The Ontario Securities Commission

OSC Bulletin

August 31, 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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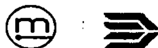

Table of Contents

Chapter 1 Notices / News Releases 5255
1.1 Notices 5255
1.1.1 Current Proceedings Before The Ontario Securities Commission............5255
1.1.2 Proposed Policy 41-601 Capital Pool Companies............5258
1.2 News Releases 5259
1.2.1 James Frederick Pincock............5259

Chapter 2 , Orders and Rulings 5261
2.1 Decisions 5261
2.1.1 Marengo Explorations Ltd. - MRRS Decision 5261
2.1.2 Abraxas Petroleum Corporation et al. - MRRS Decision 5262
2.1.3 Daedalian eSolutions Inc. - MRRS Decision 5264
2.1.4 Points.Com Inc. - MRRS Decision 5265
2.1.5 Orchestream Canada Corporation - MRRS Decision 5267
2.1.6 BMO Capital Trust and BMO Nesbitt Burns Inc. - MRRS Decision 5268
2.1.7 AQM Automotive Corporation - MRRS Decision 5270
2.1.8 Bonterra Energy Corp. - MRRS Decision 5272
2.1.9 Cornstate Resources Ltd. - MRRS Decision 5273
2.1.10 Clarington Funds Inc. - s. 5.1 of OSC Rule 31-506............5274
2.1.11 Elliott & Page Limited and E&P Manulife Balanced Asset Allocation Portfolio - MRRS Decision 5278
2.1.12 Elliott & Page Limited and E&P Manulife Maximum Growth Asset Allocation Portfolio - MRRS Decision...5281
2.1.13 Gulfstream Resources Canada Limited - MRRS Decision............5284
2.1.14 Synergy Services Corporation - Decision............5285
2.1.15 ClaringtonFunds Inc. - Decision............5289
2.1.16 BNN Split Corp. et al. - MRRS Decision 5293
2.1.17 Fidelity Investments Canada Limited et al. - MRRS Decision............5296
2.1.18 Delaney Energy Services Corporation - MRRS Decision 5298
2.1.19 FINOVA (Canada) Finance Inc. - MRRS Decision 5299
2.2 Orders 5301
2.2.1 ActFit.com Inc. - s.144 5301
2.2.2 Dura Products International Inc. - s. 144 5302
2.2.3 OceanLake Commerce Inc. - ss. 83.1(1)............5302
2.2.4 Capital International Asset Management (Canada), Inc. & Scotia Securities Inc. - ss. 59(1) 5303

Chapter 3 Reasons: Decisions, Orders and Rulings 5307
3.1 Decisions 5307
3.1.1 Neil DiCostanzo 5307

Chapter 4 Cease Trading Orders............5313
4.1.1 Temporary, Extending & Rescinding Cease Trading Orders 5313
4.2.1 Management & Insider Cease Trading Orders............5313

Chapter 5 Rules and Policies (nil)............5315

Chapter 6 Request for Comments............5317
6.1.1 Proposed Policy 41-601 Capital Pool Companies............5317

Chapter 7 Insider Reporting............5321

Chapter 8 Notice of Exempt Financings............5363
Reports of Trades Submitted on Form 45-501f1 5363
Notice of Intention to Distribute Securities Pursuant to Subsection 7 of Section 72 - (Form 23)............5364

Chapter 9 Legislation (nil)............5365

Chapter 11 IPOs, New Issues and Secondary Financings 5367

Table of Contents (cont'd)

Chapter 12 Registrations **5375**
12.1.1 Securities 5375

Chapter 13 SRO Notices and Disciplinary Proceedings (nil) **5377**

Chapter 25 Other Information **5379**
25.1 Securities **5379**
25.1.1 Release from Escrow 5379

Index **5381**

Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

August 31, 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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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
H. Lorne Morphy, Q. C.	—	HLM
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
November 6-9 November 13-16 December 4, 6, 7, 13, 14, 18 & 20/2001 9:30 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
September 10 /2001 10:00 a.m.	**Wayne S. Umetsu** s. 60 of the CFA and s. 127(1) of the Act Ms. Tracey Pratt Panel: HIW
September 11 /2001 10:00 a.m.	**Livent Inc., Garth Drabinsky, Myron I. Gottlieb, Gordon Eckstein, Robert Topol** s. 127 and 127.1 Ms. Johanna Superina in attendance for staff. Panel: TBA

October 3/2001 10:00 a.m.	**Rampart Securities Inc.** ss.127 Staff in attendance TBA Panel: TBA
October 5/2001	**Jack Banks et al.** s. 127 Mr. Tim Moseley in attendance for staff. Panel: PMM
October 24/2001 10:00 a.m.	**Sohan Singh Koonar** s. 127 and 127.1 Ms. Johanna Superina in attendance for staff. Panel: PMM
December 17 /2001 10:00 a.m.	**James Frederick Pincock** ss. 127 Ms. Johanna Superina in attendance for staff. Panel: PMM

ADJOURNED SINE DIE

Buckingham Securities Corporation, Lloyd Bruce, David Bromberg, Harold Seidel, Rampart Securities Inc., W.D. Latimer Co. Limited, Canaccord Capital Corporation, BMO Nesbitt Burns Inc., Bear, Stearns & Co. Inc., Dundee Securities Corporation, Caldwell Securities Limited and B2B Trust

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

Ricardo Molinari, Ashley Cooper, Thomas Stevenson, Marshall Sone, Fred Elliott, Elliott Management Inc. and Amber Coast Resort Corporation

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

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
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
November 9/ 2001 1:30 p.m. Courtroom N	**1173219 Ontario Limited c.o.b. as TAC (The Alternate Choice), TAC International Limited, Douglas R. Walker, David C. Drennan, Steven Peck, Don Gutoski, Ray Ricks, Al Johnson and Gerald McLeod** s. 122 Mr. D. Ferris in attendance for staff. Provincial Offences Court Old City Hall, Toronto

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

1.1.2 Proposed Policy 41-601 Capital Pool Companies

NOTICE OF PROPOSED
POLICY 41-601
CAPITAL POOL COMPANIES

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

- Notice of Proposed Policy 41-601
- Proposed Policy 41-601

The documents are published in Chapter 6 of the Bulletin.

1.2 News Releases

1.2.1 James Frederick Pincock

FOR IMMEDIATE RELEASE
August 23, 2001

OSC PROCEEDINGS AGAINST JAMES FREDERICK PINCOCK ADJOURNED TO DECEMBER 17, 2001

Toronto – At a hearing on August 22, 2001 before the Ontario Securities Commission (the "Commission"), the proceeding against James Frederick Pincock ("Pincock") was adjourned to December 17, 2001.

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.

For Media Inquiries:

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For Investor Inquiries:

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416-593-8314
1-877-785-1555 (Toll Free)

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Marengo Explorations Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - corporation deemed to have ceased to be a reporting issuer following its take-over by another corporation.

Applicable Ontario Statutory Provisions

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

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

AND

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

AND

**IN THE MATTER OF
MARENGO EXPLORATION LTD.**

MRRS DECISION DOCUMENT

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

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** Marengo has represented to the Decision Makers that:

   3.1 Marengo was incorporated on July 3, 1996 under the provisions of the *Business Corporations Act* (Alberta) (the "ABCA");

   3.2 Marengo's registered office is located in Calgary, Alberta;

   3.3 Marengo became a reporting issuer in the Jurisdictions by virtue of obtaining a final receipt for a prospectus on December 11, 1997, and is not in default of any requirements under the Legislation as a reporting issuer save for its failure to file its annual audited financial statements for the year 2000 due on May 20, 2001;

   3.4 the authorized share capital of Marengo consists of an unlimited number of Class A shares, an unlimited number of Class B shares (collectively, the "Marengo Shares") and an unlimited number of preferred shares, of which 6,492,161 Marengo Shares and no preferred shares are issued and outstanding;

   3.5 pursuant to a take-over bid circular dated February 6, 2001, mailed to shareholders of Marengo, True took up and paid for 99% of the Class A shares and 95% of the Class B shares on March 1, 2001 (the "Take-over");

   3.6 on April 9, 2001, True exercised its right under s. 189 of Part 16 of the ABCA to acquire the remaining Marengo Shares and mailed to the relevant shareholders a letter to shareholders, a notice of compulsory acquisition and an election form;

   3.7 as a result of the Take-over and the subsequent compulsory acquisition under the ABCA, True owns all of the Marengo Shares;

   3.8 the Marengo Shares have been delisted from the Canadian Venture Exchange as at June 14, 2001, and no securities of Marengo are listed or quoted on any exchange or market;

   3.9 Marengo has no other securities, including debt securities, outstanding; and

   3.10 Marengo 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 pursuant to the Legislation is that Marengo is deemed to have ceased to be a reporting issuer under the Legislation.

August 17, 2001.

"Patricia M. Johnston"

2.1.2 Abraxas Petroleum Corporation et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - first trade relief in connection with securities of a foreign issuer received by shareholders of a target company under a take-over bid; relief from certain reserve disclosure requirements under the long form prospectus rule and form provided that the foreign issuer complies with the reserve disclosure requirements of United States law.

Applicable Ontario Statute

Securities Act, R.S.O. 1990, c.S.5, as amended, ss. 104(2)(c).

Applicable Ontario Regulation

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., Form 32.

Applicable Ontario Rule

Ontario Securities Commission Rule 41-501, Form 41-501F1, item 6.4.

Applicable Policy

National Policy 2-B - Guide for Engineers and Geologists Submitting Oil and Gas Reports to Canadian Provincial Securities Administrators.

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

AND

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

AND

**IN THE MATTER OF
ABRAXAS PETROLEUM CORPORATION,
ABRAXAS ACQUISITION CORPORATION
AND GREY WOLF EXPLORATION INC.**

MRRS DECISION DOCUMENT

1. **WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of Alberta, British Columbia and Ontario (the "Jurisdictions") has received an application from Abraxas Acquisition Corporation ("AcquisitionCo"), a wholly-owned subsidiary of Abraxas Petroleum Corporation ("Abraxas"), for a decision under the securities legislation of the Jurisdictions (the "Legislation") in connection with a proposed take-over bid (the "Offer") to acquire all of the issued and outstanding common shares (the "Grey Wolf Shares")

of Grey Wolf Exploration Inc. ("Grey Wolf") by AcquisitionCo not already held by Abraxas and Canadian Abraxas Petroleum Limited ("Canadian Abraxas"), a wholly-owned subsidiary of Abraxas, that:

1.1 in Alberta, certain trades in common shares of Abraxas ("Abraxas Shares") acquired by Alberta Shareholders (to be defined herein) in connection with the Offer shall not be subject to the requirement to file and obtain a receipt for a preliminary prospectus and a prospectus in respect of such security (the "Prospectus Requirement"); and

1.2 to the extent that the take-over bid circular (the "Circular") mailed in connection with the Offer provides estimated reserve volumes, discounted cash flows from such reserves at a rate of 10% using constant prices, the reconciliation of such reserve volumes with the previous years where available, historical information with respect to the gross and net volumes produced and sold and the amounts received therefor and the dollar amount expended on the oil and gas properties, prepared and disclosed in a registration statement on Form S-4 prepared in accordance with the United States *Securities Act of 1933* (the "1933 Act Requirements") and filed with the Securities Exchange Commission, AcquisitionCo is exempt from the requirements under the Legislation as they relate to the disclosure of company interest gross share of reserves before royalties, the disclosure of probable reserves for the year ended December 31, 1999, the reconciliation of probable reserves for the year ended December 31, 2000, the use of specific rates of discounting cash flows using current prices and the disclosure of oil and gas netback calculations (the "Reserve Disclosure Requirements");

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

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

3.1 AcquisitionCo was incorporated under the *Business Corporations Act* (Alberta) (the "ABCA") as a wholly-owned subsidiary of Abraxas for the sole purpose of making the Offer;

3.2 AcquistionCo is not a reporting issuer in the Jurisdictions;

3.3 Abraxas is a corporation organized and subsisting under the laws of the State of Nevada;

3.4 Abraxas is not a reporting issuer in any of the Jurisdictions;

3.5 Abraxas is a registrant under the United States *Securities Act of 1933* and is subject to the continuous disclosure requirements of the United States *Securities Exchange Act of 1934*;

3.6 the authorized share capital of Abraxas consists of 200,000,000 Abraxas Shares and 1,000,000 preferred shares, issuable in series ("Preferred Shares") of which, as at June 1, 2001, approximately 26 million Abraxas Shares were issued and outstanding and no preferred shares were issued and outstanding;

3.7 the Abraxas Shares are listed and posted for trading on the American Stock Exchange;

3.8 Grey Wolf was incorporated under the ABCA;

3.9 Grey Wolf is a reporting issuer in British Columbia, Alberta and Ontario;

3.10 the authorized capital of Grey Wolf consists of an unlimited number of Grey Wolf Shares of which, as at June 1, 2001, 12,804,628 were issued and outstanding;

3.11 the Grey Wolf Shares are listed and posted for trading on the Toronto Stock Exchange;

3.12 Abraxas and Canadian Abraxas beneficially own, directly or indirectly, or exercise control or direction over approximately 6.19 million Grey Wolf Shares, representing approximately 48.3% of the issued and outstanding Grey Wolf Shares;

3.13 the directors and officers of Abraxas beneficially own, directly or indirectly, or exercise control or direction over approximately 1.7 million Grey Wolf Shares representing approximately 13.4% of the issued and outstanding Grey Wolf Shares;

3.14 AcquisitionCo proposes to make an offer to acquire all of the issued and outstanding Grey Wolf Shares not already owned by Abraxas and Canadian Abraxas;

3.15 holders of Grey Wolf Shares will receive 0.6 of an Abraxas Share for each Grey Wolf Share;

3.16 upon acceptance of the Offer, and upon the completion of any subsequent compulsory acquisition transaction, holders of Grey Wolf Shares, other than Abraxas and Canadian Abraxas, will receive 3.97 Abraxas Shares representing 13.2% of the issued and outstanding Abraxas Shares;

3.17 upon acceptance of the Offer, and upon the completion of any subsequent compulsory acquisition transaction, holders of Grey Wolf Shares resident in Alberta (the "Alberta Shareholders") will receive 1,177,653 Abraxas Shares representing 3.9% of the issued and outstanding Abraxas Shares;

3.18 no exemptions from the Prospectus Requirement exist to permit the Alberta Shareholders to trade their Abraxas Shares without satisfying the Prospectus Requirement;

3.19 under the Legislation, if a take-over bid provides that the consideration for the securities of an offeree issuer is to be, in whole or in part, securities of an offeror or other issuer, the information provided by the form of prospectus appropriate for the offeror or issuer who securities are being offered in exchange for the securities of the offeree issuer must be included in the take-over bid circular;

3.20 AcquisitionCo has elected to comply with the requirements of *Ontario Securities Commission Form 41-501F1* ("Form 41-501F1"), save for the Reserve Disclosure Requirements;

3.21 in lieu of satisfying the Reserve Disclosure Requirements, the Circular satisfies the 1933 Act Requirements;

4. **AND WHEREAS** under the System, the 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:

6.1 the Prospectus Requirement shall not apply to trades by the Alberta Shareholders in Abraxas Shares acquired pursuant to the Offer provided that such trades are executed through the facilities of a stock exchange outside Canada in accordance with the rules of such exchange; and

6.2 AcquisitionCo is exempt from the Reserve Disclosure Requirements provided that the disclosure in the Circular complies with the 1933 Act Requirements.

August 3, 2001.

"Stephen P. Sibold" "Glenda A. Campbell"

2.1.3 Daedalian eSolutions Inc. - MRRS Decision

Headnote

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

Applicable Ontario Statutory Provisions

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

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

AND

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

AND

**IN THE MATTER OF
DAEDALIAN eSOLUTIONS INC.**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the Provinces of Alberta and Ontario (the "Jurisdictions") has received an application from Daedalian eSolutions Inc. (the "Filer") for a decision pursuant to the securities legislation of each of Jurisdictions (the "Legislation") that the Filer be deemed to have ceased to be a reporting issuer under the Legislation;

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

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

1. The Filer was continued under the *Business Corporations Act* (Ontario) on November 30, 2000, is a reporting issuer in each of the Jurisdictions, and is not in default of any of the requirements of the Legislation save for its failure to file and deliver its Annual Information Form for the period ending April 30, 2001, which was due to be filed with, and delivered to, the Ontario Securities Commission on June 29, 2001.

2. The Filer's principal place of business is at 4 King Street West, 17th Floor, Toronto, Ontario, M5H 1B6.

3. The authorized share capital of the Filer consists of an unlimited number of common shares (the "Daedalian Shares"), an unlimited number of Class B shares, an unlimited number of Class C shares, an unlimited number of Class D shares and an unlimited number of Class E shares. As of June 21, 2001, there were

135,497,251 Daedalian Shares issued and outstanding. No Class B, C, D or E shares are outstanding.

4. 2003030 Ontario Inc. (the "Offeror"), a direct wholly-owned subsidiary of TELUS Corporation ("TELUS") made an offer dated May 16, 2001 (the "Offer") to purchase all of the issued Daedalian Shares and associated rights of the Filer. The Offer expired on June 21, 2001 with the holders of over 97% of the outstanding Daedalian Shares (on a fully diluted basis) tendering to the Offer.

5. On June 26, 2001, the Offeror exercised its right of compulsory acquisition pursuant to the *Business Corporations Act* (Ontario) and the Offeror acquired all of the issued and outstanding securities of the Filer.

6. The Daedalian Shares were delisted from trading on The Canadian Venture Exchange on July 5, 2001, and no securities of the Filer are listed or quoted on any exchange or market in Canada or elsewhere.

7. The Filer has no securities, including debt securities, outstanding other than the Daedalian Shares.

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

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

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

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

August 14, 2001.

"John Hughes"

2.1.4 Points.Com Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - issuance of warrants and common shares of non-reporting issuer to Air Canada in connection with Air Canada becoming a participant in issuer's loyalty programs exempt from registration and prospectus requirements - first trades subject to conditions.

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
ONTARIO AND QUEBEC

AND

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

AND

IN THE MATTER OF
POINTS.COM INC.

MRRS DECISION DOCUMENT

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

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

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

1. Points.com was incorporated under the *Business Corporations Act* (Ontario) on June 30, 1999. The head office of Points.com is located in Toronto, Ontario.

2. Points.com operates an on-line loyalty program asset management business (the "Points Program") on its website which offers persons who become members of the Points Program various services in connection with participating loyalty programs, including the ability to exchange loyalty program currencies between such loyalty programs and to manage their loyalty program currency portfolios. Loyalty program provider participants in the Points Program ("Program

Participants") are expected to include companies in the airline, online, retail, hospitality and financial services industries. Points.com launched the Points Program on April 2, 2001.

3. The authorized capital of Points.com consists of an unlimited number of common shares ("Common Shares"), an unlimited number of non-voting shares, an unlimited number of Class A convertible preference shares, an unlimited number of Class B convertible preference shares and an unlimited number of Class C retractable convertible preference shares ("Class C Shares"), of which 15,084,903 Common Shares and 5,335,051 Class C Shares are issued and outstanding. Points.com has 13 registered shareholders. Points.com is not a "private company" for the purposes of the OSA.

4. Points.com is not a reporting issuer under, nor is it in default of any provisions of, Ontario or Quebec securities law.

5. Points.com has entered into an agreement dated March 19, 2001 with Air Canada (the "Air Canada Program Agreement") pursuant to which Air Canada agreed to become a Program Participant. Under the Air Canada Program Agreement, Air Canada has agreed to allow members of its Aeroplan loyalty program to exchange miles earned under such program for other Program Participants' loyalty program currencies, to provide information, materials, marketing and promotional support for the Points Program, to assist Points.com in communicating with Aeroplan members and to facilitate the registration of Aeroplan members as members of the Points Program.

6. In connection with the entering into of the Air Canada Program Agreement, Points.com has undertaken, subject to Points.com first obtaining all required regulatory approvals, to issue to Air Canada a warrant (the "Bonus Warrant") to acquire up to 738,730 Common Shares (subject to anti-dilution adjustments) and a warrant acquisition right (the "Performance Warrant Acquisition Right") entitling Air Canada to receive a warrant (the "Performance Warrant" and, together with the Bonus Warrant and the Performance Warrant Acquisition Right, the "Warrants") after the first anniversary of the launch of the Points Program to acquire a number of Common Shares determined based on a formula set out in the Performance Warrant Acquisition Right. No cash consideration will be paid for the issuance of the Warrants.

7. The Bonus Warrant will entitle Air Canada to acquire up to 738,730 Common Shares (subject to anti-dilution adjustments) (the "Bonus Warrant Shares") at an exercise price of U.S.$1.96 per share (subject to anti-dilution adjustments). The exercise price was determined by negotiation between Points.com and Air Canada and is based on the effective price per Common Share paid by outside investors in a prior financing. The Bonus Warrant will have a five-year term.

8. The Performance Warrant Acquisition Right will entitle Air Canada to receive the Performance Warrant after the first anniversary of the launch of the Points Program. The Performance Warrant will entitle Air Canada to acquire up to the number of Common Shares determined in accordance with the formula set out in the Performance Warrant Acquisition Right (together with the Bonus Warrant Shares, the "Warrant Shares") at an exercise price of U.S. $1.96 per share (subject to anti-dilution adjustments). The Performance Warrant Acquisition Right will provide that the number of Common Shares that may be acquired on the exercise of the Performance Warrant will be equal to the product of 5,276,639 Common Shares and the proportion of the Points Program's loyalty program currency exchange transactions during the Points Program's first year that involve Aeroplan miles (subject to anti-dilution adjustments). The Performance Warrant will have a five-year term.

9. The maximum number of Common Shares that may be issued to Air Canada pursuant to the Warrants will be 6,015,369 (subject to anti-dilution adjustments).

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

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

THE DECISION of the Decision Makers under the Legislation is that the distribution of the Warrants and the Warrant Shares to Air Canada shall not be subject to the registration and prospectus requirements of the Legislation, provided that:

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

   (a) at the time of the first trade, Points.com is a reporting issuer;

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

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

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

   (e) the hold period of either six, twelve, or eighteen months that would be applicable to the Bonus Warrant or Performance Warrant Acquisition Right, as applicable, if such Bonus Warrant or Performance Warrant Acquisition Right had

been acquired under an exemption for a trade in a security which has an aggregate acquisition cost to a purchaser of not less than $150,000 has elapsed from the later of the date of the initial issuance of the applicable Bonus Warrant or Performance Warrant Acquisition Right and the date Points.com became a reporting issuer in the Applicable Jurisdiction; and

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

2. Points.com provides Air Canada with a copy of this ruling, together with a statement that as a consequence of this ruling, certain protections, rights and remedies provided under the Legislation, including statutory rights of rescission and damages, will not be available to it with respect to the distribution of the Warrants and Warrant Shares pursuant to this ruling.

August 23, 2001.

"Paul M. Moore" "R. Stephen Paddon"

2.1.5 Orchestream Canada Corporation - MRRS Decision

Headnote

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

Applicable Ontario Statutory Provisions

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

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

AND

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

AND

**IN THE MATTER OF
ORCHESTREAM CANADA CORPORATION**

MRRS DECISION DOCUMENT

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

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

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

1. The Filer is a corporation governed by the *Canada Business Corporations Act* (the "CBCA"). The Filer is the successor company to CrossKeys Systems Corporation ("CrossKeys") and Orchestream Canada Inc. ("Orchestream Canada") which amalgamated on April 11, 2001 pursuant to a plan of arrangement under Section 192 of the CBCA (the "Arrangement").

2. As a result of the Arrangement and CrossKeys having been a reporting issuer under the Legislation for at least twelve months, the Filer became and is a reporting issuer, or the equivalent thereof, in each of the Jurisdictions and is not in default of any of the requirements of the Legislation.

3. The Filer's head office is located in Ottawa, Ontario.

4. The Filer's authorized capital consists of an unlimited number of common shares and an unlimited number of special shares, of which 8,679,223 common shares and no special shares are issued and outstanding.

5. Pursuant to the Arrangement, Orchestream Holdings plc, a limited company incorporated under the laws of England and Wales ("Orchestream Holdings") acquired all of the outstanding common shares of the Filer.

6. Other than the common shares of the Filer, the Filer has no securities, including debt securities, outstanding.

7. The CrossKeys common shares have been delisted from the TSE and NASDAQ and no other securities of the Filer are listed or quoted on any a stock exchange or quotation system.

8. The Filer does not intend to seek future public financing by way of an offering to the public.

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

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

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

August 15, 2001.

"John Hughes"

2.1.6 BMO Capital Trust and BMO Nesbitt Burns Inc. - MRRS Decision

Headnote

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

Applicable Ontario Statutory Provisions

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

Applicable Ontario Regulations

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

Applicable Ontario Rules

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

Proposed Instrument Cited

Multilateral Instrument 33-105 Underwriting Conflicts (2001), 24 OSCB 3812.

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

AND

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

AND

**IN THE MATTER OF
BMO CAPITAL TRUST AND
BMO NESBITT BURNS INC.**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Ontario, Quebec and Newfoundland (the "Jurisdictions") has received an application from BMO Nesbitt Burns Inc. (the "Lead Underwriter" or the "Filer") for a decision, pursuant to the securities legislation (the "Legislation") of the Jurisdictions, 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 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 an underwriter (an "Independent Underwriter"), 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 Filer in respect of the proposed offer of Trust Capital Securities-Series C ("BMO BOaTS - Series C") of BMO Capital Trust (the "Issuer") to be made pursuant to a prospectus;

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

AND WHEREAS the Lead Underwriter has represented to the Decision Makers that:

1. The Issuer is a closed-end trust formed under the laws of Ontario by The Trust Company of the Bank of Montreal (the "Trustee"), a wholly-owned subsidiary of the Bank of Montreal (the "Bank").

2. The Issuer is a reporting issuer under the Legislation of each Jurisdiction and is not in default of any requirements of the Legislation.

3. The Issuer proposes to issue and sell to the public a third series of transferable trust units called BMO BOaTS-Series C. The Trust will also issue securities called special trust securities (the "Special Trust Securities" and, collectively with the BMO BOaTS-Series C, the "Trust Securities") to the Bank or affiliates of the Bank. To that end, a preliminary prospectus qualifying the Offering (the "Preliminary Prospectus") was filed on July 25, 2001 and a final long form prospectus (the "Prospectus") will be filed in all Canadian provinces and territories.

4. The first series of transferable trust units, called BMO BOaTS-Series A, and a second series of transferable trust units, called BMO BOaTS–Series B, were issued by the Trust in an offering equivalent to the one contemplated under the Preliminary Prospectus above on October 11, 2000 and March 5, 2001 respectively. The BMO BOaTS-Series A, BMO BOaTS-Series B and BMO BOaTS–Series C are collectively referred to as the "BMO BOaTS".

5. The BMO BOaTS Series-C are non-voting except in limited circumstances and the Special Trust Securities are voting securities. The Bank will covenant for the benefit of the holders of the BMO BOaTS Series-C that, for so long as any BMO BOaTS Series-C are outstanding, the Bank will maintain ownership, directly or indirectly, of 100% of the Special Trust Securities.

6. The Issuer will use the proceeds of the issue of the Trust Securities to purchase eligible trust assets consisting primarily of undivided co-ownership interests in one or more pools of first mortgages on residential property insured by Canada Mortgage and Housing Corporation or GE Capital Mortgage Insurance Company (Canada) which will generate income for distribution to holders of Trust Securities. The Offering will provide investors with the opportunity to invest, through the holding of BMO BOaTS, in the trust assets, and will provide the Bank with a cost-effective means of raising capital for Canadian bank regulatory purposes.

7. The Issuer will distribute its Net Distributable Funds (as defined in the Preliminary Prospectus) on the last day of June and December of each year commencing December 31, 2001 (each, a "Distribution Date"). On each Distribution Date, unless the Bank has failed to declare dividends on any of its preferred shares or, if no such shares are then outstanding, on its common shares, a holder of BMO BOaTS will be entitled to receive a non-cumulative fixed cash distribution (the "Indicated Distribution"). In the event the Bank fails to pay such dividends, all of the Net Distributable Funds of the Issuer will be payable to the Bank as the sole holder of the Special Trust Securities and holders of the BMO BOaTS will not receive a distribution.

8. Pursuant to the terms of the Bank Share Exchange Trust Agreements (as defined in the Preliminary Prospectus), the Bank will covenant for the benefit of holders of BMO BOaTS Series-C that if, on any Distribution Date where the Indicated Distribution is payable, the Issuer fails to pay the Indicated Distribution in full on the BMO BOaTS, the Bank will not declare dividends of any kind on certain classes of its shares including preferred shares and common shares until approximately ten calendar months following such Distribution Date unless the Issuer first pays such Indicated Distribution (or the unpaid portion thereof) to holders of BMO BoaTS.

9. In certain circumstances, the BMO BOaTS Series-C may be exchanged for preferred shares of the Bank. The Bank is the promoter of the Issuer and the Bank has signed a certificate page of the Preliminary Prospectus.

10. The Filer will underwrite a portion of the Offering that is larger than any other member of the underwriting syndicate.

11. The Filer is an indirect wholly-owned subsidiary of the Bank.

12. The Issuer is a "related issuer" (or the equivalent) to the Filer.

13. The nature and details of the relationship between the Issuer, the Filer and the Bank is described in the Preliminary Prospectus and will be described in the Prospectus. The information set out in Appendix C of the proposed Multilateral Instrument 33-105 - *Underwriting Conflicts* will be contained in the Prospectus.

14. The Filer will receive no benefits relating to the Offering other than the payment of its fees in connection therewith.

15. Except for the Filer, the Issuer is neither a "related issuer" (or the equivalent), nor is it expected to be, in

connection the Offering, a "connected issuer" (or the equivalent), of any of the other underwriters (the "Independent Underwriters").

16. The Independent Underwriters will underwrite a majority of the Offering, with one of the Independent Underwriters, RBC Dominion Securities Inc., underwriting at least 20% of the dollar value of the Offering. RBC Dominion Securities Inc. will participate in the drafting of the Prospectus, the due diligence relating to the Offering and in the pricing of the Trust Securities. RBC Dominion Securities Inc.'s participation in the Offering will be disclosed in the Prospectus and each of RBC Dominion Securities Inc., the other Independent Underwriters and the Lead Underwriter will sign a certificate in the Prospectus.

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

THE DECISION of the Decision Makers under the Legislation is that the Independent Underwriter Requirement shall not apply to the Lead Underwriter in connection with the Offering, provided that:

(a) RBC Dominion Securities Inc. participates in the Offering as stated in paragraph 16 above;

(b) the Prospectus contains the disclosure stated in paragraph 16 above; and

(c) the relationship between the Issuer and the Filer is disclosed in the Prospectus.

August 23, 2001.

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

2.1.7 AQM Automotive Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - corporation deemed to have ceased to be a reporting issuer following an amalgamation.

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
AQM AUTOMOTIVE CORPORATION

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 AQM Automotive Corporation ("New AQM") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that New AQM 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** New AQM has represented to the Decision Makers that:

3.1 AQM Automotive Corporation ("Old AQM") was incorporated under the *Business Corporations Act* (Alberta) on November 30, 1993;

3.2 Old AQM became a reporting issuer in the Jurisdictions by virtue of obtaining a final receipt for a prospectus on February 9, 1994;

3.3 New AQM's head office is located in Brampton, Ontario;

3.4 New AQM is not in default of any of the requirements of the Legislation save for its failure to file Annual Information Forms in Ontario as required pursuant to *Ontario*

Securities Commission Policy 51-501 for the years 1998, 1999 and 2000;

3.5 New AQM is authorized to issue an unlimited number of common shares ("New AQM Common Shares"), an unlimited number of series B first preferred shares ("New AQM B First Shares") and 750,000 series A second preferred shares ("New AQM A Second Shares"), of which 10,000,000 New AQM Common Shares, 5,937,322 New AQM B First Shares and 495,000 New AQM A Second Shares are outstanding;

3.6 Old AQM entered into an agreement dated April 20, 2001 with AQM Acquisition Corp. ("AcquisitionCo") whereunder Old AQM would amalgamate with AcquisitionCo to form New AQM (the "Amalgamation");

3.7 prior to the Amalgamation, the holders of the common shares of Old AQM ("Old AQM Common Shares") were the members of AQM's management group (the "Management Group") and members of the public (the "Minority Shareholders");

3.8 the Management Group consists of three individuals resident in Ontario;

3.9 pursuant to the Amalgamation:

3.9.1 the Minority Shareholders received series A first preferred shares of New AQM ("New AQM A First Shares") in exchange for their Old AQM Common Shares;

3.9.2 the Management Group received New AQM A First Shares and New AQM B First Shares in exchange for their Old AQM Common Shares;

3.9.3 the New AQM A Shares were redeemed for $0.25 per share;

3.9.4 the series A second preferred shares of Old AQM ("Old AQM A Second Shares") were exchanged for New AQM A Second Shares; and

3.9.5 the common shares of AcquisitionCo were exchanged for New AQM Common Shares;

3.10 all of the New AQM Common Shares are held by the Management Group;

3.11 all of the New AQM B First Shares and New AQM A Second Shares are held by the Management Group or by two Ontario corporations controlled by members of the Management Group;

3.12 other than the New AQM Common Shares, the New AQM B First Shares and the New AQM A Second Shares, AQM has no other securities, including debt securities, outstanding;

3.13 no securities of New AQM are listed or quoted on any exchange or market;

3.14 New AQM 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 New AQM is deemed to have ceased to be a reporting issuer under the Legislation.

August 15, 2001.

"Patricia M. Johnston"

2.1.8 Bonterra Energy Corp. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Decision under section 125 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, SASKATCHEWAN AND ONTARIO**

AND

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

AND

**IN THE MATTER OF
BONTERRA ENERGY CORP.**

MRRS DECISION DOCUMENT

1. **WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Saskatchewan and Ontario (the "Jurisdictions") has received an application from Bonterra Energy Corp. ("Bonterra") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that Bonterra 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** Bonterra has represented to the Decision Makers that:

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

   3.2 the head office of Bonterra is in Calgary, Alberta;

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

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

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

   3.6 there is 1 Common Share outstanding;

   3.7 the outstanding Common Share is held by Bonterra Energy Income Trust (the "Trust");

   3.8 the Trust holds the outstanding Common Share as the result of the completion of an arrangement under the ABCA involving Bonterra and the Trust pursuant to an arrangement agreement dated May 15, 2001;

   3.9 the Common Shares were delisted from the Canadian Venture Exchange Inc. at the close of business on July 4, 2001;

   3.10 no securities of Bonterra are listed on any exchange or quoted on any market;

   3.11 no securities of Bonterra, including debt obligations, are currently outstanding other than the Common Share held by the Trust;

   3.12 Bonterra 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 Bonterra is deemed to have ceased to be a reporting issuer under the Legislation.

August 15, 2001.

"Patricia Johnston"

2.1.9 Comstate Resources Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - corporation deemed to have ceased to be a reporting issuer following the completion of a plan of arrangement.

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 AND ONTARIO

AND

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

AND

IN THE MATTER OF
COMSTATE RESOURCES LTD.

MRRS DECISION DOCUMENT

1. **WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Saskatchewan and Ontario (the "Jurisdictions") has received an application from Comstate Resources Ltd. ("Comstate") for a decision under the securities legislation of the Jurisdictions (the "Legislation") deeming Comstate 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** Comstate has represented to the Decision Makers that:

   3.1 Comstate was incorporated under the *Company Act* (British Columbia) on January 22, 1981;

   3.2 Comstate's head office is located in Calgary, Alberta, and its registered office is located in Vancouver, British Columbia;

   3.3 Comstate is a reporting issuer or the equivalent in the Jurisdictions and is not in default of any requirements under the Legislation;

   3.4 Comstate is authorized to issue 40,000,000 common shares ("Common Shares") of which one Common Share is issued and outstanding;

   3.5 Comstate entered into an arrangement agreement (the "Arrangement Agreement") dated May 15, 2001 with Comstate Acquisition Corp. ("AcquisitionCo") and Comstate Resources Income Trust (the "Trust") whereunder holders of Common Shares would receive, in exchange for their Common Shares, a combination of:

      3.5.1 units in the Trust;

      3.5.2 common shares of Comaplex Minerals Corp.; and

      3.5.3 a cash payment;

   3.6 as a result of the arrangement completed pursuant to the Arrangement Agreement (the "Arrangement"), the Trust holds all of the Common Shares;

   3.7 Comstate has no other securities, including debt securities, outstanding save for:

      3.7.1 the Common Shares; and

      3.7.2 unsecured subordinated notes issued to and held by the Trust in connection with the Arrangement;

   3.8 the Common Shares were delisted from the Toronto Stock Exchange on July 4, 2001, and no securities of Comstate are listed or quoted on any exchange or market; and

   3.9 Comstate 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 Comstate is deemed to have ceased to be a reporting issuer or the equivalent under the Legislation.

August 10, 2001.

"Patricia M. Johnston"

2.1.10 Clarington Funds Inc. - s. 5.1 of OSC Rule 31-506

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

AND

ONTARIO SECURITIES COMMISSION
RULE 31-506 SRO MEMBERSHIP
– MUTUAL FUND DEALERS

AND

IN THE MATTER OF
CLARINGTONFUNDS INC.

DECISION
(Section 5.1 of the Rule)

UPON the Director having received an application (the "Application") from ClaringtonFunds 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 of Canada (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 the Application is not being made in any other jurisdiction;

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

3. the securities of the Funds 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 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 the Application;

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".

August 15, 2001.

"Rebecca Cowdery"

SCHEDULE "A"

TERMS AND CONDITIONS OF REGISTRATION OF CLARINGTONFUNDS 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, immediately before the trade, 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) "Permitted Client Trade" means, for the Registrant, 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, in securities of a mutual fund that is managed by the Registrant or an affiliate of the Registrant, and the trade consists of:

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

(ii) a redemption, by the person, through the Registrant, of securities of the mutual fund;

(q) "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);

(r) "Registrant" means ClaringtonFunds Inc.;

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

(t) "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;

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

(v) "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;

(w) "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 RegistrationPermitted 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 Permitted Client Trade; 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.

2.1.11 Elliott & Page Limited and E&P Manulife Balanced Asset Allocation Portfolio - MRRS Decision

Headnote

Investment by mutual funds in securities of other mutual funds for a specified purpose exempted from the requirements of clause 111(2)(b) and subsection 111(3), clauses 117(1)(a) and 117(1)(d), subject to certain conditions imposing a "passive" fund-on-fund structure.

Statutes Cited

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

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

AND

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

AND

**IN THE MATTER OF
ELLIOTT & PAGE LIMITED AND
E&P MANULIFE BALANCED ASSET ALLOCATION
PORTFOLIO**

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Newfoundland, Nova Scotia, Ontario and Saskatchewan (the "Jurisdictions") has received an application from Elliott & Page Limited ("EPL"), the trustee, manager and primary investment advisor of the Top Funds (as hereinafter defined) for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the following requirements and restrictions contained in the Legislation (the "Applicable Requirements") shall not apply to the Top Funds or EPL, as the case may be, in respect of certain investments to be made by a Top Fund in an Underlying Fund (as hereinafter defined) from time to time:

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

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

AND 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 EPL to the Decision Makers that:

1. EPL is a corporation incorporated under and governed by the laws of Ontario and is registered under the Legislation of Ontario as a mutual fund dealer and as an adviser in the categories of investment counsel and portfolio manager. The head office of EPL is located in Ontario. EPL is a wholly-owned subsidiary of The Manufacturers Life Insurance Company.

2. EPL is the manager, trustee, primary portfolio advisor, principal distributor, promoter and the registrar and transfer agent of the following mutual funds: Elliott & Page Money 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 Equity 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 European Equity Fund, Elliott & Page Global Momentum 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 Underlying Funds"). Units of the Existing Underlying Funds are offered for sale on a continuous basis in each of the Jurisdictions pursuant to a simplified prospectus and annual information form dated August 16, 2000.

3. EPL may in the future establish other mutual funds (the "Future Underlying Funds" and collectively with the Existing Underlying Funds, the "Underlying Funds"). Units of a Future Underlying Fund will be offered for sale to the public pursuant to the simplified prospectus and annual information form that qualifies units of other Underlying Funds or by a separate simplified prospectus and annual information form receipted in each of the Jurisdictions.

4. EPL proposes to establish a new group of mutual funds (the "E&P Manulife Multi-Advisor Portfolios") which includes the E&P Manulife Balanced Asset Allocation Portfolio (the "Existing Top Fund"). EPL may in the future add other mutual funds (the "Future Top Funds" and collectively with the Existing Top Fund, the "Top Funds") to the E&P Manulife Multi-Advisor Portfolios. Units of a Top Fund will be offered for sale pursuant to the simplified prospectus and annual information form that qualifies units of the Underlying Funds or by a

separate simplified prospectus and annual information form receipted in each of the Jurisdictions.

5. Each of the Underlying Funds and the Top Funds is or will be an open-ended unincorporated mutual fund trust governed by the laws of the province of Ontario.

6. Each of the Underlying Funds and the Top Funds is or will be a reporting issuer in each of the provinces and territories of Canada and is not or will not be in default of any of the requirements of the Legislation.

7. EPL is or will be the manager, trustee, primary portfolio advisor, principal distributor, promoter and the registrar and transfer agent of the Top Funds.

8. As part of its investment objective, each of the Top Funds will invest a certain fixed percentage (the "Fixed Percentages") of its assets (excluding cash and cash equivalents) in units of specified Underlying Funds, subject to a variation of 2.5% above or below the Fixed Percentages (the "Permitted Ranges") to account for market fluctuations. Investments of each Top Fund will be made in accordance with the fundamental investment objectives of the Top Fund. The remaining assets of the Top Funds are allocated among one or more portfolio investment sub-advisers.

9. The total direct investment in the Underlying Funds will equal 53% (the "Permitted Total Investment") of the assets of a Top Fund, subject to a variation to account for market fluctuations as described in paragraph 8.

10. A Top Fund will invest its assets in accordance with the Permitted Total Investment and the Fixed Percentages disclosed in the simplified prospectus of the Top Fund.

11. A Top Fund will not invest in an Underlying Fund with an investment objective which includes investing directly or indirectly in other mutual funds.

12. The simplified prospectus for each of the Top Funds will disclosure the investment objectives, investment strategies, risks and restrictions of the Top Fund and the Underlying Funds, the Permitted Total Investment, the Fixed Percentages and Permitted Ranges.

13. Except to the extent evidenced by this Decision and specific approvals granted by the Decision Makers pursuant to National Instrument 81-102 Mutual Funds ("NI 81-102"), the investments by the Top Funds in the Underlying Funds have been structured to comply with the investment restrictions of the Legislation and NI 81-102.

14. In the absence of this Decision, pursuant to the Legislation, the Top Funds are prohibited from knowingly making or holding an investment in a person or company in which the Top Fund, alone or together with one or more related mutual funds, is a substantial securityholder. As a result, in the absence of this Decision the Top Funds would be required to divest themselves of any such investments.

15. In the absence of this Decision, the Legislation requires EPL to file a report on every purchase or sale of units of the Underlying Funds by the Top Funds.

16. The investments by the Top Funds in the Underlying Funds will represent the business judgement of "responsible persons" (as defined in the Legislation) uninfluenced by considerations other than the best interests of the Top Funds.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the Applicable Requirements shall not apply so as to prevent a Top Fund from making or holding an investment in units of the Underlying Funds or require EPL to file a report relating to the purchase or sale of such securities.

PROVIDED IN EACH CASE THAT:

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

2. the Decision shall only apply if, at the time a Top Fund makes or holds an investment in its Underlying Funds, the following conditions are satisfied:

   (a) the units of both the Top Fund and the Underlying Funds are being offered for sale in the jurisdiction of the Decision Maker pursuant to a simplified prospectus and annual information form which has been filed with and accepted by the Decision Maker;

   (b) the investment by the Top Fund in the Underlying Funds is compatible with the fundamental investment objectives of the Top Fund;

   (c) the simplified prospectus of the Top Fund discloses the intent of the Top Fund to invest in units of the Underlying Funds, the names of the Underlying Funds, the Fixed Percentages and the Permitted Ranges within which such Fixed Percentages may vary;

   (d) the investment objective of the Top Fund discloses that the Top Fund invests in units of other mutual funds and the Permitted Total Investment;

   (e) the Underlying Funds are not mutual funds whose investment objective includes investing directly or indirectly in other mutual funds;

(f) the Top Fund invests its assets (exclusive of cash and cash equivalents) in the Underlying Funds in accordance with the Permitted Total Investment and the Fixed Percentages disclosed in the simplified prospectus of the Top Fund;

(g) the Top Fund's holding of units in the Underlying Funds does not deviate from the Permitted Ranges;

(h) any deviation from the Fixed Percentages is caused by market fluctuation only;

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

(j) if the Fixed Percentages and the Underlying Funds which are disclosed in the simplified prospectus have been changed, either the simplified prospectus has been amended in accordance with securities legislation to reflect this significant change, or a new simplified prospectus reflecting the significant change has been filed within ten days thereof, and the securityholders of the Top Fund have been given at least 60 days' notice of the change;

(k) there are compatible dates for the calculation of the net asset value of the Top Fund and the Underlying Funds for the purpose of the issue and redemption of the units of such mutual funds;

(l) no sales charges are payable by the Top Fund in relation to its purchase of the units of the Underlying Funds;

(m) no redemption fees or other charges are charged by an Underlying Fund in respect of the redemption by the Top Fund of units of the Underlying Fund owned by the Top Fund;

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

(o) the arrangements between or in respect of the Top Fund and the Underlying Funds are such as to avoid the duplication of management fees;

(p) any notice provided to securityholders of an Underlying Fund as required by applicable laws or the constating documents of that Underlying Fund has been delivered by the Top Fund to its securityholders;

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

(r) in addition to receiving the annual and, upon request, the semi-annual financial statements of the Top Fund, securityholders of the Top Fund have received appropriate summary disclosure in respect of the Top Fund's holdings of units of the Underlying Funds in the financial statements of the Top Fund;

(s) to the extent that the Top Fund and the Underlying Funds do not use a combined simplified prospectus and annual information form containing disclosure about the Top Fund and the Underlying Funds, copies of the simplified prospectus and annual information form of the Underlying Funds have been provided upon request to securityholders of the Top Fund and the right to receive these documents is disclosed in the simplified prospectus of the Top Fund.

August 24, 2001.

"Paul M. Moore" "R. Stephen Paddon"

2.1.12 Elliott & Page Limited and E&P Manulife Maximum Growth Asset Allocation Portfolio - MRRS Decision

Headnote

Investment by mutual funds directly and indirectly (through derivative exposure) in securities of other mutual funds exempted from the reporting requirements and self-dealing prohibitions of s.113 and s.117.

Investment by mutual funds in forward contracts issued by related counterparties exempted from the requirements of s.113, s.117 and ss.1212(2)(a)(ii).

Statutes Cited

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

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

AND

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

AND

**IN THE MATTER OF
ELLIOTT & PAGE LIMITED AND
E&P MANULIFE MAXIMUM GROWTH ASSET
ALLOCATION PORTFOLIO**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Ontario, Quebec, Nova Scotia and Newfoundland (the "Jurisdictions") has received an application from Elliott & Page Limited ("EPL"), as manager and trustee of E&P Manulife Maximum Growth Asset Allocation Portfolio (the "Top Fund") for a decision by each Decision Maker (collectively, the "Decision") under the securities legislation of the Jurisdictions (the "Legislation") that:

i. the requirements contained in the Legislation requiring the management company, or in British Columbia, a mutual fund manager, to file a report relating to the purchase or sale of securities between the mutual fund and any related person or company, or any transaction in which, by arrangement other than an arrangement relating to insider trading in portfolio securities, the mutual fund is a joint participant with one or more of its related persons or companies, shall not apply in respect of investments by the Top Fund in the Underlying Funds (defined herein) or in forward contract transactions ("Forward Contracts") with Manulife Financial (Manulife Financial and/or its affiliates being hereinafter referred to as "Manulife"), as counterparty;

ii. the restrictions contained in the Legislation prohibiting a mutual fund from knowingly making and holding an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial security holder shall not apply in respect of investments by the Top Fund in the Underlying Funds;

iii. the restrictions contained in the Legislation prohibiting a mutual fund from knowingly making and holding an investment in an issuer in which any person or company who is a substantial security holder of the mutual fund, its management company or distribution company has a significant interest shall not apply in respect of investments by the Top Fund in the Forward Contracts; and

iv. the restrictions contained in the Legislation prohibiting a portfolio manager, or in British Columbia, the mutual fund, from knowingly causing an investment portfolio managed by it to invest in any issuer in which a "responsible person" (as that term is defined in the Legislation) is an officer or director, unless the specific fact is disclosed to the client and, if applicable, the written consent of the client to the investment is obtained before the purchase shall not apply in respect of investments by the Top Fund in the Forward Contracts.

The above requirements and restrictions contained in the Legislation herein collectively referred to as the "Applicable Requirements".

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

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

1. EPL is a corporation established under the laws of Ontario and its head office and registered office are located in the Province of Ontario. EPL is or will be the manager, trustee and promoter of the Top Fund and the Underlying Funds (collectively, the "Funds").

2. The Funds are or will be open-end mutual fund trusts established under the laws of Ontario. The Funds are or will be qualified under a simplified prospectus and annual information form filed in all provinces and territories of Canada.

3. Each of the Funds is or will be a reporting issuer under the Legislation of each of the provinces and territories of Canada (other than those jurisdictions which do not recognize reporting issuers).

4. EPL is the manager, trustee and promoter of the following mutual funds: Elliott & Page Money Fund, Elliott & Page Active Bond Fund, Elliott & Page Value Equity Fund, E&P Cabot Canadian Equity Fund, E&P

Cabot Global MultiStyle Fund and Elliott & Page U.S. Mid-Cap Fund (collectively, the "Existing Underlying Funds"). EPL may in the future establish other mutual funds (the "Future Underlying Funds" and collectively with the Existing Underlying Funds, the "Underlying Funds").

5. The Top Fund seeks to achieve its investment objective while ensuring that its securities do not constitute "foreign property" for registered retirement savings plans, registered retirement income funds, deferred profit sharing plans and similar plans ("Registered Plans").

6. To achieve its investment objective, the Top Fund will invest its assets in securities such that its units will be "qualified investments" for Registered Plans and will not constitute foreign property in a Registered Plan.

7. As part of its investment objective, the Top Fund will invest an aggregate specified percentage (the "Fixed Percentages") of its assets directly and indirectly (through derivative exposure) in specified Underlying Funds, subject to a variation of 2.5% above or below the Fixed Percentages (the "Permitted Ranges") to account for market fluctuations. The Top Fund's total direct investments in the Underlying Funds which constitute foreign property in a Registered Plan will at all times be at or below the maximum foreign property limit under the Income Tax Act (Canada) for Registered Plans (the "Permitted Limit"). The balance of the assets of the Top Fund not invested in the Underlying Funds will be allocated among one or more portfolio sub-advisers.

8. The aggregate of derivative exposure to, and direct investment in, the Underlying Funds, will equal 70% (the "Permitted Aggregate Investment") of the assets of the Top Fund, subject to a variation to account for market fluctuations as described in paragraph 7.

9. The Top Fund will invest its assets in accordance with the Permitted Aggregate Investment and the Fixed Percentages disclosed in the simplified prospectus of the Top Fund.

10. The Top Fund will not invest in an Underlying Fund with an investment objective which includes investing directly or indirectly in other mutual funds.

11. The Top Fund will enter into Forward Contracts based on the returns of an Underlying Fund with one or more financial institutions (each a "Counterparty").

12. In order to hedge their obligations under the Forward Contracts, the Counterparties may purchase securities of an Underlying Fund.

13. Manulife, a financial institution which owns 100% of EPL, or an affiliate of Manulife, (each a "Related Counterparty") may be a Counterparty.

14. There may be directors and/or officers of EPL and its affiliates that are also directors and/or officers of Manulife and its affiliates.

15. Except for the transaction costs payable to a Related Counterparty in relation to any forward contracts with a Related Counterparty, none of the Top Fund, the Underlying Funds, EPL or any affiliate or associate of any of the foregoing will pay any fees or charges of any kind to any other related party in respect of a trade in such Forward Contracts.

16. The simplified prospectus of the Top Fund will disclose the involvement of Related Counterparties acting as Counterparty as well as all applicable charges in connection with any Forward Contracts with a Related Counterparty.

17. Except as otherwise described herein, to the extent evidenced by a Decision granted pursuant to this application, as well as specific approval granted by the Canadian Securities Authorities pursuant to National Instrument NI 81-102 (the "NI 81-102"), any investment by the Top Fund in Forward Contracts with a Related Counterparty has been or will be structured to comply with the investment restrictions of the Legislation and NI 81-102.

18. In the absence of this Decision, the Top Fund is prohibited from knowingly making and holding an investment in the Underlying Funds in which the Top Fund alone or together with one or more related mutual funds is a substantial securityholder.

19. In the absence of this Decision, the Top Fund is prohibited from knowingly making and holding an investment in securities of Manulife.

20. In the absence of this Decision, EPL is required to file a report on every purchase or sale of securities of the Underlying Funds by the Top Fund.

21. In the absence of this decision, EPL is required to file a report on every purchase or sale of securities of Manulife.

22. In the absence of this Decision, the portfolio manager, or mutual fund, is prohibited from causing the Top Fund to invest its assets in securities of Manulife unless the specific fact is disclosed to investors and, if applicable, the written consent of investors is obtained before the purchase.

23. The Top Fund's investment in, or redemption of, securities of the Underlying Funds and/or investment in Forward Contracts with a Related Counterparty represents the business judgement of responsible persons uninfluenced by considerations other than the best interests of the Top Fund.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the Applicable Requirements shall not apply

so as to prevent the Top Fund from making or holding an investment in units of the Underlying Funds, or investing in Forward Contracts issued by a Related Counterparty, or so as to require EPL to file a report relating to the purchase or sale os such securities;

PROVIDED THAT IN RESPECT OF the investment by the Top Fund in units of the Underlying Funds:

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

2. the Decision shall apply only if, at the time a Top Fund makes or holds an investment in its Underlying Funds, the following conditions are satisfied:

   (a) the units of both the Top Fund and the Underlying Funds are being offered for sale in the jurisdiction of each Decision Maker pursuant to a simplified prospectus and annual information form which has been filed with and accepted by the Decision Maker;

   (b) the investment by the Top Fund in the Underlying Funds is compatible with the fundamental investment objectives of the Top Fund;

   (c) the simplified prospectus of the Top Fund discloses the intent of the Top Fund to invest directly and indirectly (through derivative exposure) in the Underlying Funds, the names of the Underlying Funds, the Fixed Percentages and the Permitted Ranges within which such Fixed Percentages may vary;

   (d) the investment objective of the Top Fund discloses that the Top Fund invests directly and indirectly (through derivative exposure) in other mutual funds, the Permitted Aggregate Investment, the Top Fund's maximum direct and indirect exposure to foreign content, and that the Top Fund is eligible for Registered Plans;

   (e) the Underlying Funds are not mutual funds whose investment objective includes investing directly or indirectly in other mutual funds;

   (f) the Top Fund restricts its direct investment in the Underlying Funds which constitute foreign property in Registered Plans to a percentage of its assets that is within the Permitted Limit;

   (g) the Top Fund invests its assets directly and indirectly (through derivative exposure) in the Underlying Funds in accordance with the Permitted Aggregate Investment and the Fixed Percentages disclosed in the simplified prospectus of the Top Fund;

   (h) the Top Fund's derivative exposure to, and direct investment in, the Underlying Funds does not deviate from the Permitted Ranges;

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

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

   (k) if the Fixed Percentages and the Underlying Funds which are disclosed in the simplified prospectus have been changed, either the simplified prospectus has been amended or a new simplified prospectus filed to reflect the change, and the security holders of the Top Fund have been given at least 60 days' notice of the change;

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

   (m) no sales charges are payable by the Top Fund in relation to its purchase of units of the Underlying Funds;

   (n) no redemption fees or other charges are charged by an Underlying Fund in respect of the redemption by the Top Fund of units of the Underlying Fund owned by the Top Fund;

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

   (p) the arrangements between or in respect of the Top Fund and the Underlying Funds are such as to avoid the duplication of management fees;

   (q) any notice provided to securityholders of an Underlying Fund as required by applicable laws or the constating documents of that Underlying Fund, has been delivered by the Top Fund to its security holders;

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

(s) in addition to receiving the annual and, upon request, the semi-annual financial statements, of the Top Fund, securityholders of the Top Fund have received appropriate summary disclosure in respect of the Top Fund's holdings of units of the Underlying Funds in the financial statements of the Top Fund; and

(t) to the extent that the Top Fund and the Underlying Funds do not use a combined simplified prospectus and annual information form containing disclosure about the Top Fund and the Underlying Funds, copies of the simplified prospectus and annual information form of the Underlying Funds have been provided upon request to securityholders of the Top Fund and this right is disclosed in the simplified prospectus of the Top Fund;

AND PROVIDED THAT IN RESPECT OF the investment by the Top Fund in Forward Contracts:

3. The Decision shall only apply if, at the time the Top Fund makes an investment in Forward Contracts of Manulife, the following conditions are satisfied:

(a) the pricing terms offered by the Related Counterparties to the Top Fund under the Forward Contracts are at least as favourable as the terms committed by the Related Conterparties to other third parties, which are of similar size as the Top Fund;

(b) prior to the Top Fund entering into a Forward Contract with a Related Counterparty, the independent auditors of the Top Fund have reviewed the pricing offered by the Related Counterparty to the Top Fund against the pricing offered by the Related Counterparty to other fund groups offering top funds of similar size, to ensure that the pricing is at least as favourable;

(c) the review by the independent auditors has been undertaken not less frequently than on a quarterly basis and, in addition, on every renewal or pricing amendment to each Forward Contract, during the term of such contract;

(d) the Top Fund's simplified prospectus discloses the independent auditors' role and their review of the Forward Contracts, as well as the involvement of the Related Counterparties; and

(e) the Top Fund will enter into Forward Contracts with Related Counterparties only once confirmation of favourable pricing is received from the independent auditors of the Top Fund.

August 24, 2001.

"Paul M. Moore" "R. Stephen Paddon"

2.1.13 Gulfstream Resources Canada Limited - 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 AND ONTARIO

AND

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

AND

IN THE MATTER OF
GULFSTREAM RESOURCES CANADA LIMITED

MRRS DECISION DOCUMENT

1. **WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in Alberta and Ontario (the "Jurisdictions") has received an application from Gulfstream Resources Canada Limited ("Gulfstream") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that Gulfstream 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** Gulfstream has represented to the Decision Makers that:

3.1 Gulfstream was incorporated by Letters Patent under the *Companies Act* (Ontario) on September 29, 1943 as Aumaque Gold Mines Limited ("Aumaque");

3.2 Aumaque's name was changed to Bounty Exploration Limited on June 15, 1964 and then to Gulfstream Resources Canada Limited effective January 15, 1974;

3.3 Gulfstream was continued under the *Business Corporations Act* (Alberta) (the "ABCA") by Certificate of Continuance dated April 1, 1997 (the "Continuance");

3.4 Gulfstream's head office is located in Calgary, Alberta;

3.5 Gulfstream is a reporting issuer in the Jurisdictions and became a reporting issuer in Alberta on October 31, 2000 by an order of the Alberta Securities Commission;

3.6 Gulfstream is not in default of any of the requirements of the Legislation;

3.7 the authorized capital of Gulfstream consists of an unlimited number of common shares, of which, there are currently 68,609,094 common shares (the "Common Shares") outstanding;

3.8 on July 6, 2001, Anadarko Canada (International) Acquisition Corporation ("Anadarko"), an indirect wholly-owned subsidiary of Anadarko Petroleum Corporation, mailed to all holders of Common Shares an offer (the "Offer") to purchase the Common Shares;

3.9 following the Offer, Anadarko commenced compulsory acquisition proceedings under the provisions of the ABCA;

3.10 Anadarko currently holds all of the Common Shares;

3.11 the Common Shares were delisted from The Toronto Stock Exchange on August 14, 2001 and there are no securities of Gulfstream listed or quoted on any exchange or market;

3.12 other than the Common Shares, Gulfstream has no securities, including debt securities, outstanding; and

3.13 Gulfstream 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 Gulfstream is deemed to have ceased to be a reporting issuer under the Legislation.

August 23, 2001.

"Patricia M. Johnston"

2.1.14 Synergy Services Corporation - Decision

Headnote

Section 5.1 of O.S.C. Rule 31-506 *SRO Membership - Mutual Fund Dealers* - mutual fund dealer 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
SYNERGY SERVICES CORPORATION

DECISION
(Section 5.1 of the Rule)

UPON the Director having received an application (the "Application") from Synergy Services Corporation (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 of Canada (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 a wholly-owned subsidiary of Synergy Asset Management Inc. ("SAMI");

2. SAMI is the manager of 24 public mutual funds (the "Funds");

3. the Registrant is registered under the Act as a mutual fund dealer and SAMI is registered as an adviser in the categories of investment counsel and portfolio manager and the Application is not being made in any other jurisdiction;

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

5. 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 the Application;

6. 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;

7. 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 6, 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".

August 20, 2001.

"Rebecca Cowdery"

SCHEDULE "A"

TERMS AND CONDITIONS OF REGISTRATION

OF

SYNERGY SERVICES CORPORATION 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, immediately before the trade, 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, trustee, officer or partner of the Registrant or of an affiliated entity of the Registrant or a mutual fund managed by the Registrant or 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, swap or other derivatives contract 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 of the counterparty 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 swap or other derivatives contract 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 either the Registrant or an affiliated entity of the Registrant;

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

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

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

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

(p) "Permitted Client Trade" means, for the Registrant, 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, in securities of a mutual fund that is managed by the Registrant or an affiliate of the Registrant, and the trade consists of:

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

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

(q) "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);

(r) "Registrant" means Synergy Services Corporation;

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

(t) "Related Party", of a person, means a 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;

(u) "securities", for a mutual fund, means shares or units issued by the mutual fund;

(v) "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;

(w) "Service Provider", 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", of a person, means a person who, at the relevant time, is the spouse of that person.

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.

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 Permitted Client Trade; or

   (f) a Seed Capital Trade;

provided that, in the case of all trades that are only referred to in clauses (a) or (e) above, the trades are limited and incidental to the principal business of the Registrant and its affiliated entities taken as a whole.

2.1.15 ClaringtonFunds 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
CLARINGTONFUNDS INC.

DECISION
(Section 5.1 of the Rule)

UPON the Director having received an application (the "Application") from ClaringtonFunds 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 of Canada (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 the Application is not being made in any other jurisdiction;

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

3. the securities of the Funds 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 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 the Application;

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".

August 15, 2001.

"Rebecca Cowdery"

SCHEDULE "A"
TERMS AND CONDITIONS OF REGISTRATION OF

CLARINGTONFUNDS 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, immediately before the trade, 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) "Permitted Client Trade" means, for the Registrant, 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, in securities of a mutual fund that is managed by the Registrant or an affiliate of the Registrant, and the trade consists of:

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

(ii) a redemption, by the person, through the Registrant, of securities of the mutual fund;

(q) "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);

(r) "Registrant" means ClaringtonFunds Inc.;

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

(t) "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;

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

(v) "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;

(w) "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 Permitted Client Trade; 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.

2.1.16 BNN Split Corp. et al. - MRRS Decision

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

AND

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

AND

**IN THE MATTER OF
BNN SPLIT CORP.
CANADIAN EXPRESS LTD. AND
TRILON SECURITIES CORPORATION**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, Newfoundland and Prince Edward Island (the "Jurisdictions") has received an application from BNN Split Corp. (the "Company"), Canadian Express Ltd. ("Controlling Shareholder") and Trilon Securities Corporation ("Trilon") (collectively, the "Applicants") for a decision under the securities legislation (the "Legislation") of the Jurisdictions that

(i) the Company is exempt from the provision prohibiting it from making an investment in a person or company who is a substantial security holder of a distribution company of the Company (the "Investment Prohibition"), in connection with the proposed investment in Class A Limited Voting Shares (the "Brascan Shares") of Brascan Corporation ("Brascan"), and

(ii) Canadian Express and Trilon are exempt from the provision prohibiting a person or company who has access to information concerning the investment program of the Company from purchasing or selling securities of an issuer for his, her or its account, where the portfolio securities of the Company include securities of that issuer and where the information is used by the person or company for his, her or its direct benefit or advantage (the "Insider Trading Prohibition"),

(a) in connection with the proposed sale to the Company of Brascan Shares held by Canadian Express and Trilon as described in paragraph 14 below, and

(b) in connection with future principal purchases of Brascan Shares from the Company by Trilon as described in paragraph 23 below;

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 Applicants have represented to the Decision Makers as follows:

1. The Company was incorporated under the laws of the Province of Ontario on July 12, 2001. The primary business undertaking of the Company is to acquire and hold a portfolio of Brascan Shares, which are securities that are listed and traded on the Toronto Stock Exchange (the "TSE"). The Brascan Shares and any cash held by the Company from time to time will be the only material assets of the Company.

2. The Company is considered to be a mutual fund as defined in the Legislation. However, since the Company will not operate as a conventional mutual fund, it has made an application for exemptions from certain applicable requirements of National Instrument 81-102.

3. The Company currently has a board of directors (the "Board") consisting of five directors. Three of the Company's directors are also directors and officers of Trilon, while the remaining two directors are independent of Trilon (the "Independent Directors").

4. The purpose of the Company is to provide a vehicle through which different investment objectives in respect of the Company's holding of Brascan Shares may be satisfied. This will be accomplished through the distribution of an equal number of capital shares (the "Capital Shares") and preferred shares (the "Preferred Shares").

5. The Preferred Shares will be offered to the public pursuant to a prospectus (the "Offering"). For this purpose, the Company has filed a preliminary prospectus dated July 13, 2001 (the "Preliminary Prospectus") with all of the provinces of Canada.

6. Concurrently with the Offering of Preferred Shares, the Company will issue to Canadian Express, on an exempt basis, one Capital Share for each Preferred Share sold under the Offering, such that Canadian Express will own 100% of the Capital Shares. The Capital Shares issuable to Canadian Express will have a value at the time of issue equal to the portfolio of Brascan Shares at the time of issuance, less the proceeds of the Preferred Share Offering and divided by the number of Capital Shares to be issued.

7. The Company will hold the Brascan Shares in order to generate fixed cumulative preferential dividends for the holders of the Preferred Shares, and to enable the holders of the Capital Shares to participate in any capital appreciation in the Brascan Shares held by the Company.

8. An application has been made to have the Preferred Shares listed and traded on the TSE.

9. Canadian Express is a reporting issuer whose principal business mandate is to provide holders of its common shares with a leveraged investment in Brascan Shares. It is the promoter of the Company and will own all of the outstanding Capital Shares and Class A Voting Shares of the Company.

10. Trilon is registered under the Legislation as a dealer in the categories of "broker" and "investment dealer", and is a member of the Investment Dealers Association of Canada and the TSE. Trilon is a distribution company of the Company and is a wholly-owned subsidiary of Trilon Financial Corporation, which is 71% owned by Brascan.

11. Pursuant to an administration agreement (the "Administration Agreement") to be entered into between the Company and Trilon, the latter will be retained to administer the ongoing operations of the Company. Trilon will be paid an annual fee equal to 10% of the ordinary expenses incurred in connection with the operation and administration of the Company.

12. Pursuant to an agreement to be made between the Company, Canadian Express, and the agents for the Offering of Preferred Shares including Trilon (collectively, the "Agents"), the Company will appoint the Agents to offer the Preferred Shares to the public on a best- efforts basis.

13. The net proceeds from the Offering of Preferred Shares (after deducting the Agents' fees, expenses of the issue and the Company's expenses relating to the acquisition of the Brascan Shares) will be used by the Company, together with the proceeds from the exempt distribution of Capital Shares, to fund the purchase of Brascan Shares that will be held in the Company's portfolio.

14. Pursuant to an agreement among the Company, Canadian Express and Trilon, the Company has agreed to purchase from Canadian Express and Trilon, and the latter have agreed to sell to the Company, the Brascan Shares that they hold at $25.00 per share (the "Initial Purchase and Sale"). The Company will issue Capital Shares to Canadian Express as consideration for the Brascan Shares to be purchased from Canadian Express. The Company's acquisition of Brascan Shares from Trilon will be paid for in cash, and will be funded in part by the proceeds from the Offering of Preferred Shares and in part by the proceeds from cash subscriptions by Canadian Express for additional Capital Shares of the Company.

15. The price to be paid by the Company to Trilon and Canadian Express for the Brascan Shares was negotiated and agreed to among the parties at the time the transaction was initially proposed, when the market price of Brascan Shares was $25.00 per share. This was done in order to provide certainty that the Company will be able to purchase sufficient Brascan Shares at closing to complete the transaction.

16. The exact number of Brascan Shares to be acquired by the Corporation will be determined at the time of the pricing of the Preferred Shares. For this purpose, it is a requirement of Dominion Bond Rating Service Limited,

which will give a rating for the Preferred Shares, that the minimum amount of asset coverage for the Preferred Shares be a number of Brascan Shares sufficient to provide the Company a downside protection equal to 55% of the market price of Brascan Shares at the time of pricing the Preferred Shares.

17. The Company's (final) prospectus for the Offering of Preferred Shares will disclose the market price of Brascan Shares as at the date immediately preceding the date of such prospectus. It will also disclose the acquisition cost of Brascan Shares that, or the cost-basis on which such Brascan Shares, will be transferred or sold by Canadian Express and Trilon to the Company under the Initial Purchase and Sale transaction, as well as selected information with respect to the dividend and trading history of Brascan Shares.

18. The Independent Directors of the Company have determined that the terms of the Initial Purchase and Sale of Brascan Shares, including the price of $25.00 per share, are reasonable and in the best interest of the Company.

19. Prior to and after the date of the Company's (final) prospectus for the Offering of Preferred Shares, Trilon will also purchase additional Brascan Shares, as agent for the Company, at market price and in accordance with the requirements of the TSE. In connection with such agency purchase, Trilon will receive fees or commissions from the Company at normal commercial rates.

20. The Company is not, and will not after its acquisition of Brascan Shares be, an insider of Brascan.

21. The acquisition of Brascan Shares represents the business judgment of the Company's Board, uninfluenced by considerations other than the best interest of the Company.

22. The Company will not engage in any trading of the Brascan Shares held in its portfolio except

    (a) to fund retractions or redemptions of Preferred Shares or Capital Shares by he holders or the Company, as the case may be, prior to September 30, 2008 (the "Redemption Date"), and

    (b) in certain other limited circumstances as described in the Preliminary Prospectus and will be described in the (final) prospectus.

23. In connection with the services to be provided by Trilon to the Company pursuant to the Administration Agreement, Trilon may sell Brascan Shares, as agent on behalf of the Company, to fund retractions of Preferred Shares or Capital Shares prior to the Redemption Date. In connection with such agency sales of Brascan Shares on behalf of the Company, Trilon may receive fees or commissions at normal commercial rates. In addition, Trilon may also purchase Brascan Shares as principal (the "Principal Purchase") from the Company, for which it will not receive any fee or commission. In carrying out the Principal Purchases, Trilon will deal fairly, honestly and in good faith with the Company.

24. In connection with any Principal Purchase of Brascan Shares from the Company, Trilon will comply with the rules, procedures and policies of the TSE. In addition, the Administration Agreement will require Trilon to take such reasonable steps (for example, soliciting bids from other market participants) as Trilon considers appropriate in its discretion, after taking into account prevailing market conditions and other relevant factors, to enable the Company to obtain the best price (net of all transactions costs) reasonably available for the Brascan Shares.

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 tests contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision have been met;

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

(a) the Investment Prohibition does not apply to the Company's acquisition and holding of Brascan Shares, provided that the Company does not become an insider of Brascan following such investment; and

(b) the Insider Trading Prohibition does not apply to

    (i) Canadian Express and Trilon, in connection with the Initial Purchase and Sale transaction in Brascan Shares, provided that the Company's (final) prospectus discloses the information described in paragraphs 15 to 18 above, and

    (ii) Trilon, in connection with any Principal Purchase of Brascan Shares from the Company, provided that the price to be paid by Trilon for such purchase is not less than the bid price of Brascan Shares as reported on the principal stock exchange where Brascan Shares are listed and traded.

August 27, 2001.

"Paul Moore" "J.A. Geller"

2.1.17 Fidelity Investments Canada Limited et al. - MRRS Decision

Headnote

Investment of substantially all of the assets of the classes of a corporate mutual fund in securities of specified mutual fund trusts exempted from the reporting requirements and self-dealing prohibitions of clauses 111(2)(b) and subsection 111(3), and clauses 117(1)(a) and (d) subject to certain specified conditions.

Statutes Cited

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

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

AND

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

AND

IN THE MATTER OF
Classes of Shares of Fidelity Capital Structure Corp. (the "Corporation"), being
Fidelity Canadian Growth Company Class
Fidelity Disciplined Equity Class
Fidelity True North Class
Fidelity American Opportunities Class
Fidelity Growth America Class
Fidelity Small Cap America Class
Fidelity European Growth Class
Fidelity Far East Class
Fidelity International Portfolio Class
Fidelity Japanese Growth Class
Fidelity Focus Consumer Industries Class
Fidelity Focus Financial Services Class
Fidelity Focus Health Care Class
Fidelity Focus Natural Resources Class
Fidelity Focus Technology Class
Fidelity Focus Telecommunications Class
Fidelity Canadian Balanced Class
Fidelity Canadian Short Term Income Class
(Collectively, the "Classes")
and
Fidelity Investments Canada Limited

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia, and Newfoundland (the "Participating Jurisdictions") has received an application from Fidelity Investments Canada Limited ("Fidelity"), on its own behalf and on behalf of the Classes (the "Current Top Funds") and other classes of the Corporation managed by Fidelity after the date of this Decision (defined herein) having an investment objective that invests substantially all of its assets in another mutual fund managed by Fidelity (individually, a "Top Fund" and, together with the Current Top Funds, the "Top Funds") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the following provisions of the Legislation (the "Applicable Requirements") shall not apply to the Top Funds or Fidelity, as the case may be, in respect of certain investments to be made by a Top Fund in an Underlying Fund (as defined herein) from time to time:

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

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

AND 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 Fidelity to the Decision Makers that:

1. Fidelity is a corporation continued under the laws of the Province of Ontario and is or will be the manager of each of the Top Funds and each of the Underlying Funds (collectively, the "Fidelity Funds"). Fidelity's head office is located in Toronto, Ontario.

2. Each of the Top Funds is or will be classes of shares of the Corporation, a mutual fund corporation incorporated under the laws of the Province of Alberta, the shares of which will be offered for sale in each of the provinces and territories of Canada.

3. Each of the Current Underlying Funds (as defined herein) is and will be an open-ended mutual fund trust established under the laws of Ontario by a Declaration of Trust.

4. Each of the Fidelity Funds is or will be a reporting issuer in each of the provinces and territories of Canada.

5. Securities of each of the Fidelity Funds will be qualified for distribution by means of a simplified prospectus and an annual information form filed in accordance with the

legislation applicable in each of the provinces and territories of Canada.

6. Each of the Top Funds seeks to achieve its investment objective by investing substantially all of its assets in securities of its corresponding Underlying Fund. Except for transitional cash, each of the Top Funds will be 100% invested in securities of its corresponding Underlying Fund.

7. Fidelity is currently the manager of Fidelity Canadian Growth Company Fund, Fidelity Disciplined Equity Fund, Fidelity True North Fund, Fidelity American Opportunities Fund, Fidelity Growth America Fund, Fidelity Small Cap America Fund, Fidelity European Growth Fund, Fidelity Far East Fund, Fidelity International Portfolio Fund, Fidelity Japanese Growth Fund, Fidelity Focus Consumer Industries Fund, Fidelity Focus Financial Services Fund, Fidelity Focus Health Care Fund, Fidelity Focus Natural Resources Fund, Fidelity Focus Technology Fund, Fidelity Focus Telecommunications Fund, Fidelity Canadian Balanced Fund and Fidelity Canadian Money Market Fund (the "Current Underlying Funds") and may in the future establish other mutual fund trusts or corporations (together with the Current Underlying Funds, the "Underlying Funds").

8. The simplified prospectus for the Top Funds will disclose the investment objectives, investment strategies, risks and restrictions of the Top Fund.

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

10. In the absence of the Decision, pursuant to the Legislation, each Top Fund is prohibited from knowingly making or holding an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial securityholder. As a result, in the absence of this Decision the Top Fund would be required to divest itself of any such investments.

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

12. The investments by the Top Funds in securities of the Underlying Funds will represent the business judgement of "responsible persons" (as defined in the Legislation) uninfluenced by considerations other than the best interests of the Top Funds.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the Applicable Requirements shall not apply so as to prevent the Top Funds from making and holding an investment in securities of the Underlying Funds or require Fidelity to file a report relating to the purchase or sale of such securities.

PROVIDED IN EACH CASE THAT:

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

2. the Decision shall only apply if, at the time a Top Fund makes or holds an investment in its Underlying Fund, the following conditions are satisfied:

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

   (b) the investment by the Top Fund in the Underlying Fund is compatible with the fundamental investment objectives of the Top Fund;

   (c) the simplified prospectus of the Top Fund discloses the name of the Underlying Fund and the name of its portfolio adviser, the investment objectives, investment strategies, and top ten holdings of the Underlying Fund, and the risks associated with investing in the Underlying Fund;

   (d) the investment objective of the Top Fund discloses that the Top Fund invests substantially all of its assets in securities of the Underlying Fund and the name of the Underlying Fund;

   (e) the Underlying Fund is not a mutual fund whose investment objective includes investing directly or indirectly in other mutual funds;

   (f) if the Underlying Fund disclosed in the simplified prospectus has been changed, securityholders of the Top Fund have given prior approval and the simplified prospectus has been amended or a new simplified prospectus has been filed to reflect the change;

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

(h) no sales charges are payable by the Top Fund in relation to its purchases of securities of the Underlying Fund;

(i) no redemption fees or other charges are charged by the Underlying Fund in respect of the redemption by the Top Fund of securities of the Underlying Fund owned by the Top Fund;

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

(k) the arrangements between or in respect of the Top Fund and the Underlying Fund are such as to avoid the duplication of management fees;

(l) any notice provided to securityholders of the Underlying Fund as required by applicable laws or the constating documents of that Underlying Fund has been delivered by the Top Fund to its securityholders;

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

(n) in addition to receiving the annual and, upon request, the semi-annual financial statements of the Top Fund, securityholders of the Top Fund have received appropriate summary disclosure in respect of the Top Fund's holdings of securities of the Underlying Funds in the financial statements of the Top Fund; and

(o) to the extent that the Top Fund and the Underlying Fund do not use a combined simplified prospectus and annual information form containing disclosure about the Top Fund and the Underlying Fund, copies of the simplified prospectus and annual information form of the Underlying Fund have been provided upon request to securityholders of the Top Fund and the right to receive these documents is disclosed in the simplified prospectus of the Top Fund.

August 28, 2001.

"Paul Moore" "J. A. Geller"

2.1.18 Delaney Energy Services Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - corporation deemed to have ceased to be a reporting issuer following its take-over by another corporation.

Applicable Ontario Statutory Provisions

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

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ALBERTA AND ONTARIO

AND

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

AND

IN THE MATTER OF
DELANEY ENERGY SERVICES CORPORATION

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 Delaney Energy Services Corporation ("Delaney") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that Delaney 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** Delaney has represented to the Decision Makers that:

    3.1 Delaney is a corporation organized and subsisting under the *Business Corporations Act* (Alberta) (the "ABCA");

    3.2 the head and principal offices of Delaney are in Calgary, Alberta;

    3.3 Delaney is reporting issuer under the Legislation and is not in default of its obligations as a reporting issuer under the Legislation;

    3.4 the authorized share capital of Delaney consists of an unlimited number of common shares ("Common Shares") and an unlimited number of preferred shares ("Preferred Shares") of which

20,741,146 Common Shares and no Preferred Shares are issued and outstanding;

3.5 pursuant to a take-over bid by Integrated Production Services Ltd. ("Integrated") dated March 21, 2001, as further amended by several Notices of Extension and Variation, and a subsequent compulsory acquisition under the ABCA, Delaney is now a wholly-owned subsidiary of Integrated;

3.6 the Common Shares were delisted from the Canadian Venture Exchange on June 28, 2001, and no securities of Delaney are listed or quoted on any exchange or market;

3.7 Delaney has no other securities, including debt securities, outstanding;

3.8 Delaney does not intend 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 Makers with the jurisdiction to make the Decision has been met;

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

July 26, 2001.

"Patricia M. Johnston"

2.1.19 FINOVA (Canada) Finance Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - corporation deemed to have ceased to be a reporting issuer - wholly-owned by parent having never made an offering of securities.

Applicable Ontario Statutory Provisions

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

IN THE MATTER OF THE SECURITIES LEGISLATION OF ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUÉBEC, NEWFOUNDLAND, PRINCE EDWARD ISLAND, NEW BRUNSWICK, NOVA SCOTIA

AND

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

AND

IN THE MATTER OF FINOVA (CANADA) FINANCE INC.

MRRS DECISION DOCUMENT

1. **WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland (the "Jurisdictions") has received an application from FINOVA (Canada) Finance Inc. ("FINOVA") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that FINOVA be deemed to have ceased to 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** Finova has represented to the Decision Makers that:

3.1 FINOVA is a corporation incorporated under the *Companies Act* (Nova Scotia);

3.2 FINOVA's registered office is in Halifax, Nova Scotia;

3.3 FINOVA Capital Corporation ("FINOVA CAPITAL") is a corporation governed by the laws of Delaware;

3.4 FINOVA is an indirect wholly-owned subsidiary of FINOVA CAPITAL;

3.5 the authorized capital of FINOVA consists of common shares ("Common Shares") of which 100,000 Common Shares are issued and outstanding;

3.6 FINOVA is a reporting issuer or the equivalent in each of the Jurisdictions;

3.7 in 1999, FINOVA obtained waivers from the Jurisdictions pursuant to section 4.5 of *National Policy Statement No. 47*, now rescinded, which permitted FINOVA to issue debt securities (the "Notes") under the Prompt Offering Qualification System and orders which relieved FINOVA from the filing of certain continuous disclosure documents provided that:

3.7.1 FINOVA CAPITAL unconditionally guarantee the Notes as to the payment of principal, premium, if any, and interest;

3.7.2 FINOVA CAPITAL file certain continuous disclosure documents with the Jurisdictions; and

3.7.3 the Notes maintain an Approved Rating;

3.8 on February 25, 2000, FINOVA obtained a final receipt for a short form prospectus from the Jurisdictions respecting the offering of $300,000,000 Medium Term Notes (the "Offering");

3.9 on March 7, 2001, FINOVA CAPITAL voluntarily filed under Chapter 11 of the *U.S. Bankruptcy Code*;

3.10 FINOVA has not issued, nor does it intend to issue, any securities under the Offering;

3.11 all of the Common Shares are held by The FINOVA Group (Canada) Inc., a wholly-owned subsidiary of FINOVA CAPITAL;

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

3.13 FINOVA has no securities, including debt securities, outstanding other than the Common Shares; and

3.14 FINOVA 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 FINOVA is deemed to have ceased to be a reporting issuer or the equivalent under the Legislation.

August 20, 2001.

"Patricia M. Johnston"

2.2 Orders

2.2.1 ActFit.com Inc.- s. 144

Headnote

Section 144 - revocation of cease trade order upon remedying, to the extent possible, its default in respect of disclosure requirements under the Act.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5. as am., ss. 127(1)2, 127(5), 127(8), 144.

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

AND

IN THE MATTER OF
ACTFIT.COM INC.
(the "Issuer")

ORDER
(Section 144)

WHEREAS on the July 5, 1979 the Ontario Securities Commission (the "Commission") pursuant to the predecessor to section 6 of the Act assigned to the Director the powers of the Commission under the predecessor to section 127 of the Act, to be exercised only where a reporting issuer has failed to file financial statements, auditor's reports thereon, or interim financial statements required to be filed under the predecessor to Part XVIII of the Act;

AND WHEREAS the securities of ActFit.com Inc. ("ActFit.com") are currently subject to an Order made by the Director dated June 8, 2001, extending a temporary order of May 25, 2001 (collectively, the "Cease Trade Order") directing that trading in the securities of ActFit.com cease;

AND UPON ActFit.com having applied to the Commission pursuant to section 144 of the Act for an order revoking the Cease Trade Order;

AND UPON ActFit.com having represented to the Commission that:

1. The Corporation was formed under the Business Corporations Act (Ontario) on April 20, 1964 as Benvan Mines Limited. On June 27, 1997 the Corporation's name was changed to Lasermedia Communications Corp. On August 5, 1999, the name of the Company was changed from Lasermedia Communications Corp. to ActFit.com Inc.

2. The authorized capital of an unlimited number of common shares and a maximum of 2,000,000 preference shares of which 36,541,597 common shares and preference shares are issued and outstanding as fully paid and non-assessable.

3. The Cease Trade Order was issued due to the failure of Actfit.com to file with the Commission audited financial statements for the year ended December 31, 2000 (the "Financial Statements") as required by the Act.

4. The Financial Statements were not filed with the Commission due to a lack of funds to pay for the preparation and audit of such statements.

5. The Financial Statements for the year ended December 31, 2000, and the interim financial statements for the periods ended March 31, 2001 were filed with the Commission via SEDAR on July 13, 2001 and August 23, 2001, respectively.

6. ActFit.com is not considering and is not involved in any discussions relating to a reverse take-over transaction.

7. Except for the Cease Trade Order, ActFit.com is not otherwise in default of any requirements of the Act or the regulation made thereunder; and

8. ActFit.com intends to mail the most recent financial statements to the shareholders in connection with the next annual meeting of the shareholders. The financial statements of ActFit.com are filed and available on the SEDAR web site.

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

AND UPON the Commission being satisfied that ActFit.com is now current with the continuous disclosure requirements under Part XVIII of the Act and has remedied its default in respect of such requirements;

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

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

August 23, 2001.

"John Hughes"

2.2.2 Dura Products International Inc. - s. 144

Headnote

Section 144 - revocation of cease trade order upon remedying, to the extent possible, its default in respect of disclosure requirements under the Act.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5. as am., ss. 127(1)2, 127(5), 127(8), 144.

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

AND

**IN THE MATTER OF
DURA PRODUCTS INTERNATIONAL INC.**

**ORDER
(Section 144)**

WHEREAS the securities of

DURA PRODUCTS INTERNATIONAL INC.
(the "Reporting Issuer")

currently are subject to a Temporary Order (the "Temporary Order") made by a Director on behalf of the Ontario Securities Commission (the "Commission"), pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act, on the 25 day of May, 2001, as extended by a further order (the "Extension Order") of a Director, made on the 8 day of June, 2001, on behalf of the Commission pursuant to subsection 127(8) of the Act, that trading in the securities of the Reporting Issuer cease until the Temporary Order, as extended by the Extension Order, is revoked by a further Order of Revocation;

AND WHEREAS the Temporary Order and Extension Order were each made on the basis that the Reporting Issuer was in default of certain filing requirements;

AND WHEREAS the undersigned Manager is satisfied that the Reporting Issuer has remedied its default in respect of the filing requirements and is of the opinion that it would not be prejudicial to the public interest to revoke the Temporary Order as extended by the Extension Order;

NOW THEREFORE, IT IS ORDERED, pursuant to section 144 of the Act, that the Temporary Order and Extension Order be and they are hereby revoked.

August 23, 2001.

"John Hughes"

2.2.3 OceanLake Commerce Inc. - ss. 83.1(1)

Headnote

Subsection 83.1(1) - CDNX issuer deemed to be reporting issuer in Ontario.

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

AND

**IN THE MATTER OF
OCEANLAKE COMMERCE INC.**

**ORDER
(Section 83.1(1))**

UPON the application of OceanLake Commerce Inc. (the "Corporation") to the Ontario Securities Commission (the "Commission") for an order pursuant to Section 83.1(1) of the *Securities Act* (Ontario) (the "Act") deeming the Corporation to be a reporting issuer for the purpose of Ontario securities law;

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

AND UPON the Corporation having represented to the Commission as follows:

1. The Corporation is a company governed by the *Company Act* (British Columbia). Its registered office is located in Vancouver, British Columbia and its head office is located in Toronto, Ontario.

2. The Corporation became a "reporting issuer" under the *Securities Act* (British Columbia) on January 17, 1986 by way of prospectus and became a reporting issuer under the *Securities Act* (Alberta) on November 26, 1999 due to the merger of the Alberta and Vancouver Stock exchanges.

3. The Corporation's common shares were listed on the Vancouver Stock Exchange (the "VSE") on February 5, 1986. The Corporation's common shares currently trade on the Canadian Venture Exchange Inc. ("CDNX") under the trading symbol "OLI".

4. The Corporation is not a reporting issuer under the securities legislation of any jurisdiction other than the Provinces of British Columbia and Alberta.

5. The Corporation is not on the lists of defaulting reporting issuers maintained pursuant to section 113 of the Securities Act (Alberta) or section 77 of the Securities Act (British Columbia). To the knowledge of management of the Corporation, the Corporation has not been the subject of any enforcement actions by the Alberta or British Columbia Securities Commissions or by CDNX, and the Corporation is not in default of any requirement of the Act, the *Securities Act* (Alberta) or the *Securities Act* (British Columbia).

6. The continuous disclosure requirements of the *Securities Act* (Alberta) and the *Securities Act* (British Columbia) are substantially the same as the requirements under the Act.

7. The materials filed by the Corporation as a reporting issuer in the Provinces of Alberta and British Columbia since January 1, 1997 are available on the System for Electronic Document Analysis and Retrieval.

8. Neither the Corporation nor any of its officers, directors or controlling shareholders has been (i) 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 likely 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 section 83.1(1) of the Act that the Corporation be deemed to be a reporting issuer for the purposes of Ontario securities law.

August 28, 2001.

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

2.2.4 Capital International Asset Management (Canada), Inc. & Scotia Securities Inc. - ss. 59(1)

Headnote

Exemption from the fees otherwise due under subsection 14(1) of Schedule 1 of the Regulation to the *Securities Act* on the distribution of units made by "underlying" funds arising in the context of RSP "clone" fund structures and non-RSP "clone" fund-on-fund structures.

Regulations Cited

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

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

AND

IN THE MATTER OF
CAPITAL INTERNATIONAL ASSET MANAGEMENT (CANADA), INC. AND
SCOTIA SECURITIES INC.

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

UPON the application of Scotia Securities Inc. ("Scotia"), the trustee and manager of the RSP Funds (as set out in Schedule "A" to this Decision Document), and other similar funds established by Scotia from time to time (together with the RSP Funds, the "RSP Top Funds"), and the trustee and manager of the Non-RSP Funds (as set out in Schedule "B" to this Decision Document), and other similar funds established by Scotia from time to time (together with the Non-RSP Funds, the "Non-RSP Top Funds" and collectively with the RSP Top Funds, the "Top Funds"), and Capital International Asset Management (Canada), Inc. ("CIAM"), the trustee and manager of the underlying funds (as set out in Schedule "C" to this Decision Document), and other similar funds established by CIAM from time to time, (together, the "Underlying Funds") for an order pursuant to subsection 59(1) of Schedule I of the Regulation exempting the Underlying Funds from paying duplicate filing fees on an annual basis in respect of the distribution of units ("Units") of the Underlying Funds to the Top Funds, the distribution of Units of the Underlying Funds to Counterparties (as defined herein) with whom the RSP Top Funds have entered into forward contracts and on the reinvestment of distributions on such Units.

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

AND UPON CIAM and Scotia having represented to the Commission that:

1. CIAM is, or will be, the trustee and manager of the Underlying Funds. Scotia is, or will be, the trustee and

manager of the Top Funds. CIAM and Scotia are corporations incorporated under the laws of Ontario.

2. The Top Funds and the Underlying Funds are, or will be, open-ended mutual fund trusts established under the laws of Ontario.

3. The Top Funds and the Underlying Funds are, or will be, reporting issuers and are not, or will not be, in default of any requirement of the securities acts or regulations applicable in each of the provinces and territories of Canada. The Units of the Top Funds and the Underlying Funds are, or will be, qualified for distribution pursuant to simplified prospectuses and annual information forms filed across Canada.

4. As part of its investment strategy, each RSP Top Fund enters into forward contracts or other derivative instruments (the "Forward Contracts") with one or more financial institutions (the "Counterparties") that link the RSP Top Fund's returns to its corresponding Underlying Fund.

5. Counterparties may hedge their obligations under the Forward Contracts by investing in Units (the "Hedge Units") of the applicable Underlying Fund.

6. As part of its investment strategy, each RSP Top Fund may invest a portion of its assets directly in Units of its corresponding Underlying Fund and each Non-RSP Fund may invest a portion of its assets directly in Units of the applicable Underlying Funds (the "Fund-on-Fund Investments").

7. Applicable securities regulatory approvals for the Fund-on-Fund Investments and Top Funds' investment strategies have been obtained, where necessary.

8. Annually, each of the Top Funds will be required to pay filing fees to the Commission in respect of the distribution of its Units in Ontario pursuant to Section 14 of Schedule I of the Regulation and will similarly be required to pay fees based on the distribution of its Units in other relevant Canadian jurisdictions pursuant to the applicable securities legislation in each of those jurisdictions.

9. Annually, each of the Underlying Funds will be required to pay filing fees to the Commission in respect of the distribution of its Units in Ontario, including the distribution of the Units to both the Top Funds and the Counterparties in respect of the Hedge Units, pursuant to Section 14 of Schedule I of the Regulation and will similarly be required to pay fees based on the distribution of its Units in other relevant Canadian jurisdictions pursuant to the applicable securities legislation in each of those jurisdictions.

10. A duplication of filing fees pursuant to Section 14 of Schedule I of the Regulation may result when: (a) assets of a Top Fund are invested in the applicable Underlying Fund (b) Hedge Units are distributed; and (c) a distribution is paid by an Underlying Fund on Units of the Underlying Fund held by the applicable Top Fund or on Hedge Units which are reinvested in additional Units of the Underlying Fund (the "Reinvested Units").

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

IT IS ORDERED by the Commission pursuant to subsection 59(1) of Schedule I of the Regulation that the Underlying Funds are exempt from the payment of duplicate filing fees on an annual basis pursuant to Section 14 of Schedule I of the Regulation in respect of the distribution of Units of the Underlying Funds to the RSP Top Funds, the distribution of Hedge Units to Counterparties and the distribution of the Reinvested Units, provided that each Underlying Fund shall include in its notice filed under subsection14(4) of Schedule I of the Regulation a statement of the aggregate gross proceeds realized in Ontario as a result of the issuance by the Underlying Fund of: (1) Units to the RSP Top Funds (2) Hedge Units and (3) Reinvested Units; together with a calculation of the fees that would have been payable in the absence of this Order.

AND IT IS FURTHER ORDERED by the Commission pursuant to subsection 59(1) of Schedule I of the Regulation that the Underlying Funds are exempt from the payment of duplicate filing fees on an annual basis pursuant to Section 14 of Schedule I of the Regulation in respect of the distribution of Units of the Underlying Funds to the Non-RSP Top Funds and the distribution of the Reinvested Units, provided that each Underlying Fund shall include in its notice filed under subsection14(4) of Schedule I of the Regulation a statement of the aggregate gross proceeds realized in Ontario as a result of the issuance by the Underlying Fund of: (1) Units to the Non-RSP Top Funds and (2) Reinvested Units; together with a calculation of the fees that would have been payable in the absence of this Order.

August 28, 2001.

"Paul Moore" J. A. Geller"

SCHEDULE "A"

RSP TOP FUNDS

Capital International Large Companies RSP Fund
Capital U.S. Large Companies RSP Fund
Capital Global Small Companies RSP Fund
Capital U.S. Small Companies RSP Fund
Capital Global Discovery RSP Fund

SCHEDULE "B"

NON-RSP TOP FUNDS

Capital International Large Companies Fund
Capital U.S. Large Companies Fund
Capital Global Small Companies Fund
Capital U.S. Small Companies Fund
Capital Global Discovery Fund

SCHEDULE "C"

UNDERLYING FUNDS

Capital International - International Equity
Capital International - U.S. Equity
Capital International - Global Small Cap
Capital International - U.S. Small Cap
Capital International - Global Discovery

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 Decisions

3.1.1 Neil DiCostanzo

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

AND

IN THE MATTER OF
THE APPLICATION FOR REGISTRATION OF
NEIL DICOSTANZO

HEARING BEFORE THE DIRECTOR
PURSUANT TO SUBSECTION 26(3) OF THE SECURITIES ACT

Held On: December 14, 2000

Held At: Ontario Securities Commission
20 Queen Street West
17th Floor
Toronto, Ontario

Director: Robert F. Kohl
Senior Legal Counsel
Capital Markets

Counsel: Paul Le Vay
for the Applicant Neil DiCostanzo

Counsel: Kathryn J. Daniels
for the Staff of the Ontario Securities Commission

DECISION

The Decision of the Director was to refuse the application of Neil DiCostanzo for registration to act as a salesperson on behalf of a dealer registered in the category of "investment dealer" and "broker". The decision was issued by the Director on January 11, 2001 with Notice that reasons for the Decision would follow at a later date. These are the reasons for the decision.

REASONS FOR DECISION

The applicant for registration, Mr. Neil DiCostanzo, was previously employed at Gordon-Daly Grenadier Securities ("Gordon-Daly"), first as a non-registered telemarketer (qualifier) and, then, as a registered salesperson.

In response to Mr. DiCostanzo's application (OSC Registration File Number 193025) under the Securities Act (Ontario) (the "Act") for registration as a salesperson to act on behalf of BMO Nesbitt Burns Inc. ("Nesbitt Burns"), staff of the Ontario Securities Commission (the "Commission") advised Mr. DiCostanzo, in their letter dated August 22, 2000, that staff were recommending that Mr. DiCostanzo's application for registration be denied on the grounds that he was not suitable for registration.

Nesbitt Burns is registered under the Act as a "dealer" in the category of "investment dealer" and "broker".

In staff's letter, Mr. DiCostanzo was advised that, pursuant to subsection 26(3) of the Act, before a decision of the Director would be made in respect of his application for registration, he would have a right to be heard. Mr. DiCostanzo requested that right and a hearing was held before me on December 14, 2000, where I acted as Director pursuant to the current Determination by the Executive Director of positions within the Commission that are designated as "Director" for the purposes of the Act.

Prior to the hearing, I received a transcript of Mr. DiCostanzo's examination interview held on August 2, 2000 pursuant to

section 31 of the Act. At the hearing on December 14, 2000, I heard testimony from Mr. DiCostanzo and from Mr. Tim Logan, who is the supervisor of registration at Nesbitt Burns. I also heard submissions from counsel for Mr. DiCostanzo and counsel for staff of the Commission.

On the basis of the testimony, and after having considered the submissions, the section 31 transcript and the transcript of the hearing, it appeared to me that the applicant, Mr. Neil DiCostanzo, was not then suitable for registration as a salesperson to act on behalf of Nesbitt Burns, and that such registration would, at that time, be objectionable. Accordingly, on January 11, 2000, I refused Mr. DiCostanzo's application for registration as a salesperson to act on behalf of Nesbitt Burns. At the same time that I issued my refusal, I spoke to counsel for Mr. DiCostanzo and advised that, in my reasons that would follow, I would state that, provided that:

(i) no new facts arise that are relevant to Mr. DiCostanzo's suitability for registration,

(ii) Mr. DiCostanzo successfully completes the Conduct and Practices Course; and

(iii) I were to remain seized of the matter,

I would be inclined to approve Mr. DiCostanzo's application for registration as a salesperson one year from the date of staff's letter informing Mr. DiCostanzo that the Commission had recommended to the Director against his registration.

Following are the reasons which I said would follow my decision:

EVIDENCE

In its letter of August 22, 2000, staff submitted that Mr. DiCostanzo's application for registration should be denied on the grounds that Mr. DiCostanzo was not suitable for registration because, while employed by Gordon-Daly, Mr. DiCostanzo resold stocks to his clients at excessive mark-ups and failed to deal fairly, honestly and in good faith with clients. In the hearing, staff submitted that Mr. DiCostanzo's transfer of registration to Nesbitt Burns be denied, or, in the alternative, that the following terms and conditions be imposed upon his registration:

i) no principal trading by the applicant;

ii) strict supervision by a senior, registered officer of the sponsor [Nesbitt Burns] for an indefinite period pending further application by the applicant; and

iii) successful completion by the applicant of the Conduct and Practices Handbook Course, prior to the resumption of his registration.

In his testimony, Mr. Logan, Supervisor of Registration at Nesbitt Burns, confirmed that Nesbitt Bums was willing to accept the above conditions on Mr. DiCostanzo's registration that had been proposed as an alternative for the Director to consider to declining Mr. DiCostanzo's registration. Moreover, in addition to the conditions proposed by staff, Mr. Logan confirmed that Nesbitt was prepared to implement the following additional supervisory conditions:

i) put Mr. DiCostanzo on a zero-per cent commission rate (which he suggested might serve to discourage Mr. DiCostanzo from any incentive to churn accounts);

ii) strict supervision of Mr. DiCostanzo, in accordance with the special supervisory criteria of the IDA; and

iii) provide that all trades by Mr. DiCostanzo be required to be signed off, or at least supervised by, another person at the firm, prior to entry, with a monthly filing report made to the IDA.

Mr. Logan confirmed that these additional conditions might be placed *pending* further application for their removal.

The personal circumstances of Mr. DiCostanzo's employment history with Gordon-Daly, based upon his testimony at the hearing and the section 31 examination, may be summarized as follows:
At the time of the hearing Mr. DiCostanzo was 32 years old.

In 1991, Mr. DiCostanzo received a Bachelor of Arts Degree, in Geography, from York University. Following graduation, Mr. DiCostanzo worked briefly for a year at Eatons, but was laid off after approximately one year. Following his lay-off from Eatons, Mr. DiCostanzo was unemployed for a period and subsequently obtained employment with his father as an assistant property manager. In 1993, Mr. DiCostanzo attended York University and obtained a second degree in Urban Studies. Following his second graduation, Mr. DiCostanzo took approximately one year off to visit relatives in Italy.

Upon his return from Italy, Mr. DiCostanzo recognized that job prospects weren't too promising and decided to register in the Canadian Securities Course, hopeful that he might be able to pursue an interest in the securities industry that he was introduced to at a young age, by his parents, who were investors. At the same time, Mr. DiCostanzo applied for jobs in the securities industry at, in his words, "the big bank-owned firms, like BMO Nesbitt Burns, RBC, Scotia, TD, HSBC Capital, which wasn't part of the bank owned firms, and subsequently – I got no response from those firms". According to Mr. DiCostanzo, they wanted experience and he decided that he would like to get some experience with a smaller firm so that he might have an opportunity to grow as an investment representative at one of these firms. He therefore decided to apply to a smaller firm, with Gordon-Daly one of those smaller firms, at which he was successful in receiving a job offer. He did not receive a job offer from any other firms.

In 1995, Mr. DiCostanzo's offer of initial employment with Gordon-Daly, which he accepted, was to act as a telemarketer, at which time, Mr. DiCostanzo had not yet completed the securities course, so he was therefore not then eligible to be registered as a salesperson. As a telemarketer, Mr. DiCostanzo would make cold calls to identify persons with businesses who were interested in having information delivered to them about certain companies, whose stock Gordon-Daly was selling. As a telemarketer, Mr. DiCostanzo was paid $12 an hour.

In August 1996, Mr. DiCostanzo completed the Canadian Securities Course and the Conduct and Practices Course and, on October 9, 1996, was registered under the Act as a salesperson to trade on behalf of Gordon-Daly.

Upon becoming registered as a salesperson, Mr. DiCostanzo's employment at Gordon-Daly changed: he became an Account Executive and was physically moved in the Gordon-Daly premises from the bottom floor to the second floor. The second floor housed all the junior account executives, with the senior account executives located on the third floor. Experience distinguished the juniors from the seniors.

None of the senior account executives was made available to Mr. DiCostanzo to mentor or assist him in his employment activities. Mr. DiCostanzo was, however, given certain advice by the firm with respect to abiding by suitability standards: he would not under any circumstances recommend a speculative stock to someone who was not working, was disabled, or was retired or had an income of under $20,000 (if the individual's net worth was not in excess of $1 million) -- in these cases, Mr. DiCostanzo would be inclined to recommend a mutual fund. Except for training with respect to how to call clients, Mr. DiCostanzo did not receive any other form of training from Gordon-Daly.

For the first six weeks of his employment as a salesperson, Mr. DiCostanzo was compensated by salary plus commission and after that strictly commission.

As a junior account executive, Mr. DiCostanzo would use leads identified by the telemarketers. From time to time, Gordon-Daly would have identified a particular speculative stock that would recommend for a few months and then it would move on to another stock. The prospects of the company whose stock was being recommended would have been identified in a meeting of the brokers [at Gordon-Daly] and management of the company with, usually, the president of the company, whose stock was being recommended, present at such meeting.

In his testimony, Mr. DiCostanzo seemed unclear as to whether or not the securities being recommended were being offered by way of prospectus.

In his section 31 examination, Mr. DiCostanzo stated that he did not know why Gordon-Daly's selling campaign for a particular stock would be terminated by Gordon-Daly.

Except for the meetings with the principals, Mr. DiCostanzo did not attempt to obtain any other information or do any other research with respect to the companies. He said he would research news releases that the companies had released and that he would be just up to date with what was happening with the company in terms of the press releases.
The companies would be emerging companies. Mr. DiCostanzo said that, it was his understanding that, Gordon-Daly would acquire up to 10 per cent of the companies pursuant to an initial option agreement, only up to 10 per cent, and then Gordon-Daly would be constantly buying the company's stock at the current market prices, so that, as the stock was subsequently acquired, the average price paid by Gordon-Daly for the stock would increase. Mr. DiCostanzo, however, also said that he did not receive specific information from his employer about the volume that it was purchasing or the price that it was paying for the stock, nor the amount of stock that would be purchased at current market; consequently, he asserted, he did not have any knowledge of the specific mark-up (above acquisition cost) that Gordon-Daly was earning on its principal trading.

Mr. DiCostanzo asserted that he would tell his clients that Gordon-Daly was trading as principal in the securities. In his initial sale to a client, Mr. DiCostanzo would explain that it was the firm's policy at Gordon-Daly for him to then pass the account on to a senior executive.

When asked as to whether an explanation had been given by the firm as to why this policy was adopted, Mr. DiCostanzo explained that the firm felt that they wanted their clients to deal with somebody that was "more senior and more experienced than myself".

The commission rate paid by the firm to a salesperson on an initial sale by the salesperson to a client was 16.8 per cent. When asked to explain how the 16.8 per cent was charged, Mr. DiCostanzo explained that, if the purchase price of, for example,100 shares, at $ 10 per share, was an aggregate of $1,000, the client would be charged an additional brokerage commission of 3 per cent (for a total price to the client of $1030), with the other 13.8 per cent ($138) paid by Gordon-Daly (the vendor). When asked to explain the logic behind the commission calculation, Mr. DiCostanzo was not able to articulate the logic of the calculation. Mr. DiCostanzo was not able to offer any rationale as to why it would make sense for Gordon-Daly to pay 13.8 per cent out of the market price, if, indeed, the price paid by the client, truly was "a market price".

When questioned about how he knew that he was selling the securities at market price, Mr. DiCostanzo said that the prices were showing on the computer screen in front of him. The computer was, according to Mr. DiCostanzo, reporting "bid price, ask price, last sale price".

Mr. DiCostanzo was asked if any of his clients who purchased securities subsequently sold them. He replied that the securities would not be sold through him, but rather through the seniors. When asked about the rationale for the seniors having to effect all such sales, Mr. DiCostanzo replied that, when he first started at the firm, he felt that he was going to be looking after that, buying and selling, but it was the firm's policy to give that to the seniors. When questioned about the commissions payable by clients in respect of a subsequent sale by the client of securities acquired by the client from Gordon-Daly, Mr. DiCostanzo confirmed that the commission would, most of the time, not even be 3 per cent, and most of the time 1 per cent, if the client were to change his/her mind after effecting a purchase. Mr. DiCostanzo did not volunteer any suggestions as to why, on the purchase side, a total commission of 16.8 per cent of the vendor sale price would be paid (with 13.8 per cent paid by the vendor Gordon-Daly), whereas, on a sale of the same security by a client, only 3 per cent would be paid by the selling client.

When Mr. DiCostanzo was asked whether he recommended stocks to anyone other than people who had been telemarketed and identified as prospects by the firm, such as family, he replied that it was the firm's policy that the salespersons could not buy any of the stocks, either for themselves or any family members or friends. Mr. DiCostanzo was not told why this was the firm policy, although he said he believed that it was the firm's policy because, if an issue arose as to which stock should be sold first, he suggested that, this would avoid any conflict in the decision. Mr. DiCostanzo also confirmed that it was also the firm's policy, which he had

agreed to, that he could not sell to any business associates, notwithstanding the fact that Mr. DiCostanzo had acknowledged that one of the reasons he couldn't get a job at other firms was because of his lack of experience. Mr. DiCostanzo did not invest any of the commissions that he made in the stocks that he was recommending, because, as he explained, that would be against the firm policy.

Mr. DiCostanzo was a junior salesperson at the firm for about three years and during this time he made an average of about $100,000 per year. By his own admission, Mr. DiCostanzo was closer to the top than the bottom in terms of commission earnings for staff at Gordon-Daly.

Throughout the course of his three years of employment at Gordon-Daly, Mr. DiCostanzo said that he was applying to work at "the big banks, BMO Nesbitt Burns, RBC, Merrill Lynch, HSBC Capital, TD". In July 2000, Mr. DiCostanzo said that he received an offer from Nesbitt, just before he started there in July 2001 (and just after he'd also received an offer from RBC). At the same time, he resigned his position at Gordon-Daly.

When Mr. DiCostanzo was questioned about his knowledge of any trouble Gordon-Daly had with the Ontario Securities Commission at the time he resigned, he said that he was not. Moreover, he asserted that at the time he was working for Gordon-Daly, he was not aware of the amount of mark-ups identified in Settlement Agreements made between certain members of the senior management of Gordon-Daly with the Commission.[1]

In cross-examination, Mr. DiCostanzo confirmed that he had sold 11 of the 13 stocks identified in the Settlement Agreement. While Mr. DiCostanzo disclaimed any knowledge of the acquisition costs identified for Gordon-Daly in the Settlement Agreement for the subject securities, he acknowledged that Gordon-Daly required trade confirmation forms sent to clients to specify the firm's acquisition costs. In the case of the securities of Black Mountain, for instance, Mr. DiCostanzo was not prepared to admit an awareness of the spread being earned by Gordon-Daly on the shares of Black Mountain if the selling price were $1.90 and the initial acquisition costs were 50 cents, claiming that it was his understanding that Gordon-Daly had also been buying the stock at current market prices. When questioned about his awareness of the general market for the Black Mountain securities, including who on the street was selling these securities, Mr. DiCostanzo responded by saying that he'd asked his supervisor who had said that there were different market makers for the stock. He claimed that he was not aware of the fact that Gordon-Daly accounted for 99 per cent of the trading in Black Mountain shares, as admitted by its principals in the Settlement Agreement.

When he was questioned about his lack of knowledge concerning who the market makers were for a particular stock he was selling, and who was buying and selling in the market. Mr. DiCostanzo acknowledged that he could ask his supervisor questions, suggested that he sometimes did, but, when pressed on the point, said that he wouldn't know who was involved in market making.

1 (2000) 23 OSCB 5529 et seq.

In his section 31 examination, Mr. DiCostanzo acknowledged that all the stocks he sold were listed on CDN, but at the same time professed ignorance about how the CDN process worked with respect to how trades got reported or what the time requirements for such reporting were.

I found Mr. DiCostanzo's testimony with respect to his lack of awareness of the mark ups above acquisition cost, and the circumstances of the reported "market prices" of the stocks he was selling on behalf of Gordon-Daly to be less than credible. I do not believe that he was unaware of the significant mark-up on the securities acknowledged by principals of Gordon-Daly in their Settlement Agreement. Given the period of time he was at the firm, together with the success he had enjoyed as a salesperson, I find it hard to believe that he wasn't aware of what the dynamics were at Gordon-Daly for generating the income that he was earning and if he didn't know, he owed to his clients to find out why and at the very least disclose this to them.

In his testimony, Mr. DiCostanzo had confirmed that when selling or soliciting interest in the securities he was assigned to sell, he would tell his clients that "somebody would call them and tell them when it was a good time to sell". Mr. DiCostanzo also confirmed that after his initial sale to a client and the client was transferred to a senior he would continue to receive commissions for sales made by the senior to his clients with the split being fifty-fifty, so that, for subsequent sales, he would receive half of the 16.8 per cent sales commission. With respect to these subsequent sales, Mr. DiCostanzo confirmed that he did not himself conduct any further review of the client's suitability with further suitability for the subsequent sale the responsibility of the senior. Mr. DiCostanzo would however become aware of subsequent sales to these clients by the seniors by virtue of the 8.4 per cent commission being identified on his pay stub. Although Mr. DiCostanzo claims that he had never really worked it out, he estimated that half of his earnings for a year would be attributable to be fifty-fifty split on subsequent sales made by seniors.

In his section 31 examination, Mr. DiCostanzo said he did not know what the seniors would tell clients to make them buy more stock.

Mr DiCostanzo acknowledged that in his initial sale to a client he did not inform his clients that he would receive an 8.4 per cent commission on subsequent sales that were made on behalf of Gordon-Daly by a senior.

In his testimony, Mr. DiCostanzo also explained that if the client had not yet paid for the stock and wanted to re-sell it, in these circumstances, the client would be able to discuss the sale with Mr. DiCostanzo, but otherwise any sale of stock acquired by a client in an initial sale by Mr. DiCostanzo would have to be handled by the senior, and, even if the client spoke to Mr. DiCostanzo, he would have to refer the matter to a senior. Mr. DiCostanzo also explained that, since there was not a direct telephone line to him, calls by a previous client for a subsequent sale would be routed to the senior by the receptionist, so these clients wouldn't be given the opportunity to speak to him. When questioned about what he considered to be the rationale for this practice of insulating him from the client, Mr. DiCostanzo was only able to suggest that it was the firm's policy and that the seniors had a lot more experience – notwithstanding the fact that the firm was apparently satisfied

that Mr. DiCostanzo had sufficient experience to sell the securities in the first instance. Mr. DiCostanzo was not able to explain why additional experience would be necessary to dispose of such securities on behalf of a client. When further pressed, Mr. DiCostanzo suggested that he thought a bit more experience was required to sell a stock on behalf of a client than to the client.

Although Mr. DiCostanzo confirmed that he would share in the commission earned by a senior on the sale of a stock out of the client's account, he couldn't recall the exact percentage, which I inferred as suggesting that this rarely occurred, if at all.

In his testimony describing the steps or the questions that he would ask to ascertain whether or not the speculative stock that he was selling on behalf of Gordon-Daly would be suitable for a particular client, Mr. DiCostanzo identified certain parameters specified by Gordon-Daly (referred to above). Mr. DiCostanzo was not able to explain why, if he had done his job properly and sold the appropriate quantum of stock for the client's portfolio, it would be appropriate for further speculative stock to be subsequently sold to the same client by a senior.

When Mr. DiCostanzo was questioned about the mark-ups on stocks he sold that were admitted in the Settlement Agreement, he explained that he didn't know that the mark-ups were excessive at the time because he did not know how much stock Gordon-Daly was then buying at current market prices. While he acknowledged that Gordon-Daly was a market maker for these stocks, he was careful to point out that it was his understanding that Gordon-Daly was "one of the market makers".

When directly asked about whether, knowing what he knows now, and knowing what the mark-ups were with respect to stocks listed in the Settlement Agreement, whether he would again recommend those stocks that he had recommended to his clients, Mr. DiCostanzo acknowledged that, if he had to do it all over again, he would not – but, at the same time, seemed unaware of why the recommendation would be inappropriate, focusing on issues of speculation and suitability, and not seeming to get the fact that the large mark-ups from the firm's acquisition price would be unfair if they could not be justified by then current and credible market trading prices.

Mr. DiCostanzo said that he was not aware who the promoters of any of the issuers whose securities he was recommending were; and was not aware of the fact that Harry Bregman, being the father of David Bregman (an officer of Gordon-Daly), was a promoter for many of the issuers whose securities were being sold by Mr. DiCostanzo for Gordon-Daly (and for which Gordon-Daly acted as market maker).

With respect to his professed ignorance of what was going on at Gordon-Daly, I am of the belief that Mr. DiCostanzo knew much more than he was prepared to admit and that in many cases his answers reflected a convenient ignorance. In his section 31 exam, Mr. DiCostanzo suggested that one of the reasons he was looking for employment with other firms the entire time he was at Gordon-Daly was because he was not able to make sales on behalf of clients. However, in his examination under section 31 of the Act, in the following exchange, Mr. DiCostanzo reveals in my view an awareness that there must have been something artificial in the so-called market price for the securities he was selling to clients on behalf of Gordon-Daly, for which he was paid and an aggregate 16.8 per cent commission, and that this awareness may afford a better explanation of why Mr. DiCostanzo remained anxious to leave his lucrative employment at Gordon-Daly:

450. Q. If Gordon-Daly had adopted a policy where principal commissions were the same as agency commission, and what was the agency commissions? What were they paying? What commissions were they giving you for agency trades?

A. I believe one-and-a-half maybe percent, 1 percent.

451. Q. If they were the same, would you have stayed? Instead of making 16.8 percent, if you were making one-and-a-half percent, would you have stayed at Gordon-Daly?

A. I would have stayed if -- basically the reason I was looking to leave is the fact of the seniors, so if basically they didn't have the policy where you would pass it down to another broker.

452. Q. If it were the same policy –

A. Where is it right now?

453. Q. Yes.

A. If they did both you are saying?

454. Q. If it was the same policy and your commissions, you are only going to make one-and-a-half percent on all your principal trades, would you have stayed?

A. If they did both or just one you are saying?

455. Q. Pardon me?

A. If they did principal and agency.

456. Q. If they did --

A. And agency you are saying.

457. Q. If the operation was exactly the same, however, instead of paying you 16.8 percent on your principal trades, they would have only given you one-and-a-half percent, would you have stayed?

A. If it was exactly the same, I would still be looking because they still had the policy with the seniors in terms of passing down accounts. That's why I wanted to leave.

458. Q. *Would you have stayed there for three years making one-and –a-half percent on all your principal trades?*

A. *Of course. That's what you would be making anywhere else.*

(Emphasis added)

LEGAL ANALYSIS

There was no argument that salespersons have an obligation as a registrant to deal with clients fairly, honestly and in good faith. Those duties are set out in section 2.1 of Ontario Securities Commission Rule 31-505: Conditions of Registration. The duties set out in the section are for both the individual salesperson and the firm that they represent. As staff submitted, and I would agree, Mr. DiCostanzo did not have – or conveniently suggested – he did not have the firmest grasp of the policy and procedures in place at Gordon-Daly, notwithstanding the fact that he had been employed as a junior salesperson at Gordon-Daly for three and a half years and had earned an average of $100,000 in each of the three years he worked as salesperson for Gordon-Daly.

Staff counsel cited authorities of the Commission for the proposition that selling to clients in excessive mark-up is contrary to the public interest, with principal sales as dealer with excessive mark-ups, especially where the dealer is able to set the selling price, not considered to be fair dealing or in the interest of the clients, as was the case in the reasons of the Commission for its Decision to approve the Settlement Agreement, *In the Matter of Gordon-Daly Grendier Securities, David Bregman, Alan Greenberg, Oron Stemhill and Wangyal Tulotsang.*[2]

In staff counsel's submission, which I agree with, Mr. DiCostanzo *knew or ought to have known* that the conduct engaged in by the firm, which was the subject of the Settlement Agreement and included stocks that Mr. DiCostanzo sold on the firm's behalf during the relevant period, did not amount to acting fairly, honestly and in good faith to his clients. Mr. DiCostanzo participated in sales of at least 11 of the securities identified by Gordon-Daly as being sold at excessive mark-ups. While Mr. DiCostanzo's testimony suggested he was unaware of the precise acquisition costs of the securities he was selling on their behalf of Gordon-Daly, or how the selling price was determined, and whether the determined selling price was really reflective of a true market price, I found it to be either not credible or not reasonable for an employee of his period of employment and success to maintain such a convenient lack of knowledge. If Mr. DiCostanzo was truly unaware of the mark ups for stocks that he was selling on behalf of Gordon-Daly, he should have made himself aware.

CONCLUSION

On the basis of the evidence described above, I found that Mr. DiCostanzo, in recommending the purchase by his clients of stocks Gordon-Daly as principal, did not discharge his obligations to act fairly, honestly and in good faith with his clients. In the circumstances, I was not, immediately following the hearing, prepared to register Mr. DiCostanzo, without Mr. DiCostanzo having a further period of time to reflect upon his past conduct and the significance of the obligations he owed to his clients. In my view, an appropriate period for reflection would be not less than the one year, from the August 22, 2000 staff letter (in which staff drew to Mr. DiCostanzo's attention, his past failure to act fairly, honestly and in good faith with his clients in their letter and their recommendation to the Director that he not be registered). After such a period of reflection, and provided that:

(i) no new facts arise that are relevant to Mr. DiCostanzo's suitability for registration,

(ii) Mr. DiCostanzo successfully completes the Conduct and Practices Handbook Course, and

(iii) I were to remain seized of the matter,

I would be inclined to approve Mr. DiCostanzo's application for registration as a salesperson one year from the date of staff's August 22, 2000 letter.

July 6, 2001.

"Robert F. Kohl"

[2] (2000), 23 OSCB 5541

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
Dura Products International Inc.	25 May 01	06 Jun 01	08 Jun 01	23 Aug 01
GST Telecommunications Inc.	14 Aug 01	24 Aug 01	24 Aug 01	-
Java Joe's International Corporation	14 Aug 01	24 Aug 01	27 Aug 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 Lapse/ Expire	Date of Issuer Temporary Order
Dotcom 2000 Inc.	29 May 01	11 Jun 01	11 Jun 01	-	23 Jul 01
St. Anthony Resources Inc.	29 May 01	11 Jun 01	11 Jun 01	23 Jun 01	-
Galaxy OnLine Inc. Melanesian Minerals Corporation	29 May 01	11 Jun 01	11 Jun 01	24 Jul 01	-
Brazilian Resources, Inc. Link Mineral Ventures Ltd. Nord Pacific Limited	30 May 01	12 Jun 01	12 Jun 01	-	23 Jul 01
Landmark Global Financial Corp.	30 May 01	12 Jun 01	12 Jun 01	28 Jun 01	-
Dominion International Investments Inc.	12 Jun 01	25 Jun 01	25 Jun 01	-	23 Jul 01
Zamora Gold Corp.	13 Jun 01	26 Jun 01	26 Jun 01	18 Jul 01	-
Consumers Packaging Inc.	20 Jun 01	03 Jul 01	-	05 Jul 01	-
Systech Retail Systems Inc.	27 Jun 01	10 Jul 01	10 Jul 01	23 Aug 01	-
United Trans-Western, Inc.	05 Jul 01	18 Jul 01	19 Jul 01	-	23 Jun 01
Digital Duplication Inc.	10 Jul 01	23 Jul 01	23 Jul 01	24 Aug 01	-
Online Direct Inc.	22 Aug 01	04 Sep 01	-	-	-
Aquarius Coatings Inc.	23 Aug 01	05 Sep 01	-	-	-
Primenet Communications Inc.	29 Aug 01	11 Sep 01	-	-	-

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Chapter 5

Rules and Policies

THERE IS NO MATERIAL FOR THIS CHAPTER

IN THIS ISSUE

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Chapter 6

Request for Comments

6.1.1 Proposed Policy 41-601 Capital Pool Companies

NOTICE OF PROPOSED ONTARIO SECURITIES COMMISSION POLICY 41-601 CAPITAL POOL COMPANIES

Purpose of Proposed Policy

The proposed Policy sets out the views of the Commission as to whether issuers participating in the Canadian Venture Exchange Inc.'s capital pool company program ("Program") should be permitted to conduct public offerings in Ontario. The Program permits an initial public offering to be conducted and an exchange listing to be achieved by a newly created capital pool company (a "CPC") which has no assets, other than cash, and which has not commenced commercial operations. The CPC then uses this pool of funds to identify and evaluate assets or businesses which, when acquired (a "Qualifying Transaction"), qualify the resulting issuer for listing as a regular Tier 1 or Tier 2 issuer on the Canadian Venture Exchange Inc.

The proposed Policy is an initiative of the Commission and will be adopted as a policy in Ontario.

Terms used in the proposed Policy that are defined or interpreted in the definition instruments in force in Ontario should be read in accordance with those definition instruments, unless the context otherwise requires.

Summary of Proposed Policy

The proposed Policy states that the Commission is of the view that it would not be prejudicial to the public interest to permit Program participants to conduct public offerings in Ontario. Accordingly, the Director is generally willing to issue a receipt for a prospectus of a CPC based upon the issuer's participation in the Program. However, in the absence of such participation it is unlikely that the Director would consider it to be in the public interest to issue a receipt for such a 'shell issuer', and issuers are therefore cautioned that if a CPC fails to complete a Qualifying Transaction, regulatory action, including the issuance of a cease-trade order, may result.

The proposed Policy reminds issuers that, notwithstanding their participation in the Program, they must continue to comply with all applicable Ontario securities legislation. However, because compliance with Commission Rule 41-501 General Prospectus Requirements may require issuers to include in a prospectus financial statements relating to a proposed acquisition, the proposed Policy notes that the Director will be prepared to consider, upon application, granting relief from such requirement.

Issuers are advised that CDNX and the Commission are currently reviewing CDNX Policy 2.4 Capital Pool Companies and that all elements of the Program described in the proposed Policy have not yet been adopted.

Related Instruments

The proposed Policy is related to the provisions of the *Securities Act* (Ontario) (the "Act") that govern the trading and distribution of securities, including Parts XV (Prospectuses - Distribution) and XVI (Distribution - Generally).

Unpublished Materials

In proposing the Policy, the Commission has not relied on any significant unpublished study, report, decision or other written materials.

Comments

Interested parties are invited to make written submissions with respect to the proposed Policy. Submissions received by October 31, 2001 will be considered.

Submissions should be made in duplicate and delivered to the attention of:

John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 1903, Box 55
Toronto, Ontario M5H 3S8
Email: **jstevenson@osc.gov.on.ca**

A diskette containing an electronic copy of the submission (in DOS or Windows format - preferably WordPerfect) should also be submitted. As the Act requires that a summary of written comments received during the comment period be published, confidentiality of submissions cannot be maintained. Questions may be referred to:

Susan McCallum
Senior Legal Counsel, Corporate Finance
Ontario Securities Commission
Email: **smcallum@osc.gov.on.ca**
(416) 593-8248

Michael Brown
Legal Counsel, Corporate Finance
Ontario Securities Commission
Email: **mbrown@osc.gov.on.ca**
(416) 593-8266

Proposed Policy

The text of the proposed Policy follows.

August 28th, 2001.

ONTARIO SECURITIES COMMISSION POLICY 41-601 CAPITAL POOL COMPANIES

Introduction

The Canadian Venture Exchange Inc. ("CDNX") currently operates a capital pool company program (the "Program") in each of Alberta, Saskatchewan, Manitoba and British Columbia. The Program was designed as a corporate finance vehicle to provide businesses with an opportunity to obtain financing earlier in their development than might otherwise be possible through a normal initial public offering (an "IPO"). The Program permits an IPO to be conducted and a CDNX listing to be achieved by a newly created capital pool company (a "CPC") which has no assets, other than cash, and which has not commenced commercial operations. The CPC then uses this pool of funds to identify and evaluate assets or businesses which, when acquired (a "Qualifying Transaction"), qualify the resulting issuer (the "Resulting Issuer") for listing as a regular Tier 1 or Tier 2 issuer on CDNX.

This Policy sets out the views of the Commission as to whether issuers participating in the Program should be permitted to conduct public offerings in Ontario.

Background

In 1986 the Junior Capital Pool ("JCP") program, a predecessor to the Program, was initiated in Alberta through the co-operation of the Alberta Securities Commission and The Alberta Stock Exchange. In 1997, the British Columbia Securities Commission and the Vancouver Stock Exchange adopted a similar program, the Venture Capital Pool ("VCP") program, for use in British Columbia. The current Program, created following the merger of the Vancouver Stock Exchange and The Alberta Stock Exchange in November 1999, replaced the existing VCP and JCP programs. Prior to the merger of the Winnipeg Stock Exchange with CDNX in November 2000 and the subsequent approval of the Program by the Manitoba Securities Commission, a similar junior capital program, known as the Keystone Company program, was previously available in Manitoba.

Staff of the Commission, the Alberta Securities Commission, the British Columbia Securities Commission, the Manitoba Securities Commission and the Saskatchewan Securities Commission have worked togther with CDNX to develop a revised version of the Program to operate in each of their respective jurisdictions (collectively, the "CPC Jurisdictions"). Such an initiative will, among other things, assist in harmonizing the ability of entrepreneurs to raise venture capital in the CPC Jurisdictions.

Operation of the Program

The Program is currently governed by CDNX Policy 2.4 Capital Pool Companies ("CDNX Policy 2.4"). CDNX Policy 2.4 provides that an issuer wishing to participate in the Program must file a preliminary prospectus and related supporting documents with CDNX as well as with each of the securities regulatory authorities in whose jurisdictions the proposed distribution will be made. In addition, an issuer must retain the services of a sponsor (a "Sponsor") and must file a Sponsor's report with CDNX. Sponsor's reports are designed to assist CDNX in determining, among other things, whether management of the CPC is sufficiently experienced to manage the operations of a public company and to successfully complete a Qualifying Transaction. Sponsors must be members of CDNX.

A CPC prospectus that is filed in Ontario will be reviewed by the staff of both CDNX and the Commission. Upon the issuance of a receipt for a final prospectus and the completion of its IPO, securities of a CPC will trade on Tier 2 of CDNX. A CPC will have 18 months following its IPO in which to identify and complete a Qualifying Transaction. However, as soon as a CPC reaches an "agreement in principle" (as defined below) with respect to a proposed Qualifying Transaction, it must issue a comprehensive news release. The Program requires each CPC to seek the approval of both CDNX and a majority of its minority shareholders prior to completing the Qualifying Transaction. In connection with obtaining such shareholder approval, the CPC must prepare a comprehensive information circular containing full, true and plain disclosure concerning the CPC, the Qualifying Transaction and the Resulting Issuer. The information circular will be reviewed by staff of CDNX and, for a transitional period, by staff of the Commission where the Resulting Issuer will be a reporting issuer in Ontario.

As CDNX has incorporated the disclosure requirements of Commission Rule 41-501 General Prospectus Requirements ("Rule 41-501") into CDNX Policy 2.4 and the related information circular form, the information circular must contain the same information as the company would be required to disclose if it filed a prospectus.

The Program will not be available to issuers if, prior to the completion of its IPO, an agreement in principle has been reached with respect to a proposed Qualifying Transaction. An "agreement in principle" includes any enforceable agreement or any other agreement or similar commitment which identifies the fundamental terms upon which the parties agree or intend to agree which:

- identifies assets or a business to be acquired which would reasonably appear to constitute "significant assets", the acquisition of which would reasonably appear to constitute a Qualifying Transaction;
- identifies the parties to the Qualifying Transaction;
- identifies the consideration to be paid for the "significant assets" or otherwise identifies the means by which the consideration will be determined; and
- identifies the conditions to any further formal agreements to complete the transaction, and

in respect of which there are no material conditions to closing (other than receipt of shareholder approval and Exchange acceptance), the satisfaction of which is dependent upon third parties and beyond the reasonable control of the related parties to the CPC or the related parties to the Qualifying Transaction. Both CDNX and the securities regulatory authorities in the CPC Jurisdictions are of the view that if the issuer has reached an agreement in principle, it is able to, and should, prepare a regular prospectus.

Further information regarding the operation of the Program can be found by consulting the CDNX Corporate Finance Manual and CDNX Policy 2.4.

Historical Concerns versus Anticipated Benefits of the Program

Historically, the Director has been reluctant to issue a receipt for a prospectus where the prospectus revealed the issuer to have neither a business nor operations and no assets, other than cash. In *Re Loki Resources Inc.* (1984), 7 OSCB 583 the Director noted that where an issuer has neither assets to appraise nor business activities to evaluate, nor any present expectation of either assets or activities, meaningful information regarding an issuer cannot be provided to market participants. Accordingly, in such an instance, the benefits of 'reporting issuer status', including the ability of its securities to freely trade in the market following the expiry of any applicable hold period, should not be conferred upon the issuer. This approach was supported by the subsequent Commission decision in *Re Inland National Capital Inc.* (1996), 19 OSCB 2053.

While the concerns expressed in *Loki* and *National Inland Capital* remain relevant today, the Commission is aware that the implementation of the Program in Ontario may also confer benefits upon Ontario's capital markets by providing entrepreneurs and emerging businesses access to the financial and other resources necessary for such enterprises to fully develop. Moreover, the Commission has also noted that the Program provides certain investor protection provisions that were unavailable in the *Loki* and *Inland National Capital* cases, which, in the view of the Commission, help mitigate the potential for harm to investors identified in those decisions. These provisions include the following:

- management of a CPC is scrutinized by CDNX and the Sponsor to ensure that management has experience appropriate to the running of a public company and the completion of a Qualifying Transaction; management's track record must also be disclosed in the CPC prospectus to allow potential investors a basis upon which to make an investment decision;

- the risk of the investment is clearly and prominently disclosed throughout the CPC prospectus;

- directors and officers of a CPC must contribute a minimum of $100,000 prior to an IPO, and a CPC may raise a maximum of only $500,000 under the CPC prospectus; furthermore, a CPC is subject to strict regulation of private placements prior to the completion of its Qualifying Transaction;

- the amount that may be invested by any one individual during an initial public offering is limited to 2% of the shares issued under the CPC prospectus, and no more than 4% of the shares issued under the CPC prospectus may be purchased by an investor and his or her associates and affiliates during the IPO;

- most shares held by related parties of a CPC are escrowed until the completion of the Qualifying Transaction and then are released in stages over a period of 18 or 36 months;

- when a CPC reaches an "agreement in principle" to acquire the business or assets that will be the subject of the Qualifying Transaction, trading in its shares is halted until a detailed press release describing the transaction is issued, a Sponsor is retained and CDNX staff is satisfied that the transaction can be completed;

- each CPC must file and distribute to its shareholders an information circular which is subject to review and which must provide prospectus level disclosure of the Qualifying Transaction and the Resulting Issuer in accordance with CDNX requirements (which incorporate the Commission's prospectus requirements as set out in Rule 41-501);

- each CPC must be sponsored by a CDNX member who is required to conduct specified due diligence investigations of both the CPC and the principals of the CPC prior to the CPC's initial listing; generally, Sponsors will also be required to conduct investigations in connection with the Qualifying Transaction prior to the CPC's transformation into a regular CDNX listed company;

- CDNX staff will closely monitor secondary trading in securities of CPCs to help guard against insider trading; and

- a CPC which fails to complete its Qualifying Transaction within 18 months will be de-listed and potentially subject to a cease trade order, thereby ensuring that secondary trading in shares of the CPC does not continue indefinitely.

In discharging its statutory duty, the Commission must have consideration for the purposes of the *Securities Act* (the "Act"). Section 1.1 of the Act states that the purposes of the Act are (a) to provide protection to investors from unfair, improper or fraudulent practice, and (b) to foster fair and efficient capital markets and confidence in capital markets. Section 2.1 of the Act provides that, in pursuing the purposes of the Act, the Commission shall have regard to certain fundamental principles, including the following:

- Balancing the importance to be given to each of the purposes of this Act may be required in specific cases.

- The Commission should, subject to an appropriate system of supervision, use the enforcement capability and regulatory expertise of recognized self-regulatory organizations.

- The integration of capital markets is supported and promoted by the sound and responsible harmonization and co-ordination of securities regulation regimes.

- Business and regulatory costs and other restrictions on the business and investment activities of market participants should be proportionate to the significance of the regulatory objectives sought to be realized.

Upon considering the Program and balancing the purposes and principles underlying the Act, the Commission has decided that it would not be prejudicial to the public to permit the operation of the Program in Ontario.

Availability of CDNX Program In Ontario

As the Commission has determined that it would not be prejudicial to the public interest to permit CPCs to conduct initial public offerings in Ontario, the Director is generally willing to issue a final receipt for a prospectus on the basis of the issuer's participation in the Program.

On the basis of the *Loki* and *National Inland Capital* cases, however, it is unlikely that, in the absence of an issuer's participation in the Program, the Director will consider it to be in the public interest to issue such a receipt to a 'shell issuer'. Issuers contemplating participation in the Program should therefore be cautioned that the Director will consider issuing a cease trade order in respect of the securities of a CPC if such CPC is de-listed on account of its failure to complete its Qualifying Transaction or otherwise comply with the Program.

Future Review of the Program

Five years after the adoption of the Program in Ontario, the Commission intends to review the functioning of the Program to assess the benefits it confers upon Ontario's capital markets. In unusual circumstances, the Commission may decide to review the operation of the Program at an earlier date.

Continuing Compliance with Ontario Securities Legislation

Program participants are reminded of their obligations to comply with Ontario securities legislation, including, without limitation, Commission Rule 41-501. In certain circumstances, the CPC's negotiations regarding its Qualifying Transaction may have progressed to the stage where the CPC has a "significant probable acquisition" (as defined in Rule 41-501) but not an "agreement in principle". In this situation, where compliance with Part 6 of Rule 41-501 will require a CPC to include in a CPC prospectus financial statements relating to a proposed acquisition, the Director will be prepared to consider, upon application, exempting the CPC from such requirement as the requirement may be inappropriate in the context of the Program.

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
08Aug01	Acuity Pooled Canadian Equity Fund - Units	329,199	20,627
16Aug01	AmeriGas Parners, LP/AP Eagle Finance Corp. - 8 8/7% Senior Notes Due 2011	$1,537,500	$1,000,000
01Aug01	Apex Silver Mines Limited - Ordinary Shares	738,225	50,000
09Aug01	Apria Healthcare Group Inc. - Share of Common Stock	36,691	1,000
03Aug01	Arrow Eagle & Dominion Fund - Class I trust Units	50,000	573
03Aug01	Arrow North American MultiManager Fund - Class A Units	233,728	24,145
27Jul01	Arrow WF Asia Fund - Class I Units	1,550,000	15,500
27Aug01	Arrow WF Asia Fund - Class A Units	150,000	15,000
10Aug	Arrow WF Asia Fund - Class I Units	250,000	2,483
03Aug01	Arrow White Mountain Fund - Class I trust Units	50,000	487
10Aug01	Arrow White Mountain Fund - Class I Units	100,000	968
07Aug01	Burgundy Japan Fund - Units	150,000	9,186
01Aug01	Burgundy Japan Fund - Units	200,000	12,715
30Jul01	Burgundy Japan Fund - Units	150,000	9,393
07Aug01	Burgundy Japan Fund - Units	509,730	31,217
07Aug01	Burgundy Japan Fund - Units	500,000	30,621
01Aug01	Burgundy Small Cap Fund - Units	200,000	4,922
07Aug01	Burgundy Small Cap Value Fund - Units	150,000	3,685
07Aug01	Burgundy Smaller Companies Fund - Units	300,000	14,382
07Aug01	Burgundy Smaller Companies Fund - Units	160,000	7,670
01Aug01	Burgundy Smaller Companies Fund - Units	200,000	9,639
07Aug01	Burgundy Smaller Companies Fund - Units	200,000	9,588
11Jul01	Canadian Royalties Inc. - Flow Through Special A Warrant and Special B Warrant	1,250,000	3,500,000, 666,666 Resp.
14Aug01	CC&L Money Market Fund -	8,550	855
01Aug01	CIBC Oppenheimer Deauville Europe Fund, Ltd. - Shares	US$3,000,000	30,000
21Aug01	Clairvest Group Inc. - Non-Voting Shares	16,866,012	2,230,954
21Aug01	Clairvest Equity Partners Limited Partnership - Units	55,000,000	55,000
14Aug01	Duff Ackerman & Goodrich QP Fund II, L.P. - Units	20,000,000	20,000,000
17Aug01	International Curator Resources Ltd. - Common Shares	400,000	2,500,000
15Aug01	Ivanhoe Mines Ltd. - Special Warrants	5,000,000	5,000,000
30Jul01	Leeward Bull & Bear Fund L.P. - Limited Partnership Units	333,000	333

Trans. Date		Security	Price ($)	Amount
22Aug01		Maxxum Financial Services Inc. - Class A Units	150,000	1,416
13Aug01		Millennium Financial Management Ltd. - Class A Common Shares	399,999	187,793
10Aug01		Minacs Worldwide Inc. - Common Shares	1,000,000	250,000
10Aug01		Nexus Group International Inc. - Units	450,000	4,090,910
01Aug01		Opawic Explorations Inc. - Common Shares	190,000	1,100,000
01Aug01		Outlook Resources Inc. - Convertible Debentures	176,000	11
01Agu01		Primary Canadian Funding Company - Secured Promissory Notes	26,109,660	26,109,660
14Aug01	#	Progress Energy, Inc. - Common Shares	US$2,000,000	50,000
01Aug01		RTO Enterprises Inc. - Subordinated Debentures	1,100,000	1,100,000
31Jul01		Sprott Hedge Fund Limited Partnership - Units	8,405,568	5,227
08Mar01		Systems Xcellence Inc. - Class A & B Special Warrants - Amended	8,250,511, 4,000,000	11,786,445, 5,000,000 Resp.
08Aug01		Triax MediaVentures Limited Partnership - Units	39,838,240	37,232

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

Seller	Security	Amount
Bromptom Financial Limited	Acclaim Energy Inc. - 6% Unsecured Subordinated Debentures due December 31, 2003	1,990,000
Paros Enterprises Limited	Acktion Corporation - Common Shares	2,000,000
Boulle, Jean-Raymond	America Minerals Fields Inc. - Common Shares	260,000
Gouveia, Patrick A.	Atlas Cold Storage Income Trust - Trust Units	273,972
Peters, Andrew W.	Atlas Cold Storage Income Trust - Trust Units	164,383
Buhler, John	Buhler Industries Inc. - Common Shares	134,300
Melnick, Larry	Champion Natural Health.com Inc. - Subordinate Voting Shares and Multiple Voting Shares	19,765, 100,000 Resp.
Melnick, Larry	Champion Natural Health.com Inc. - Subordinate Voting Shares	29,900
Smith, Ivan W.	Circa Enterprises Inc. - Common Shares	90,000
Rivkin, Andrew	CryptoLogic Inc. - Common Shares	1,000,000
Rivkin, Mark	CryptoLogic Inc. - Common Shares	875,000
Xenlith Gold Limited	Kookaburra Resources Ltd. - Common Shares	1,893,700
Malion, Andrew J.	Spectra Inc. - Common Shares	122,000
Faye, Michael R.	Spectra Inc. - Common Shares	124,000
DKRT Family Corp.	Thomson Corporation, The - Common Shares	200,000
Thomson Works of Art Limited	Thomson Corporation, The - Common Shares	200,000

- Offering Memorandum

Chapter 9

Legislation

THERE IS NO MATERIAL FOR THIS CHAPTER

IN THIS ISSUE

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
AEterna Laboratories Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated August 27th, 2001
Mutual Reliance Review System Receipt dated August 27th, 2001
Offering Price and Description:
$ * - * Subordinate Voting Shares
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Dundee Securities Corporation
Promoter(s):
-
Project #383574

Issuer Name:
AIM Core Global Equity Class
AIM Core American Equity Class
AIM Core Canadian Equity Non-RSP Class
AIM Core Canadian Equity Class
AIM Core Canadian Balanced Class
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated August 20th, 2001
Mutual Reliance Review System Receipt dated August 23rd, 2001
Offering Price and Description:
Mutual Fund Securities - Net Asset Value
Underwriter(s) or Distributor(s):
AIM Funds Management Inc.
Promoter(s):
-
Project #381933

Issuer Name:
Brascan Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated August 29th, 2001
Mutual Reliance Review System Receipt dated August 29th, 2001
Offering Price and Description:
$200,000,000 - 8,000,000 Class A Preference Shares, Series 10 @ $25.00 per Class A Preferecne Shares, Series 10
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
HSBC Securities (Canada) Inc.
Merrill Lynch Canada Inc.
National Bank Financial Inc.
Trilon Securities Corporation
Promoter(s):
-
Project #384935

Issuer Name:
Ivanhoe Mines Ltd.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated August 22nd, 2001
Mutual Reliance Review System Receipt dated August 24th, 2001
Offering Price and Description:
US$5,000,000 - 5,000,000 Common Shares. Price: US$1.00 per Common Share
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
-
Project #382444

Issuer Name:
Ivanhoe Mines Ltd.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated August 22nd, 2001
Mutual Reliance Review System Receipt dated August 24th, 2001
Offering Price and Description:
(US5,250,000) - 5,775,000 Common Shares to be issued upon the exercise of 5,250,000 Special Warrants previously issued at US$1.00 per Special Warrant
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
-
Project #382564

Issuer Name:
NCE Energy Trust
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated August 24th, 2001
Mutual Reliance Review System Receipt dated August 24th, 2001
Offering Price and Description:
$17,500,000 - 5,000,000 Trust Units @ $3.50 per Trust Unit
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
CIBC World Markets Inc.
Canaccord Capital Corporation
Raymond James Ltd.
Yorkton Securities Inc.
Promoter(s):
-
Project #383156

Issuer Name:
NWQ U.S. Large Cap Value Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated August 28th, 2001
Mutual Reliance Review System Receipt dated August 30th, 2001
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
Integra Capital Corporation
Promoter(s):
-
Project #384219

Issuer Name:
Power Measurement, Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary PREP Prospectus dated August 28th, 2001
Mutual Reliance Review System Receipt dated August 29th, 2001
Offering Price and Description:
US $ * - * Shares of Common Stock
Underwriter(s) or Distributor(s):
Salomon Smith Barney Canada Inc.
Banc of America Securities Canada Co.
CIBC World Markets Inc.
Credit Suisse First Boston Securities Canada Inc.
Goldman Sachs Canada Inc.
Promoter(s):
-
Project #384202

Issuer Name:
TD Canadian Value Fund
TD U.S. Small-Cap Equity Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated August 27th, 2001
Mutual Reliance Review System Receipt dated August 29th, 2001
Offering Price and Description:
Institutional Series
Underwriter(s) or Distributor(s):
TD Asset Management Inc.
Promoter(s):
-
Project #383561

Issuer Name:
TDK (2001) Flow-Through Limited Partnership
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated August 22nd, 2001
Mutual Reliance Review System Receipt dated August 23rd, 2001
Offering Price and Description:
$25,000,000 (Maximum Offering) : $* (Minimum Offering). A maximum of 2,500,000 and a minimum of * Limited Partnership Units. Subscription Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #382347

Issuer Name:
TR3 Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated August 27th, 2001
Mutual Reliance Review System Receipt dated August 28th, 2001
Offering Price and Description:
$ * (Maximum) * Units)
Underwriter(s) or Distributor(s):
TD Securities Inc.
Merrill Lynch Canada Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.
Desjardins Securities Inc.
Cannaccord Capital Inc.
Raymond James Ltd.
Yorkton Securities Inc.
Trilon Securities Corporation
Promoter(s):
Triax Investment Management Inc.
Triax Capital Holdings Ltd.
Project #383735

Issuer Name:
Imaging Dynamics Corporation
Principal Regulator - Alberta
Type and Date:
Amended and Restated Prospectus dated August 23rd, 2001
Mutual Reliance Review System Receipt dated 27th day of August, 2001
Offering Price and Description:

Underwriter(s) or Distributor(s):
Jennings Capital Inc.
Promoter(s):
Douglas Street
Project #340630

Issuer Name:
Crystal Enhanced Index RSP Fund
(Formerly Crystal Balanced Momentum Fund)
Crystal Enhanced Index Fund
(Formerly Crystal Wealth Protection Fund)
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated August 24, 2001 to Simplified Prospectus and Annual Information Form dated June 7th, 2001
Mutual Reliance Review System Receipt dated 29th day of August, 2001
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
Crystal Wealth Management System Limited
Promoter(s):
-
Project #353801

Issuer Name:
HSBC Global Equity Fund
Principal Regulator - British Columbia
Type and Date:
Amendment #1 dated August 14th, 2001 to Simplified Prospectus and Annual Information Form dated
December 1st, 2000
Mutual Reliance Review System Receipt dated 20th day of August, 2001
Offering Price and Description:

Underwriter(s) or Distributor(s):

Promoter(s):

Project #304523

Issuer Name:
Investors Global Bond Fund
IG Maxxum Dividend Fund
IG Maxxum Income Fund
Principal Regulator - Manitoba
Type and Date:
Amendment #2 dated August 10th, 2001 to Simplified Prospectus and Annual Information Form dated
October 12th, 2000
Mutual Reliance Review System Receipt dated 22nd day of August, 2001
Offering Price and Description:

Underwriter(s) or Distributor(s):

Promoter(s):

Project #282549

Issuer Name:
Bro-X Minerals Ltd.
Principal Jurisdiction - Alberta
Type and Date:
Preliminary Prospectus dated March 5th, 2001
Closed on August 29th, 2001
Offering Price and Description:
Offer to Holders of Common Shares of 22,000,000, Rights to Subscribe for a maximum of 22,000,000 Units (22,000,000 Series 2, Preferred Shares and 22,000,000 Shares Purchase Warrants) @ $0.10 per Unit
Underwriter(s) or Distributor(s):
-
Promoter(s):
Bro-X Minerals Ltd.
Project #337316

Issuer Name:
Urbana.ca, Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated October 6th, 2000
Closed August 8th, 2001
Offering Price and Description:

Underwriter(s) or Distributor(s):

Promoter(s):

Project #303267

Issuer Name:
BNN Split Corp.
(formerly Brass Split Corp.)
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated August 24th, 2001
Mutual Reliance Review System Receipt dated 27th day of August, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
ScotiaCapital Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Merrill Lynch Canada Inc.
TD Securities Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.
Trilon Securities Corporation
Promoter(s):
Canadian Express Ltd.
Project #373977

Issuer Name:
Citadel SMaRT Fund
Principal Regulator - Alberta
Type and Date:
Final Prospectus dated August 29th, 2001
Mutual Reliance Review System Receipt dated 29th day of August, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):

Promoter(s):

Project #375041

Issuer Name:
Sentry Select Global Index Income Trust
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated August 24th, 2001
Mutual Reliance Review System Receipt dated 29th day of August, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
BMO Nesbit Burns Inc.
CIBC World Markets Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Yorkton Securities Inc.
Research Capital Corporation
Trilon Securities Corporation
Promoter(s):
Sentry Select Capital Corp.
Project #372735

Issuer Name:
SOFTQUAD SOFTWARE, LTD.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated August 20th, 2001
Mutual Reliance Review System Receipt dated 24th day of August, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):

Promoter(s):

Project #301188

Issuer Name:
VistaTech Corporation
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated August 24th, 2001
Mutual Reliance Review System Receipt dated 27th day of August, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Research Capital Corporation
Acadian Securities Incorporated
Promoter(s):
K. Barry Sparks
Project #371730

Issuer Name:
Baytex Energy Ltd.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated August 28th, 2001
Mutual Reliance Review System Receipt dated 28th day of August, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
TD Securities Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
Yorkton Securities Inc.
Promoter(s):
-
Project #341866

Issuer Name:
Home Capital Group Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated August 29th, 2001
Mutual Reliance Review System Receipt dated 29th day of August, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Sprott Securities Inc.
Promoter(s):
-
Project #381487

Issuer Name:
The Consumers' Gas Company Ltd
Principal Regulator - Ontario
Type and Date:
Final Short Form Shelf Prospectus dated August 24th, 2001
Mutual Reliance Review System Receipt dated 27th day of August, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
HSBC Securities (Canada) Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
-
Project #380009

Issuer Name:
AIC Advantage Fund
AIC Advantage Fund II
AIC American Advantage Fund
AIC RSP American Advantage Fund
AIC World Advantage Fund
AIC RSP World Advantage Fund
AIC Global Advantage Fund
AIC RSP Global Advantage Fund
AIC Diversified Canada Fund
AIC Value Fund
AIC RSP Value Fund
AIC World Equity Fund
AIC RSP World Equity Fund
AIC Global Diversified Fund
AIC RSP Global Diversified Fund
AIC Canadian Focused Fund
AIC American Focused Fund
AIC RSP American Focused Fund
AIC Global Technology Fund
AIC RSP Global Technology Fund
AIC Global Developing Technologies Fund
AIC RSP Global Developing Technologies Fund
AIC Global Science & Technology Fund
AIC RSP Global Science & Technology Fund
AIC Global Telecommunications Fund
AIC RSP Global Telecommunications Fund
AIC Global Health Care Fund
AIC RSP Global Health Care Fund
AIC Global Medical Science Fund
AIC RSP Global Medical Science Fund
AIC Canadian Balanced Fund (formerly, "AIC Income Equity Fund")
AIC American Balanced Fund (formerly, "AIC American Income Equity Fund")
AIC RSP American Balanced Fund
AIC Global Balanced Fund
AIC RSP Global Balanced Fund
AIC Bond Fund
AIC Global Bond Fund
(Mutual Fund Units and Class F Units)
AIC Money Market Fund
AIC U.S. Money Market Fund
(Mutual Fund Units)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated August 23rd, 2001
Mutual Reliance Review System Receipt dated 27th day of August, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #373225

Issuer Name:
Beutel Goodman Canadian Intrinsic Fund
Beutel Goodman Canadian Equity Plus Fund
Beutel Goodman International Equity Fund
Beutel Goodman American Equity Fund
Beutel Goodman Balanced Fund
Beutel Goodman Money Market Fund
Beutel Goodman Income Fund
Beutel Goodman Small Cap Fund
Beutel Goodman Canadian Equity Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated August 17th, 2001
Mutual Reliance Review System Receipt dated 23rd day of August, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):

Promoter(s):
-
Project #371455

Issuer Name:
E&P Manulife Tax-Managed Growth Portfolio (Advisor Class, Class F)
E&P Manulife Maximum Growth Asset Allocation Portfolio (Advisor Class, Class F)
E&P Manulife Balanced Asset Allocation Portfolio (Advisor Class, Class F)
Elliott & Page RSP Global Equity Fund (Advisor Class, Class F)
Elliott & Page Growth & Income Fund (Advisor Class, Class F)
Elliott & Page Global Sector Fund (Advisor Class, Class F)
Elliott & Page RSP American Growth Fund (Advisor Class, Class F)
Elliott & Page RSP U.S. Mid-Cap Fund (Advisor Class, Class F)
Elliott & Page Sector Rotation Fund (Advisor Class, Class F)
Elliott & Page Growth Opportunities Fund (Advisor Class, Class F)
Elliott & Page Generation Wave Fund (Advisor Class, Class F)
Elliott & Page European Equity Fund (Advisor Class, Class F)
Elliott & Page Active Bond Fund (Advisor Class, Class F and Class T)
Elliott & Page Value Equity Fund (Advisor Class, Class F and Class T)
Elliott & Page U.S. Mid-Cap Fund (Advisor Class, Class F and Class T)
Elliott & Page Monthly High Income Fund (Advisor Class, Class F)
E&P Cabot Global MultiStyle Fund (Advisor Class, Class F and Class T)
E&P Cabot Canadian Equity Fund (Advisor Class, Class F and Class T)
E&P Cabot Blue Chip Fund (Advisor Class, Class F)
Elliott & Page Money Fund (Advisor Class, Class T and Class D)
Elliott & Page Global Equity Fund (Advisor Class, Class F and Class T)
Elliott & Page Equity Fund (Advisor Class)
Elliott & Page Balanced Fund (Advisor Class, Class F)
Elliott & Page Asian Growth Fund (Advisor Class, Class F)
Elliott & Page American Growth Fund (Advisor Class, Class F and Class T)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated August 23rd, 2001
Mutual Reliance Review System Receipt dated 24th day of August, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Elliott & Page Limited
Promoter(s):
-
Project #374258

Issuer Name:
Insight Canadian Value Pool
Insight Canadian Growth Pool
Insight Canadian Dividend Growth Pool
Insight Canadian Small Cap Pool
Insight U.S. Value Pool
Insight U.S. Growth Pool
Insight International Value Pool
Insight International Growth Pool
Insight Global Equity Pool
Insight Global Equity RSP Pool
Insight Global Small Cap Pool
Insight Canadian High Yield Income Pool
Insight Canadian Fixed Income Pool
Insight Global Fixed Income Pool
Insight Money Market Pool
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated August 24th, 2001
Mutual Reliance Review System Receipt dated 28th day of August, 2001
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #376435

Issuer Name:
Scudder US Growth and Income Fund
Scudder Canadian Equity Fund
Scudder Greater Europe Fund
Scudder Pacific Fund
Scudder Emerging Markets Fund
Scudder Global Fund
Scudder Canadian Small Company Fund
Scudder Canadian Bond Fund
Scudder Canadian Short Term Bond Fund
(Advisor Series Units and Classic Series Units)
Scudder Life Sciences Fund
(Advisor Series Units)
Scudder Canadian Money Market Fund
(Classic Series Units)
MAXXUM Money Market Fund
MAXXUM Income Fund
MAXXUM Canadian Balanced Fund
MAXXUM Dividend Fund
MAXXUM Canadian Equity Growth Fund
MAXXUM Natural Resource Fund
MAXXUM Precious Metals Fund
Janus American Equity Fund
Janus Global Equity Fund
(Class A Units)
Janus RSP American Equity Fund
Janus RSP Global Equity Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated August 28th, 2001
Mutual Reliance Review System Receipt dated 29th day of August, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):

Promoter(s):
-
Project #376564

Issuer Name:
Wickham ETF Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated August 24th, 2001
Mutual Reliance Review System Receipt dated 27th day of August, 2001
Offering Price and Description:
(Series A and F Units)
Underwriter(s) or Distributor(s):

Promoter(s):
-
Project #374155

Issuer Name:
AIC Global Focused Fund
AIC RSP Global Focused Fund
Principal Jurisdiction - Ontario
Type and Date:
Preliminary Simplified Prospectus dated July 9th, 2001
Withdrawn on August 27th, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #373225

Chapter 12

Registrations

12.1.1 Securities

Type	Company	Category of Registration	Effective Date
Amalgamation	Laurvest Inc. AND BLC-Edmond de Rothschild Asset Management Inc. TO FORM: BLC-Edmond de Rothschild Asset Management Inc. Attention: Pierre Massicotte 1981 McGill College Ave. Suite 590 Montreal QC H3A 3K3	Extra provincial Adviser Investment Counsel & Portfolio Manager	Nov 01/00
Change of Name	Darwin Investment Management Corporation attention: Robert Paul Van Doorn 55 Avenue Road Suite 2250 Hazelton Lanes East Tower Toronto ON M5R 3L2	From: Darwin Research Services Inc. To: Darwin Investment Management Corporation	May 01/01
Change of Name	Canadian Shareowner Investments Inc. Attention: John Telesphore Bart 2 Carlton Street Suite 1317 Toronto ON M5B 1J3	From: John Bart Investments Inc. To: Canadian Shareowner Investments Inc.	Dec 27/00
New Registration	Tradeweb LLC c/o McCarthy Tetrault Attention: Michael Nicholas Toronto Dominion Bank Tower Suite 4700 Toronto-Dominion Centre Toronto ON M5K 1E6	International Dealer	Aug 21/01
New Registration	Mavrix Fund Management Inc./Gestion de Fonds Mavrix Inc. Attention: Malvin Charles Spooner 36 Lombard Street Suite 600 Toronto ON M5C 2X3	Investment Counsel & Portfolio Manager	Aug 08/01

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Chapter 13

SRO Notices and Disciplinary Proceedings

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IN THIS ISSUE

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Chapter 25

Other Information

25.1 Securities

25.1.1 Release from Escrow

RELEASE FROM ESCROW

COMPANY NAME	DATE	NUMBER AND TYPE OF SHARES	ADDITIONAL INFORMATION
Biron Bay Resources Limited	August 22, 2001	609,000 common shares	609,000 represents the number of Biron Bay Resources held in escrow at March 30, 1971. Such shares have been reduced by numerous consolidations and other transactions.

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Index

Abraxas Acquisition Corporation
MRRS Decision 5262

Abraxas Petroleum Corporation
MRRS Decision 5262

ActFit.com Inc.
Order - s.144 5301

AQM Automotive Corporation
MRRS Decision 5270

Aquarius Coatings Inc.
Cease Trading Orders 5313

Biron Bay Resources Limited
Release from Escrow 5379

BLC-Edmond de Rothschild Asset Management Inc.
Amalgamation 5375

BMO Capital Trust
MRRS Decision 5268

BMO Nesbitt Burns Inc.
MRRS Decision 5268

BNN Split Corp.
MRRS Decision 5293

Bonterra Energy Corp.
MRRS Decision 5272

Brazilian Resources, Inc.
Cease Trading Orders 5313

Canadian Express Ltd.
MRRS Decision 5293

Canadian Shareowner Investments Inc.
Change of Name 5375

Capital International Asset Management (Canada), Inc.
Order - ss. 59(1) 5303

Capital Pool Companies - Policy 41-601
Notice 5258
Request for Comments 5317

Clarington Funds Inc.
Decision - s. 5.1 of OSC Rule 31-506 5274

ClaringtonFunds Inc.
Decision 5289

Comstate Resources Ltd.
MRRS Decision 5273

Consumers Packaging Inc.
Cease Trading Orders 5313

Current Proceedings Before The Ontario Securities Commission
Notice 5255

Daedalian eSolutions Inc.
MRRS Decision 5264

Darwin Investment Management Corporation
Change of Name 5375

Darwin Research Services Inc.
Change of Name 5375

Delaney Energy Services Corporation
MRRS Decision 5298

DiCostanzo, Neil
Decision 5307

Digital Duplication Inc.
Cease Trading Orders 5313

Dominion International Investments Inc.
Cease Trading Orders 5313

Dotcom 2000 Inc.
Cease Trading Orders 5313

Dura Products International Inc.
Cease Trading Orders 5313
Order - s.144 5302

E&P Manulife Balanced Asset Allocation Portfolio
MRRS Decision 5278

E&P Manulife Maximum Growth Asset Allocation Portfolio
MRRS Decision 5281

Elliott & Page Limited
MRRS Decision 5278, 5281

Fidelity American Opportunities Class
MRRS Decision 5296

Fidelity Canadian Balanced Class
MRRS Decision 5296

Fidelity Canadian Growth Company Class
MRRS Decision 5296

Fidelity Canadian Short Term Income Class
MRRS Decision 5296

Fidelity Capital Structure Corp.
MRRS Decision 5296

Fidelity Disciplined Equity Class
MRRS Decision 5296

Fidelity European Growth Class
MRRS Decision 5296

Fidelity Far East Class
MRRS Decision 5296

Fidelity Focus Consumer Industries Class
MRRS Decision 5296

Fidelity Focus Financial Services Class
MRRS Decision 5296

Fidelity Focus Health Care Class
MRRS Decision 5296

Fidelity Focus Natural Resources Class
MRRS Decision 5296

Fidelity Focus Technology Class
MRRS Decision 5296

Fidelity Focus Telecommunications Class
MRRS Decision 5296

Fidelity Growth America Class
MRRS Decision 5296

Fidelity International Portfolio Class
MRRS Decision 5296

Fidelity Japanese Growth Class
MRRS Decision 5296

Fidelity Small Cap America Class
MRRS Decision 5296

Fidelity True North Class
MRRS Decision 5296

FINOVA (Canada) Finance Inc.
MRRS Decision 5299

Galaxy OnLine Inc.
Cease Trading Orders 5313

Grey Wolf Exploration Inc.
MRRS Decision 5262

GST Telecommunications Inc.
Cease Trading Orders 5313

Gulfstream Resources Canada Limited
MRRS Decision 5284

Java Joe's International Corporation
Cease Trading Orders 5313

John Bart Investments Inc.
Change of Name 5375

Landmark Global Financial Corp.
Cease Trading Orders 5313

Laurvest Inc.
Amalgamation...5375

Link Mineral Ventures Ltd.
Cease Trading Orders 5313

Marengo Explorations Ltd.
MRRS Decision 5261

Mavrix Fund Management Inc./Gestion de Fonds Mavrix Inc.
New Registration 5375

Melanesian Minerals Corporation
Cease Trading Orders 5313

Nord Pacific Limited
Cease Trading Orders 5313

OceanLake Commerce Inc.
Order - ss. 83.1(1) 5302

Online Direct Inc.
Cease Trading Orders 5313

Orchestream Canada Corporation
MRRS Decision 5267

Pincock, James Frederick
News Releases...5259

Points.Com Inc.
MRRS Decision 5265

Policy 41-601 Capital Pool Companies
Notice 5258
Request for Comments..5317

Primenet Communications Inc.
Cease Trading Orders 5313

Scotia Securities Inc.
Order - ss. 59(1) 5303

St. Anthony Resources Inc.
Cease Trading Orders 5313

Synergy Services Corporation
Decision..5285

Systech Retail Systems Inc.
Cease Trading Orders 5313

Tradeweb LLC
New Registration 5375

Trilon Securities Corporation
MRRS Decision 5293

United Trans-Western, Inc.
Cease Trading Orders 5313

Zamora Gold Corp.
Cease Trading Orders 5313