant or of an affiliated entity of the Registrant;

(j) "Executive", for a Service Provider, means a director, officer or partner of the Service Provider or of an affiliated entity of the Service Provider;

(k) "Exempt Trade", for the Registrant, means:

(i) a trade in securities of a mutual fund that is made between a person or company and an underwriter acting as purchaser or between or among underwriters; or

(ii) any other trade for which the Registrant would have available to it an exemption from the registration requirements of clause 25(1)(a) of the Act if the Registrant were not a "market intermediary" as such term is defined in section 204 of the Regulation;

(l) "Fund-on-Fund Trade", for the Registrant, means a trade that consists of:

(i) a purchase, through the Registrant, of securities of a mutual fund that is made by another mutual fund;

(ii) a purchase, through the Registrant, of securities of a mutual fund that is made by a counterparty, an affiliated entity of the counterparty or an other person or company, pursuant to an agreement to purchase the securities to effect a hedge of a liability relating to a contract for a specified derivative or swap made between the counterparty and another mutual fund; or

(iii) a sale, through the Registrant, of securities of a mutual fund that is made by another mutual fund where the party purchasing the securities is:

(A) a mutual fund managed by the Registrant or an affiliated entity of the Registrant; or

(B) a counterparty, affiliated entity or other person or company that acquired the securities pursuant to an agreement to purchase the securities to effect a hedge of a liability relating to a contract for a specified derivative or swap made between the counterparty and another mutual fund; and where, in each case, at least one of the referenced mutual funds is a mutual fund that is managed by either the Registrant or an affiliated entity of the Registrant;

(m) an "In Furtherance Trade" means, for the Registrant, a trade by the Registrant that consists of any act, advertisement, or solicitation, directly or indirectly in furtherance of an other trade in securities of a mutual fund, where the other trade consists of:

(i) a purchase or sale of securities of a mutual fund that is managed by the Registrant or an affiliated entity of the Registrant; or

(ii) a purchase or sale of securities of a mutual fund where the Registrant acts as the principal distributor of the mutual fund; and where, in each case, the purchase or sale is made by or through an other registered dealer if the Registrant is not otherwise permitted to make the purchase or sale pursuant to these terms and conditions;

(n) "Mutual Fund Instrument" means National Instrument 81-102 Mutual Funds, as amended;

(o) "Permitted Client", for the Registrant, means a person or company that is a client of the Registrant, and that is, or was at the time the person or company became a client of the Registrant:

(i) an Executive or Employee of the Registrant;

(ii) a Related Party of an Executive or Employee of the Registrant;

(iii) a Service Provider of the Registrant or an affiliated entity of a Service Provider of the Registrant;

(iv) an Executive or Employee of a Service Provider of the Registrant; or

(v) a Related Party of an Executive or Employee of a Service Provider of the Registrant;

(p) "Registered Plan" means a registered pension plan, deferred profit sharing plan, registered retirement savings plan, registered retirement income fund, registered education savings plan or other deferred income plan registered under the Income Tax Act (Canada);

(q) "Registrant" means Sentry Select Capital Corp.;

(r) "Regulation" means R.R.O. 1990, Reg. 1015, as amended, made under the Act;

(s) "Related Party", for a person, means an other person who is:

(i) the spouse of the person;

(ii) the issue of:

(A) the person,

(B) the spouse of the person, or

(C) the spouse of any person that is the issue of a person referred to in subparagraphs (A) or (B) above;

(iii) the parent, grandparent or sibling of the person, or the spouse of any of them;

(iv) the issue of any person referred to in paragraph (iii) above; or

(v) a Registered Plan established by, or for the exclusive benefit of, one, some or all of the foregoing;

(vi) a trust where one or more of the trustees is a person referred to above and the beneficiaries of the trust are restricted to one, some, or all of the foregoing;

(vii) a corporation where all the issued and outstanding shares of the corporation are owned by one, some, or all of the foregoing;

(t) "securities", for a mutual fund, means shares or units of the mutual fund;

(u) "Seed Capital Trade" means a trade in securities of a mutual fund made to a persons or company referred to in any of subparagraphs 3.1(1)(a)(i) to 3.1(1)(a)(iii) of the Mutual Fund Instrument;

(v) "Service Provider", for the Registrant, means:

(i) a person or company that provides or has provided professional, consulting, technical, management or other services to the Registrant or an affiliated entity of the Registrant;

(ii) an Adviser to a mutual fund that is managed by the Registrant or an affiliated entity of the Registrant; or

(iii) a person or company that provides or has provided professional, consulting, technical, management or other services to a mutual fund that is managed by the Registrant or an affiliated entity of the Registrant

2. For the purposes hereof, a person or company is considered to be an "affiliated entity" of an other person or company if the person or company would be an affiliated entity of that other person or company for the purposes of the Employee Rule.

3. For the purposes hereof:

(a) "issue", "niece", "nephew" and "sibling" includes any person having such relationship through adoption, whether legally or in fact;

(b) "parent" and "grandparent" includes a parent or grandparent through adoption, whether legally or in fact;

(c) "registered dealer" means a person or company that is registered under the Act as a dealer in a category that permits the person or company to act as dealer for the subject trade; and

(d) "spouse", for an Employee or Executive, means a person who, at the relevant time, is the spouse of the Employee or Executive.

4. Any terms that are not specifically defined above shall, unless the context otherwise requires, have the meaning:

(a) specifically ascribed to such term in the Mutual Fund Instrument; or

(b) if no meaning is specifically ascribed to such term in the Mutual Fund Instrument, the same meaning the term would have for the purposes of the Act.

Restricted Registration

Permitted Activities

5. The registration of the Registrant as a mutual fund dealer under the Act shall be for the purposes only of trading by the Registrant in securities of a mutual fund where the trade consists of:

(a) a Client Name Trade;

(b) an Exempt Trade;

(c) a Fund-on-Fund Trade;

(d) an In Furtherance Trade;

(e) a trade to a person who is a Permitted Client or who represents to the Registrant that he or she is a person included in the definition of Permitted Client; or

(f) a Seed Capital Trade;

provided that, in the case of all trades that are only referred to in clauses (a) or (e), the trades are limited and incidental to the principal business of the Registrant.

2.1.14 TD Asset Management Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - time for mutual fund dealer to fulfill the requirement that it file an application for membership with the Mutual Fund Dealers Association of Canada (the "MFDA") extended - mutual fund dealer is considering several restructuring alternatives

Local Rule Considered

Ontario Securities Commission Rule 31-506 *SRO Membership - Mutual Fund Dealers*, ss. 3.1 and 5.1

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

AND

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

AND

IN THE MATTER OF
TD ASSET MANAGEMENT INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of Ontario, Saskatchewan and British Columbia (collectively, the "Jurisdictions") has received an application (the "Application") from TD Asset Management Inc. (the "Applicant") for a decision pursuant to the securities legislation and other regulatory requirements of the Jurisdictions (the "Legislation") that the Applicant be exempt from the requirement contained in the Legislation (the "MFDA Membership requirement") to file an application for membership with the Mutual Fund Dealers Association of Canada ("MFDA") until June 22, 2001.

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission has been selected as the principal regulator for purposes of the Application;

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

1. the Applicant is a corporation incorporated under the *Business Corporations Act* (Ontario);

2. the Applicant is a wholly-owned subsidiary of The Toronto-Dominion Bank which engages in the business of an investment counsellor and portfolio manager;

3. the Applicant has a diversified client base comprising pension funds, corporations, institutions, endowments, foundations, high net worth individuals and retail investors;

4. the Applicant offers its investment counselling and portfolio management services to its clients either directly by way of private individually managed accounts or indirectly through prospectused mutual funds and non-prospectused pooled funds which it manages and advises;

5. the Applicant is the trustee, manager, principal distributor and promoter of the TD Mutual Funds, the TD Private Funds and the TD Emerald Funds, all of which are qualified for sale by means of simplified prospectuses and annual information forms that have been prepared and filed in accordance with the securities legislation of all provinces and territories of Canada;

6. the TD Mutual Funds currently consist of 97 different mutual funds which are offered for sale to retail investors by the Applicant directly, through TD Bank and Canada Trust branches and via the Internet;

7. the TD Private Funds currently consist of 17 different mutual funds which are used for the sole purpose of servicing accounts which are fully managed by TD Private Investment Counsel, a division of the Applicant;

8. the TD Emerald Funds currently consist of 27 different mutual funds which are managed by TD Quantitative Capital, another division of the Applicant, and which are only offered for sale to institutional investors, members of corporate sponsored group plans and accounts that are fully managed by TD Private Investment Counsel;

9. the Applicant is registered as a mutual fund dealer or its equivalent in all provinces and territories of Canada, as an investment counsel and portfolio manager or their equivalent in all provinces and territories other than Prince Edward Island, as a limited market dealer under the *Securities Act* (Ontario) and the *Securities Act* (Newfoundland), and as a commodity trading manager under the *Commodity Futures Act* (Ontario);

10. as a registered mutual fund dealer under the Legislation, the Applicant will be required to become a member of the MFDA;

11. the Applicant must restructure its operations in order to bring its activities into compliance with the By-law and Rules of the MFDA;

12. The Applicant is currently considering several restructuring alternatives, including the possible establishment of a new mutual fund dealer subsidiary, and it intends to provide the Decision Maker in each Jurisdiction with a description of its restructuring proposal prior to June 22, 2001 together with a request for a further exemption from the MFDA Membership Requirement to permit it to complete the restructuring before being required to file an application to become a member of the MFDA;

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, effective May 23, 2001, the time limits provided by the Legislation for the filing of the application of the Applicant to the MFDA are hereby extended to June 22, 2001.

June 14, 2001.

"Peggy Dowdall-Logie"

2.1.15 Shiningbank Energy Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Decision under section 83 of the Act declaring a corporation to be no longer a reporting issuer following the acquisition of all of its outstanding securities by another issuer.

Applicable Ontario Statutory Provisions

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

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ALBERTA AND ONTARIO

AND

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

AND

IN THE MATTER OF
SHININGBANK ENERGY LTD.

MRRS DECISION DOCUMENT

1. **WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta and Ontario (the "Jurisdictions") has received an application from Shiningbank Energy Ltd. ("SEL") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that SEL be deemed to have ceased to be a reporting issuer under the Legislation;

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

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

   3.1 SEL is a corporation amalgamated under the *Business Corporations Act* (Alberta) (the "ABCA");

   3.2 SEL's principal office is in Calgary, Alberta;

   3.3 SEL is a reporting issuer in each of the Jurisdictions;

   3.4 SEL is not in default of any requirement under the Legislation;

   3.5 the authorized capital of SEL consists of an unlimited number of common shares (the "Common Shares");

   3.6 there are 100 Common Shares outstanding;

3.7 all of the outstanding Common Shares are held by Shiningbank Energy Management Inc.;

3.8 SEL was formed by the amalgamation (the "Amalgamation") on May 4, 2001 of Ionic Energy Inc. ("Ionic") and 92370 Alberta Inc.;

3.9 under an offer to purchase dated March 15, 2001 and a subsequent compulsory acquisition under the provisions of the ABCA, Shiningbank Energy Income Fund (the "Fund") and 92370 Alberta Inc. acquired all of the outstanding common shares of Ionic;

3.10 92370 Alberta Inc. was a wholly owned subsidiary of the Fund;

3.11 prior to the Amalgamation, the Fund transferred all of the common shares of Ionic held by it to 92370 Alberta Inc.;

3.12 as Ionic was a reporting issuer in the Jurisdictions at the time of the Amalgamation, SEL became a reporting issuer in the Jurisdictions as a result of the Amalgamation;

3.13 the common shares of Ionic had been listed for trading on The Toronto Stock Exchange, but were delisted at the close of business on April 17, 2001;

3.14 no securities of SEL are listed on any exchange or quoted on any market;

3.15 no securities of SEL, including debt obligations, are currently outstanding other than the Common Shares, various debentures related to SEL's credit facility with a syndicate of Canadian chartered banks and a royalty and certain debt obligations in favour of the Fund;

3.16 SEL does not intend to seek public financing by way of an offering of securities;

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

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

6. **THE DECISION** of the Decision Makers under the Legislation is that SEL is deemed to have ceased to be a reporting issuer under the Legislation.

June 4, 2001.

"Patricia Johnston"

2.1.16 Ameritrade, Inc. - Settlement Agreement

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

AND

IN THE MATTER OF
AMERITRADE, INC.

Settlement Agreement

1. In this Settlement Agreement, capitalized terms not otherwise defined shall have meanings ascribed to them in National Instrument 14-101 ("NI14-101"). The Staffs (the "Staffs" and individually, the "Staff") of the Securities Regulatory Authorities (collectively, the "Authorities" and individually, an "Authority") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, New Brunswick, Newfoundland, and Yukon (the "Jurisdictions") and Ameritrade, Inc. or any relevant affiliate of Ameritrade, Inc. (singly or collectively "Ameritrade") wish to enter into an agreement to settle certain issues outstanding between the Jurisdictions and Ameritrade.

2. The staff of the British Columbia Securities Commission has acted throughout on behalf of the Staffs of each Authority with their knowledge and approval.

3. The Staffs of the Authorities agree to recommend the terms set out in this Settlement Agreement for approval pursuant to the required procedure in each jurisdiction.

Agreed Statement of Facts

4. Ameritrade acknowledges the following facts as correct:

4.1 Ameritrade is a company incorporated in Nebraska. It operates a web-based internet securities trading service from its offices in the city of Omaha, in Nebraska, one of the United States of America, and is not registered to trade in any of the Jurisdictions.

4.2 Ameritrade's web site has been available over the internet since at least January 1, 1999, (the "Relevant Period"), and it permits residents in the Jurisdictions to log on to the web site and to then open accounts (the "Account" or "Accounts") with Ameritrade to trade securities over the internet. Ameritrade took instructions from residents in the Jurisdictions and provided trade execution services to these clients.

4.3 Ameritrade agrees that it has executed orders in the Jurisdictions during the Relevant Period without being registered to do so in the Jurisdictions, since at least January, 1999. The

Securities Legislation requires a securities firm trading in a jurisdiction with residents of that jurisdiction to be registered as a dealer in that jurisdiction.

4.4 Ameritrade did not turn its attention to the fact that executing orders for Canadian residents in the Jurisdictions in US securities on US markets would be construed as trading in the Jurisdictions. Ameritrade voluntarily agreed to seek registration in the Jurisdictions after communications with the Authorities leading to this Agreement.

Mitigating Factors

5. The Staffs of the Authorities are not aware of any complaints made by Ameritrade's customers resident in the Jurisdictions concerning the Accounts or their trading in the Accounts.

6. Ameritrade represents that it stopped opening Accounts in May, 2000, as a result of regulatory inquiries, and it continues to preclude the opening of Accounts by residents in the Jurisdictions pending resolution of this matter.

Undertaking

7. Ameritrade undertakes and agrees as follows:

7.1 Ameritrade undertakes forthwith to seek registration under the Securities Legislation in the Jurisdictions to trade in the Jurisdictions.

7.2 Ameritrade agrees to pay to the Jurisdictions, upon execution of this Settlement Agreement, the sum of eight hundred thousand dollars Canadian (CDN $800,000.00), which will be made payable to the British Columbia Securities Commission on behalf of the Jurisdictions.

7.3 Ameritrade will comply with the Securities Legislation in the Jurisdictions after it is registered in the Jurisdictions or any of them, and will comply before it is registered with its gatekeeper and know your client obligations.

7.4 Ameritrade will continue assiduously to seek registration in the Jurisdictions, or in those Jurisdictions in which it has clients. Provided Ameritrade has assiduously been seeking registration in the Jurisdictions in which it has clients, then those Jurisdictions will consider favourably a request from Ameritrade to extend the exemption referred to in this Settlement Agreement until the registration process is complete.

7.5 During the term of any registration exemption, Ameritrade will provide information and will cooperate fully with each Jurisdiction in which application for registration has been made, in a manner equivalent to that required of a registrant in the Jurisdiction.

Order

8. Ameritrade consents to an order in the form attached as Schedule "A" to this Settlement Agreement by the Jurisdictions that:

8.1 Ameritrade will be granted an exemption until September 30, 2001, from the registration requirements of the Jurisdictions or any of them, in respect of its existing clients only, to permit it to become registered as required under the Securities Legislation.

Waiver

9. Upon approval of the Settlement Agreement by the Authorities, Ameritrade waives any right it may have, under the Securities Legislation of the Jurisdictions, to a hearing, hearing and review, judicial review or appeal related to, in connection with, or incidental to this agreement.

Staff Commitment

10. If this Settlement Agreement is approved by an Authority, Staff of that Authority will not initiate any complaint to the Authority or request the Authority to hold a hearing or issue any order or take any other proceeding in respect of any conduct or alleged conduct of Ameritrade or any of its affiliates or subsidiaries, their officers, directors, employees or agents, in relation to the facts set out in this Settlement Agreement.

Procedure for Approval of Settlement

11. If this Settlement Agreement is required to be approved by a public hearing before an Authority, then Staff of each Authority agrees that this Agreement will constitute the entirety of the evidence to be submitted respecting this matter.

12. If this Settlement Agreement is approved by the Authority, whether through hearing or otherwise, the parties to this Settlement Agreement will not make any statement that is inconsistent with this Settlement Agreement.

13. If this Settlement Agreement is not approved by the Authority or an order substantially equivalent to the form attached as Schedule "A" is not made by the Authority, then:

13.1 this Settlement Agreement including all discussions and negotiations leading up to its presentation at a hearing or to the Authority, and all negotiations between Staff and counsel for Ameritrade concerning the matter of the terms of settlement proposed for Ameritrade, shall be without prejudice to Staff and to Ameritrade. Staff and Ameritrade will be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing unaffected by this agreement or the settlement negotiations;

13.2 the terms of this Settlement Agreement will not be referred to in any subsequent proceeding, or disclosed to any person, except with the written consent of Staff and Ameritrade or as may be required by law; and

13.3 Ameritrade agrees that it will not, in any proceeding, refer to or rely upon this Settlement 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.

Disclosure of Settlement Agreement

14. Counsel for Staff or for Ameritrade may refer to any part or all of the Settlement Agreement in the course of any hearing convened to consider this Settlement Agreement before any Authorities. Otherwise, the Settlement Agreement and its terms will be treated as confidential by all parties to the Settlement Agreement until approved by the Authorities, and, forever, if, for any reason whatsoever, this Settlement Agreement is not approved by the Authorities.

15. Any obligation as to confidentiality shall terminate upon approval of this Settlement Agreement by the Authorities.

Execution of Settlement Agreement

16. This Settlement Agreement may be signed in one or more counterparts which together shall constitute a binding agreement and a facsimile copy of any signature shall be as effective as an original signature.

SIGNED at Omaha, Nebraska, on June 16, 2001.

_____
Authorized Signatory for Ameritrade

"Nancy L. McCabe")
Witness Signature)
)
Nancy L. McCabe))
Witness Name (please print))
)
4211 s. 102nd Street)
)
Omaha, NE 68127)
Address)
)
Executive Assistant)
Occupation)

SIGNED at Vancouver, British Columbia, on June 18th, 2001.

"S. Wilson"
Steve Wilson
Executive Director
British Columbia Securities Commission

SIGNED at Toronto, Ontario, on June 14, 2001.

"M.J. Watson"
Michael Watson
Director, Enforcement
Ontario Securities Commission

SIGNED at Calgary, Alberta, on June 15, 2001.

"Wayne Alford"
Wayne Alford
Director, Enforcement
Alberta Securities Commission

SIGNED at Montreal, Québec, on June 15, 2001.

"Jean Lorrain"
Jean Lorrain
Direction de la Conformité et de l'application
Commission des valeurs mobilières du Québec

SIGNED at Halifax, Nova Scotia, on June 14, 2001.

"N. Pittas"
Nicholas A. Pittas
Director of Securities
Nova Scotia Securities Commission

2.1.17 Datek Online Brokerage Services LLC - Settlement Agreement

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

AND

IN THE MATTER OF
DATEK ONLINE BROKERAGE SERVICES LLC.

Settlement Agreement

1. In this Settlement Agreement, capitalized terms not otherwise defined shall have meanings ascribed to them in National Instrument 14-101 ("NI14-101"). The Staffs (the "Staffs" and individually, the "Staff") of the Securities Regulatory Authorities (collectively, the "Authorities" and individually, an "Authority") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, New Brunswick, Newfoundland, Prince Edward Island, Northwest Territories and Yukon (collectively, the "Jurisdictions") and Datek Online Brokerage Services LLC or any relevant affiliate ("Datek") wish to enter into an agreement to settle certain issues outstanding between the Jurisdictions and Datek.

2. The staff of the British Columbia Securities Commission has acted throughout on behalf of the Staff of each Authority with their knowledge and approval.

3. The Staffs of the Authorities agree to recommend the terms set out in this Settlement Agreement for approval pursuant to the required procedure in each Jurisdiction.

Agreed Statement of Facts

4. Datek acknowledges the following facts as correct:

   4.1 Datek is a limited liability company organized under the laws of New York and is registered as a broker-dealer with the United States Securities and Exchange Commission and in all of the states of the United States. It operates a web-based Internet securities trading service from its offices in New Jersey in the United States. It is not registered in any capacity in any of the Jurisdictions.

   4.2 Datek's website is accessible to residents of the Jurisdictions over the Internet. Residents in the Jurisdictions could log onto the website and, until precluded from doing so by Datek, could open an account (the "Account" or "Accounts") with Datek to execute trades online of securities listed or traded in the United States.

   4.3 Datek agrees that it executed trades for securities in the United States on behalf of residents in the Jurisdictions without being registered in the Jurisdictions, since at least January, 1999. The Securities Legislation requires a securities firm trading with residents of the Jurisdictions to be registered as a dealer in those Jurisdictions.

   4.4 Datek did not turn its attention to the fact that the Jurisdictions would construe as trading in the Jurisdictions the execution of trades on behalf of Canadian residents in US securities on US markets.

Mitigating Factors

5. The Staffs of the Authorities are not aware of any complaints made by Datek's customers resident in the Jurisdictions concerning the Accounts or their trading in the Accounts.

6. Datek represents that it had stopped opening Accounts in December, 1999, as a result of regulatory inquiries, and it continues to preclude the opening of Accounts by residents in the Jurisdictions pending resolution of this matter.

Undertaking

7. Datek undertakes and agrees as follows:

   7.1 Datek represents that it has sought registration under the Securities Legislation in the Jurisdictions to trade in the Jurisdictions.

   7.2 Datek agrees to pay to the Jurisdictions in accordance with the attached Protocol the sum of eight hundred thousand dollars ($800,000.00).

   7.3 Datek Canada Brokerage Services Inc. ("Datek Canada") will comply with the Securities Legislation in the Jurisdictions after it is registered in the Jurisdictions or any of them, and subject to the registration exemption with respect to its existing clients, Datek will comply before it is registered with all other requirements of the Securities Legislation, as though it were registered in the Jurisdictions or any of them.

   7.4 Datek Canada will seek registration in the Jurisdictions or in those Jurisdictions in which it has clients. Provided Datek Canada has assiduously been seeking registration in the Jurisdictions in which it has clients, then the Staffs of those Authorities will not oppose a request from Datek to extend the exemption referred to in this Settlement Agreement until the registration process is complete.

   7.5 During the term of any registration exemption, Datek will provide information and will cooperate fully with each Jurisdiction in which application for registration has been made, in a manner

equivalent to that required of a registrant in the Jurisdiction.

Order

8. Datek consents to an order by British Columbia in the form attached as Schedule "A", or to a no action letter in the form attached as Schedule "B", to this Settlement Agreement and to the issuance of substantially equivalent orders, or substantially equivalent no action letters, by the other Authorities that:

   8.1 Datek will be granted an exemption until September 30, 2001, from the registration requirements of the Jurisdictions or any of them, in respect of its existing clients only, to permit it, or any relevant affiliate of Datek, to become registered as required under the Securities Legislation.

Waiver

9. Upon approval of the Settlement Agreement, Datek waives any right it may have, under the Securities Legislation of the Jurisdictions, to a hearing, hearing and review, judicial review or appeal related to, in connection with, or incidental to this agreement.

Approval Process of Settlement Agreement

Staff Commitment

10. If this Settlement Agreement is approved by an Authority, Staff of that Authority will not initiate any complaint to the Authority or request the Authority to hold a hearing or issue any order in respect of any conduct or alleged conduct of Datek or any of its affiliates or subsidiaries, their officers, directors, employees or agents, in relation to the facts set out in this Settlement Agreement.

Procedure for Approval of Settlement

11. If this Settlement Agreement is required to be approved by a public hearing before an Authority, then Staff of each Authority agrees that this Agreement will constitute the entirety of the evidence to be submitted respecting this matter.

12. If this Settlement Agreement is approved by the Authority, whether through hearing or otherwise, the parties to this Settlement Agreement will not make any statement that is inconsistent with this Settlement Agreement.

13. If this Settlement Agreement is not approved by the Authority, or an order substantially equivalent to the form attached as Schedule "A" is not made by the Authority or where appropriate, a no action letter substantially in the form Schedule "B" is not issued, then:

   13.1 this Settlement Agreement, including all discussions and negotiations leading up to its presentation at a hearing or to the Authority, and all negotiations between Staff and counsel for Datek concerning the terms of settlement proposed for Datek, shall be without prejudice to Staff and to Datek. Staff and Datek will be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing unaffected by this Agreement or the settlement negotiations;

   13.2 the terms of this Settlement Agreement will not be referred to in any subsequent proceeding or disclosed to any person, except with the written consent of Staff and Datek or as may be required by law; and

   13.3 Datek agrees that it will not, in any proceeding, refer to or rely upon this Settlement Agreement or the negotiations or process of approval of this Agreement as the basis for any attack on any Authority's jurisdiction, alleged bias, appearance of bias, alleged unfairness or remedies or challenges that may otherwise be available.

Disclosure of Settlement Agreement

14. Counsel for Staff or for Datek may refer to any part or all of the Settlement Agreement in the course of any hearing convened to consider this Settlement Agreement before any Authority. Otherwise, the Settlement Agreement and its terms will be treated as confidential by all parties to the Settlement Agreement until approved by the Authorities, and, forever, if, for any reason whatsoever, this Settlement Agreement is not approved by the Authorities.

15. Any obligation as to confidentiality shall terminate upon approval of this Settlement Agreement by the Authorities.

Execution of Settlement Agreement

16. This Settlement Agreement may be signed in one or more counterparts, which together, shall constitute a binding agreement and a facsimile copy of any signature shall be as effective as an original signature.

SIGNED at , , on June , 2001.

Authorized Signatory for Datek

"Stuart Sindall")
Witness Signature)
)
Stuart L. Sindall)
Witness Name (please print))
)
c/o Datek Online Holdings Corp.)
)
58 Broad St. N.Y., N.Y. 10004)
Address)
)
General Counsel)
Occupation)

SIGNED at Vancouver, British Columbia, on June 18, 2001.

"S. Wilson"
Steve Wilson
Executive Director
British Columbia Securities Commission

SIGNED at Toronto, Ontario, on June 18, 2001.

"M.J. Watson"
Michael Watson
Director, Enforcement
Ontario Securities Commission

SIGNED at Calgary, Alberta, on June 15, 2001.

"Wayne Alford"
Wayne Alford
Director, Enforcement
Alberta Securities Commission

SIGNED at Montreal, Québec, on June 15, 2001.

"Jean Lorrain"
Jean Lorrain
Direction de la Conformité et de l'application
Commission des valeurs mobilières du Québec

SIGNED at Halifax, Nova Scotia, on June 18, 2001.

"N. Pittas"
Nicholas A. Pittas
Director of Securities
Nova Scotia Securities Commission

2.1.18 TD Waterhouse Investor Services, Inc. - Settlement Agreement

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

AND

IN THE MATTER OF
TD WATERHOUSE INVESTOR SERVICES, INC.

Settlement Agreement

1. In this Settlement Agreement, capitalized terms not otherwise defined shall have the meanings ascribed to them in National Instrument 14-101 ("NI14-101"). The Staffs (the "Staffs" and individually, the "Staff") of the Securities Regulatory Authorities (collectively, the "Authorities" and individually, an "Authority") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, New Brunswick, Newfoundland, Prince Edward Island and Yukon (the "Jurisdictions") and TD Waterhouse Investor Services, Inc. ("TD Waterhouse US") wish to enter into an agreement to settle certain issues outstanding between the Jurisdictions and TD Waterhouse US.

2. The Staff of the British Columbia Securities Commission has acted throughout on behalf of the Staffs of the Authorities with their knowledge and approval.

3. The Staffs of the Authorities agree to recommend the terms set out in this Settlement Agreement for approval pursuant to the required procedure in each Jurisdiction.

Agreed Statement of Facts

4. TD Waterhouse US acknowledges the following facts as correct:

   4.1 TD Waterhouse US is a corporation organized under the Laws of New York. It is registered as a broker-dealer with the United States Securities and Exchange Commission and as a broker-dealer in all 50 states, the District of Columbia and Puerto Rico.

   4.2 TD Waterhouse US operates a web-based Internet securities trading service from its offices located at 100 Wall Street, New York, New York. It is not, and has not been, registered to trade securities in any of the Jurisdictions.

   4.3 TD Waterhouse US's website is accessible to residents in the Jurisdictions (the "Residents") via the Internet and the Residents could, prior to August, 2000, log onto the website and open an account with TD Waterhouse US (individually,

an "Account" and collectively, the "Accounts") for the purpose of executing trades in U.S. securities over the Internet by completing an Account application form online and mailing a hard copy of the completed Account application form to TD Waterhouse US.

4.4 Since at least January, 1999, TD Waterhouse US has executed orders for U.S. securities that have been received from Residents having Accounts ("TD Waterhouse US Canadian Customers") without being registered as required in the Jurisdictions. The Securities Legislation requires a securities firm trading with residents of the Jurisdictions to be registered as a dealer in those Jurisdictions.

4.5 TD Waterhouse US hereby acknowledges that the Jurisdictions construe as trading in the Jurisdictions the execution of trades on behalf of Canadian residents in U.S. securities on U.S. markets.

Mitigating Factors

5. The Staffs of the Authorities are not aware of any complaints made by TD Waterhouse US's Canadian Customers concerning the Accounts or their trading in the Accounts.

6. TD Waterhouse US represents that it immediately prohibited Residents from opening new accounts through its web-based service after receiving regulatory inquiries in August, 2000, regarding the fact that it was not registered in the Jurisdictions.

7. All Accounts other than Accounts maintained for individual tax-advantaged retirement savings plans located in the United States, were closed and transferred either to TD Waterhouse Investor Services (Canada) Inc. or in accordance with other instructions received from TD Waterhouse US Canadian Customers by December 18, 2000.

Undertaking

8. TD Waterhouse US undertakes and agrees to pay to the Jurisdictions in accordance with the attached Protocol the sum of Canada eight hundred thousand dollars ($800,000.00).

Waiver

9. TD Waterhouse US waives any right it may have, under the Securities Legislation of the Jurisdictions, to a hearing, hearing and review, judicial review or appeal related to, in connection with, or incidental to this agreement.

Staff Commitment

10. If this Settlement Agreement is approved by an Authority, Staff of that Authority will not initiate any complaint to the Authority or request the Authority to hold a hearing or issue any order or take any other proceeding in respect of any conduct or alleged conduct of TD Waterhouse US or any of its affiliates or subsidiaries, their officers, directors, employees or agents, in relation to the facts set out in this Settlement Agreement.

Procedure for Approval of Settlement

11. If this Settlement Agreement is required to be approved by an Authority, it will constitute the entirety of the evidence to be submitted respecting TD Waterhouse US in this matter. Upon approval of the Settlement Agreement by the Authorities, TD Waterhouse US agrees to waive any right to a full hearing and appeal of this matter under the Securities Legislation of the Jurisdictions.

12. If this Settlement Agreement is approved by the Authorities, whether through hearing or otherwise, the parties to this Settlement Agreement will not make any statement that is inconsistent with this Settlement Agreement.

13. If for any reason whatsoever, this Settlement Agreement is not approved by any one or more of the Authorities:

13.1 this Settlement Agreement, including all discussions and negotiations leading up to its presentation at a hearing, and all negotiations between Staff and counsel for TD Waterhouse US concerning the matter of the terms of settlement proposed for TD Waterhouse US, shall be without prejudice to Staff and to TD Waterhouse US. Staff and TD Waterhouse US will be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations in the Notice of Hearing and Statement of Allegations, unaffected by this Settlement Agreement or the settlement negotiations;

13.2 the terms of this Settlement Agreement will not be referred to in any subsequent proceeding, or disclosed to any person, except with the written consent of Staff and TD Waterhouse US or as may be required by law; and

13.3 TD Waterhouse US agrees that it will not, in any proceeding, refer to or rely upon this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement as the basis for any attack on the Authority's jurisdiction, alleged bias, appearance of bias, alleged unfairness or any other remedies or challenges that may otherwise be available.

14. Counsel for Staff or for TD Waterhouse US may refer to any part or all of the Settlement Agreement in the course of any hearing convened to consider the Settlement Agreement before any Authority. Otherwise, the Settlement Agreement and its terms will be treated as confidential by all parties to the Settlement Agreement until approved by all Authorities, and forever

if, for any reason whatsoever, this Settlement Agreement is not approved by all of the Authorities.

15. Any obligation as to confidentiality shall terminate upon approval of this Settlement Agreement by all Authorities.

Execution of Settlement Agreement

16. This Settlement Agreement may be signed in one or more counterparts which together shall constitute a binding agreement and a facsimile copy of any signature shall be as effective as an original signature.

SIGNED at New York, New York, on June 15, 2001.

_____
Authorized Signatory for TD Waterhouse US

"Andrew Wels")
Witness Signature)
)
Andrew Wels)
Witness Name (please print))
)
100 Wall St.)
)
NY, NY 10005)
Address)
)
Attorney)
Occupation)

SIGNED at Vancouver, British Columbia, on June 18, 2001.

"S. Wilson"
Steve Wilson
Executive Director
British Columbia Securities Commission

SIGNED at Toronto, Ontario, on June 18, 2001.

"M.J. Watson"
Michael Watson
Director of Enforcement
Ontario Securities Commission

SIGNED at Calgary, Alberta, on June 15, 2001.

"Wayne Alford"
Wayne Alford
Director of Enforcement
Alberta Securities Commission

SIGNED at Montreal, Québec, on June 15, 2001.

"Jean Lorrain"Jean Lorrain
Direction de la Conformité et de l'application
Commission des valeurs mobilières du Québec

SIGNED at Halifax, Nova Scotia, on June 18, 2001.

"N. Pittas"
Nicholas A. Pittas
Director of Securities
Nova Scotia Securities Commission

2.2 Orders

2.2.1 Landover Energy Inc. - ss. 83.1(1)

Headnote

Subsection 83.1(1) – issuer deemed to be a reporting issuer in Ontario – issuer has been a reporting issuer in Alberta and British Columbia since September 16, 1987 and November 26, 1999, respectively – common shares listed and posted for trading on Canadian Venture Exchange – continuous disclosure requirements of Alberta and British Columbia substantially similar to those of Ontario.

Applicable Ontario Statutory Provisions

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
LANDOVER ENERGY INC.

ORDER
(Subsection 83.1(1))

UPON the application of Landover Energy Inc. ("Landover") for an order pursuant to subsection 83.1(1) of the Act deeming Landover 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 Commission;

AND UPON Landover representing to the Commission as follows:

1. Landover is a corporation governed by the *Business Corporations Act* (Alberta) S.A. 1981, c.B-15, as amended, (the "ABCA").

2. The head office of Landover is located in Calgary, Alberta.

3. The authorized share capital of Landover consists of an unlimited number of common shares (the "Common Shares") without part value of which 10,266,737 Common Shares were issued and outstanding as of June 1, 2001.

4. There are 1,018,000 Common Shares reserved for issuance upon exercise of stock options granted to directors, officers, employees and consultants of the Corporation upon payment of exercise prices ranging from $0.35 to $0.40 per share.

5. Landover has been a reporting issuer under the *Securities Act* S.A. 1981, c. S-6.1, as amended, (the "Alberta Act") since September 16, 1987. The Common Shares of Landover were listed for trading on The Alberta Stock Exchange on December 3, 1987 and traded thereon until November 26, 1999, at which time the Common Shares of the Corporation commenced trading on the Canadian Venture Exchange Inc. ("CDNX"). Landover became a reporting issuer in British Columbia on November 26, 1999 as a result of the merger of the Vancouver Stock Exchange and the Alberta Stock Exchange to form the CDNX. Landover is not in default of the any requirements of the Alberta Act or of the *Securities Act* R.S.B.C. 1996, Chap. 418 (the "B.C. Act").

6. The continuous disclosure requirements of the Alberta Act and the B.C. Act are substantially the same as the requirements under the Act.

7. The continuous disclosure materials filed by Landover (and its predecessors) under the Alberta Act since September 16, 1987 and under the B.C Act since November 26, 1999 are available at the offices of the Alberta Securities Commission and the British Columbia Securities Commission and for materials filed after June 30, 1997 on the System for Electronic Document Analysis and Retrieval (SEDAR).

8. Landover is not currently a reporting issuer or the equivalent under the securities legislation of any jurisdiction in Canada other than Alberta and British Columbia.

9. Neither Landover nor any of its officers, directors nor, to the knowledge of the Landover, its officers and directors, any controlling shareholders has (i) been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority, (ii) entered into a settlement agreement with a Canadian securities regulatory authority or (iii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

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 Landover is deemed to be a reporting issuer for the purposes of the Act.

June 8, 2001.

"John Geller" "R. Stephen Paddon"

2.2.2 Huntington Rhodes inc. - s. 144

Headnote

Section 144 - revocation of cease trade order upon remedying of default, updating of public disclosure record and mailing of disclosure information, together with outstanding financial statements, to shareholders.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5 as am. ss.127(1), 127(5), 144.

Notices Cited

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, CHAPTER S.5, AS AMENDED (the "Act")

AND

IN THE MATTER OF
HUNTINGTON RHODES INC.

ORDER
(Section 144)

WHEREAS the securities of Huntington Rhodes Inc. ("Huntington") are subject to a temporary order of the Director made on the 6th day of November, 1997 on behalf of the Ontario Securities Commission (the "Commission") pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act (the "Temporary Order") , as extended by a further order of the Director made on the 18th day of November, 1997 on behalf of the Commission pursuant to Subsection 127(8) of the Act (the "Extension Order", and, together with the Temporary Order, the "Cease Trade Order"), that trading in the securities of the Huntington cease;

AND WHEREAS Huntington has made an application to the Director of the Commission pursuant to section 144 of the Act for an order revoking the Cease Trade Order;

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

AND UPON Huntington having represented to the Director that:

1. Huntington was formed pursuant to the *Companies Act* (Ontario) by Letters Patent dated December 27, 1945 under the name Thunderhead Gold Mines Limited, changed its name to Caratel Limited by Articles of Amendment effective April 5, 1990, changed its name to Juritel Systems Inc. by Articles of Amendment effective August 24, 1992 and further changed its name to Huntington Rhodes Inc. by Articles of Amendment effective September 23, 1993.

2. Huntington became a reporting issuer under the Act on June 17, 1983.

3. The authorized capital of Huntington consists of an unlimited number of common shares (the "Common Shares") and an unlimited number of Class A preference shares issuable in series (the "Class A Shares"), of which 8, 726,162 common shares and no Class A Shares are issued and outstanding.

4. Prior to the issuance of the Cease Trade Order, the Common Shares were traded on the Canadian Dealing Network.

5. The Cease Trade Order was issued due to Huntington's failure to file interim financial statements for the six month period ended June 30, 1997.

6. The comparative financial statements for the financial years ending December 31, 1997, 1998, 1999 and 2000 were mailed to the shareholders of Huntington and filed with the Commission.

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

8. Except for the Cease Trade Order, Huntington has not been subject to any previous cease trade orders issued by the Commission.

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

AND UPON the Director being satisfied that Huntington 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 WHEREAS the Director is of the opinion that it would not be prejudicial to the public interest to revoke the Cease Trade Order;

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

June 14, 2001.

"John Hughes"

2.2.3 Glenbriar Technologies Inc. - ss.83.1(1)

Headnote

Reporting issuer in Alberta and listed on CDNX deemed to be a reporting issuer in Ontario.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5, as am., s. 83.1(1).

Policies Cited

Proposed Policy 12-602 *Deeming an Issuer from certain other Canadian Jurisdictions to be a Reporting Issuer in Ontario* (2001).

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

AND

IN THE MATTER OF
GLENBRIAR TECHNOLOGIES INC.

ORDER
(Section 83.1(1))

UPON the application of Glenbriar Technologies Inc. ("Glenbriar") for an order pursuant to subsection 83.1(1) of the Act deeming Glenbriar 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 Commission;

AND UPON Glenbriar representing to the Commission as follows:

1. Glenbriar was incorporated on July 15, 1994 under the *Business Corporations Act* (Alberta) as Glenbriar Developments Ltd., and changed its name on March 26, 2001 to Glenbriar Technologies Inc.

2. Glenbriar's head office is in Calgary, Alberta.

3. Glenbriar became a reporting issuer under the *Securities Act* (Alberta) (the "Alberta Act") on November 29, 1994.

4. Glenbriar was listed as a junior capital pool company on the Alberta Stock Exchange in March 1995, and completed its Major Transaction as defined in Alberta Securities Commission Rule 46-501 in November 1996.

5. Glenbriar has maintained its continuous disclosure obligations under the Alberta Act since November 1994, which requirements are substantially similar to those under the Act. The continuous disclosure materials filed by Glenbriar since August 1997 are available on the System for Electronic Document Analysis and Retrieval.

6. On October 13, 2000, Glenbriar filed a takeover bid circular in Ontario containing prospectus level disclosure to acquire all of the shares of Peartree Software Inc., an Ontario corporation, which takeover bid was duly completed in November 2000.

7. Glenbriar's authorized share capital consists of an unlimited number of Common Shares and an unlimited number of Preferred Shares issuable in series. As of April 23, 2001, the issued and outstanding share capital consists of: (a) 21,546,436 Common Shares; (b) no Preferred Shares; (c) options to purchase 1,234,561 Common Shares; and (d) warrants to purchase 210,528 Common Shares.

8. Glenbriar's Common Shares are listed on CDNX under the trading symbol GTI, and have been continuously listed on the CDNX (or its predecessor Alberta Stock Exchange) since March 1995.

9. Glenbriar is not in default of any requirements of the securities legislation of Alberta, or of any requirements of CDNX.

10. Neither the Issuer nor any of its officers, directors nor, to the knowledge of the Issuer, its officers and directors, any controlling shareholders has (i) been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority, (ii) entered into a settlement agreement with a Canadian securities regulatory authority or (iii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

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

IT IS HEREBY ORDERED pursuant to section 83.1(1) of the Act that Glenbriar be deemed a reporting issuer for the purposes of Ontario securities law.

June 15, 2001.

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

2.2.4 Elliott & Page Limited - ss. 59(1)

Headnote

Waiver of certain fees in respect of issuances of units of money market funds, provided fee paid annually on net sales during that year.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5, as am. s. 25, 53.

Regulations Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., Schedule 1, s. 14, ss. 28(5) and 59(1).

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

AND

IN THE MATTER OF
ELLIOTT & PAGE LIMITED

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

UPON the application (the "Application") of Elliott & Page Limited (the "Applicant"), the manager of the Elliott & Page Money Fund, Elliott & Page T-Bill Fund (the "Existing Money Market Funds") and any other money market fund which may be established by the Applicant from time to time (the "Future Money Market Funds", and collectively with the Existing Money Market Funds, the "Money Market Funds"), to the Ontario Securities Commission (the "Commission") for an order (the "Order") pursuant to subsection 59(1) of Schedule I that any fees that may be payable on the distribution of Institutional Classes of Units (as hereinafter defined) of the Money Market Funds, as made in reliance on exemptions from the prospectus requirement of section 53 of the Act (the "Prospectus Requirement"), be calculated as a percentage of the net sales as opposed to a percentage of the aggregate gross proceeds realized in Ontario;

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

AND UPON the Applicant having represented to the Commission that:

1. Each of the Money Market Funds is, or will be, an open-ended unincorporated mutual fund trust established under the laws of Ontario.

2. The Applicant was incorporated under the *Business Corporations Act* (Ontario) on December 28, 1954 and is registered under the Act as a mutual fund dealer and as an adviser in the categories of investment counsel and portfolio manager.

3. The Applicant is, or will be, the trustee, manager, principal distributor, promoter and the registrar and transfer agent of the Money Market Funds.

4. Each of the Money Market Funds is, or will be, a reporting issuer under the securities laws of each of the provinces and territories of Canada. None of the Existing Money Market Funds is in default of any requirements of the securities legislation, regulations or rules applicable in each of the provinces and territories of Canada.

5. Each of the Money Market Funds is or will be a "money market fund" as defined in paragraph 1.1 of National Instrument 81-102 Mutual Funds.

6. Each Money Market Fund is or will be divided into units ("Units") of one or more classes. The Advisor Class, Class F and Class T Units of the Existing Money Market Funds are qualified for distribution pursuant to a simplified prospectus and annual information form filed across Canada.

7. The Applicant has or is in the process of creating one or more additional classes of units (collectively referred to herein as the "Existing Institutional Classes of Units") of each Existing Money Market Fund and, similarly, may create one or more additional classes of units (the "Future Institutional Classes of Units", and collectively with the Existing Institutional Classes of Units, the "Institutional Classes of Units") of each Future Money Market Fund.

8. Institutional Classes of Units of each Money Market Fund are or will be offered on a continuous basis to investors in each of the provinces and territories of Canada at a price per Unit equal to the net asset value per Unit for such class of Units of the Money Market Fund calculated in accordance with the Master Declaration of Trust and Regulation of the relevant fund. Institutional Classes of Units of the Money Market Funds will be redeemable at the option of investors, in accordance with the Master Declaration of Trust and Regulation of each Money Market Fund.

9. Institutional Classes of Units of the Money Market Funds may be offered to, among other investors, institutional investors including, banks, loan or trust corporations, insurance companies, pension plans and registered charities.

10. Institutional Classes of Units of each Money Market Fund are or will be distributed in each of the provinces and territories of Canada by registered dealers, including the Applicant, in reliance on an exemption from the Prospectus Requirement and the dealer registration requirement of section 25 of the Act.

11. Annually, the Money Market Funds will be required to pay filing fees to the Commission in respect of the distribution of the Institutional Classes of Units in Ontario, pursuant to subsection 28(5) of Schedule I of the Regulation, based on the "aggregate gross proceeds" realized in Ontario from the sale of such Units. In contrast, section 14 of Schedule I of the

Regulation requires that a money market fund which distributes its units by prospectus to only pay a fee calculated and paid annually based on the "net sales" of its units in Ontario (i.e., the aggregate gross proceeds realized in a year less the aggregate proceeds paid by a fund to repurchase or redeem securities in such year).

12. In the absence of this Order, the fees to be paid by the Money Market Funds on the sale of Institutional Classes of Units made in reliance on an exemption from the Prospectus Requirements in Ontario, will be higher than the fees to be paid if such sale of Institutional Classes of Units was made by prospectus.

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

IT IS ORDERED by the Commission pursuant to subsection 59(1) of Schedule I of the Regulation that the Money Market Funds are hereby exempt from the fees that would otherwise be payable on the distribution of Institutional Classes of Units pursuant to subsection 28(5) of Schedule I, provided that:

(a) Institutional Classes of Units of the Money Market Funds are only issued in reliance on exemptions from the Prospectus Requirement of the Act;

(b) the Applicant remits the applicable fee on behalf of the Money Market Funds within 30 days of its financial year end; and

(c) such fee is calculated based on the annual net sales of Institutional Classes of Units of Money Market Funds in Ontario, where net sales is the amount calculated by the following formula: X-Y, where

"X" is the aggregate gross proceeds realized in Ontario from distributions of Institutional Classes of Units of the Money Market Funds, and

"Y" is the aggregate of the redemption and repurchase prices paid to redeem or repurchase Institutional Classes of Units of the Money Market Funds held by persons in Ontario during the financial year.

May 18, 2001.

"J.A. Geller" "Robert W. Korthals"

2.2.5 FMR Co. Inc. - ss. 38(1) of CFA

Headnote

Subsection 38(1) of the Commodity Futures Act (Ontario) (the "CFA") - relief from the requirements of clause 22(1)(b) of the CFA, for a period of three years, in respect of the proposed advisory services, subject to certain terms and conditions.

Statutes Cited

Commodity Futures Act, R.S.O. 1990. c. C20., as am., ss. 22(1)(b), 38(1).

IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990 c. C.20 AS AMENDED

AND

IN THE MATTER OF
FMR CO. INC.

ORDER
(Subsection 38(1))

UPON the application of FMR Co. Inc. (the "Applicant") to the Ontario Securities Commission (the "Commission") for a ruling under subsection 38(1) of the Commodity Futures Act, R.S.O. 1990, c.20 (the "CFA") that the Applicant and its officers, partners and directors are not subject to the requirement of clause 22(1)(b) of the CFA;

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a corporation organized under the laws of the Commonwealth of Massachusetts and is resident in the United States.

2. The Applicant is proposing to enter into an investment sub-advisory agreement with Fidelity Investments Canada Limited ("FICL") whereby FICL would act as the portfolio adviser to certain of the Fidelity Funds offered in Canada (the "Funds"), including ancillary activities, in respect of purchases and sales of commodity futures contracts or related products traded on commodity futures exchanges and cleared through acceptable clearing corporations, and the Applicant would act as sub-adviser to FICL (the "Proposed Advisory Services"). In no case will the investment activities involving commodities futures or products traded on commodities futures exchanges constitute the primary focus or investment objective of any of the Funds.

3. FICL is a corporation continued under the laws of Ontario and is resident in Ontario. FICL is currently registered with the Commission as a Mutual Fund Dealer, an Adviser in the categories of Investment Counsel and Portfolio Manager and as a Commodity Trading Manager under the CFA. FICL acts as trustee,

manager and principal distributor of the Funds and is responsible for the investment advice provided by the Applicant.

4. In connection with the Proposed Advisory Services, the Applicant would enter into a written agreement with FICL outlining the duties and obligations of the Applicant.

5. FICL will assume responsibility to the Funds for all advice provided by the Applicant.

6. The Applicant will only provide advice to FICL where FICL has contractually agreed with the Funds to be responsible for any loss that arises out of the failure of the Applicant to (i) exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Funds and (ii) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances, (the "Standard of Care") and that this responsibility cannot be waived.

7. The offering documents of the Funds will disclose that FICL is responsible for any loss that arises out of the failure of the Applicant to meet the Standard of Care in providing advice to the Funds, the difficulty in enforcing legal rights against the Applicant and that all or substantially all of the Applicant's assets are situated outside of Ontario.

AND UPON being satisfied that it would not be prejudicial to public interest for the Commission to grant the exemptions requested on the basis of the terms and conditions proposed,

IT IS ORDERED pursuant to subsection 38(1) that the Applicant, its officers, partners and directors are not subject to the requirements of clause 22(1)(b) of the CFA in respect of the Proposed Advisory Services provided that:

(a) The obligations and duties of the Applicant are set out in a written agreement with FICL;

(b) FICL will contractually agree with the Funds to be responsible for any loss that arises out of the failure of the Applicant to (i) exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Funds and (ii) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances, (the "Standard of Care") and that this responsibility cannot be waived; and

(c) The offering documents for the Funds disclose that FICL is responsible for any loss that arises out of the failure of the Applicant to meet the Standard of Care in providing advice to the Funds, the difficulty in enforcing legal rights against the Applicant and that all or substantially all of the Applicant's assets are situated outside of Ontario;

(d) FICL will remain a registrant under the CFA so long as the Proposed Advisory Services are provided by the Applicant; and

(e) This order shall terminate three years from June 19, 2001.

June 19, 2001.

"Paul Moore" "K.D. Adams"

2.2.6 Lexam Explorations Inc. - s.147

Headnote

Section 147 - Exemption from provisions of sections 13.2 of OSC Policy 5.2 where price per share at which debt is to be converted into shares is below $0.20 per share.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5, as am. s. 147.

Rules Cited

In the Matter of Certain Trades in Securities of Junior Natural Resource Issuers (1997), 20 OSCB 1218, as amended.

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

AND

IN THE MATTER OF
LEXAM EXPLORATIONS INC.

ORDER
(Section 147)

UPON the application (the "Application") of Lexam Explorations Inc. ("Lexam") to the Ontario Securities Commission (the "Commission") for an order pursuant to section 147 of the Act exempting Lexam from the provisions of section 13.2 of Ontario Securities Commission Policy Statement No. 5.2 ("OSC Policy 5.2") now deemed to be a rule pursuant to the Rule entitled *In the Matter of Certain Trades in Securities of Junior Resource Issuers* (1997) 20 OSCB 1218 as amended, (the "Junior Resource Issuer Rule"), which restricts the price per share at which any debt may be converted to shares;

AND UPON Lexam having represented to the Commission that:

1. Lexam was incorporated under the laws of the Province of Ontario on November 12, 1993.

2. Lexam's authorized capital consists of an unlimited number of Common Shares of which 25,656,525 Common Shares were outstanding as at May 22, 2001.

3. The Common Shares are quoted on the Montreal Stock Exchange (the "ME") and currently trade under the symbol LEX.M. The weighted average closing price of the Common Shares for the most recent ten days preceding May 25, 2001 on which actual trading of the Common Shares occurred on the ME, without application of a discount, was $0.076 per Common Share.

4. Lexam is a reporting issuer in the Provinces of Ontario, British Columbia and Alberta and is not on the list of defaulting reporting issuers maintained pursuant to the Act.

5. Lexam is in the business of the exploration for gold, oil and gas in Western Canada and the United States.

6. The consolidated financial statements of Lexam for the three months ended March 31, 2001 show total liabilities of Lexam of $2,307,497. The liabilities are comprised of:

   a. secured demand loan (the "Demand Loan") in the principal amount of $900,000, plus accrued and unpaid interest of $153,780 as at March 31, 2001, owing to Goldcorp Inc. ("Goldcorp");

   b. accounts payable and accrued liabilities as at March 31, 2001 of $503,717 of which $92,156 (the "Other Goldcorp Debt") is owing to Goldcorp and the remainder (the "Remaining Payables"), $411,561, is owing to various other creditors (collectively, Goldcorp and the other creditors are hereinafter referred to as the "Creditors"); and

   c. debt owing to the Greenland government in the amount of $750,000.

   As at May 22, 2001, amounts outstanding under the Demand Loan, Other Goldcorp Debt and Remaining Payables totalled $1,616,497 with interest accrued to that date of which $1,182,936 is owing to Goldcorp.

7. Goldcorp is an "insider" of Lexam, as defined by the Act. Goldcorp held 7,906,377 Common Shares as at May 22, 2001 representing 30.82% of the outstanding Common Shares.

8. Lexam proposes to enter into debt settlement agreements with certain of the Creditors pursuant to which Lexam would issue up to 16,164,970 Common Shares at $0.10 per Common Share in settlement of the Demand Loan, the Other Goldcorp Debt and the Remaining Payables (the "Debt Settlement").

9. The ME has approved the issuance of Common Shares pursuant to the Debt Settlement conditional upon Lexam obtaining disinterested shareholder approval and Commission approval of the Debt Settlement.

10. In the event that Lexam converts all debt owed to the Creditors as of May 22, 2001 to Common Shares at $0.10 per Common Share, Lexam will issue 16,164,970 Common Shares pursuant to the Debt Settlement, of which 11,829,360 Common Shares will be issued to Goldcorp which together with Goldcorp's present holdings will represent 47.19% of the total issued and outstanding Common Shares.

11. Section 13.2 of OSC Policy 5.2 requires that the Common Shares be issued to the Creditors at $0.20 per Common Share.

12. Certain of the Creditors have expressed their willingness to receive Common Shares at $0.10 per Common Share in satisfaction of their outstanding debt.

13. As at March 31, 2001, Lexam had cash on hand in the amount of $6,252, total liabilities of $2,307,497 and negative working capital of $1,694,366. As at May 22, 2001, there had been no material changes to these amounts. Lexam has had a "going concern" qualification to its consolidated financial statements since its consolidated financial statements for the year ended December 31, 1998.

14. Currently, Lexam is unable to make payment in cash of its trade or other accounts and does not have any other available source of funds. Conversion of all of the debt owing to the Creditors into Common Shares pursuant to the Debt Settlement would enable it to continue as a going concern.

15. Other than the relief from section 13.2 of OSC Policy 5.2, as incorporated in the Junior Resource Issuer Rule, sought under this application, the Debt Settlement will be completed in accordance with OSC Policy 5.2, including receiving the approval of disinterested shareholders of Lexam.

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

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

IT IS ORDERED, pursuant to section 147 of the Act, that Lexam is exempt from the provisions of section 13.2 of OSC Policy 5.2 as incorporated in the Junior Resource Issuer Rule in respect of the issuance of Lexam Common Shares to the Creditors in connection with the Debt Settlement.

June 20, 2001.

"Iva Vranic"

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Chapter 3

Reasons: Decisions, Orders and Rulings

THERE IS NO MATERIAL FOR THIS CHAPTER

IN THIS ISSUE

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Extending & Rescinding Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Rescinding Order
IDS Intelligent Detection Systems Inc.	30 May 01	11 Jun 01	13 Jun 01	-
Golden Crescent Corporation William Multi-Tech Inc.	4 Jun 01	15 Jun 01	15 Jun 01	-
Cabot Creek Mineral Corporation	5 Jun 01	15 Jun 01	15 Jun 01	-

4.2.1 Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Rescinding Order
Dotcom 2000 Inc. Galaxy OnLine Inc. Melanesian Minerals Corporation St. Anthony Resources Inc.	29 May 01	11 Jun 01	12 Jun 01	-
Brazilian Resources, Inc. Landmark Global Financial Corporation Link Mineral Ventures Ltd. Nord Pacific Limited	30 May 01	12 Jun 01	13 Jun 01	-
Dominion International Investments Inc.	12 Jun 01	25 Jun 01	-	-
Zamora Gold Corp.	13 Jun 01	26 Jun 01	-	-

4.3.1 Lapsed Cease Trading Orders

Company Name	Date of Lapse/Expire
Eletel Inc.	14 Jun 01

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Chapter 5

Rules and Policies

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Chapter 6

Request for Comments

6.1 Request for Comments

6.1.1 MI 33-105 & CP 33-105 Underwriting Conflicts

NOTICE OF PROPOSED CHANGES TO PROPOSED MULTILATERAL INSTRUMENT 33-105 AND COMPANION POLICY 33-105CP UNDERWRITING CONFLICTS

Substance and Purpose of Proposed Multilateral Instrument and Companion Policy

Introduction

On February 6, 1998, the Canadian Securities Administrators (the "CSA") published for comment proposed Multi-Jurisdictional Instrument 33-105 Underwriting Conflicts (the "1998 Draft Instrument") and proposed Companion Policy 33-105CP (the "1998 Draft Policy").[1]

During the comment periods on these instruments, the CSA received submissions from three commenters. The names of these commenters and the summary of their comments, together with the CSA's responses to those comments, are contained in Appendix A of this Notice. As a result of consideration of the comments and further consideration of these instruments, the CSA are proposing a number of amendments to the 1998 Draft Instrument and 1998 Draft Policy, and are therefore republishing these instruments for a second comment period.

Since February 1998, the CSA have decided to refer to instruments adopted in some, but not all, of the jurisdictions of the CSA as "Multilateral", rather than "Multi-Jurisdictional", instruments; therefore, the instrument published as Multi-Jurisdictional Instrument 33-105 is now referred to as proposed Multilateral Instrument 33-105.

The proposed Multilateral Instrument is an initiative of the CSA, and is expected to be adopted as a rule in each of British Columbia, Alberta, Manitoba, Ontario and Nova Scotia, as a commission regulation in Saskatchewan and as a policy in all other jurisdictions represented by the CSA other than Quebec. The proposed Companion Policy is expected to be implemented as a policy in all of the jurisdictions represented by the CSA other than Quebec.

The proposed Multilateral Instrument and Companion Policy are not being proposed for adoption at this time by the Commission des valeurs mobilières du Québec (the "CVMQ").

Substance and Purpose of the Proposed Multilateral Instrument and Companion Policy

The substance and purpose of the proposed Multilateral Instrument is to impose appropriate regulatory requirements on distributions of securities in which the relationship between the issuer or selling securityholder of the securities and the registrant acting as underwriter raises the possibility that the registrant will be in an actual or perceived position of conflict between its own interests or those of the issuer or selling securityholder, and those of investors. The proposed Multilateral Instrument imposes certain disclosure requirements on these transactions and, in some cases, the requirement that an independent dealer participate in the distribution.

The purpose of the proposed Companion Policy is to state the views of the Canadian securities regulatory authorities on various matters relating to the proposed Multilateral Instrument, and to provide market participants with guidance in understanding the operation of the proposed Multilateral Instrument and the policy concerns that lie behind some of its provisions.

Summary of Changes to the Proposed Multilateral Instrument from the 1998 Draft Instrument

This section describes the substantive changes made in the proposed Multilateral Instrument from the 1998 Draft Instrument. For a detailed summary of the contents of the 1998 Draft Instrument, reference should be made to the Notice that was published with that draft (the "1998 Notice").

The definition of "approved rating", and the definition of "approved rating organization", have been expanded to include Duff & Phelps Credit Rating Co., Fitch IBCA, Inc. and Thomson BankWatch Inc. This approach is consistent with the approach of the CSA in other national instruments.

The definition of "foreign issuer" is new, and is used in section 2.2 for the purpose of setting out the applicable rules for calculating the required involvement of an independent underwriter for distributions that are effected in more than one jurisdiction, or only partly in Canada.

The definition of "influential securityholder" has been amended by the addition of subparagraphs (a)(iii) and (a)(iv), which prescribe when a person or company or professional group will be an "influential securityholder" of an issuer that is a partnership.

A definition of "special warrants" has been added in conjunction with the amendments to paragraph 2.1(2) that provide that the independent underwriter requirement and certain disclosure requirements will be applicable when special warrants are distributed.

[1] In Ontario, at (1998) 21 OSCB 781.

The 1998 Draft Instrument prohibited a registrant from acting as a direct underwriter in a distribution of securities of or by a connected issuer, unless, among other requirements, an independent underwriter was involved in the distribution. Since the definition of "connected issuer" in the 1998 Draft Instrument included any person or company who was a "related issuer", the 1998 Draft Instrument necessarily required the involvement of an independent underwriter both in the case of connected issuer distributions and in the case of related issuer distributions.

In response to comments and following further consideration of the 1998 Draft Instrument, the CSA have amended the proposed Multilateral Instrument to eliminate the requirement for independent underwriter involvement for most distributions. Under the Draft Instrument, an independent underwriter will only be required for distributions of special warrants and distributions made under a prospectus, where the registrant is acting as a direct underwriter, and the issuer or selling securityholder in the distribution is a related issuer of the registrant. This change has been effected by means of an amendment to subsection 2.1(2) of the proposed Multilateral Instrument, and an amendment to the definition of "connected issuer" to delete the reference to related issuer within that definition. Although a related issuer of a registrant will be a connected issuer of that registrant, since the definitions of connected issuer and related issuer refer to different concepts, it was decided to delete the reference to related issuer within the definition of connected issuer to keep the definitions conceptually distinct.

As with the 1998 Draft Instrument, the proposed Multilateral Instrument recognizes the relative degrees of concern, and the resulting potential for conflict, associated with distributions by i) registrants, ii) related issuers of registrants, and iii) connected issuers of registrants, and imposes additional requirements for distributions which fall in the first two of these categories. The CSA is satisfied that, in recognition of the lesser potential for actual or perceived conflict associated with connected issuer distributions, the requirement of full disclosure of potential underwriting conflicts is sufficient to address this concern.

As a consequence of this amendment, the CSA have deleted the definitions of "specified party" and "minor debt relationship" in Part 1 of the Proposed Instrument, and the exemption from the requirement for independent underwriter involvement based on these definitions in Part 3 of the Proposed Instrument. Since the exemption previously found in section 3.2 of the 1998 Draft Instrument was only available where the issuer or selling securityholder was a connected issuer but not a related issuer, and since the requirement for independent underwriter involvement is now restricted to issuers or selling securityholders which are related issuers, the exemption found in section 3.2 of the 1998 Draft Instrument is no longer necessary, and has been deleted.

In response to a comment, the CSA have amended the proposed Multilateral Instrument to clarify their position that the requirements of the proposed Multilateral Instrument are applicable in connection with the issuance of special warrants in a special warrant transaction. Section 2.1 of the proposed Multilateral Instrument now provides that the disclosure and independent underwriter requirements of that section arise in the case of a distribution of special warrants.

The CSA have also added, as section 2.2 and subsection 3.2, provisions clarifying how the calculation of the size of a distribution (measured either as the dollar value of the distribution or the amount of management fees paid or payable in connection with the distribution) will be made under the proposed Multilateral Instrument. Proposed section 2.2 provides as follows:

- For a distribution that is made entirely in Canada, but in more than one jurisdiction, the size of the distribution and the involvement of the independent underwriter are to be measured on an aggregate basis, having regard to the aggregate amount of the distribution taken by the independent underwriter in relation to the aggregate size of the distribution in all jurisdictions; that is, it is not necessary that an independent underwriter satisfy the requirements of the proposed Multilateral Instrument on a jurisdiction-by-jurisdiction basis;

- For a distribution made partly in Canada and partly outside Canada by a foreign issuer, the independent underwriter requirement will apply in respect of the portion of the distribution made in Canada;

- For a distribution made partly in Canada and partly outside Canada by a Canadian issuer, the proposed Multilateral Instrument will apply based on the global size of the distribution; an independent underwriter could, it is noted, be a non-Canadian underwriter.

Subsection 3.2 provides that the independent underwriter requirement will not apply to the distribution of securities of a foreign issuer if more than 85 percent of the total distribution is effected outside of Canada.

In response to a comment, the CSA have moved section 12 of Appendix C of the 1998 Draft Instrument into the proposed Multilateral Instrument as section 4.1.

Summary of Changes to the Proposed Companion Policy from the 1998 Draft Policy

This section describes the substantive changes made in the proposed Companion Policy from the 1998 Draft Policy. For a detailed summary of the contents of the 1998 Draft Policy, reference should be made to the 1998 Notice.

The CSA have added subsection 2.3(2) to the proposed Companion Policy, which notes that distributions made under National Instrument 71-101 The Multijurisdictional Disclosure System are exempted from the disclosure requirements of the proposed Multilateral Instrument.

The CSA have also added subsection 2.4(4) to the proposed Companion Policy, which refers to the application of section 2.2 of the proposed Multilateral Instrument.

The CSA have also added subsection 2.4(5) to the proposed Companion Policy, which reminds market participants that National Instrument 44-102 Shelf Distributions contains

provisions on how the requirements of the proposed Multilateral Instrument are satisfied for shelf distributions.

Regulations to be Amended - Ontario

In Ontario, the Ontario Securities Commission will amend the following provisions of Regulation 1015 of the Revised Regulations of Ontario, 1990 in conjunction with the making of the proposed Multilateral Instrument as a rule in Ontario:

1. (1) Subsection 219(1) of the Regulation will be amended by revoking the definition of "connected issuer" and substituting the following:

"connected issuer" has the meaning ascribed to that term in Multilateral Instrument 33-105 Underwriting Conflicts".

(2) Subsection 219(1) of the Regulation will be amended by revoking the definition of "influence".

(3) Subsection 219(1) of the Regulation will be amended by revoking the definition of "related issuer" and substituting the following:

"related issuer" has the meaning ascribed to that term in Multilateral Instrument 33-105 Underwriting Conflicts".

(4) Subsections 219(2) and (4) of the Regulation will be revoked.

2. Section 224 of the Regulation will be revoked.

Comments

Interested parties are invited to make written submissions with respect to the proposed Multilateral Instrument. Submissions received by August 22, 2001 will be considered.

Submissions should be sent to all of the Canadian securities regulatory authorities listed below in care of the Ontario Commission, in duplicate, as indicated below:

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Securities Commission
The Manitoba Securities Commission
Ontario Securities Commission
Office of the Administrator, New Brunswick
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Department of Government Services and Lands, Newfoundland and Labrador
Registrar of Securities, Northwest Territories
Registrar of Securities, Yukon
Registrar of Securities, Nunavut

c/o John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 800, Box 55
Toronto, Ontario M5H 3S8

A diskette containing the submissions (in DOS or Windows format, preferably WordPerfect) should also be submitted. As securities legislation in certain provinces requires that a summary of the written comments received during the comment period be published, confidentiality of submissions received cannot be maintained.

Questions may be referred to any of:

Brenda Benham
British Columbia Securities Commission
(604) 899-6635
or 1-800-373-6393 (in B.C.)

Jane Brindle
Alberta Securities Commission
(403) 297-4482

Barbara Shourounis
Saskatchewan Securities Commission
(306) 787-5842

Tanis J. MacLaren
Ontario Securities Commission
(416) 593-8259

Text of Proposed Multilateral Instrument and Companion Policy

The text of the proposed Multilateral Instrument and Companion Policy follows, together with footnotes that are not part of the Multilateral Instrument or Companion Policy but have been included to provide background and explanation.

June 22, 2001.

APPENDIX A

SUMMARY OF COMMENTS RECEIVED ON DRAFT MULTILATERAL INSTRUMENT 33-105 AND DRAFT COMPANION POLICY 33-105CP AND RESPONSE OF THE CANADIAN SECURITIES ADMINISTRATORS

1. INTRODUCTION

On February 6, 1998, the Canadian Securities Administrators (the "CSA") published for comment proposed Multi-Jurisdictional Instrument 33-105 Underwriting Conflicts (now referred to as proposed Multilateral Instrument 33-105) and proposed Companion Policy 33-105CP.

In this Notice, the versions of the proposed Multilateral Instrument and Companion Policy published in 1998 are called the "1998 Draft Instrument" and "1998 Draft Policy", respectively. The versions published with this Notice are called the "proposed Instrument" and "proposed Policy", respectively.

The CSA received submissions on the 1998 Draft Instrument and 1998 Draft Policy from three commenters, as follows:

1. Canadian Bar Association - Ontario (letter dated May 29, 1998);
2. BCE Inc. (letter dated May 15, 1993); and
3. Ladner Downs (letter dated August 4, 1998).

Copies of the comment letters may be viewed at the office of Micromedia, 20 Victoria Street, Toronto, Ontario (416) 312-5211 or (800) 387-2689; the office of the British Columbia Securities Commission, 12th Floor, 701 West Georgia Street, Vancouver, British Columbia (604) 899-6500; and the office of the Alberta Securities Commission, 10025 Jasper Avenue, Edmonton, Alberta (403) 427-5201.

The CSA have considered the comments received and thank all commenters for providing their comments. The 1998 Draft Instrument and 1998 Draft Policy have been amended to reflect a number of the comments and are being republished for further comment.

The following is a summary of the comments received, together with the CSA's responses and, where applicable, the proposed changes in response to the comments.

2. GENERAL COMMENTS

General

Each of the commenters commented favourably on the initiative of the CSA to reform the existing underwriting conflict rules. One commenter indicated that the 1998 materials represented an "improvement over the current regulatory regime by clarifying a number of ambiguities in the current regulatory framework". Another commenter stated that "the Proposal is a thoughtful and careful balancing by the CSA of the various factors that come into play when dealing with underwriting conflicts. The Proposal contains both a sound analysis of these factors, and helpful analytical tools to assist underwriters, issuers and their counsel in determining whether connected or related issuer relationships exist, and if so, what the appropriate response to such relationships is. We support the principles in the Proposal...." Finally, another commenter commended the CSA for proposing the adoption of a clearer conflict regime, although the commenter had concerns over the scope of the regime.

Harmonization

A commenter noted with disappointment that the proposed Instrument and Policy are not being proposed for adoption at this time by the CVMQ. The commenter also noted that, assuming Bill 187 is adopted, Quebec would take an approach with respect to conflicts that would be entirely different from the approach set out in the 1998 Draft Instrument and from the position that has been taken in the past by the CVMQ. The commenter stated that "obviously, this would not be consistent with the attempt of the CSA in recent years to harmonize securities regulations in Canada and would not, unfortunately, promote efficiency in Canada's capital markets".

CSA Response

The CSA are committed to harmonization across Canada wherever possible, while recognizing that on some occasions, regional concerns or issues prevent complete uniformity across Canada.

Need for an Independent Underwriter

A commenter stated that the 1998 Draft Instrument did not adequately recognize the practical realities involved in introducing independent underwriters into underwriting syndicates in cases where timing is critical. The commenter noted that in bought deals, the structuring and pricing of the distribution and related due diligence have often been settled or completed prior to the lead underwriter selecting an independent underwriter. The commenter questioned why an independent underwriter is required for any distribution and suggested that the requirement for an independent underwriter may give a false sense of security to potential investors. The commenter stated that "provided that adequate disclosure is made of potential underwriting conflicts, we question why investors should not be able to evaluate for themselves, based on all of the information in the prospectus, whether to subscribe for the securities that are the subject of the distribution".

CSA Response

The CSA remain of the view that the presence of an independent underwriter in certain circumstances provides protection for investors from abuses arising from conflicts of interest that disclosure alone cannot provide. The CSA note, of course, that one of the functions of an independent underwriter is to provide some discipline in the process of preparing the disclosure document, thereby ensuring that the adequate disclosure is made of underwriting conflicts, and that the disclosure is otherwise complete and accurate.

However, following further consideration of the 1998 Draft Instrument, the CSA have amended the proposed Multilateral

Instrument to eliminate the requirement for independent underwriter involvement for most distributions. Under the proposed Instrument, an independent underwriter will only be required for distributions of special warrants and distributions made under a prospectus, where the registrant is acting as a direct underwriter, and the issuer or selling securityholder in the distribution is a related issuer of the registrant. As with the 1998 Draft Instrument, the proposed Multilateral Instrument recognizes the relative degrees of concern, and the resulting potential for conflict, associated with distributions by i) registrants, ii) related issuers of registrants, and iii) connected issuers of registrants, and imposes additional requirements for distributions which fall in the first two of these categories. The CSA is satisfied that, in recognition of the lesser potential for actual or perceived conflict associated with connected issuer distributions, the requirement of full disclosure of potential underwriting conflicts is sufficient to address this concern.

Alternative Proposal

A commenter proposed an alternative conflicts regime to the one contemplated by the 1998 Draft Instrument. The commenter made this proposal out of a concern that the conflict regime contemplated by the 1998 Draft Instrument was excessively far-reaching and burdensome for some issuers. The commenter stated that a conflict regime should not "excessively and unjustly disrupt the distribution process carried out by financially healthy senior 'POP' issuers".

The following is an outline of the general problems that the commenter submitted were raised by the 1998 Draft Instrument, and the proposed alternative regime:

- The commenter submitted that several of the definitions in the 1998 Draft Instrument are too broad in scope. It was noted that the definition of "connected issuer" was based on the existence of a "relationship" between an issuer and its underwriters (and other related parties). The commenter stated that this definition is "much too broad" and should be made more specific in order that it be less subjective and to reduce the potential for abuse.

- The commenter stated that the definitions of "related issuer" and "influential securityholder" contained in the 1998 Draft Instrument have far-reaching effects for a large corporate group. The commenter stated that, in the case of a distribution by it or any other company of the group that is a related issuer of it, the issuer of the securities would be required to verify whether any company of the group (i.e., in excess of 250 companies) has a relationship with an underwriter or a related issuer of an underwriter of the type contemplated by the 1998 Draft Instrument. The commenter stated that this was "unfeasible and totally unacceptable".

- The commenter submitted that a preferable approach would be to have the proposed Instrument focus only on relationships involving important related issuers of the issuer. The commenter proposed that, except in exceptional circumstances, the definition of a "related issuer" of an issuer be limited to a direct or indirect subsidiary (not an affiliate) representing at least 20 percent of the issuer's consolidated assets or revenues. The commenter indicated that the 20 percent threshold was the level associated with equity accounting.

- The commenter submitted that the holding by an underwriter or related entity of investment grade negotiable securities, such as commercial paper, debentures, notes and preferred shares, should not be considered in determining whether an issuer is a "related issuer" or a "connected issuer" of the underwriter. The commenter stated that because of the active secondary market for most of those securities, the holding of investment grade negotiable securities does not create a relationship between an issuer and another entity that is relevant to the conflicts concerns of the proposed Instrument.

- In addition, the commenter submitted that the holding of securities other than investment grade negotiable securities below certain thresholds by an underwriter or related entity should automatically be considered not to create a connected issuer relationship with an issuer. The commenter suggested the use of one or more of the following thresholds:

  - if the amount of indebtedness owed by an issuer to one or more underwriters or their related issuers does not exceed 10 percent of the issuer's consolidated equity;

  - if the distribution for which the determination is made is less than a certain minimal size, perhaps 10 percent of the issuer's consolidated equity or an amount equal to the issuer's annual dividend on its common and preferred shares; or

  - if the percentage of the proceeds of the distribution to be used to repay debt owed to an affiliate of an underwriter was less than some specified amount, perhaps 10%.

CSA Response

Although the CSA have not adopted the suggestions of the commenter in the proposed Instrument, the CSA appreciate the comments.

The CSA's specific responses to the comments are as follows.

In respect of the definition of "connected issuer", the CSA are of the view that the only appropriate way to define the definition is through use of the concept of "relationship". Although, as the commenter suggests, the concept is broad, the CSA believe that the concept is necessary to capture the

wide range of possible relationships that could lead to concerns over conflicts of interest.

The CSA do not accept the suggestion that the application of the proposed Instrument should be restricted to "material" subsidiaries or some similar concept. The issue being addressed by the proposed Instrument is the possibility of conflicts of interest arising in connection with the distribution of securities of an issuer; these conflicts could arise because of the influence of a parent company of the issuer, for instance, even if the issuer was very small in relation to the size of the parent. The CSA recognize the wide ranging application of the proposed Instrument in the case of a large corporate structure like that of the commenter, and will entertain applications for exemption from the application of the normal rules in appropriate circumstances.

The CSA do not agree with the suggestion that investment grade negotiable securities should be excluded from the conflicts regime. The CSA are not willing to delegate, in effect, the application of its rules concerning conflicts of interest to rating agencies.

The CSA do not agree with the suggestion that certain holdings of securities below certain thresholds should be excluded from the operation of the regime. The CSA note that the proposed Instrument has been designed to eliminate the need for an independent underwriter, in non-related issuer relationships. The CSA believe that these exemptions should substantially reduce the need for independent underwriters in distributions.

Special Warrants and "Two-Step" Transactions

Two submissions addressed the application of the 1998 Draft Instrument to special warrant transactions and other "two-step" transactions.

A commenter submitted that the proposed Instrument should state, for the purposes of clarity, that special warrant and other similar financings are deemed not be distributions made under a prospectus for the purposes of the proposed Instrument. Another commenter, on the other hand, submitted that it is appropriate to require an independent underwriter for a special warrant transaction at both the private placement stage and the prospectus certification stage, on the basis that a special warrant transaction is essentially a priced public financing.

The latter commenter provided a detailed and thoughtful analysis of the appropriate application of the proposed Instrument to a particular type of "two-step" transaction. The following is an outline of the analysis and recommendations:

- The comments related to two-step transactions that are used to effect the purchase of an existing business by institutional investors. The transactions are characterized by an initial private placement of convertible or exchangeable securities, followed by the qualification, by way of a prospectus, of underlying securities derived from the conversion or exchange of the initial private placement securities. In those transactions, the institutional investors put up the first tranche of the purchase price through a private placement; that acquisition is usually followed by a public offering that provides the second tranche of the required equity financing.

- The commenter submitted that there are two main reasons why it is unnecessary or impractical to have participation by an independent underwriter in the first step of a business acquisition two-step transaction. The first reason is that the transaction is negotiated by the underwriter with sophisticated parties that are at arm's length – the vendor of the business and institutional investors. An independent underwriter is not required to ensure that the terms negotiated by arm's length parties are appropriate; that issue is best left to the parties themselves. The second reason is the practical difficulty in involving an independent underwriter in the transaction; in a heavily negotiated transaction, an independent dealer will add little value being brought into the transaction at a late stage.

- The commenter submitted that there is an even weaker case for requiring the involvement of an independent underwriter in the second, or prospectus, stage of a business acquisition two-step transaction. At that point, the business transaction has been negotiated and an independent underwriter has no ability to change the business terms of the transaction. Further, it would be unfair to expose the independent underwriter to accept liability for prospectus disclosure, as this liability would be to sophisticated institutional purchasers with whom they have had no dealings and for a transaction in which they were not involved.

- The commenter therefore proposed that an independent underwriter not be required for a two-step transaction if

  - the transaction involved the acquisition of a business (whether by the purchase of assets, securities or otherwise) by or on behalf of an issuer that is not a reporting issuer at the time the transaction is agreed to; and

  - the majority by value of investors at the private placement stage are 'qualified institution buyers', who are not themselves related to or connected with the issuer or the non-independent underwriters in the transaction. The commenter provided a list of proposed qualified institutional buyers, including insurance companies, financial institutions, governments and governmental bodies and others.

CSA Response

The CSA have amended the proposed Instrument to clarify their position that the requirements of the proposed Instrument are applicable in connection with the issuance of special warrants in a special warrant transaction. The proposed Instrument now provides that section 2.1 applies to the issue of special warrants. The CSA have also added a definition of a "special warrant" to the proposed Instrument.

The CSA have not made any changes to reflect the issues raised about the use of two-step transactions in connection with business acquisitions. In the experience of the CSA, transactions of this nature have taken a variety of forms and structures. Accordingly, the CSA are of the view that the appropriate response to such transactions at this time is to review such transactions on a case-by-case basis in the context of an application for exemptive relief. The CSA will consider this issue going forward, and may propose that such transactions be the subject of a multilateral instrument at a later date.

3. COMMENTS ON SPECIFIC PROVISIONS OF THE 1998 DRAFT INSTRUMENT

Part 1 - Definitions, Interpretation and Application

Definition of "related party" and "professional group"

A commenter expressed concern over the inclusion of the concept of "professional group" in the determination of whether an entity is a related party to another entity. The commenter stated that it would appear from the definition of "professional group" "that in order for a registrant to determine whether it is related to an issuer, the registrant would be required to send a memorandum to each of the persons or companies referred to under the definition of 'professional group', to wait for a response and to tabulate the results. This is a fairly cumbersome process, especially when the timing of the distribution is critical...".

CSA Response

The CSA have made no changes in response to this comment. The CSA note that registrants are required to monitor on an ongoing basis the constitution of a professional group under existing and proposed self-regulatory organization rules.

Definitions of "specified party" and "minor debt relationship"

A commenter indicated its agreement with the concept of "specified party" and the exemption from the requirement for an independent underwriter for issuers that were not specified parties. The commenter made a number of suggestions as to how certain aspects of this exemption and the definition of "specified party" could be clarified or otherwise improved.

CSA Response

The CSA have deleted the definitions of "specified party" and "minor debt relationship" in Part 1 of the Proposed Instrument, and the exemption from the requirement for independent underwriter involvement based on these definitions in Part 3 of the Proposed Instrument. As noted above, the CSA have amended the Proposed Instrument to eliminate the requirement for independent underwriter involvement where the issuer or selling securityholder in the distribution is a connected issuer of the registrant, but is not a related issuer of the registrant. Since the exemption from the requirement for independent underwriter involvement previously found in section 3.2 of the 1998 Draft Instrument was only available where the issuer or selling securityholder was a connected issuer but not a related issuer, and since the requirement for independent underwriter involvement is now restricted to issuers or selling securityholders which are related issuers, the exemption found in section 3.2 of the 1998 Draft Instrument is no longer necessary, and has been deleted.

Section 3.1

A commenter submitted that a connected issuer that is exempted from the independent underwriter requirements on the basis of the exemption found in section 3,2 of the 1998 Draft Instrument should also be exempted from the disclosure requirements of the proposed Instrument.

CSA Response

In response to this comment, the CSA made no changes. Disclosure of connected issuer relationships is crucial to the regime contemplated by the proposed Instrument. The CSA also note that disclosure of relationships is fundamental to all conflict of interest regimes.

Section 4.2

A commenter stated that this section does not appear to address offerings made by prospectus supplements under the shelf procedures. It was suggested that provision should be made for the granting of exemptions on an expedited basis for this type of offering.

CSA Response

The application of the proposed Instrument to shelf distributions has been addressed in National Instrument 44-102 Shelf Distributions. The issue was addressed in section 6.5 of National Instrument 44-102, which came into force December 31, 2000. The CSA added subsection 2.4(5) to the proposed Policy to refer to National Instrument 44-102, which contains the applicable requirements on how the National Instrument applies to shelf distributions.

Appendix C

A commenter argued that the valuation requirements in section 12 of Appendix C are not warranted, given the other disclosure mandated by the Appendix and the limited circumstances in which such requirement applies. The commenter also stated that if the CSA wish to maintain the valuation requirement, the requirement would be better included in the Instrument itself rather than in a schedule.

CSA Response

The CSA agree with the latter part of this comment and have moved the valuation provision into the proposed Multilateral Instrument as section 4.1.

MULTILATERAL INSTRUMENT 33-105 UNDERWRITING CONFLICTS

TABLE OF CONTENTS

MULTILATERAL INSTRUMENT 33-105 UNDERWRITING CONFLICTS[1]

PART 1 DEFINITIONS, INTERPRETATION AND APPLICATION[2]

1.1 Definitions - In this Instrument

"associated party" means, if used to indicate a relationship with a person or company

(a) a trust or estate in which

(i) that person or company has a substantial beneficial interest, unless that trust or estate is managed under discretionary authority by a person or company that is not a member of any professional group of which the first mentioned person or company is a member, or

(ii) that person or company serves as trustee or in a similar capacity,

(b) an issuer in respect of which that person or company beneficially owns or controls, directly or indirectly, voting securities carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the issuer, or

(c) a relative, including the spouse, of that person, or a relative of that person's spouse, if

(i) the relative has the same home as that person, and

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1 This proposed Multilateral Instrument is expected to be adopted as a rule in British Columbia, Alberta, Manitoba, Ontario, Nova Scotia and Newfoundland, as a Commission regulation in Saskatchewan and as a policy in all other jurisdictions represented by the Canadian Securities Administrators, other than Québec. In Ontario, this proposed Multilateral Instrument will replace parts of section 219 and all of section 224 of the Regulation to the *Securities Act* (Ontario). The proposed Multilateral Instrument and Companion Policy are not being proposed for adoption at this time by the Commission des valeurs mobilières du Québec.

2 A national definition instrument has been adopted as National Instrument 14-101 Definitions. It contains definitions of certain terms used in more than one national instrument and also applies to multilateral instruments. National Instrument 14-101 also provides that a term used in a national instrument and defined in the statute relating to securities of the applicable jurisdiction, the definition of which is not restricted to a specific portion of the statute, will have the meaning given to it in that statute, unless the context otherwise requires. National Instrument 14-101 also provides that a provision or a reference within a provision of a national instrument that specifically refers by name to a jurisdiction, other than the local jurisdiction, shall not have any effect in the local jurisdiction, unless otherwise stated in the provision. National Instrument 14-101 includes both national instruments and multilateral instruments.

(ii) the person has discretionary authority over the securities held by the relative;

"connected issuer" means, for a registrant,

(a) an issuer distributing securities, if the issuer or a related issuer of the issuer has a relationship with any of the following persons or companies that may lead a reasonable prospective purchaser of the securities to question if the registrant and the issuer are independent of each other for the distribution:

(i) the registrant,

(ii) a related issuer of the registrant,

(iii) a director, officer or partner of the registrant,

(iv) a director, officer or partner of a related issuer of the registrant, or

(b) a selling securityholder distributing securities, if the selling securityholder or a related issuer of the selling securityholder has a relationship with any of the following persons or companies that may lead a reasonable prospective purchaser of the securities to question if the registrant and the selling securityholder are independent of each other for the distribution:

(i) the registrant,

(ii) a related issuer of the registrant,

(iii) a director, officer or partner of the registrant,

(iv) a director, officer or partner of a related issuer of the registrant;[3]

"direct underwriter" means, for a distribution,

(a) an underwriter that is in a contractual relationship with the issuer or selling securityholder to distribute the securities that are being offered in the distribution, or

(b) a dealer manager, if the distribution is a rights offering;

"foreign issuer" has the meaning ascribed to that term in National Instrument 71-101 The Multijurisdictional Disclosure System;[4]

"independent underwriter" means, for a distribution, a direct underwriter that is not the issuer or the selling securityholder in the distribution and in respect of which neither the issuer nor the selling securityholder is a connected issuer or a related issuer;

"influential securityholder" means, in relation to an issuer,

(a) a person or company or professional group

(i) that holds, has the power to direct the voting of, or has direct or indirect beneficial ownership of, voting securities entitling the person or company or professional group to cast more than 20 percent of the votes for the election or removal of directors of the issuer,

(ii) that holds, has the power to direct the voting of, or has direct or indirect beneficial ownership of, equity securities[5] entitling the person or company or professional group to receive more than 20 percent of the dividends or distributions to the holders of the equity securities of the issuer, or more than 20 percent of the amount to be distributed to the holders of equity securities of the issuer on the liquidation or winding up of the issuer,

(iii) that controls or is a partner of the issuer if the issuer is a general partnership, or

(iv) that controls or is a general partner of the issuer if the issuer is a limited partnership,[6]

(b) a person or company or professional group

(i) that holds, has the power to direct the voting of, or has direct or indirect beneficial ownership of,

(A) voting securities entitling the person or company or professional group to cast more than 10 percent of the votes for the election or removal of directors of the issuer, or

(B) equity securities entitling the person or company or professional group to receive more than 10 percent of the dividends or distributions to the holders

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3 This definition has been amended by the removal of the definition of "related issuer", which is now a separate definition. This keeps the use of the term "connected issuer" consistent with current usage.

4 This definition is new, and is used in section 2.2 for the purpose of setting out the applicable rules for calculating the required involvement of an independent underwriter for distributions that are effected in more than one jurisdiction, or only partly in Canada.

5 The term "equity security" is defined in National Instrument 14-101 as having the meaning ascribed to that term in securities legislation.

6 This definition has been amended by the addition of subparagraphs (a)(iii) and (a)(iv), which describe when a person or company or professional group will be an "influential securityholder" of an issuer that is a partnership.

of the equity securities of the issuer, or more than 10 percent of the amount to be distributed to the holders of equity securities of the issuer on the liquidation or winding up of the issuer, and

(ii) that either

(A) together with its related issuers

(I) is entitled to nominate at least 20 percent of the directors of the issuer or of a related issuer of the issuer, or

(II) has officers, directors or employees who are also directors of the issuer or a related issuer of the issuer, constituting at least 20 percent of the directors of the issuer or of the related issuer, or

(B) is a person or company of which the issuer, together with its related issuers,

(I) is entitled to nominate at least 20 percent of the directors of the person or company or at least 20 percent of the directors of a related issuer of the person or company, or

(II) has officers, directors or employees who are also directors of the person or company or a related issuer of the person or company, constituting at least 20 percent of the directors of the person or company or of the related issuer of the person or company, or

(c) a person or company

(i) of which the issuer holds, has the power to direct the voting of, or has direct or indirect beneficial ownership of,

(A) voting securities entitling the issuer to cast more than 10 percent of the votes for the election or removal of directors of the person or company, or

(B) equity securities entitling the issuer to receive more than 10 percent of the dividends or distributions to the holders of the equity securities of the person or company, or more than 10 percent of the amount to be distributed to the holders of equity securities of the person or company on the liquidation or winding up of the person or company, and

(ii) either

(A) that, together with its related issuers

(I) is entitled to nominate at least 20 percent of the directors of the issuer or of a related issuer of the issuer, or

(II) has officers, directors or employees who are also directors of the issuer or a related issuer of the issuer, constituting at least 20 percent of the directors of the issuer or of the related issuer, or

(B) of which the issuer, together with its related issuers

(I) is entitled to nominate at least 20 percent of the directors of the person or company or at least 20 percent of the directors of a related issuer of the person or company, or

(II) has officers, directors or employees who are also directors of the person or company or a related issuer of the person or company, constituting at least 20 percent of the directors of the person or company or of the related issuer of the person or company, or

(d) if a professional group is within paragraph (a) or (b), the registrant of the professional group;

"professional group" means a group comprised of a registrant and all of the following persons or companies:

(a) any employee of the registrant,

(b) any partner, officer or director of the registrant,

(c) any affiliate of the registrant,

(d) any associated party of any person or company described in paragraphs (a) through (c) or of the registrant;

"registrant" means a person or company registered or required to be registered under securities legislation, other than as a director, officer, partner or salesperson;

"related issuer" means a party described in subsection 1.2(2); and

"special warrant" means a security that, by its terms or the terms of an accompanying contractual obligation, entitles or requires the holder to acquire

another security without payment of material additional consideration and obliges the issuer of the special warrant or the other security to undertake efforts to file a prospectus to qualify the distribution of the other security.[7]

1.2 Interpretation

(1) For the purposes of calculating a percentage of securities that are owned, held or under the direction of a person or company in the definition of "influential securityholder"

(a) the determination shall be made

(i) first, by including in the calculation only voting securities or equity securities that are outstanding, and

(ii) second, if the person or company is not an influential securityholder by reason of a calculation under subparagraph (i), by including all voting securities or equity securities that would be outstanding if all outstanding securities that are convertible or exchangeable into voting securities or equity securities, and all outstanding rights to acquire securities that are convertible into, exchangeable for, or carry the right to acquire, voting securities or equity securities, are considered to have been converted, exchanged or exercised, as the case may be, and

(b) securities held by a registrant in its capacity as an underwriter in the course of a distribution are considered not to be securities that the registrant holds, has the power to direct the voting of, or has direct or indirect beneficial ownership of.

(2) A person or company is a "related issuer" of another person or company if

(a) the person or company is an influential securityholder of the other person or company,

(b) the other person or company is an influential securityholder of the person or company, or

(c) each of them is a related issuer of the same third person or company.

(3) Calculations of time required to be made in this Instrument in relation to a "distribution" shall be made in relation to the date on which the underwriting or agency agreement for the distribution is signed.

1.3 Application of Instrument - This Instrument does not apply to a distribution of

(a) securities described in the provisions of securities legislation listed in Appendix A; or

(b) mutual fund securities.

PART 2 RESTRICTIONS ON UNDERWRITING

2.1 Restrictions on Underwriting

(1) No registrant shall act as an underwriter in a distribution of securities in which it is the issuer or selling securityholder, or as a direct underwriter in a distribution of securities of or by a connected issuer or a related issuer of the registrant, unless the distribution is made under a prospectus or another document that, in either case, contains the information specified in Appendix C.

(2) For a distribution of special warrants or a distribution made under a prospectus no registrant shall act

(a) as an underwriter if the registrant is the issuer or selling securityholder in the distribution; or

(b) as a direct underwriter if a related issuer of the registrant is the issuer or selling securityholder in the distribution.

(3) Subsection (2) does not apply to a distribution

(a) in which

(i) at least one registrant acting as direct underwriter acts as principal, so long as an independent underwriter underwrites not less than the lesser of

(A) 20 percent of the dollar value of the distribution, and

(B) the largest portion of the distribution underwritten by a registrant that is not an independent underwriter, or

(ii) each registrant acting as direct underwriter acts as agent and is not obligated to act as principal, so long as an independent underwriter receives a portion of the total management fees equal to an amount not less than the lesser of

[7] This definition is new, and has been added in conjunction with the amendments to section 2.1 that provide that the independent underwriter requirement and certain disclosure requirements sometimes will be applicable when special warrants are distributed.

(A) 20 percent of the total management fees for the distribution, and

(B) the largest portion of the management fees paid or payable to a registrant that is not an independent underwriter; and

(b) the identity of the independent underwriter and disclosure of the role of the independent underwriter in the structuring and pricing of the distribution and in the due diligence activities performed by the underwriters for the distribution is contained in

(i) a document relating to the special warrants that is delivered to the purchaser of the special warrants before that purchaser enters into a binding agreement of purchase and sale for the special warrants, for a distribution of special warrants, or

(ii) the prospectus, for a distribution made under a prospectus.[8]

2.2 Calculation Rules - The following rules shall be followed in calculating the size of a distribution and the amount of independent underwriter involvement required for purposes of subsection 2.1(3):

(a) For a distribution that is made entirely in Canada, the calculation shall be based on the aggregate dollar value of securities distributed in Canada or the aggregate management fees relating to the distribution in Canada, and the aggregate dollar value of the distribution underwritten, or aggregate dollar value of management fees received, by the independent underwriter in Canada.

(b) For a distribution that is made partly in Canada of securities of an issuer that is not a foreign issuer, the calculation shall be based on the aggregate dollar value of securities distributed in Canada and outside of Canada or the aggregate management fees relating to the distribution in Canada and outside of Canada, and the aggregate dollar value of the distribution underwritten, or aggregate dollar value of management fees received, by the independent underwriter in Canada and outside of Canada.

(c) For a distribution that is made partly in Canada by a foreign issuer and that is not exempt from the requirements of subsection 2.1(2) by subsection 2.1(3) or by section 3.2, the calculation shall be based on the dollar value of securities distributed in Canada or the management fees relating to the distribution paid or payable in Canada, and the dollar value of the distribution underwritten, or aggregate dollar value of management fees received, by the independent underwriter in Canada.[9]

PART 3 NON-DISCRETIONARY EXEMPTIONS

3.1 Exemption from Disclosure Requirement - Subsection 2.1(1) does not apply to a distribution that

(a) is made under a document other than a prospectus if each of the purchasers of the securities

(i) is a related issuer of the registrant,

(ii) purchases as principal, and

(iii) does not purchase as underwriter; or

(b) is made under a provision of securities legislation listed in Appendix B.

3.2 Exemption from Independent Underwriter Requirement - Subsection 2.1(2) does not apply to a distribution of securities of a foreign issuer if more than 85 percent of the aggregate dollar value of the distribution is made outside of Canada or if more than 85 percent of the management fees relating to the distribution are paid or payable outside of Canada.[10]

PART 4 VALUATION REQUIREMENT

4.1 Valuation Requirement - A purchaser of securities offered in a distribution for which information is required to be given under subsection 2.1(3) shall be given a document that contains a summary of a valuation of the issuer by a chartered accountant or by a registered dealer of which the issuer is not a related issuer, and that specifies a reasonable time

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8 This section has been amended to eliminate the requirement for independent underwriter involvement in the case of connected issuer distributions. That requirement remains only for related issuer distributions. This section has also been amended to provide that the independent underwriter requirement and certain disclosure requirements will be applicable when special warrants are distributed on the same basis as for distributions made under a prospectus.

9 This section is new, and has been added to set out the applicable rules for calculating the required involvement of an independent underwriter for distributions that are effected in more than one jurisdiction, or only partly in Canada. The section should be read in conjunction with section 3.2, which provides an exemption from the independent underwriter requirement for distributions of securities of a foreign issuer, if more than 85 percent of the distribution is effected outside of Canada.

10 This section is new and provides an exemption from the independent underwriter requirement for certain distributions of securities of a foreign issuer, if more than 85 percent of the distribution is effected outside of Canada.

and place at which the valuation may be inspected during the distribution, if

(a) the issuer in the distribution

(i) is not a reporting issuer,

(ii) is a registered dealer, or an issuer all or substantially all of whose assets are securities of a registered dealer,

(iii) is issuing voting securities or equity securities, and

(iv) is effecting the distribution other than under a prospectus; and

(b) there is no independent underwriter that satisfies subsection 2.1(3).[11]

PART 5 EXEMPTION

5.1 Exemption

(1) The regulator[12] or securities regulatory authority[13] may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

(2) Despite subsection (1), in Ontario only the regulator may grant such an exemption.

5.2 Evidence of Exemption - Without limiting the manner in which an exemption under section 5.1 may be evidenced, the issuance by the regulator of a receipt for a prospectus or an amendment to a prospectus is evidence of the granting of the exemption if

(a) the person or company that sought the exemption has delivered to the regulator, on or before the date that the preliminary prospectus or an amendment to the preliminary prospectus was filed, a letter or memorandum describing the matters relating to the exemption and indicating why consideration should be given to the granting of the exemption; and

(b) the regulator has not sent written notice to the contrary to the person or company that sought the exemption before, or concurrent with, the issuance of the receipt.

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11 This section has been moved from Appendix C, and is substantively unchanged.

12 The term "regulator" is defined in National Instrument 14-101 Definitions as meaning, in a local jurisdiction, the person set out in an appendix to that instrument opposite the name of the local jurisdiction.

13 The term "securities regulatory authority" is defined in National Instrument 14-101 Definitions as meaning, for a local jurisdiction, the securities commission or similar regulatory authority set out in an appendix to that instrument opposite the name of the local jurisdiction.

MULTILATERAL INSTRUMENT 33-105

APPENDIX A

EXEMPT SECURITIES

JURISDICTION	SECURITIES LEGISLATION REFERENCE
ALBERTA	Section 66 of the *Securities Act* (Alberta)
BRITISH COLUMBIA	Section 46 of the *Securities Act* (British Columbia)
MANITOBA	Subsection 19(2) of the *Securities Act* (Manitoba)
NEWFOUNDLAND (Newfoundland)	Subsection 36(2) of the *Securities Act*
NEW BRUNSWICK	Section 4 of the Exemption Regulation - *Security Frauds Prevention Act* (New Brunswick)
NOVA SCOTIA	Subsection 41(2) of the *Securities Act* (Nova Scotia)
ONTARIO	Subsection 35(2) of the *Securities Act* (Ontario)
PRINCE EDWARD ISLAND	Subsection 2(4) of the *Securities Act* (Prince Edward Island)
SASKATCHEWAN	Subsection 39(2) of *The Securities Act, 1988* (Saskatchewan)

MULTILATERAL INSTRUMENT 33-105

APPENDIX B

PROVISIONS REFERRED TO IN PARAGRAPH 3.1(b)

JURISDICTION	SECURITIES LEGISLATION REFERENCE
ALBERTA	Subsections 112(1) and 112(3) of the *Securities Act* (Alberta)
BRITISH COLUMBIA	Section 128(d) of the *Securities Rules* (British Columbia)
NEWFOUNDLAND	Subsection 73(7)(b) of the *Securities Act* (Newfoundland)
NOVA SCOTIA	Subsection 77(11)(b) of the *Securities Act* (Nova Scotia)
ONTARIO	Clause 72(7)(b) of the *Securities Act* (Ontario)
SASKATCHEWAN	Clauses 81(10) and 81(11) of *The Securities Act, 1988* (Saskatchewan)

MULTILATERAL INSTRUMENT 33-105

APPENDIX C

REQUIRED INFORMATION

REQUIRED INFORMATION FOR THE FRONT PAGE OF THE PROSPECTUS OR OTHER DOCUMENT

1. A statement in bold type, naming the relevant registrant or registrants, that the issuer or the selling securityholder is a connected issuer or a related issuer of a registrant or registrants in connection with the distribution.

2. A summary, naming the relevant registrant or registrants, of the basis on which the issuer or selling securityholder is a connected issuer of the registrant or registrants.

3. A cross-reference to the applicable section in the body of the prospectus or other document where further information concerning the relationship between the issuer or selling securityholder and registrant or registrants is provided.

REQUIRED INFORMATION FOR THE BODY OF THE PROSPECTUS OR OTHER DOCUMENT

4. A statement, naming the relevant registrant or registrants, that the issuer or the selling securityholder is a connected issuer or a related issuer of a registrant or registrants for the distribution.

5. The basis on which the issuer or selling securityholder is a connected issuer or a related issuer for each registrant referred to in paragraph 4, including

   (a) if the issuer or selling securityholder is a related issuer of the registrant, the details of the holding, power to direct voting, or direct or indirect beneficial ownership of, securities that cause the issuer or selling securityholder to be a related issuer;

   (b) if the issuer or selling securityholder is a connected issuer of the registrant because of indebtedness, the disclosure required by paragraph 6 of this Appendix; and

   (c) if the issuer or selling securityholder is a connected issuer of the registrant because of a relationship other than indebtedness, the details of that relationship.

6. If the issuer or selling securityholder is a connected issuer of the registrant because of indebtedness,

   (a) the amount of the indebtedness;

   (b) the extent to which the issuer or selling securityholder is in compliance with the terms of the agreement governing the indebtedness,

   (c) the extent to which a related issuer has waived a breach of the agreement since its execution;

   (d) the nature of any security for the indebtedness; and

   (e) the extent to which the financial position of the issuer or selling securityholder or the value of the security has changed since the indebtedness was incurred.

7. The involvement of each registrant referred to in paragraph 4 and of each related issuer of the registrant in the decision to distribute the securities being offered and the determination of the terms of the distribution, including disclosure concerning whether the issue was required, suggested or consented to by the registrant or a related issuer of the registrant and, if so, on what basis.

8. The effect of the issue on each registrant referred to in paragraph 4 and each related issuer of that registrant, including

   (a) information about the extent to which the proceeds of the issue will be applied, directly or indirectly, for the benefit of the registrant or a related issuer of the registrant, or

   (b) if the proceeds will not be applied for the benefit of the registrant or a connected issuer of the registrant, a statement to that effect.

9. If a portion of the proceeds of the distribution is to be directly or indirectly applied to or towards

   (a) the payment of indebtedness or interest owed by the issuer, an associate or related issuer of the issuer, a person or company of which the issuer is an associate, the selling securityholder, an associate or related issuer of the selling securityholder, a person or company of which the selling securityholder is an associate, to the registrant or a related issuer of the registrant, or

   (b) the redemption, purchase for cancellation or for treasury, or other retirement of shares other than equity securities of the issuer, an associate or related issuer of the issuer, a person or company of which the issuer is an associate, the selling securityholder, an associate or related issuer of the selling securityholder, or of a person or company of which the selling securityholder is an associate, held by the registrant or a related issuer of the registrant

   particulars of the indebtedness or shares in respect of which the payment is to be made and of the payment proposed to be made.

10. Any other material facts with respect to the relationship or connection between each registrant referred to in paragraph 4, a related issuer of each registrant and the issuer that are not required to be described by the foregoing.

REGISTRANT AS ISSUER OR SELLING SECURITYHOLDER

11. If the registrant is the issuer or selling securityholder in the distribution, then the information required by this Appendix shall be provided to the extent applicable.

COMPANION POLICY 33-105CP TO MULTILATERAL INSTRUMENT 33-105 UNDERWRITING CONFLICTS

TABLE OF CONTENTS

COMPANION POLICY 33-105CP TO MULTILATERAL INSTRUMENT 33-105 UNDERWRITING CONFLICTS

PART 1 INTRODUCTION

1.1 Purpose - The purpose of this Policy is to state the views of the participating Canadian securities administrators ("CSA") on various matters relating to Multilateral Instrument 33-105 Underwriting Conflicts (the "Instrument"), and to provide market participants with guidance in understanding the operation of the Instrument and the policy concerns that lie behind some of the provisions of the Instrument. This Policy includes, as Appendix A, a series of flow charts designed to illustrate the analysis required to be made in determining whether a party falls under certain of the defined terms of the Instrument and whether the requirements of the Instrument apply to a given distribution. The flow charts are for illustrative purposes only and, in all cases, reference should be made to the precise language of the Instrument.

1.2 General Policy Rationale for the Instrument

(1) Two of the basic objectives of securities legislation are to ensure that investors purchasing securities in the course of a distribution purchase those securities at a price determined through a process unaffected by conflicts of interest, and receive full, true and plain disclosure of all material facts regarding the issuer and the securities offered. The Instrument is based upon the premise that those objectives are best achieved if the issuer and the underwriters deal with each other as independent parties, free of any relationship that might negatively affect the performance of their respective roles.

(2) The Instrument seeks to protect the integrity of the underwriting process in circumstances in which there is a direct or indirect relationship between the issuer or selling securityholder and the underwriter that might give rise to a perception that they are not independent of each other in connection with a distribution. The Instrument imposes two basic requirements in those circumstances. First, full disclosure of the relationships giving rise to the potential conflict of interest is required to be given to investors, and second, an independent underwriter is required in certain circumstances to participate in the transaction.

PART 2 GENERAL STRUCTURE OF THE INSTRUMENT

2.1 Relationships of Concern

(1) The Instrument identifies three types of relationships between a registrant acting as underwriter on a distribution and the issuer or selling securityholder of securities in the distribution that give rise to concerns over conflicts of interest; each of these relationships may be subject to the requirements of the Instrument.

(a) The registrant as issuer or selling securityholder. This relationship represents the relationship with the highest degree of conflict of the three recognized by the Instrument.

(b) An issuer or selling securityholder that is a "related issuer" of the registrant. This relationship is created primarily as the result of cross-ownership between an issuer or selling securityholder and the registrant. Subsection 1.2(2) of the Instrument provides that an entity is a related issuer to another entity if one of them is an "influential securityholder" of the other, or each of them is a related issuer of the same third party.

(c) An issuer or selling securityholder that is not a related issuer of the registrant, but that has some other relationship with the registrant that would cause a reasonable prospective purchaser of the securities being offered to question if the registrant and the issuer or selling securityholder are independent of each other for the distribution. This type of issuer is a "connected issuer" of the relevant registrant.

(2) The Instrument recognizes the relative degrees of relationships and the resulting potential for conflict by imposing additional requirements for distributions by registrants and their related issuers than for distributions by connected issuers.

(3) The term "independent underwriter" is defined in the Instrument to mean a registrant acting as direct underwriter in a distribution if the registrant does not have one of the relationships with the issuer or selling securityholder described in this section. The term "non-independent underwriter" is used in this Policy to describe a registrant acting as direct underwriter that does have one of those relationships.

2.2 General Requirements of the Instrument - The general requirements of the Instrument, contained in section 2.1, provide, in effect, that a registrant that would be a non-independent underwriter on a distribution may not act as a direct underwriter in the distribution, unless certain requirements are satisfied or an exemption is available. The requirements are the disclosure obligation, required by subsection 2.1(1) of the Instrument and discussed in section 2.3 of this Policy, and, in the case of a related issuer distribution, the independent underwriter obligation, required by the combination of subsections 2.1(2) and (3) of the Instrument and discussed in section

2.4 of this Policy. An exemption from the independent underwriter obligation is contained in section 3.2 of the Instrument and discussed in Part 3 of this Policy.

2.3 Disclosure Obligation

(1) The disclosure obligation applicable to a distribution in which a non-independent underwriter participates, contained in subsection 2.1(1) of the Instrument, requires that the distribution be made under a prospectus or other document that contains the information described in Appendix C of the Instrument. This requirement is applicable both to transactions made under a prospectus and to those done by way of a private placement without a prospectus. Appendix C is designed to require full disclosure of the relationship between the underwriter and issuer or selling securityholder.

(2) Market participants are reminded that section 10.1 of National Instrument 71-101 The Multijurisdictional Disclosure System exempts distributions under that National Instrument from the disclosure requirements of the Instrument.

2.4 Requirement for Independent Underwriter Involvement

(1) Subsection 2.1(2) of the Instrument provides that, in the case of a distribution of special warrants or a distribution made under a prospectus, a registrant may not act

(a) as an underwriter if the registrant is the issuer or selling securityholder in the distribution; or

(b) as a direct underwriter if a related issuer of the registrant is the issuer or selling securityholder in the distribution.

(2) Subsection 2.1(3) of the Instrument provides that subsection 2.1(2) of the Instrument does not apply to a distribution otherwise caught by that subsection if there is an independent underwriter and if certain disclosure is made in a disclosure document or prospectus. The requirement for independent underwriter involvement is satisfied if at least one independent underwriter participates in the offering to the extent specified in subsection 2.1(3). Subsection 2.1(3) provides alternate threshold criteria for such involvement, depending upon whether the distribution is a "firm commitment" underwriting or a "best efforts agency" offering.

In the case of a firm commitment underwriting, an independent underwriter is required to underwrite not less than the lesser of

(a) 20 percent of the dollar value of the distribution, and

(b) the largest portion of the distribution underwritten by a registrant that is not an independent underwriter.

In the case of a best efforts agency offering, an independent underwriter must receive a portion of the total management fees equal to an amount not less than the lesser of

(a) 20 percent of the total management fees for the distribution, and

(b) the largest portion of the management fees paid or payable to a registrant that is not an independent underwriter.

(3) Subsection 2.1(3) of the Instrument requires the relevant disclosure document to disclose what role the independent underwriter played in the structuring, pricing and due diligence activities of the distribution. The Instrument does not specify what functions the independent underwriter must fulfil, because it is recognized that the appropriate role will vary according to the nature of the distribution and the issuer or selling securityholder, and because it is expected that the requirement to disclose the role actually played will impose a measure of market discipline on the process. Subsection 2.1(3) of the Instrument also requires the name of the independent underwriter to be disclosed.

(4) Section 2.2 of the Instrument sets out the rules for calculating the size of a distribution and the requirements for independent underwriter involvement. These rules deal with issues that may arise when distributions occur in more than one jurisdiction, or only partly in Canada.

(5) Market participants are directed to National Instrument 44-102 Shelf Distributions for applicable provisions on how the requirements of the Instrument are satisfied for shelf distributions.

PART 3 EXEMPTION FROM INDEPENDENT UNDERWRITER REQUIREMENT

3.1 Exemption from Independent Underwriter Requirement - Section 3.2 of the Instrument provides an exemption from the independent underwriter requirement for distributions of securities of a foreign issuer if more than 85 percent of the dollar value of the distribution is effected outside of Canada or if more than 85 percent of the management fees relating to the distribution are paid or payable outside of Canada. This exemption is expected to be primarily used in the context of international offerings of major issuers.

PART 4 COMMENTARY ON RELATIONSHIPS DESCRIBED IN THE INSTRUMENT

4.1 Related Issuers

(1) Common ownership is the traditional measure of a non-arm's length relationship in which a conflict of interest is seen to arise. The definition of "related issuer", together with the definitions of "influential securityholder" and "professional group", contain the test used in the Instrument for these non-arm's length relationships.

(2) The Instrument provides that two persons or companies are related issuers of each other if one of them is an influential securityholder of the other, or if each of them are related issuers to a third person or company.

(3) The term "influential securityholder" is defined to include relationships between an issuer and another person or company or, in some cases, a professional group, that involve specified thresholds of share ownership or rights to elect directors, as summarized in subsection (4).

(4) Briefly stated, a person or company or professional group ("A") is an influential securityholder of an issuer ("I") under the definition of "influential securityholder" in the following circumstances.

(a) A owns or controls 20 percent of the voting or equity securities of I (paragraph (a) of the definition), or controls or is a general partner of the issuer, if the issuer is either a general partnership or a limited partnership.

(b) A owns or controls 10 percent of the voting or equity securities of I and either

(i) A is entitled to nominate 20 percent of the directors of I or has officers, directors or shareholders that constitute 20 percent of the directors of I; or

(ii) I is entitled to nominate 20 percent of the directors of A or has officers, directors or shareholders that constitute 20 percent of the directors of A (paragraph (b) of the definition).

(c) I owns or controls 10 percent of the voting or equity securities of A (other than a professional group) and either

(i) A is entitled to nominate 20 percent of the directors of I or has officers, directors or shareholders that constitute 20 percent of the directors of I; or

(ii) I is entitled to nominate 20 percent of the directors of A or has officers, directors or shareholders that constitute 20 percent of the directors of A (paragraph (c) of the definition).

Paragraph (c) of the definition contains no reference to professional groups in recognition of the fact that it is not possible to hold a voting or equity interest in such an entity nor does such an entity have a board of directors.

(d) If a professional group is an influential securityholder of I within paragraphs (a) or (b) of the definition, then the registrant that is part of that professional group will also be an influential securityholder of I (paragraph (d) of the definition).

(5) It is noted that under subsection 1.2(2) of the Instrument only a person or company can be a related issuer of another person or company; therefore, a professional group cannot be a related issuer of a person or company even if it is an influential securityholder of that person or company. Professional groups have been included in the definition of "influential securityholder" in order to allow paragraph (d) of the definition of "influential securityholder" to operate; this ensures that the registrant that is part of a professional group that is an influential securityholder of a person or company is itself an influential securityholder, and therefore a related issuer, of that person or company.

(6) The CSA note the following matters relating to the "influential securityholder" tests:

(a) The definition of "influential securityholder" requires an aggregation of all securities held, directly or indirectly beneficially owned and ones over which the holder has the right to direct the voting.

(b) Paragraphs 1.2(2)(a) and (b) provide that A is a related issuer of B if A is an influential securityholder of B or if B is an influential securityholder of A. Paragraph 1.2(2)(c) of the Instrument ties together all related issuers by providing that two persons or companies that are related issuers of a third person or company are related issuers of each other. The following examples illustrate the operation of paragraph 1.2(2)(c).

(i) If A is an influential securityholder of B, meaning that A is a related issuer of B under paragraph 1.2(2)(a), and B is an influential securityholder of C, meaning that C is a related issuer of B under paragraph 1.2(2)(b), then A is a related issuer of C, since both A and C are related issuers of the same person, B.

(ii) If D is an influential securityholder of both E and F, meaning that D is a related issuer of both E and F, then E and F are related issuers of each other.

(c) There is no provision in the Instrument for "diluting" indirect ownership interests in making calculations. Therefore, if A owns 45 percent of the voting shares of B that in turn owns 22 percent of the voting shares of C, all three of A, B, and C are related issuers of each other.

(d) The operation of paragraph 1.2(1)(a) of the Instrument requires, in effect, the calculation of a person or company's percentage ownership in another person or company to be done twice; first, only the outstanding voting or equity securities held would be counted, and, second, if the 10 percent or 20 percent ownership level is not reached, the calculation should be repeated on a fully diluted basis, assuming all convertible or exchangeable securities of the relevant class issued and outstanding were converted or exchanged.

4.2 Connected Issuers

(1) One relationship described in section 2.1 of this Policy as being of concern in connection with conflict matters is that of an issuer that is a connected issuer, but not a related issuer, to a registrant in a distribution. This relationship historically has led to some difficulties of interpretation under analogous provisions of securities legislation. The definition of "connected issuer" in the Instrument provides that the test for whether an issuer/selling securityholder and registrant are "connected" is whether the relationship between the issuer or selling securityholder (or their related issuers) and a registrant (or its related issuers) would lead a reasonable prospective purchaser of the securities to question the independence of such parties for purposes of the distribution.

(2) The test contained in the definition requires that the question of independence, or lack of independence, of a registrant be determined with reference to the activities of concern in a distribution and from the viewpoint of a reasonable prospective purchaser. The key issues in making that assessment are

(a) whether the investor would perceive that the relationship would interfere with the ability or inclination of the registrant to do proper due diligence, or to ensure complete disclosure of all material facts related to the issuer or affect the price placed on the securities being distributed; and

(b) whether the investor would perceive that the relationship would make the issuer or selling securityholder more subject to influence in the disclosure, due diligence or pricing process from the underwriter or its related issuer.

In either case, would the result be that some party's interests are perceived to be favoured to the detriment of those of investors?

(3) As in the case of related issuers, a relationship of concern may arise directly between the issuer or selling securityholder and the registrant or indirectly through one or more related issuers of either the issuer or selling securityholder or the registrant or any of them.

4.3 Issues Relating to "Connected Issuer" Relationships

(1) The definition of "connected issuer" is designed to catch relationships of concern between the issuer/selling securityholder and the registrant that are not related issuer relationships. For example, if a significant shareholder of the registrant is the chairman of the board of directors of the issuer and another related issuer of the registrant owns a large number of preferred shares that are to be repaid out of the proceeds of a distribution, the issuer may be a connected issuer of the registrant for the purposes of the distribution. In each case, the issuer, registrant and their advisers will have to weigh the totality of the relationships between the issuer and the registrant against whether a prospective purchaser might question the independence of the issuer and dealer to determine if there is a connected issuer relationship.

(2) The mere existence of a debtor/creditor relationship between the issuer and the registrant, or any of their respective related issuers, does not necessarily give rise to a connected issuer relationship. The test is whether in the circumstances the relationships among the parties might, in the view of a reasonable prospective purchaser, affect their independence from one another. Factors that may be relevant in reaching the conclusion in cases in which the relationship is debtor/creditor may include the size of the debt, the materiality of the amount of the debt to both the creditor and debtor, the terms of the debt, whether the lending arrangement is in good standing, and whether the proceeds of the issue are being used for repayment of the debt.

(3) Preference shares are not presently treated by Canadian GAAP as liabilities on the balance sheet of issuers, although they may be held by investors as an alternative to making loans or holding securities more conventionally thought of as debt. If there is cross-ownership of a material number of preference shares, there may be a relationship of concern between the issuer or

selling securityholder and the registrant. Factors to be considered include the terms of the preference shares (whether the shares are term preferred shares, redeemable at the option of the holder, or represent relatively permanent capital of the issuer or selling securityholder) and the materiality of the shareholding to the issuer or selling securityholder or to the preference shareholder.

(4) Most relationships of concern are likely to arise through debtor/creditor relationships or cross-ownership. However, in some circumstances there may be other relationships between the issuer or selling securityholder and the underwriter that raise concerns. These other business relationships would have to be material to the issuer, selling securityholder, underwriter or one or more of their related entities and give rise to some special interest in the continued viability of the other entity or the success of the distribution over and above that of other entities with a similar relationship with that company. The following relationships, among others, could be material in this context.

(a) A relationship in which an issuer was a joint venture partner with a person that owed money to a related party of a registrant could raise conflict issues. In circumstances in which the joint venture party needed funds to be able to satisfy its obligations to the related party of the registrant, and those funds would be provided by the issuer following a distribution, there is the possibility that the registrant might be motivated in an underwriting for the issuer by interests other than those of an independent underwriter.

(b) A relationship in which an issuer's supplier was a related party of a registrant could also raise conflict issues, particularly if the financial condition of the issuer could put the supply arrangements in jeopardy. The registrant could be motivated to act inappropriately in raising equity for the issuer.

(c) Franchise relationships could also raise conflict issues. An issuer that is a franchisor might need to raise funds to support its franchisees or to keep the entire franchise arrangement in place. If the registrant was a related party of creditors of the franchisees that were dependent upon a successful offering to raise such funds, the independence of the registrant might be compromised.

PART 5 APPENDICES

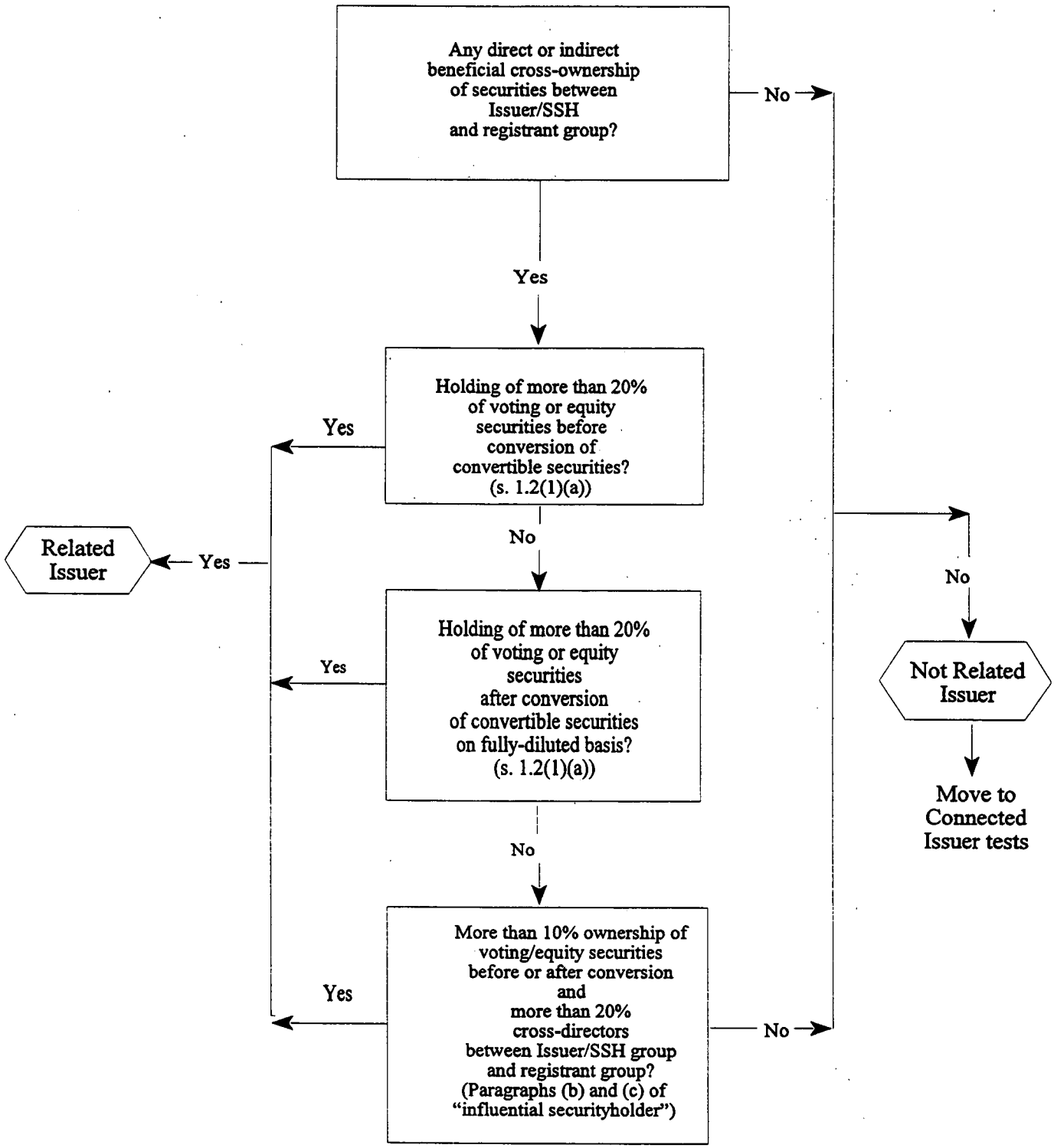
5.1 **Appendices** - To illustrate the analysis required to be made in determining the application of the Instrument to a distribution, Appendices A-1, A-2, A-3 and A-4 have been included in this Policy. Appendices A-1 and A-2 assist in determining whether parties are related issuers. Appendix A-3 assists in determining whether parties are connected issuers to registrants. Appendix A-4 provides a general analysis of whether, or how, the Instrument applies to a given distribution.

COMPANION POLICY 33-105CP
TO MULTILATERAL INSTRUMENT 33-105

APPENDIX A-1

RELATED ISSUER

Relevant provisions: s.1.1: "influential securityholder" & s.1.2(1), (2)

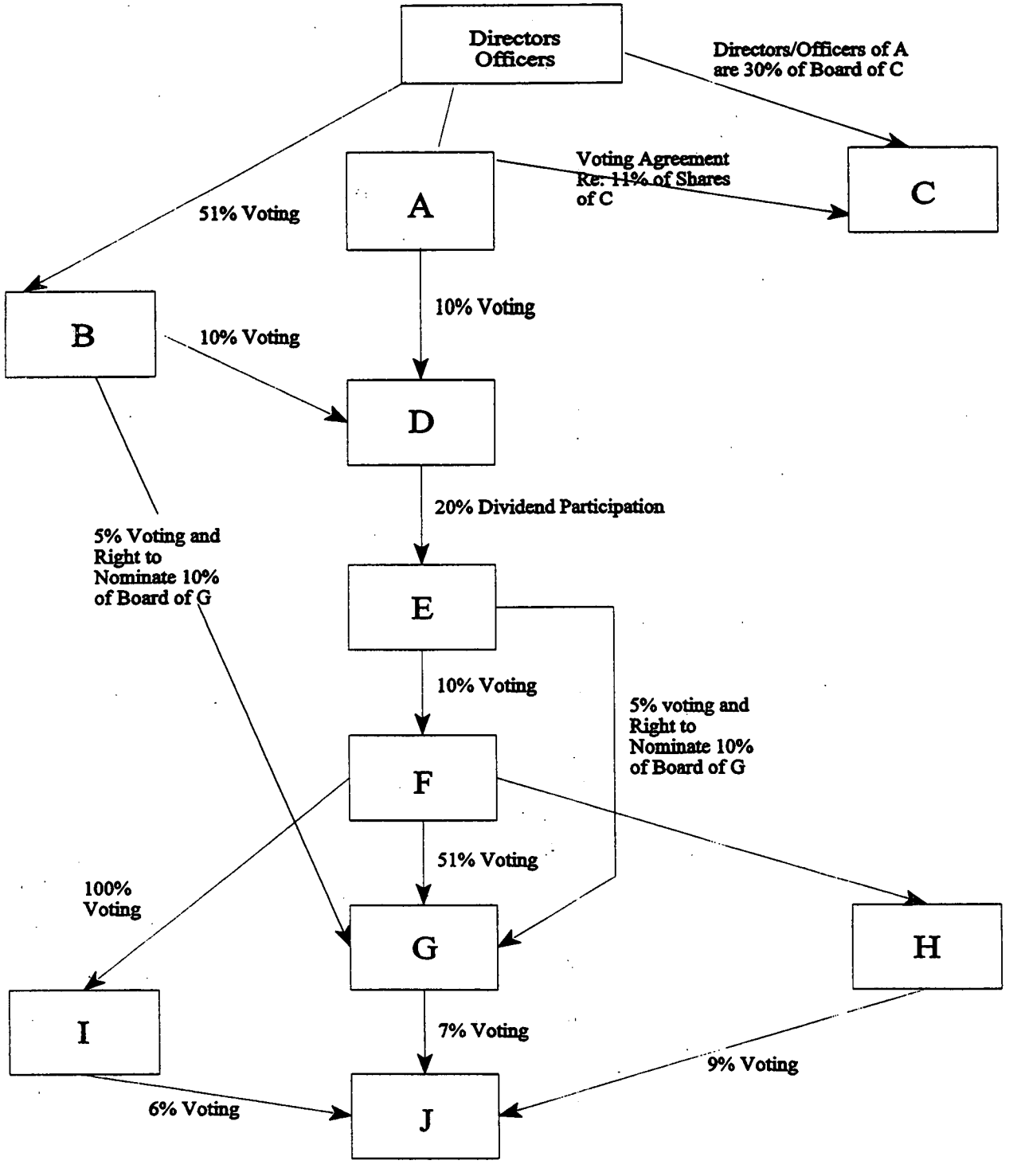


COMPANION POLICY 33-105CP
TO MULTILATERAL INSTRUMENT 33-105

APPENDIX A-2

RELATED ISSUER - INFLUENTIAL SECURITYHOLDER

All of A-J are Related Issuers of Each Other
Relevant provisions: s. 1.1: "influential securityholder" & s.1.2(1), (2)

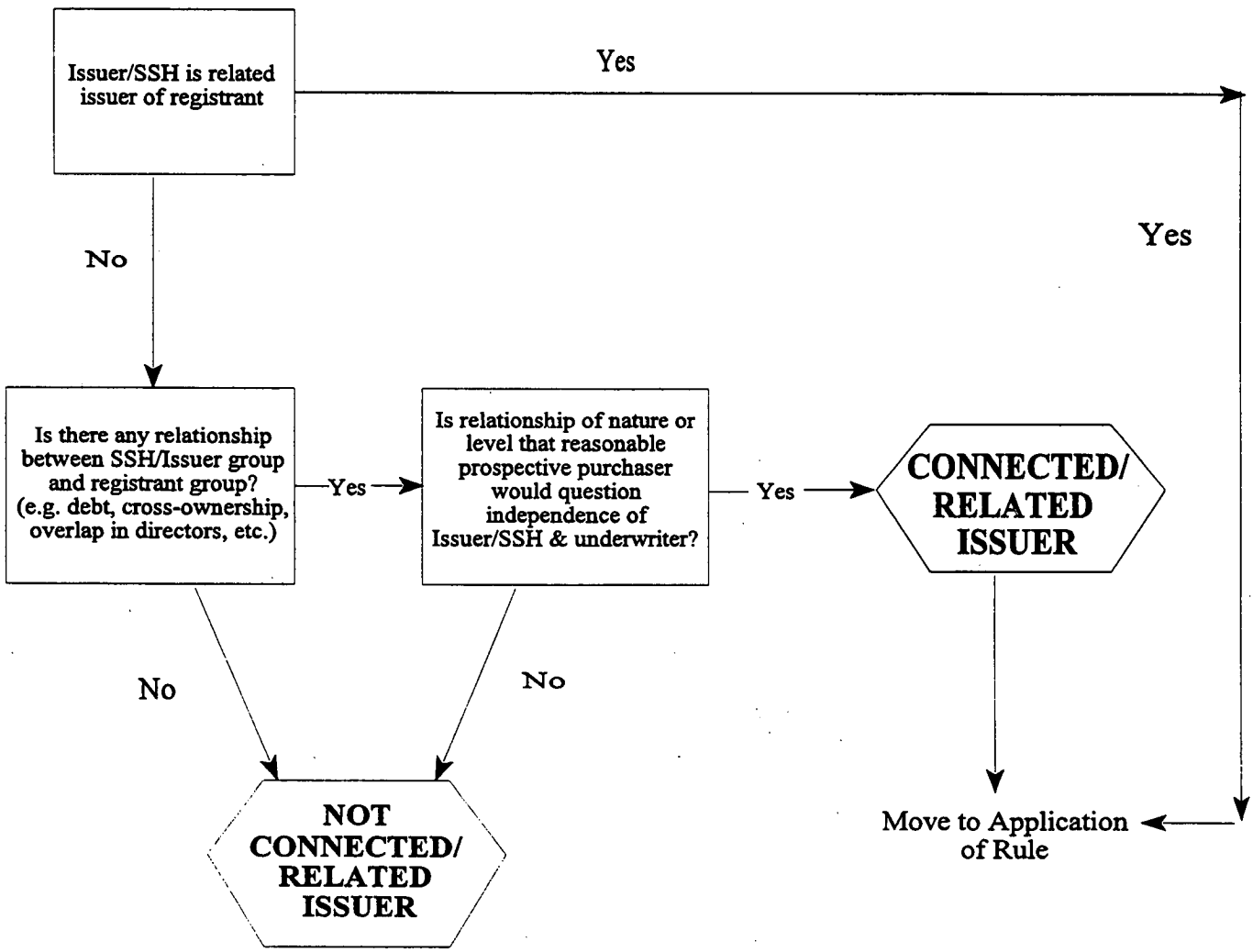


COMPANION POLICY 33-105CP
TO MULTILATERAL INSTRUMENT 33-105

APPENDIX A-3

CONNECTED/RELATED ISSUER

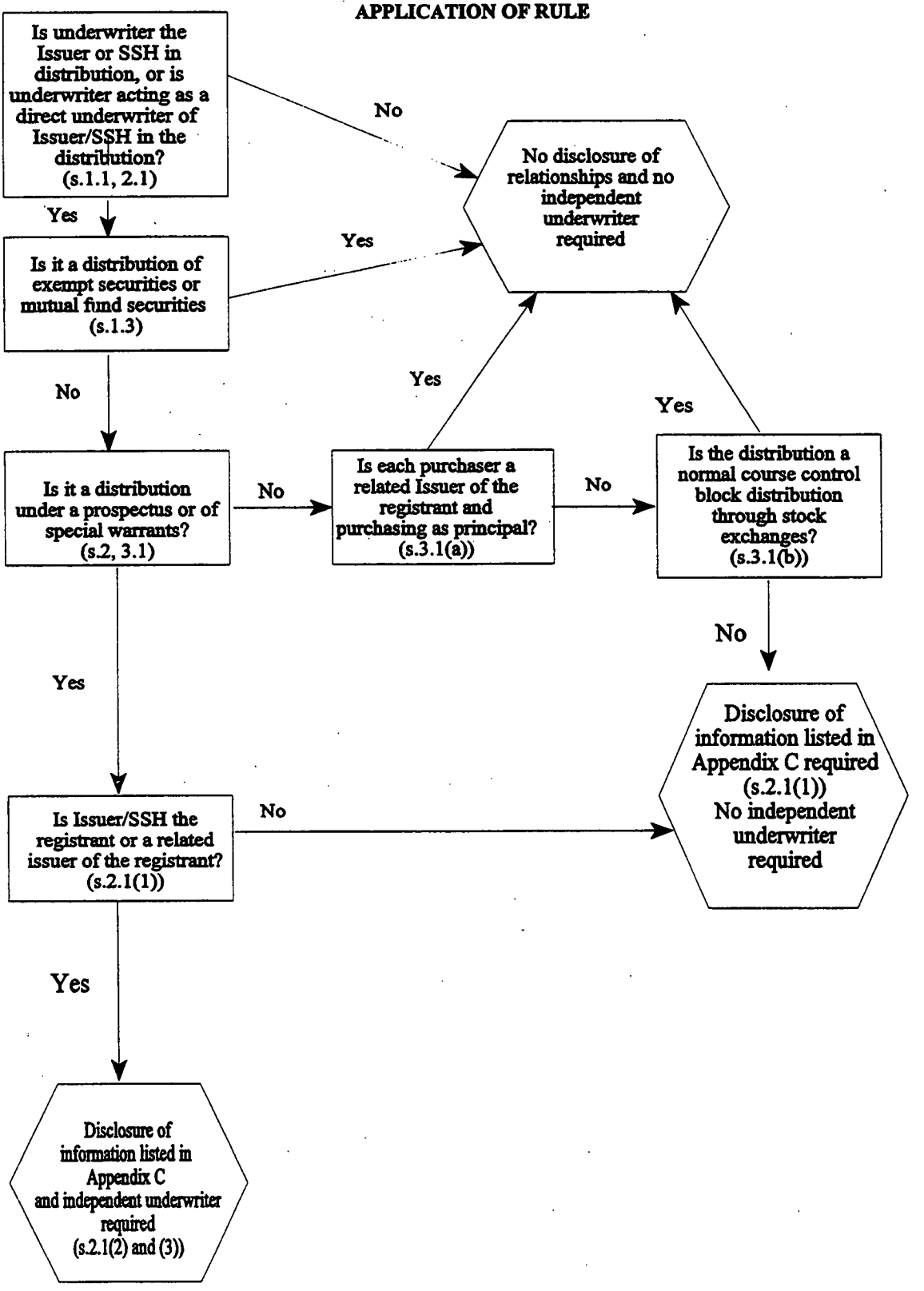
Relevant provisions: s.1.1: "connected issuer"



COMPANION POLICY 33-105CP
TO MULTILATERAL INSTRUMENT 33-105

APPENDIX A-4

APPLICATION OF RULE



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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
29May01	Acuity Pooled Fixed Income Fund - Units	150,000	12,740
31May01	ADA Three Limited Partnership - Units	16,349	1,128
16May01	ARES IV CLO Corp. - Class D-2 Floating Rate Notes, due 2012	$13,703,354	$9,000,000
31May01	Asia Pacific Resources Ltd. - Units	199,999	363,636
31May01	Azonic Networks Inc. - Class B Special Shares	6,977,227	2,169,358
31May01	Bank of Ireland Asset Management Limited - Units	539,000	44,124
01Jan00 to 31Dec00	Barclays Global Investors N.A.EAFE Equity Index Fund B - Units	742,959	12,833
18May01	BPI American Opportunities Fund - Units	157,675	1,244
09May01	Briggs & Stratton Corporation - 5.00% Convertible Senior Notes due May 15, 2006	$1,369,000	$900,000
04Jun01	Capture Energy Ltd. - Special Warrants	300,000	272,728
31May01	CC&L Money Market Fund -	200,000	200,000
10May01	Charter Communications Holdings, LLC - 10.000% Senior Notes due 2011	$4,951,680	$4,951,680
10Mar01	Charter Communications Holdings, LLC -9.625% Senior Notes due 2009	$14,236,080	$9,200,000
23May01	Charter Communications Inc. - 4.75% Convertible Senior Notes due 2006	$65,305	$2,000
05Jun01	CMS Entrepreneurial Real Estate Fund III-Q, L..P. - Limited Partnership Unit	3,850,000	1
05Jun01	CMS/KRG/Greenbriar Partners, L.P. - Limited Partnership Unit	770,000	.5
16May01	Dal-Tile International Inc. - Common Stock	21,400	1,000
28May01	DataMirror Corporation - Common Shares	307,000	50,000
31May01	Diamond Energy Services Inc. - Units	600,000	600
23May01	DTE Energy Company - Senior Notes	$83,822,699	$83,822,699
01May01 to 31May01	Elliot & Page Sector Rotation Fund - Class G Units	870,523	69,299
01May01 to 31May01	Elliott & Page Money Fund - Class G Units	6,252,072	625,207
01May01 to 31May01	Elliott & Page Balanced Fund - Class G Units	3,708,917	295,849
01May01 to 31May01	Elliott & Page Cabot Global Multi-Style Fund - Class G Units	21,669,676	1,373,901
01May01 to 31May01	Elliott & Page American Growth Fund - Class G Units	1,433,153	61,630
01May01 to 31May01	Elliott & Page Value Equity Fund - Class G Units	1,343,073	122,401
01May01 to 31May01	Elliott & Page Monthly High Income Fund - Class G Units	1,728,319	165,694

Trans. Date	Security	Price ($)	Amount
01May01 to 31May01	Elliott & Page U.S. Mid-Cap Fund - Class G Units	1,938,814	134,230
01May01 to 31May01	Elliott & Page Cabot Blue Chip Fund - Class G Units	1,208,606	58,820
01May01 to 31May01	Elliott & Page Cabot Emerging Growth Fund - Class G Units	477,955	35,915
31May01	Equity International Investment Trust - Units	1,546	291
05Jun01	First Horizon Holdings Ltd. - Class I Redeemable Convertible Non-Voting Shares and Class I Shares	302,124, 301,123	29,174, 29,234 Resp.
05Jun01	First Horizon Holdings Ltd. - Class I Redeemable Convertible Non-Voting Shares and Class I Shares	710,484, 149,999	68,978, 14,484 Resp.
03May01	Fisher Scientific International Inc. - Common Stock	8,975,683	242,000
31May01	Fleming Canada Offshore Select Trust - Units	238	1,046
03May01	Genzyme Corporation - 3% Convertible Subordinate Debentures due May 15, 2001	77,270,000	500,000
16May01	Goldman Sachs Asset Management CBO II Corp. - Class D-2 Fixed Rate Notes, due 2012	$21,011,400	$13,500,000
17May01	HCA-The Healthcare Company - 7.125% Notes due 2006	$6,017,948	$3,900,000
08May01	IMC Global Inc. - 10.875% Senior Notes due 2008	$10,735,311	$7,000,000
08May01	IMC Global Inc. - 11.250% Senior Notes due 2011	$1,214,585	$400,000
23May01	Integrative Proteomics, Inc. - Preference Shares	6,184,502	1,476,015
22Dec00	Internetivity Inc. - Class B Preferred Shares	5,283,946	5,221,425
15May01	Kingwest Avenue Portfolio - Units	2,943,529	144,382
17May01	Latitude Minerals Corp. - Units	2,500	25,000
23May01	Lone Star Technologies, Inc. - 9.00% Senior Subordinated Notes due, 2011	$777,450	500,000
15May01 to 31May01	Marquest Balanced Fund - Units	14,035	1,398
31May01	Marquest Canadian Equity Growth Fund -	2,771,677	228,574
31May01	Marquest Dividend Income Fund - Units	151,125	14,014
01Jun01	Maxxum Financial Services - Class A Units	55,000	101
30May01	NexStream Inc. -	300,000	300,000
31May01	Normandy Mining Limited - Ordinary Shares	81,591,132	111,525,000
31May01	NxtPhase Corporation - Series I Units	1,120,665	380,842
31May01	Orion Power Holdings, Inc. - Common Stock	13,417,390	315,000
24May01	Plains All American Pipeline, L.P. - Common Units	478,791	11,760
30Apr01	Reliant Resources, Inc. - Common Stock	15,067,733	323,224
01Jun01	Silvercreek Limited Partnership - Limited Partnership Units	500,000	8
30May01	Sprint Corporation - FON Common Stock, Series 1	58,934	2,000
24May01	Sprucegrove International Pooled Fund - Units	200,000	2,020
08Jun01	Stake Technology Ltd. - Units	7,265,600	2,390,000
17May01	Stora Enso Corporation - 7.375% Notes due 2011	$769,435	$500,000
30Apr01	Teraspan Networks Inc. - Common Shares	500,000	168,350
11May01	Trident Global Opportunities Fund - Units	149,999	1,402
05Jun01	Unilab Corporation - Common Stock	723,714	29,550
07Jun01	United Surgical Partners International - Common Stock	21,303	1,000
05Jun01	Virginia Gold Mines Inc. - Common Shares	949,999	633,333
02May01	VodaFone Group Public Limited Company - Ordinary Shares	$2,594,121	167,775
16May01	Wells Fargo & Company - 5.90% Notes due May 21, 2006	$15,544,856	10,000,000
31May01	YMG Institutional Fixed Income Fund - Units	428,945	43,224
31May01	YMG Institutional Fixed Income Fund - Units	813,999	82,026
31May01	YMG Institutional Fixed Income Fund - Units	1,245,999	126,466
31May01	YMG Institutional Fixed Income Fund - Units	1,126,000	113,466
23May01	Zions Financial Corp. - Fixed/Floating Rate Guaranteed Notes due May 15, 2011	$111,506,235	$72,000,000

Resale of Securities - (Form 45-501f2)

Date of Resale	Date of Orig. Purchase	Seller	Security	Price ($)	Amount
15Jun01	12Jun01	Northern Securities Inc.	Admiral Inc. -	7,855	58,500

Reports Made under Subsection 5 of Subsection 72 of the Act with Respect to Outstanding Securities of a Private Company That Has Ceased to Be a Private Company -- (Form 22)

Name of Company	Date the Company Ceased to be a Private Company
Azonic Networks Inc.	31May01
Greystone Research Corp. (Formerly Sierra Research Corp.)	28May01

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

Seller	Security	Amount
Vandekerkhove, Douglas	ACD Systems International Inc.	
Boulle, Jean-Raymond	America Minerals Fields Inc. - Common Shares	100,000
Obradovich, Thomas J.	Canadian Royalties Inc. - Common Shares	1,175,255
Harris Capital Management Inc.	Duncan Park Holdings Corporation - Common Shares	5,200,000
Black, Conrad M.	Hollinger Inc. - Series II Preference Shares	1,611,039
1461940 Ontario Inc. (Formerly 864062 Ontario Limited)	Husky Injection Moulding Systems Ltd. - Common Shares	400,000
Shad Foundation, The	Husky Injection Moulding Systems Ltd. - Common Shares	1,450,000
MTW Solutions Online Inc.	iFuture.com Inc. - Common Shares	400,000
Gastle, William J.	Microbix Biosystems Inc. - Common Shares	495,000
Gastle, Susan M.S.	Microbix Biosystems inc. - Common Shares	275,000
Hawkins, Stanley G.	Tandem Resources Ltd. - Common Shares	2,000,000
Societe Agro-Alimentaire Sogal Inc.	Van Houtte, Inc. - Subordinate Voting Shares derived from exchange of 200,000 Multiple Voting Shares	200,000

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Chapter 9

Legislation

THERE IS NO MATERIAL FOR THIS CHAPTER

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
APF Energy Trust
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated June 13th, 2001
Mutual Reliance Review System Receipt dated June 13th, 2001
Offering Price and Description:
$25,300,000 - 2,200,000 Trust Units @ $11.50 per Unit
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
Research Capital Corporation
CIBC World Markets Inc.
National Bank Financial Inc.
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Promoter(s):
APF Energy Management Inc.
Project #368102

Issuer Name:
Caterpillar Financial Services Limited
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Shelf Prospectus dated June 18th, 2001
Mutual Reliance Review System Receipt dated June 20th, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #369365

Issuer Name:
Concert Industries Ltd
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated June 13th, 2001
Mutual Reliance Review System Receipt dated June 14th, 2001
Offering Price and Description:
$ * - * Common Shares
Underwriter(s) or Distributor(s):
Loewen, Ondaatje, McCutcheon Limited
National Bank Financial Inc.
Promoter(s):
-
Project #368153

Issuer Name:
Coretec Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated June 13th, 2001
Mutual Reliance Review System Receipt dated June 14th, 2001
Offering Price and Description:
$ * - * Common Shares
Underwriter(s) or Distributor(s):
Griffiths McBurney & Partners
National Bank Financial Inc.
TD Securities Inc.
BayStreetDirect Inc.
Promoter(s):
-
Project #368126

Issuer Name:
Golden Credit Card Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form PREP Prospectus dated June 15th, 2001
Mutual Reliance Review System Receipt dated June 15th, 2001
Offering Price and Description:
$ * - * % Credit Card Receivables-Backed Senior Notes, Series 2001 -*
Expected Final Payment Date of *
$ * - * Credit Card Receivalbes- Backed Subordinated Notes, Series 2001 -*
Expected Final Payment Date of *
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Scotial Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
Merrill Lynch Canada Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.
Promoter(s):
Royal Bank of Canada
Project #368456

Issuer Name:
Golden Credit Card Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form PREP Prospectus dated June 15th, 2001
Mutual Reliance Review System Receipt dated June 15th, 2001
Offering Price and Description:
$ * - * Credit Card Receivable-Backed Senior Notes
Series 2001 - *
Expected Final Payment of Date of *
$ * - * Credit Card Receivable - Backed Subordinated Notes, Series 2001 - *
Expected Final Payment Date of *
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
Merrill Lynch Canada Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.
Promoter(s):
Royal Bank of Canada
Project #368487

Issuer Name:
Inflazyme Pharmaceuticals Ltd.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated June 18th, 2001
Mutual Reliance Review System Receipt dated June 18th, 2001
Offering Price and Description:
$ * - * Common Shares @ $ * per Common Share
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Yorkton Securities Inc.
Dlouhy Merchant Group Inc.
Promoter(s):
-
Project #368966

Issuer Name:
iUnits MSCI International Equity Index RSP Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated June 19th, 2001
Mutual Reliance Review System Receipt dated June 20th, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Barclays Global Investors Canada Limited
Promoter(s):
-
Project #369123

Issuer Name:
Ketch Energy Ltd.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated June 20th, 2001
Mutual Reliance Review System Receipt dated June 20th, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
TD Securities Inc.
Griffiths McBurney & Partners
FirstEnergy Capital Corp.
BMO Nesbitt Burns Inc.
Peters & Co. Limited
Research Capital Corporation
Yorkton Securities Inc.
Sprott Securities Inc.
Promoter(s):
TD Securities Inc.
Project #369347

Issuer Name:
Kingsway Financial Services Inc.
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Short Form PREP Prospectus dated June 12th, 2001
Mutual Reliance Review System Receipt dated June 14th, 2001
Offering Price and Description:
US$ * - 10,000,0000 Common Shares @ US$ * per Common Share
Underwriter(s) or Distributor(s):
Banc of America Securities Canada Co.
CIBC World Markets Inc.
HSBC Securities (Canada) Inc.

Promoter(s):
-
Project #366857

Issuer Name:
Mackenzie Universal Growth Trends Capital Class
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated June 12th, 2001
Mutual Reliance Review System Receipt dated June 14th, 2001
Offering Price and Description:
Series A, F, I, O and R Shares
Underwriter(s) or Distributor(s):
Mackenzie Financial Corporation
Promoter(s):
-
Project #368062

Issuer Name:
Mackenzie Ivy RSP Global Balanced Fund
Mackenzie Universal RSP Growth Trends Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated June 12th, 2001
Mutual Reliance Review System Receipt dated June 14th, 2001
Offering Price and Description:
Offering Series A, F, I and O Units
Underwriter(s) or Distributor(s):
Mackenzie Financial Corporation
Promoter(s):
-
Project #368105

Issuer Name:
MDR Switchview Global Networks Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated June 13th, 2001
Mutual Reliance Review System Receipt dated June 15th, 2001
Offering Price and Description:
$ * - * Common Shares and $5,000,002.40 - 1,612,904 Common Shares Issuable upon
Exercise of 1,612,904 Special Warrants
Underwriter(s) or Distributor(s):
Yorkton Securities Inc.
Raymond James Ltd.
BayStreetDirect Inc.
Promoter(s):
-
Project #368484

Issuer Name:
Patheon Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated June 15th, 2001
Mutual Reliance Review System Receipt dated June 15th, 2001
Offering Price and Description:
$43,950,000 - 3,000,000 Common Shares @ $14.65 per Offered Share
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Canaccord Capital Corporation
HSBC Securities (Canada) Inc.
Paradigm Securities Capital Inc.
Promoter(s):
-
Project #368489

Issuer Name:
Residential Equities Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated June 15th, 2001
Mutual Reliance Review System Receipt dated June 15th, 2001
Offering Price and Description:
$40,300,000 - 3,100,000 Units @ $13.00 per Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Merrill Lynch Canada Inc.
Raymond James Ltd.
Promoter(s):
-
Project #368473

Issuer Name:
Royal Global Technology Sector Fund
Royal Global Resources Sector Fund
Royal Global Infrastructure Sector Fund
Royal Global Health Sciences Sector Fund
Royal Global Consumer Trends Sector Fund
Royal e-Commerce Fund
Royal Canadian Value Fund
O'Shaughnessy U.S. Value Fund
O'Shaughnessy U.S. Growth Fund
Royal Monthly Income Fund
Royal Global Titans Fund
Royal Global Financial Services Sector Fund
Zweig Strategic Growth Fund
Royal Global Communications and Media Sector
Royal Global Education Fund
Zweig Global Balanced Fund
Royal Dividend Fund
Royal Balanced Growth Fund
O'Shaughnessy Canadian Equity Fund
Royal Canadian Equity Fund
Royal Global Bond Fund
Royal Bond Fund
Royal U.S. Equity Fund
Royal Precious Metals Fund
Royal Life Science and Technology Fund
Royal Latin American Fund
Royal Japanese Stock Fund
Royal International Equity Fund
Royal European Growth Fund
Royal Energy Fund
Royal Canadian Small Cap Fund
Royal Canadian Growth Fund
Royal Balanced Fund
Royal Asian Growth Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated June 12th, 2001
Mutual Reliance Review System Receipt dated June 14th, 2001
Offering Price and Description:
-

Underwriter(s) or Distributor(s):
Royal Mutual Funds Inc.
Promoter(s):
-
Project #368087

Issuer Name:
Lar-Add Mines Limited
Type and Date:
Preliminary Non-Offering Prospectus dated June 23rd, 2000
Closed on June 13th, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):

Promoter(s):
-
Project #275842

Issuer Name:
Aberdeen SCOTS Trust
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated June 18th, 2001
Mutual Reliance Review System Receipt dated 19th day of June, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
TD Securities Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Canaccord Capital Corporation
Yorkton Securities Inc.
Trilon Securities Corporation
Promoter(s):
Aberdeen Asset Managers (C.I.) Limited
Project #352468

Issuer Name:
Heritage Scholarship Trust Plans
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated June 13th, 2001
Mutual Reliance Review System Receipt dated 15th day of June, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #352736

Issuer Name:
Namibian Minerals Corporation
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated June 19th, 2001
Mutual Reliance Review System Receipt dated 20th day of June, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #362979

Issuer Name:
Mustang Minerals Corp.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated June 15th, 2001
Mutual Reliance Review System Receipt dated 18th day of June, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Jennings Capital Inc.
Promoter(s):
-
Project #351867

Issuer Name:
Odyssey Re Holdings Corp.
Principal Regulator - Ontario
Type and Date:
Final PREP Prospectus dated June 13th, 2001
Mutual Reliance Review System Receipt dated 13th day of June, 2001
Offering Price and Description:
US Dollars
Underwriter(s) or Distributor(s):
Banc of America Securities Canada Co.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
RBC Dominion Securities Inc.
Promoter(s):
-
Project #343275

Issuer Name:
407 International Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated June 14th, 2001
Mutual Reliance Review System Receipt dated 14th day of June, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Scotia Capital Inc.
Casgrain & Company Limited
Promoter(s):
Cintra Concesiones De Infraestructuras De Transporte, S.A.
SNC-Lavalin Inc.
Project #366531

Issuer Name:
Algonquin Power Income Fund
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated June 20th, 2001
Mutual Reliance Review System Receipt dated 20th day of June, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #367497

Issuer Name:
Bell Canada
Principal Regulator - Quebec
Type and Date:
Final Short Form Shelf Prospectus dated June 11th, 2001
Mutual Reliance Review System Receipt dated 11th day of June, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #344715

Issuer Name:
Canada Life Financial Corporation
Canada Life Assurance Company, The
Canada Life Capital Corporation Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Shelf Prospectus dated June 15th, 2001
Mutual Reliance Review System Receipt dated 15th day of June, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #352739, 352745 & 352751

Issuer Name:
Manitoba Telecom Services Inc.
Principal Regulator - Manitoba
Type and Date:
Final Short Form Shelf Prospectus dated June 15th, 2001
Mutual Reliance Review System Receipt dated 15th day of June, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
Promoter(s):
-
Project #365997

Issuer Name:
PrimeWest Energy Trust
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated June 14th, 2001
Mutual Reliance Review System Receipt dated 14th day of June, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
Merrill Lynch Canada Inc.
RBC Dominion Securities Inc.
Yorkton Securities Inc.
Promoter(s):
PrimeWest Energy Inc.
PrimeWest Management Inc.
Project #366731

Issuer Name:
SNC-Lavalin Group Inc.
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated June 13th, 2001
Mutual Reliance Review System Receipt dated 13th day of June, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
National Bank Financial Inc
Merrill Lynch Canada Inc.
Desjardins Securities Inc.
Promoter(s):
-
Project #366038

Issuer Name:
Summit Real Estate Investment Trust
Principal Regulator - Nova Scotia
Type and Date:
Final Short Form Prospectus dated June 18th, 2001
Mutual Reliance Review System Receipt dated 18th day of June, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
HSBC Securities (Canada) Inc.
National Bank Financial Inc.
Trilon Securities Corporation
Promoter(s):
-
Project #367231

Issuer Name:
Telebec Itee
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated June 13th, 2001
Mutual Reliance Review System Receipt dated 14th day of June, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Scotia Capital Inc.
Promoter(s):
-
Project #366267

Issuer Name:
Spectral Diagnostics Inc.
Type and Date:
Rights Offering dated June 14th, 2001
Accepted 15th day of June, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):

Promoter(s):
-
Project #360971

Chapter 12

Registrations

12.1.1 Securities

Type	Company	Category of Registration	Effective Date
Change in Category (Categories)	Aldersley Securities Inc. Attention: Helen Elizabeth Aldersley 491 10th Street Hanover ON N4N 1R2	From: Securities Dealer Investment Counsel To: Mutual Fund Dealer Investment Counsel	Jun 14/01

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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

25.1.1 Securities

TRANSFER WITHIN ESCROW

COMPANY NAME	DATE	FROM	TO	NO. AND TYPE OF SHARES
Delta Systems, Inc.	June 8, 2001	Fatehali T. Dharssi	Fatehali T. Dharssi (2000) Long Term Trust	36,075 common shares
Delta Systems, Inc.	June 14, 2001	Fatehali T. Dharssi	Fatehali T. Dharssi (2000) Long Term Trust	60,000 common shares

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Index