The Ontario Securities Commission

OSC Bulletin

December 7, 2001

Volume 24, Issue 49

(2001), 24 OSCB

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

The Ontario Securites Commission
Cadillac Fairview Tower
Suite 800, Box 55
20 Queen Street West
Toronto, Ontario
M5H 3S8

416-593-8314 or Toll Free 1-877-785-1555

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

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

Contact Centre - Inquiries, Complaints:	Fax: 593-8122
Capital Markets Branch:	Fax: 593-3651
Capital Markets - Registration:	Fax: 593-8283
Corporate Finance - Filings Team 1:	Fax: 593-8244
Corporate Finance - Filings Team 2:	Fax: 593-3683
Corporate Finance - Continuous Disclosure (Insider Reporting):	Fax: 593-3666
Corporate Finance - Take-Over Bids / Advisory Services:	Fax: 593-8177
Enforcement Branch:	Fax: 593-8321
Executive Offices:	Fax: 593-8241
General Counsel's Office:	Fax: 593-3681
Office of the Secretary:	Fax: 593-2318

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

Subscriptions are available from Micromedia limited at the price of $575 per year. Back volumes are also available on microfiche:

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

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

U.S.	$175
Outside North America	$400

Single issues of the printed Bulletin are available at $35.00 per copy as long as supplies are available. OSC Bulletin Plus, a full text searchable CD-ROM containing OSC Bulletin material from January 1994 is available from Micromedia Limited. Online web subscriptions are available at

"http://circ.ihscanada.ca/"

Claims from bona fide subscribers for missing issues will be honoured by Micromedia up to one month from publication date. After that period back issues will be available on microfiche only.

Full copies of both Insider Reports and Public Filings listed in Chapters 7 and 10 respectively are available from: Demand Documents Department, Micromedia, 20 Victoria Street, Toronto, Ontario M5C 2N8 (416) 362-5211, extension 2211.

Space is available in the Ontario Securities Commission Bulletin for advertisements. The publisher will accept advertising aimed at the securities industry or financial community in Canada. Advertisements are limited to tombstone announcements and professional business card announcements by members of, and suppliers to, the financial services industry.

ISSN 0226-9325

Table of Contents

Table of Contents
(cont'd)

Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

December 7, 2001

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

- -

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

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

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

CDS **TDX 76**

Late Mail depository on the 19th Floor until 6:00 p.m.

- -

THE COMMISSIONERS

David A. Brown, Q.C., Chair	—	DAB
Paul M. Moore, Q.C., Vice-Chair	—	PMM
Howard Wetston, Q.C., Vice-Chair	—	HW
Kerry D. Adams, FCA	—	KDA
Derek Brown	—	DB
Robert W. Davis, FCA	—	RWD
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 M. Kennedy in attendance for staff Panel: TBA
December 5/2001 10:00 a.m.	**Teodosio Vincent Pangia, Agostino Capista And Dallas/north Group Inc.** s. 127 Y. Chisholm in attendance for staff Panel: TBA
December 5 /2001 10:00 a.m.	**Livent Inc., Garth Drabinsky, Myron I. Gottlieb, Gordon Eckstein, Robert Topol** s. 127 and 127.1 J. Superina in attendance for staff. Panel: HIW
December 7/2001 9:00 a.m.	**Michael Goselin, Irvine Dyck, Donald McCrory, Roger Chiasson** s.127 T. Pratt in attendance for staff Panel: TBA
December 17/2001 10:00 a.m.	**James Frederick Pincock** ss. 127 J. Superina in attendance for staff. Panel: PMM

January 8,10,11, 17,18,22,24,25, 31/2002 10:00 a.m. January 15,29, February 12 2:00 p.m. March 5,7,8,14, 15,19,21,22,28, 29/2002 10:00 a.m.	**YBM Magnex International Inc., Harry W. Antes, Jacob G. Bogatin, Kenneth E. Davies, Igor Fisherman, Daniel E. Gatti, Frank S. Greenwald, R. Owen Mitchell, David R. Peterson, Michael D. Schmidt, Lawrence D. Wilder, Griffiths McBurney & Partners, National Bank Financial Corp., (formerly known as First Marathon Securities Limited)** s.127
March 12, 26 2:00 p.m. April 2,4,5,11,12 10:00 a.m.	K. Daniels/M. Code/J. Naster/I. Smith in attendance for staff.
April 9, 2002 2:00 p.m.	Panel: HIW / DB / RWD
January 3/2002	**Jack Banks et al.** s. 127 Ian Smith in attendance for staff. Panel: PMM
February 4, 6, 13, 14, 15, 28, 2002 9:30 a.m.	**Arlington Securities Inc. and Samuel Arthur Brian Milne** J. Superina in attendance for Staff s. 127 Panel: PMM
April 15 - 19, 2002 9:00 a.m.	**Sohan Singh Koonar** s. 127 J. Superina in attendance for staff Panel: PMM
May 27 - July 5, 2002	**Michael Cowpland and M.C.J.C. Holdings Inc.** s. 122 M. Kennedy and M.Britton in attendance for staff. 161 Elgin Street, Ottawa

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

1.1.2 Notice of Amendment to OSC Rule 61-501

NOTICE OF AMENDMENT TO OSC RULE 61-501
INSIDER BIDS, ISSUER BIDS,
GOING PRIVATE TRANSACTIONS
AND RELATED PARTY TRANSACTIONS
("Rule 61-501")
(Canadian Venture Exchange Issuers)

The Commission is publishing in today's Bulletin a notice of amendment to Rule 61-501. This amendment adds certain additional exemptions from the formal valuation requirements applicable to related party transactions for issuers listed on the Canadian Venture Exchange ("CDNX"), where such issuers comply with CDNX Policy 5.9.

The amendment was set to the Minister of Finance on November 30, 2001. The notice and amendment to Rule 61-501 are published in Chapter 5 of this Bulletin.

1.2 News Releases

1.2.1 OSC Proceeding in Respect of Livent Inc. et al. - Adjourned

FOR IMMEDIATE RELEASE
December 3, 2001

OSC PROCEEDING IN RESPECT OF LIVENT INC. ET AL

ADJOURNED TO FEBRUARY 15, 2002

Toronto – The hearing before the Ontario Securities Commission in respect of Livent Inc., Garth H. Drabinsky, Myron I. Gottlieb, Gordon Eckstein and Robert Topol, is adjourned from December 5, 2001 to February 15, 2002, commencing at 9:30 a.m.

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:

Frank Switzer
Director, Communications
416-593-8120

Michael Watson
Director, Enforcement Branch
416-593-8156

For Investor Inquiries:

Call the OSC Contact Centre
416-593-8314
1-877-786-1555 (Toll Free)

This Page Intentionally left blank

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 AXA - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief from prospectus requirements granted in respect of certain trades in units of an employee savings fund made pursuant to a classic offering and a leveraged offering by French issuer, provided that all sales of such units pursuant to the leveraged offering be made through a registrant – relief from registration and prospectus requirements upon the redemption of such units for shares of the issuer – relief from the registration and prospectus requirements granted in respect of first trade of such shares where such trade is made through the facilities of a stock exchange outside of Canada – relief granted to the manager of the Fund from the adviser registration requirement

Applicable Ontario Statutory Provisions

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

Applicable Ontario Regulations

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

Applicable Ontario Rules

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

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

OSC Policy 4.8 - Non Resident Advisers

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
QUÉBEC, ONTARIO, BRITISH COLUMBIA, ALBERTA, MANITOBA, NEW BRUNSWICK AND NEWFOUNDLAND

AND

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

AND

IN THE MATTER OF AXA

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Québec, Ontario, British Columbia, Alberta, Manitoba, New Brunswick and Newfoundland, (collectively, the "Jurisdictions") has received an application from AXA (the "Filer") for a decision, pursuant to the securities legislation (the "Legislation") of the Jurisdictions that:

(i) the requirements contained in the Legislation to file and obtain a receipt for a preliminary prospectus and a prospectus (the "Prospectus Requirements") shall not apply to certain trades in units (the "Units") of a French employee savings fund (fond commun de placement d'entreprise or "FCPE"), the AXA Actionnariat II Fund (the "Classic Fund") and the AXA Plan 2001 Global Fund (the "Leveraged Fund" and, together with the Classic Fund, the "Funds") made pursuant to the Employee Share Offering (as defined below) to or with Qualifying Employees (as defined below) resident in the Jurisdictions who elect to participate (the "Canadian Participants") in the Employee Share Offering;

(ii) the requirements contained in the Legislation to be registered to trade in a security (the "Registration Requirements" shall not apply to certain trades in Units of the Classic Fund to the Canadian Participants made pursuant to the Classic Plan Offering (as defined below) component of the Employee Share Offering;

(iii) The Registration and Prospectus Requirements shall not apply to the transfer of ordinary shares (the "Shares") of the Filer by the Funds to Canadian Participants upon the redemption of Units by Canadian Participants;

(iv) the Registration and Prospectus Requirements shall not apply to the issuance to Canadian Participants of units by a successor fund to which the Funds' assets may be transferred, nor to the subsequent transfer of Shares by such successor fund to Canadian Participants upon the redemption of such units by Canadian Participants;

(v) the Registration and Prospectus Requirements shall not apply to the first trade in Shares acquired by Canadian Participants under the Employee Share Offering where such trade is

made through the facilities of a stock exchange outside of Canada; and

(vi) the manager of the Funds, AXA Gestion Intressement, (an asset management company governed by the laws of France) (the "Manager") shall be exempt from the requirements contained in the Legislation to be registered as an adviser (the "Advisor Registration Requirements") to the extent that its activities in relation to the Employee Share Offering require compliance with the Advisor Registration Requirements.

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

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

1. The Filer is a corporation formed under the laws of France. The Filer is not and has no intention of becoming a reporting issuer (or equivalent) under the Legislation. The Shares of the Filer are listed on the Paris Bourse and on the New York Stock Exchange (in the form of American Depositary Shares).

2. The Filer carries on business in Canada through the following affiliated companies: AXA Assurances Inc., AXA Canada Inc., AXA Canada Tech. Inc., AXA Insurance (Canada), AXA Pacific Insurance Company, Insurance Corporation of Newfoundland Limited, AXA Assistance Canada Inc., AXA Corporate Solutions, and AXA Corporate Solutions Assurance (the "Canadian Affiliates", together with the Filer and other affiliates of the Filer, the "AXA Group"). Each of the Canadian Affiliates is a direct controlled subsidiary of the Filer and is not and has no intention of becoming a reporting issuer (or equivalent) under the Legislation.

3. The Filer has established a worldwide stock purchase plan for employees of the AXA Group (the "Employee Share Offering") which is comprised of two plans: (i) an offering of Shares to be subscribed through the Classic Fund (the "Classic Plan Offering") and (ii) an offering of Shares to be subscribed through the Leveraged Fund (the "Leveraged Plan Offering").

4. Only persons who are employees of a member of the AXA Group at the time of the Employee Share Offering (the "Employees") or persons who have retired from a Canadian Affiliate of the AXA Group and who continue to hold units in FCPEs in connection with previous employee share offerings by the Filer (the "Retired Employees" and, together with the Employees, the "Qualifying Employees") are eligible to participate in the Employee Share Offering.

5. The Filer has previously been granted exemptive relief in connection with a very similar Employee Share Offering involving a classic and a leveraged plan by MRRS Decision of the Decision Makers, dated July 13, 2000.

6. The Funds were established for the purpose of implementing the Employee Share Offering. The Funds are not and have no intention of becoming reporting issuers under the Legislation.

7. The Funds are collective share holding vehicles of a type commonly used in France for the conservation or custodianship of shares held by employee investors. Only Qualifying Employees will be allowed to hold Units of the Funds, and such holdings will be in amounts proportionate to their respective investments in the Funds.

8. Under French law, all Units of either Fund acquired in the Employee Share Offering will be subject to a hold period (the "Lock-Up Period") of approximately five years, subject to certain exceptions (such as an earlier release on death, permanent disability, termination of employment or retirement). At the end of the Lock-Up Period, or in the event of an early unwind resulting from the Canadian Participant exercising one of the exceptions to the Lock-Up Period prescribed by French law, a Canadian Participant may:

   (i) redeem Units in (a) the Classic Fund in consideration for the underlying Shares or (b) in the Leveraged Fund according to the redemption formula described below but using the market value of the shares at the time of unwind to measure the Appreciation Amount (described below), if any, equal to the then-market value of the Shares held by the applicable Fund; or

   (ii) continue to hold Units in the applicable Fund (or a successor FCPE to which the applicable Fund's assets are transferred) and redeem those Units at a later date.

9. Under the Classic Plan Offering, Canadian Participants will purchase Units in the Classic Fund, and the Classic Fund will subscribe for an equivalent number of Shares. The purchase price for each Unit will be calculated as the average of the closing price of the Shares on the 20 trading days preceding AXA board approval of the Employee Share Offering (the "Reference Price"), less a 20% discount. Dividends paid on the Shares held in the Classic Fund will be capitalized and investors will be credited with additional Units.

10. Under the Leveraged Plan Offering, Canadian Participants will purchase Units in the Leveraged Fund, and the Leveraged Fund will then subscribe for Shares using the Employee Contribution (as described below) and certain financing made available by a major European bank, Deutsche Bank A.G. ("Deutsche Bank").

11. As with the Classic Plan Offering, Canadian Participants in the Leveraged Plan Offering enjoy the benefit of a 20% discount in the Reference Price. Under the Leveraged Plan Offering, the Canadian Participants effectively receive a share appreciation entitlement in the increase in value, if any, of the Shares financed by the Deutsche Bank Contribution (described below).

12. Participation in the Leveraged Plan Offering represents an opportunity for Qualifying Employees potentially to obtain significantly higher gains than would be available through participation in the Classic Plan Offering, by virtue of the Qualifying Employee's indirect participation in a financing arrangement involving a swap agreement (the "Swap Agreement") between the Leveraged Fund and Deutsche Bank. In economic terms, the Swap Agreement effectively involves the following exchange of payments: for each Share which may be purchased by the Qualifying Employee's contribution under the Leveraged Plan Offering at the Reference Price less the 20% discount and determined in euros (the "Employee Contribution"), Deutsche Bank will lend to the Fund (on behalf of the Canadian Participant) an amount sufficient to enable the Fund (on behalf of the Canadian Participant) to purchase an additional nine Shares (the "Deutsche Bank Contribution") at the Reference Price less the 20% discount.

13. At the time the Canadian Participant's obligations under the Swap Agreement are settled (the "Settlement Date") (expected to be at the end of the Lock-Up Period, but an early unwind may result from the Canadian Participant satisfying one of the exceptions to the Lock-Up Period prescribed by French law) the Canadian Participant will, for each Unit held by the Canadian Participant, be entitled to retain from the proceeds of the ten Shares then held by the Fund (on behalf of the Canadian Participant), an amount equal to:

    (a) the value of the Employee Contribution; and

    (b) approximately 50% of the amount of the appreciation in value, if any, of the ten Shares purchased by the Employee Contribution and the Deutsche Bank Contribution above the Reference Price for such ten Shares (that is, approximately 50% of any increase in the value of such shares over the Reference Price) (the "Appreciation Amount").

    At the Settlement Date, the Leveraged Fund on behalf of the Canadian Participant will be required to remit an amount equal to the balance of the proceeds of the ten Shares then owned or deemed to be owned by such Qualifying Employee to Deutsche Bank. This payment obligation may be satisfied by the sale of Shares to Deutsche Bank by the Leveraged Fund. If, at that time, the market value of the Shares held in the Leveraged Fund is less than 100% of the participating employees' contributions, Deutsche Bank will, pursuant to a guarantee agreement, make a cash contribution to the Leveraged Fund to make up any shortfall.

14. Under French law, the Funds, as FCPEs, are limited liability entities. The risk statement provided to Canadian Participants will confirm that, under no circumstances, will a Canadian Participant in the Leveraged Plan Offering be liable to any of the Leveraged Fund, Deutsche Bank or the Filer for any amounts in excess of his or her Employee Contribution under the Leveraged Plan Offering.

15. For Canadian federal income tax purposes, the Units acquired by Canadian Participants under the Leveraged Plan Offering will represent a pro rata ownership interest by the Canadian Participants in the Shares held by the Fund, together with the Fund's rights and obligations under the Swap Agreement, and any other assets which may be held by the Fund, which status will be confirmed in the offering documents provided to Canadian Participants.

16. During the term of the Swap Agreement, dividends paid on the Shares held in the Leveraged Fund will be remitted to the Leveraged Fund, and the Leveraged Fund will remit an equivalent amount to Deutsche Bank as partial consideration for the obligations assumed by Deutsche Bank under the Swap Agreement.

17. For Canadian federal income tax purposes, the Canadian Participants will be deemed to receive all dividends paid on the Shares financed by either the Employee Contribution or the Deutsche Bank Contribution, at the time such dividends are paid to the Leveraged Fund, notwithstanding the actual non-receipt of the dividends by the Canadian Participants. Consequently, Canadian Participants will be required to fund the tax liabilities associated with the dividends without recourse to the actual dividends.

18. The declaration of dividends on the Shares remains at the sole discretion of the board of directors of the Filer. The Filer has not made any commitment to Deutsche Bank as to any minimum payment in respect of dividends.

19. To respond to the fact that, at the time of the initial investment decision relating to participation in the Leveraged Plan Offering, Canadian Participants will be unable to quantify their potential income tax liability resulting from such participation, the Filer will enter into an indemnity agreement (the "Tax Indemnity Agreement") with each Canadian Participant.

20. Pursuant to the Tax Indemnity Agreement, the Filer will indemnify Canadian Participants in the Leveraged Plan Offering for all tax costs to the Canadian Participants associated with the payment of dividends in excess of a specified amount of euros per Share during the Lock-Up Period such that, in all cases, a Canadian Participant will, at the time of the original investment decision, be able to quantify, with certainty, his or her maximum tax liability in connection with dividends received by the Leveraged Fund on his or her behalf under the Leveraged Plan Offering.

21. At the time the Canadian Participant's obligations under the Swap Agreement are settled (expected to occur on the Settlement Date at the end of the Lock-Up Period), the Canadian Participant will realize a capital gain (or capital loss) by virtue of having participated in the Swap Agreement to the extent that amounts received by the Leveraged Fund, on behalf of the Canadian Participant, from Deutsche Bank exceed (or are less than) amounts paid by the Leveraged Fund, on behalf of the Canadian Participant to Deutsche Bank. To the extent that dividends on Shares that are deemed to have been

received by a Canadian Participant are paid by the Fund on behalf of the Canadian Participant to Deutsche Bank, such payments will reduce the amount of any capital gain (or increase the amount of any capital loss) to the Canadian Participant under the Swap Agreement. Capital losses (gains) realized by a Canadian Participant under the Swap Agreement may be offset against (reduced by) any capital gains (losses) realized by the Canadian Participant on a disposition of the Shares, in accordance with the rules and conditions under the *Income Tax Act* (Canada) or comparable provincial legislation (as applicable).

22. Following the expiry of the Lock-Up Period, the Swap Agreement will terminate and a Canadian Participant may elect to:

    (a) redeem Units in the Leveraged Fund in consideration for a payment by the Fund of an amount equal to the value of the Canadian Participant's Employee Contribution and the Canadian Participant's portion of the Appreciation Amount, if any, to be settled by delivery of such number of Shares equal to such amount or the cash equivalent of such amount; or

    (b) receive units in a successor FCPE (the "Successor Fund") to which the Fund's assets are transferred, and redeem those units at a later date.

23. In the event a Canadian Participant elects to receive units in the Successor Fund, the underlying Shares represented by the Canadian Participant's Units will be transferred to the Successor Fund. The Successor Fund will be identical in all material respects to the Funds except that i) there will be no swap arrangement, and ii) there will be no period corresponding to the Lock-Up Period. In economic terms, units in the Successor Fund will be equivalent in all material respects to American Depositary Shares.

24. The Manager is an asset management company governed by the laws of France. The Manager is registered with the French Commission des Opérations de Bourse (the "COB") to manage French investment funds and complies with the rules of the COB. The Manager is not and has no intention of becoming a reporting issuer (or equivalent) under the Legislation.

25. The Manager may, for the Fund's account, acquire, sell or exchange all securities in the portfolio of each Fund (the "Portfolios"). The Classic Fund's Portfolio will consist of Shares and, from time to time, cash in respect of dividends paid on the Shares. The Leveraged Fund's Portfolio will consist of Shares and the Swap Agreement. Either Portfolio may include cash or cash equivalents which the Funds may hold pending investments in Shares and for purposes of Unit redemptions. The Manager's Portfolio management activities in connection with the Employee Share Offering and the Funds are limited to purchasing Shares from the Filer using the Employee Contribution and the Deutsche Bank Contribution, selling such Shares as necessary in order to fund redemption requests, and such activities as may be necessary to give effect to the Swap Agreement.

26. Any redemption charges will be charged to the holder of the Units and will accrue to the relevant Fund. All management charges relating to a Fund will be paid from that Fund's assets.

27. The Manager is also responsible for preparing accounting documents and publishing periodic informational documents as provided by the rules of each Fund.

28. Shares issued in the Employee Share Offering will be deposited in the relevant Fund through BNP Paribas Securities Services (the "Depositary"), a French commercial bank subject to French banking legislation.

29. Under French law, the Depositary must be selected by the Manager from among a limited number of companies identified on a list by the French Minister of the Economy, and its appointment must be approved by the COB. The Depositary carries out orders to purchase, trade and sell securities in the Portfolio and takes all necessary action to allow the Funds to exercise the rights relating to the securities held in their respective Portfolios.

30. The Qualifying Employees resident in Canada will not be induced to participate in the Employee Share Offering by expectation of employment or continued employment.

31. The total amount invested by a Canadian Participant in the Employee Share Offering, including the Canadian Participant's investment in the Classic Plan Offering and the Leveraged Plan Offering, may not exceed 25% of his or her gross annual compensation for 2001, or for his or her last year of employment, as the case may be, although a lower limit may be established by the Canadian Affiliates.

32. None of the Filer, the Manager, the Canadian Affiliates or any of their employees, agents or representatives will provide investment advice to the Qualifying Employees with respect to an investment in the Units.

33. The Filer has retained RBC Dominion Securities (the "Registrant") to provide advisory services to the Canadian Participants in connection with the Leveraged Plan Offering and to make a determination, in accordance with industry practices, as to whether an investment in the Leveraged Plan Offering is suitable for each Canadian Participant based on his or her particular financial circumstances. The Registrant will establish accounts for, and will receive the initial account statements from the Leveraged Fund on behalf of, each Canadian Participant.

34. The Units will be issued by the Leveraged Fund to the Canadian Participants solely through the Registrant. The Units will be evidenced by account statements issued by the Leveraged Fund. The Registrant is

registered as a broker/investment dealer under the Legislation of each Jurisdiction.

35. The Canadian Participants will receive an information package in the French or English languages, at their option, that will include:

(a) a summary of the terms of the Employee Share Offering,

(b) a tax notice relating to the relevant Funds containing a description of the Canadian income tax consequences of purchasing and holding the Shares and Units in the Funds, and of the anticipated tax consequences associated with the issue to Canadian Participants of units in a Successor Fund, and

(c) a risk statement substantially in the form presented to the Decision Maker which will describe certain risks associated with an investment in Units pursuant to the Leveraged Plan Offering and will confirm certain of the income tax consequences of purchasing and holding Units in the Leveraged Fund.

36. Upon request, employees will be entitled to receive copies of the Filer's annual report on Form 20-F filed with the United States Securities and Exchange Commission (the "SEC") and/or the French *Document de Référence* filed with the COB in respect of the Shares. In addition, a *Note d'Opération* was filed with the COB in respect of the Employee Share Offering. A copy of the *Note d'Opération* as well as a copy of the relevant Fund's rules shall be made available to employees by the Fund upon request.

37. Copies of all continuous disclosure materials relating to the Filer which are furnished to shareholders generally will be furnished to Canadian Participants who subscribe for Units in the Fund. Canadian Participants will also receive information about restrictions on the sale of Shares received under the Employee Share Offering.

38. The Filer will provide contractual rights of action to Canadian Participants who participate in the Leveraged Plan Offering if the offering documents provided to the Canadian Participants contain a material misrepresentation in respect of the Leveraged Plan Offering.

39. It is not expected that there will be any market for the Units or Shares in Canada.

40. There are approximately 2,032 Employees resident in Canada, in the provinces of Québec (1,232), Ontario (504), British Columbia (147), Alberta (89), Newfoundland (41), New Brunswick (11) and Manitoba (8), who represent in the aggregate approximately 2.1% of the number of Employees worldwide.

41. There are approximately 10 eligible Retired Employees resident in Canada, in the provinces of Québec (5), Ontario (4), and British Columbia (1), for a total of 2042 Qualifying Employees resident in Canada.

42. As of the date hereof and after giving effect to the Employee Share Offering, Canadian Participants do not and will not beneficially own (which term, for the purposes of this paragraph, is deemed to include all Shares held by the Funds on behalf of Canadian Participants) more than 10 per cent of the Shares and do not and will not represent in number more than 10 per cent of the total number of holders of the Shares as shown on the books of the Filer.

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

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

(a) the Prospectus Requirements shall not apply to trades of the Units of the Funds to the Canadian Participants pursuant to the Employee Share Offering, provided that all trades that are sales in a Jurisdiction are made through a dealer that is registered as a broker/investment dealer in the Jurisdiction, and the first trade in Units acquired by Canadian Participants pursuant to this Decision, in a Jurisdiction, shall be deemed a distribution or a primary distribution to the public under the Legislation of such Jurisdiction;

(b) the Registration Requirements shall not apply to trades in Units of the Classic Fund to the Canadian Participants pursuant to the Classic Plan Offering;

(c) the Registration and Prospectus Requirements shall not apply to:

(i) trades of Shares by the Funds to the Canadian Participants upon the redemption of Units by Canadian Participants pursuant to the Employee Share Offering; or

(ii) the issuance to Canadian Participants of units by a Successor Fund to which the Funds' assets may be transferred, nor to the subsequent trade of Shares by such Successor Fund to the Canadian Participants upon the redemption of such units by Canadian Participants;

provided that, in each case, the first trade in any such Shares or units acquired by a Canadian Participant pursuant to this Decision, in a Jurisdiction, shall be deemed a distribution or a primary distribution to the public under the Legislation of such Jurisdiction;

(d) the Registration and Prospectus Requirements shall not apply to the first trade in any Shares

acquired by a Canadian Participant under the Employee Share Offering provided that such trade is:

(i) made through a person or company that is appropriately licensed to carry on business as a broker/dealer (or the equivalent) under the applicable securities legislation in the jurisdiction where the trade is executed; and

(ii) executed through the facilities of a stock exchange outside of Canada; and

(e) the Manager shall be exempt from the Advisor Registration Requirements, where applicable, in order to carry out the activities described in paragraphs 25 and 27 hereof.

October 17, 2001.

"Josée Deslauriers"

2.1.2 TD Asset Management Inc. - MRRS Decision

Headnote

Variation of a prior order to permit investments by mutual funds directly in securities of other mutual funds - exempted from the reporting requirements and self-dealing prohibitions of s.113 and s. 117.

Statutes Cited

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

IN THE MATTER OF
THE CANADIAN 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

AND

IN THE MATTER OF
TD ASSET MANAGEMENT INC.

AND

THE TD MANAGED ASSETS PROGRAM PORTFOLIOS

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (collectively, the Decision Makers") in each of the provinces of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia and Newfoundland (collectively, the "Jurisdictions") has received an application from TD Asset Management Inc. ("TDAM") for a decision by each Decision Maker (collectively, the "Decision") under the securities legislation of the Jurisdictions (the "Legislation") revoking and replacing the MRRS Decision Document dated November 3, 1998 entitled *In the Matter of TD Asset Management Inc. and The Green Line Managed Portfolios* (the "Existing Decision Document") which decided that the Applicable Requirements (as defined below) did not apply to TDAM or the TD Managed Assets Program Portfolios (as defined in Schedule "A", collectively, the "Existing Top Funds"), as the case may be, in respect of certain investments to be made by the Existing Top Funds in units of a mutual fund managed by TDAM or a person or company unrelated to TDAM (together, the "Existing Underlying Funds");

AND WHEREAS TDAM, as manager of the Existing Top Funds and other mutual funds managed by TDAM after the date of this Decision that will have an investment objective to invest substantially all of their assets in other mutual funds (individually, a "Future Top Fund" and together with the

Existing Top Funds, the "Top Funds"), has requested a Decision that the following provisions of the Legislation (the "Applicable Requirements") shall not apply to TDAM or the Top Funds, as the case may be, in respect of certain investments to be made by a Top Fund in a mutual fund an Underlying Fund (as defined below) from time to time:

1. 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

2. 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 is a joint participant with one or more of its related persons or companies.

AND WHEREAS the name of the Green Line Managed Portfolios has been changed to the TD Managed Asset Program Portfolios;

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

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

1. TDAM is a corporation incorporated under the laws of Ontario and is a wholly-owned subsidiary of The Toronto-Dominion Bank ("TD Bank") and is the manager or will be the manager of the Top Funds and the TD Underlying Funds (collectively, the "TD Funds" and "TD Underlying Funds" being Underlying Funds that are managed by TDAM).

2. TDAM's head office is located in Toronto, Ontario. TDAM is registered as a mutual fund dealer or its equivalent in all provinces and territories of Canada, as an investment counsel and portfolio manager or their equivalent in all provinces and territories other than Prince Edward Island, as a limited market dealer in Ontario and Newfoundland, and as a commodity trading manager under the Commodity Futures Act (Ontario).

3. Each of the TD Funds is or will be an open-ended mutual fund trust established under the laws of Ontario. Units of each of the TD Funds are or will be qualified for distribution in all of the provinces and territories of Canada pursuant to a simplified prospectus and annual information form filed with and accepted by the Decision Makers.

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

5. As part of its investment objective, each of the Existing Top Funds invest a certain fixed percentage (the "Fixed Percentages") of its assets (excluding cash and cash equivalents) in units of specified Existing Underlying Funds, subject to a variation of 2.5% above or below the Fixed Percentages (the "Permitted Ranges") to account for market fluctuations.

6. TDAM now wishes to revoke and replace the Existing Decision Document so that the Top Funds may invest in the Existing Underlying Funds and future mutual funds managed by TDAM or a person or company unrelated to TDAM (the "Future Underlying Funds" and collectively with the Existing Underlying Funds, the "Underlying Funds") in the same manner as the Existing Top Funds invest as described in paragraph 5, on substantially the same terms as other "passive" fund-on-fund structures.

7. Investments of each Top Fund will be made in accordance with the fundamental investment objectives of the Top Fund.

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

9. The simplified prospectus for each of the Top Funds will disclose the investment objectives, investment strategies, risks and restrictions of the Top Fund and the investment objectives and risk factors of the Underlying Funds, the adviser to the Underlying Funds, and the Fixed Percentages and the Permitted Ranges.

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

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

12. In the absence of this 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 security holder. As a result, in the absence of this Decision, each Top Fund would be required to divest itself of any such investments.

13. In the absence of this decision, Legislation requires TDAM to file a report on every purchase or sale of securities of the Underlying Funds by a Top Fund.

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

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 Maker pursuant to the Legislation is that the Existing Decision Document is hereby revoked and replaced with the following Decision with effect as of, and from, the date hereof;

AND 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 TDAM to file a report relating to the purchase and 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 section 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 Funds, the following conditions are satisfied:

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

   (d) the investment objective of the Top Fund discloses that the Top Fund invests in securities of other mutual funds;

   (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 Fixed Percentages disclosed in the simplified prospectus;

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

   (h) any deviation from the Fixed Percentages is caused by market fluctuations 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 securities of such mutual funds;

   (l) no sales charges are payable by the Top Fund in relation to its purchase of securities in 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 securities 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 securities of the Underlying Funds, other than trailing commissions paid to TDAM by the Underlying Funds managed by a person or company unrelated to TDAM;

   (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 securities of the Underlying Funds in the financial statements of the Top Fund; and

(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 prospectus of the Top Fund.

November 29, 2001.

"K. D. Adams" "Lorne Morphy"

Schedule "A"

TD Managed Portfolios

TD Managed Income Portfolio
TD Managed Income & Moderate Growth Portfolio
TD Managed Balanced Growth Portfolio
TD Managed Aggressive Growth Portfolio
TD Managed Maximum Equity Growth Portfolio

TD Managed Income RSP Portfolio
TD Managed Income & Moderate Growth RSP Portfolio
TD Managed Balanced Growth RSP Portfolio
TD Managed Aggressive Growth RSP Portfolio
TD Managed Maximum Equity Growth RSP Portfolio

TD FundSmart Managed Portfolios

TD FundSmart Managed Income Portfolio
TD FundSmart Managed Income & Moderate Growth Portfolio
TD FundSmart Managed Balanced Growth Portfolio
TD FundSmart Managed Aggressive Growth Portfolio
TD FundSmart Managed Maximum Equity Growth Portfolio

TD FundSmart Managed Income RSP Portfolio
TD FundSmart Managed Income & Moderate Growth RSP Portfolio
TD FundSmart Managed Balanced Growth RSP Portfolio
TD FundSmart Managed Aggressive Growth RSP Portfolio
TD FundSmart Managed Maximum Equity Growth RSP Portfolio

TD Managed Index Portfolios

TD Managed Index Income Portfolio
TD Managed Index Income & Moderate Growth Portfolio
TD Managed Index Balanced Growth Portfolio
TD Managed Index Aggressive Growth Portfolio
TD Managed Index Maximum Equity Growth Portfolio

TD Managed Index Income RSP Portfolio
TD Managed Index Income & Moderate Growth RSP Portfolio
TD Managed Index Balanced Growth RSP Portfolio
TD Managed Index Aggressive Growth RSP Portfolio
TD Managed Index Maximum Equity Growth RSP Portfolio

2.1.3 Solectron Corporation, et al. - MRRS Decision

Headnote

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

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

Applicable Ontario Statutory Provisions

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

Applicable Ontario Rules

Rule 45-501 Exempt Distributions.

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

AND

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

AND

IN THE MATTER OF
SOLECTRON CORPORATION, SOLECTRON GLOBAL SERVICES CANADA INC., 3942163 CANADA INC., SOLECTRON CANADA ULC AND C-MAC INDUSTRIES INC.

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of Québec, British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland (collectively, the "Jurisdictions") has received an application from Solectron Corporation ("Solectron"), Solectron Global Services Canada Inc. ("Exchangeco"), 3942163 Canada Inc. ("Callco") and Solectron Canada ULC ("Nova Scotia Company") (collectively, the "Filer") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that:

(a) the trades of securities involved in connection with the combination of Solectron and C-MAC Industries Inc. ("C-MAC") (the "Transaction") to be effected by way of an Arrangement (as defined below) shall be exempt from the registration and prospectus requirements of the Legislation;

(b) Exchangeco be exempt from the requirements of the Legislation to issue a press release and report material changes, to file with the Decision Makers and to deliver to shareholders interim financial statements, audited annual comparative financial statements and an annual report where applicable and information circulars (or to make an annual filing in lieu thereof) and annual information forms (including management's discussion and analysis of the financial condition and results of operation of Exchangeco);

(c) each "insider" (as such term is defined in the Legislation) of Exchangeco be exempt from the insider reporting requirements of the Legislation, subject to certain conditions, as described below; and

(d) the requirements in the Legislation regulating the purchase by an issuer of its own securities and the reporting of such purchases (the "Issuer Bid Requirements") in Ontario and the registration and prospectus requirements in Ontario shall not apply to the purchase by Exchangeco of Exchangeable Shares of Exchangeco owned by Callco in exchange for common or preferred shares of Exchangeco.

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

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

1. Solectron, C-MAC and 3924548 Canada Inc. have entered into a combination agreement dated August 8, 2001, as amended on September 7, 2001, among Solectron, 3942163 Canada Inc., 3924548 Canada Inc. and C-MAC (the "Combination Agreement") providing for the Transaction to be effected by way of an arrangement (the "Arrangement") under section 192 of the Canada Business Corporations Act ("CBCA") involving holders of common shares of C-MAC (the "C-MAC Common Shares"), holders of options to acquire C-MAC Common Shares (the "C-MAC Options"), C-MAC, Exchangeco, Callco and Solectron.

2. Solectron is a corporation incorporated under the laws of Delaware and is not a "reporting issuer" under the under the securities legislation of any Province or Territory of Canada. Solectron's principal corporate offices are located in Milipitas, California.

3. Solectron's authorized capital consists of 1,600,000,000 common shares (the "Solectron Common Shares") and 1,200,000 shares of preferred stock ("Solectron

Preferred Stock") of which 200,000 shares have been designated Series A Participating Preferred Stock ("Solectron Series A Preferred Stock"). The Solectron Common Shares are fully participating voting shares. As of the close of business on October 18, 2001, there were 658,763,262 Solectron Common Shares outstanding and as of August 1st, 2001, approximately 0.5% of the outstanding Solectron Common Shares where held by Canadian residents. As part of the Transaction, Solectron will issue one special voting share (the "Special Voting Share") to a trustee (the "Trustee") which will be appointed as trustee under the Voting and Exchange Trust Agreement (described below).

4. Solectron also has stock option and purchase plans (collectively, the "Solectron Option Plans") pursuant to which the Solectron Board of Directors has the authority to, among other things, determine the type of options ("Solectron Options") and the number of Solectron Common Shares which are subject to the Solectron Options or the number of Solectron Common Shares which may be purchased, as the case may be.

5. Solectron has a rights agreement in place (the "Solectron Rights Agreement") which provides that each Solectron Common Share shall trade with an associated right (the "Solectron Right").

6. The Solectron Common Shares are listed on the New York Stock Exchange ("NYSE") and are not listed on any stock exchange in Canada. Solectron will apply to the NYSE to list the Solectron Common Shares issued pursuant to the Arrangement or issuable from time to time in exchange for Exchangeable Shares (defined below) or upon exercise of the Replacement Options (defined below).

7. Exchangeco is a wholly-owned subsidiary of Solectron. Exchangeco was amalgamated under the laws of New Brunswick effective December 25, 1999 and was continued under the CBCA on November 16, 2001. At the effective date of the Arrangement (the "Effective Date"), Exchangeco will be an indirect subsidiary of Solectron and a direct subsidiary of Callco. Exchangeco's registered office is located in Toronto, Ontario. Exchangeco provides a complete range of technology repair, remanufacturing and refurbishment services for a large variety of electronic products.

8. The authorized capital of Exchangeco will be amended prior to the effective time on the Effective Date such that it will consist of an unlimited number of common shares, Class A Non-Voting Shares and Exchangeable Shares. The Exchangeable Shares will rank senior to the Class A Non-Voting Shares and the common shares of Exchangeco with respect to the payment of dividends and the distribution of property or assets of Exchangeco among its shareholders for the purpose of winding-up its affairs.

9. Prior to the Arrangement becoming effective, Exchangeco will adopt an Exchangeable Share rights plan (the "Exchangeable Share Rights Plan") substantially equivalent to the Solectron Rights Agreement. Pursuant to the Exchangeable Share Rights Plan, each exchangeable share of Exchangeco (an "Exchangeable Share") issued in the Arrangement or otherwise will have an associated Exchangeable Share Right, entitling the holder of such Exchangeable Share Right to acquire additional Exchangeable Shares in certain limited circumstances.

10. Exchangeco is currently a private company. Prior to the completion of the Transaction, the articles of Exchangeco will be amended to remove its private company restrictions. Upon completion of the Transaction and the listing of the Exchangeable Shares on the TSE, Exchangeco will become a reporting issuer in Ontario. Exchangeco and Solectron may become reporting issuers under the securities legislation of certain of the other Provinces as a result of the Transaction.

11. Callco is a wholly-owned subsidiary of Solectron. Callco was formed on September 6, 2001 as a corporation under the CBCA to hold all of the common shares of Exchangeco, to participate in the Transaction by delivering Solectron Common Shares to holders of Exchangeable Shares receiving them upon Callco's exercise of certain call rights to acquire the Exchangeable Shares from the holders thereof and to hold various call rights related to the Exchangeable Shares. Callco's registered office is located in Toronto, Ontario.

12. The authorized capital of Callco consists of an unlimited number of common shares. As of October 18, 2001, there was one common share issued and outstanding which was held directly by Solectron.

13. Nova Scotia Company is a wholly-owned subsidiary of Solectron. Nova Scotia Company was formed on September 6, 2001 as an unlimited liability company under the laws of the Province of Nova Scotia to participate in the Transaction and hold the common shares of Callco. Nova Scotia Company's registered office is located in Halifax, Nova Scotia.

14. The authorized capital of Nova Scotia Company consists of 1,000,000,000 common shares. As of October 18, 2001, there was one common share issued and outstanding which was held by Solectron.

15. C-MAC is a corporation incorporated under the CBCA. C-MAC is a reporting issuer under the Legislation and in each Jurisdiction that provides for a reporting issuer regime and is not, to its knowledge, in default of any requirement thereof. C-MAC's registered office is located in Montreal, Québec.

16. The authorized capital of C-MAC consists of an unlimited number of Common Shares, an unlimited number of Class "A" Preferred Shares and an unlimited number of Class "B" Preferred Shares and an unlimited number of Class "C" Preferred Shares (collectively, the "C-MAC Preferred Shares"). As of October 19, 2001, there were 86,322,376 C-MAC Common Shares outstanding. The C-MAC Common Shares are

currently listed for trading on the TSE under the symbol "CMS" and on the NYSE as "EMS".

17. C-MAC Options have been granted pursuant to the 1992 C-MAC stock option plan, as amended and restated (the "C-MAC Option Plan"). As of October 19, 2001, there were C-MAC Options outstanding which, when vested, would be exercisable to acquire a total of approximately 2,934,911 C-MAC Common. Upon the Arrangement becoming effective, each outstanding C-MAC Option will become a replacement option (the "Replacement Options").

18. As at November 13, 2001, there were $US100,000,000.00 of outstanding debentures due on December 31, 2008, all issued to the Caisse de Dépôt by C-MAC. Pursuant to the terms of the trust indenture between C-MAC, certain of its subsidiaries and General Trust of Canada (the "Indenture") in respect of such debentures, C-MAC has covenanted to promptly provide to the trustee under the Indenture unaudited consolidated quarterly financial statements within 45 days after the end of each quarter (other than the last quarter of each fiscal year) and audited consolidated annual financial statements within 90 days following the end of each fiscal year, each prepared in accordance with Canadian generally accepted accounting principles, together with certain other prescribed financial information, regardless of C-MAC's status as a reporting issuer. The Indenture does not include any covenant requiring C-MAC to maintain its status as a reporting issuer.

19. The Transaction will be effected by way of the Arrangement which will require, among other things: (a) the approval of the holders of not less than 66 2/3% of the C-MAC Common Shares and C-MAC Options, voting together as a class, present in person or by proxy and voting at a special meeting of C-MAC shareholders (the "C-MAC Meeting") which is expected to be held on for November 28, 2001 for the purpose of approving the Arrangement; and (b) the approval of the Superior Court of Québec (the "Court") by final order in respect of the Arrangement, the application in respect of which is expected to be heard on November 29, 2001.

20. The parties obtained an interim order (the "Interim Order") from the Court on October 18, 2001 in respect of the Arrangement. The Interim Order provides for the calling and holding of the C-MAC Meeting to consider the Arrangement as well as the requisite shareholder approval thresholds.

21. In connection with the Transaction, C-MAC has delivered to the holders of the C-MAC Common Shares an information circular (the "C-MAC Circular") dated October 20, 2001 which will also contain a prospectus of Solectron under applicable U.S. securities laws in connection with the issuance of Solectron Common Shares (the "Joint Proxy Statement/Solectron Prospectus"). On September 10, 2001, Solectron filed a Form S-4 registration statement with the U.S. Securities Exchange Commission (the "SEC"), which was declared effective on October 19, 2001 to register the Solectron Common Shares that will be issued to holders of C-MAC Common Shares in exchange for C-MAC Common Shares pursuant to the Transaction, including the Solectron Common Shares to be issued upon exchange of Exchangeable Shares.

22. Pursuant to the NYSE requirements, Solectron is also required to hold a special meeting of its stockholders (the "Solectron Meeting") to approve the issuance of the Solectron Common Shares to be used as consideration in the Transaction, including the Solectron Common Shares to be issued upon exchange of Exchangeable Shares and upon the exercise of the Replacement Options. The Joint Proxy Statement/Solectron Prospectus also serves as the Solectron management information circular in respect of these matters.

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

    (a) The outstanding C-MAC Common Shares held by each shareholder, other than (A) C-MAC Common Shares held by shareholders exercising their dissent rights who are ultimately entitled to be paid the fair value of the C-MAC Common Shares held by them, (B) C-MAC Common Shares held by Solectron or any affiliate thereof, and (C) C-MAC Common Shares held by any Holding Companies, will be transferred by the holder thereof to Exchangeco in exchange for:

        (i) that number of Solectron Common Shares equal to the product of the total number of C-MAC Common Shares held by such shareholder multiplied by 1.755 (the "Exchange Ratio"),

        (ii) that number of Exchangeable Shares (and certain ancillary rights) equal to the product of the total number of such C-MAC Common Shares held by such shareholder multiplied by the Exchange Ratio, or

        (iii) a combination of Solectron Common Shares and Exchangeable Shares (and certain ancillary rights), which aggregate number of Solectron Common Shares and Exchangeable Shares is equal to the product of the total number of such C-MAC Common Shares held by such shareholder multiplied by the Exchange Ratio,

    the whole as set forth in a letter of transmittal and election form sent by C-MAC (the "Letter of Transmittal and Election Form") and delivered to the depository by the election deadline, provided that notwithstanding the foregoing, only shareholders of C-MAC who are either, (1) Canadian residents who hold such C-MAC Common Shares on their own behalf, or (2) persons who hold such C-MAC Common Shares on behalf of one or more Canadian residents,

shall be entitled to elect to receive Exchangeable Shares in respect of any such C-MAC Common Shares as set out in paragraphs (ii) and (iii) above, and any elections to receive Exchangeable Shares made by any other shareholders of C-MAC shall be invalid, and the C-MAC Common Shares of any such invalidly-electing C-MAC Shareholder and of C-MAC Shareholders who do not validly complete and deliver a Letter of Transmittal and Election Form to the depository by the election deadline shall be deemed to have been transferred to Exchangeco solely in consideration for Solectron Common Shares pursuant to (i) above;

(b) the outstanding shares ("Holding Company Shares") of persons holding C-MAC Common Shares through a holding company (a "Holding Company") meeting certain conditions and who elect to participate in a Holding Company alternative (the "Holding Company Alternative") in respect of each particular Holding Company shall be transferred by the holder(s) thereof to Exchangeco in exchange for,

(i) that number of Solectron Common Shares equal to the product of the total number of C-MAC Common Shares held by that Holding Company multiplied by the Exchange Ratio,

(ii) that number of Exchangeable Shares (and certain ancillary rights) equal to the product of the total number of such C-MAC Common Shares held by that Holding Company multiplied by the Exchange Ratio, or

(iii) a combination of Solectron Common Shares and Exchangeable Shares (and certain ancillary rights), which aggregate number of Solectron Common Shares and Exchangeable Shares is equal to the product of the total number of such C-MAC Common Shares held by that Holding Company multiplied by the Exchange Ratio,

the whole as set forth in a Holding Company letter of transmittal and election form sent by C-MAC to requesting shareholders of C-MAC (the "Holding Company Letter of Transmittal and Election Form") and deliver to the depository by the election deadline, provided that notwithstanding the foregoing, only holders of Holding Company Shares who are either, (1) Canadian residents who hold such Holding Company Shares on their own behalf, or (2) persons who hold such Holding Company Shares on behalf of one or more Canadian residents, shall be entitled to elect to receive Exchangeable Shares in respect of any such C-MAC Common Shares as set out in paragraphs (ii) and (iii) above, and any elections to receive Exchangeable Shares made by any other holder of Holding Company Shares shall be invalid, and the Holding Company Shares of any such invalid election shall be deemed to have been transferred to Exchangeco solely in consideration for Solectron Common Shares pursuant to (i) above;

(c) Coincident with the transfer of the C-MAC Common Shares to Exchangeco, Solectron, Callco, Nova Scotia Company and Exchangeco shall execute a support agreement (the "Exchangeable Share Support Agreement") and Solectron, Exchangeco and the Trustee will enter into a voting and exchange trust agreement (the "Voting and Exchange Trust Agreement") and all rights of holders of Exchangeable Shares under the Voting and Exchange Trust Agreement shall be received by them as part of the property receivable by them in exchange for the C-MAC Common Shares so transferred; and

(d) Each option to acquire C-MAC Common Shares under the C-MAC stock option plan (individually, a "C-MAC Option" and collectively, the "C-MAC Options") outstanding on the Effective Date, will be exchanged for a Replacement Option to purchase the number of Solectron Common Shares equal to the product of the Exchange Ratio multiplied by the number of C-MAC Common Shares that may be purchased as if such C-MAC Option was exercisable and exercised immediately prior to the Arrangement becoming effective and the option exercise price shall be adjusted by dividing the exercise price under the C-MAC Options by the Exchange Ratio.

24. As a result of the foregoing, upon the completion of the Arrangement, all of the issued and outstanding C-MAC Common Shares will be held directly or indirectly by Solectron and its affiliates.

25. The Exchangeable Shares, together with the Voting and Exchange Trust Agreement described below, will provide holders thereof with a security of a Canadian issuer having economic and voting rights which are substantially economically equivalent to those of a Solectron Common Share. Exchangeable Shares will generally be received by Canadian-resident holders of C-MAC Common Shares who validly make a joint tax election with Exchangeco on a tax-deferred rollover basis for purposes of the Income Tax Act (Canada) ("ITA") and, provided that the Exchangeable Shares are listed on a prescribed stock exchange in Canada (which currently includes the TSE), will be "qualified investments" for certain investors and will not constitute "foreign property", in each case, under the ITA. The Exchangeable Shares will be exchangeable by a holder thereof for Solectron Common Shares on a one-for-one basis at any time at the option of such holder and will be required to be exchanged upon the occurrence of certain events, as more fully described below. Subject to applicable law and the paragraphs below, dividends

will be payable on the Exchangeable Shares contemporaneously and in the equivalent amount per share as dividends on the Solectron Common Shares. The Exchangeable Shares are subject to adjustment or modification in the event of a stock split or other change to the capital structure of Solectron so as to maintain at all times the initial one-to-one relationship between the Exchangeable Shares and Solectron Common Shares.

26. No fractional Exchangeable Shares or fractional Solectron Common Shares will be issued pursuant to the Arrangement. In lieu of fractional shares, each holder of C-MAC Common Shares who would otherwise be entitled to receive a fraction of an Exchangeable Share or a fraction of a Solectron Common Share shall be paid an amount in cash equal to such holder's pro rata share of the net proceeds received from aggregating all such fractional interests and selling them in the open market.

27. Exchangeco will deliver or cause to be delivered to each holder of C-MAC Common Shares the Solectron Common Shares or Exchangeable Shares, as the case may be, that must be delivered to such holder pursuant to the Arrangement in exchange for the C-MAC Common Shares held by such holder.

28. The Exchangeable Shares will rank prior to the Class A Non-Voting Shares and the common shares of Exchangeco with respect to the payment of dividends and the distribution of property or assets in the event of the liquidation, dissolution or winding-up of Exchangeco, whether voluntary or involuntary, or any other distribution of property or assets of Exchangeco among its shareholders for the purpose of winding-up its affairs. The rights, privileges, restrictions and conditions attaching to the Exchangeable Shares (the "Exchangeable Share Provisions") will provide that each Exchangeable Share will entitle the holder to dividends from Exchangeco payable at the same time as, and equivalent to, each dividend paid by Solectron on a Solectron Common Share. The record date for the determination of the holders of Exchangeable Shares entitled to receive Exchangeable Shares in connection with any subdivision of Exchangeable Shares and the effective date of such subdivision shall be the same dates as the record date and the payment date, respectively, for the corresponding stock dividend declared on Solectron Common Shares.

29. The Exchangeable Shares will be non-voting (except as required by the Exchangeable Share Provisions or by applicable law) and will be retractable at the option of the holder at any time. Subject to the overriding retraction call right of Callco referred to below, upon retraction, the holder will be entitled to receive from Exchangeco for each Exchangeable Share retracted an amount equal to the current market price of a Solectron Common Share on the last business day prior to the retraction date, to be satisfied by the delivery of one Solectron Common Share, together with, on the designated payment date therefor, an amount equal to all declared and unpaid dividends on each such retracted Exchangeable Share held by the holder on any dividend record date prior to the date of retraction (such aggregate amount, the "Retraction Price"). Upon being notified by Exchangeco of a proposed retraction of Exchangeable Shares, Callco will have an overriding retraction call right (the "Retraction Call Right") to purchase from the holder all of the Exchangeable Shares that are the subject of the retraction notice for a price per share equal to the Retraction Price.

30. Subject to the applicable law and the overriding redemption call right of Callco referred to below, Exchangeco may redeem all but not less than all of the then outstanding Exchangeable Shares (other than Exchangeable Shares held by Solectron and its affiliates) on, or any time after, the seventh anniversary of the effective date of the Transaction (the "Redemption Date"). In certain circumstances the Board of Directors of Exchangeco may accelerate the Redemption Date. Upon such redemption, a holder will be entitled to receive from Exchangeco for each Exchangeable Share redeemed an amount equal to the current market price of a Solectron Common Share on the last business day prior to the Redemption Date, to be satisfied by the delivery of one Solectron Common Share, together with, on the designated payment date thereof, all declared and unpaid dividends on each such redeemed Exchangeable Share held by the holder on any dividend record date prior to the Redemption Date (such aggregate amount, the "Redemption Price"). Upon being notified by Exchangeco of a proposed redemption of Exchangeable Shares, Callco will have an overriding redemption call right (the "Redemption Call Right") to purchase on the Redemption Date all but not less than all of the then outstanding Exchangeable Shares (other than Exchangeable Shares held by Solectron and its affiliates) for a price per share equal to the Redemption Price. Upon the exercise of the Redemption Call Right by Callco, holders will be obligated to sell their Exchangeable Shares to Callco. If Callco exercises its Redemption Call Right, Exchangeco's right and obligation to redeem the Exchangeable Shares on the Redemption Date will terminate.

31. Subject to the overriding liquidation call right of Callco referred to below, in the event of the liquidation, dissolution or winding-up of Exchangeco, holders of Exchangeable Shares (other than Exchangeable Shares held by Solectron and its affiliates) will be entitled to put their shares to Solectron in exchange for Solectron Common Shares pursuant to the Voting and Exchange Trust Agreement. Upon a proposed liquidation, dissolution or winding-up of Exchangeco, Callco will have an overriding liquidation call right (the "Liquidation Call Right") to purchase from all but not less than all of the holders of Exchangeable Shares (other than Exchangeable Shares held by Solectron and its affiliates) on the effective date of such liquidation, dissolution or winding-up (the "Liquidation Date") all but not less than all of the Exchangeable Shares held by each such holder for a price per share equal to the current market price of a Solectron Common Share on the last business day prior to the Liquidation Date, to be satisfied by the delivery of one Solectron Common Share, together with an additional amount equivalent to the full amount of all declared and

unpaid dividends on each Exchangeable Share held by such holder on any dividend record date prior to the date of purchase by Callco.

32. Upon the occurrence of certain changes in Canadian tax law, Solectron has the right to purchase or cause Callco to purchase the Exchangeable Shares (other than Exchangeable Shares held by Solectron and its affiliates) prior to the seventh anniversary of the Effective Date. Solectron may exercise this call right if it delivers to the Trustee an opinion of counsel stating that there has been a change to the ITA and applicable Québec provincial income tax legislation to the effect that a sale by beneficial owners of the Exchangeable Shares (other than Solectron and its affiliates) who are Canadian residents and hold their Exchangeable Shares as capital property will qualify as a tax-deferred transaction for purposes of the ITA and applicable Québec provincial income tax legislation.

33. Upon the liquidation, dissolution or winding-up of Solectron, all Exchangeable Shares held by holders (other than Exchangeable Shares held by Solectron and its affiliates) will be automatically exchanged for Solectron Common Shares pursuant to the Voting and Exchange Trust Agreement, in order that holders of Exchangeable Shares will be able to participate in the dissolution of Solectron on a pro rata basis with the holders of Solectron Common Shares.

34. Upon the exchange of an Exchangeable Share for a Solectron Common Share, the holder of the Exchangeable Share will no longer be a beneficiary of the trust created by the Voting and Exchange Trust Agreement that holds the Special Voting Share, as described below.

35. The Special Voting Share will be authorized for issuance pursuant to the Combination Agreement and, pursuant to the Arrangement, will be issued to the Trustee appointed under the Voting and Exchange Trust Agreement. Except as otherwise required by applicable law, the Special Voting Share will be entitled to the number of votes, exercisable at any meeting of the holders of Solectron Common Shares, equal to the number of votes that would attach to the Solectron Common Shares into which the Exchangeable Shares outstanding from time to time (and not owned by Solectron and its affiliates) could be exchanged. Holders of Exchangeable Shares will exercise the voting rights attached to the Special Voting Share through the mechanism of the Voting and Exchange Trust Agreement (described below). The holder of the Special Voting Share will not be entitled to receive dividends from Solectron and, in the event of any liquidation, dissolution or winding-up of Solectron, will receive an amount equal to the par value thereof. At such time as the Special Voting Share has no votes attached to it because there are no Exchangeable Shares outstanding not owned by Solectron and its affiliates, the Special Voting Share will be cancelled.

36. The Special Voting Share will be issued to and held by the Trustee for the benefit of the holders of the Exchangeable Shares outstanding from time to time (other than Solectron and its affiliates) pursuant to a Voting and Exchange Trust Agreement to be entered into by Solectron, Exchangeco and the Trustee contemporaneously with the closing of the Transaction. Each voting right attached to the Special Voting Share must be voted by the Trustee pursuant to the instructions of the holder of the related Exchangeable Share. In the absence of any such instructions from a holder as to voting, the Trustee will not be entitled to exercise the related voting rights. Upon the exchange of all of a holder's Exchangeable Shares for Solectron Common Shares, all rights of such holder of Exchangeable Shares to instruct the Trustee to exercise votes attached to the Special Voting Share in respect of the exchanged Exchangeable Shares will cease.

37. Under the Voting and Exchange Trust Agreement, Solectron will grant to the Trustee for the benefit of the holders of the Exchangeable Shares a right (the "Exchange Right") exercisable upon the insolvency of Exchangeco, to require Solectron to purchase from a holder of Exchangeable Shares (other than Solectron or its affiliates) all or any part of the Exchangeable Shares held by that holder. The purchase price for each Exchangeable Share purchased by Solectron under the Exchange Right will be an amount equal to the current market price of a Solectron Common Share on the last business day prior to the day of closing the purchase and sale of such Exchangeable Share under the Exchange Right, to be satisfied by the delivery to the Trustee, on behalf of the holder, of one Solectron Common Share, together with an additional amount equivalent to the full amount of all declared and unpaid dividends on such Exchangeable Share held by the holder of any dividend record date prior to the closing of the purchase and sale.

38. Contemporaneously with the closing of the Transaction, Solectron, Exchangeco, Callco and Nova Scotia Company will enter into an Exchangeable Share Support Agreement which will provide: (a) that Solectron will not declare or pay any dividends on the Solectron Common Shares unless Exchangeco is able to declare and pay, and simultaneously declares and pays, as the case may be, an equivalent dividend on the Exchangeable Shares provided that in the case of a stock dividend declaration on the Solectron Common Shares, Exchangeco is able to subdivide and subdivides each issued and unissued Exchangeable Share in the manner described in paragraph 28 above in lieu of declaring a corresponding stock dividend on the Exchangeable Shares; (b) that Solectron will itself and ensure that Exchangeco and Callco will be able to honour the redemption and retraction rights and dissolution entitlements that are attributes of the Exchangeable Shares under the Exchangeable Share Provisions and the related redemption, retraction liquidation, and change-of-law call rights described above in paragraphs 29, 30, 31 and 32; and (c) that Solectron will ensure that Callco does not exercise its vote as a shareholder to initiate the voluntary liquidation, dissolution or winding up of Exchangeco nor take any action or omit to take any action that is

designed to result in the liquidation, dissolution or winding up of Exchangeco.

39. The Exchangeable Share Support Agreement and the Exchangeable Share Provisions will provide that, without the prior approval of Exchangeco and the holders of the Exchangeable Shares, Solectron will not issue or distribute additional Solectron Common Shares, securities exchangeable for or convertible into or carrying rights to acquire Solectron Common Shares, rights, options or warrants to subscribe therefor, evidences of indebtedness or other assets, to all or substantially all holders of Solectron Common Shares, nor shall Solectron change the Solectron Common Shares, unless the same or an economically equivalent distribution on or change to the Exchangeable Shares (or in the rights of the holders thereof) is made simultaneously.

Prospectus and Registration Relief

General

40. The steps under the Transaction and the attributes of the Exchangeable Shares contained in the Exchangeable Share Provisions, the Voting and Exchange Trust Agreement, the Exchangeable Share Support Agreement and the Exchangeable Share Rights Plan involve or may involve a number of trades of securities, including trades related to the issuance of the Exchangeable Shares and Solectron Common Shares pursuant to the Transaction or upon the issuance of Solectron Common Shares in exchange for Exchangeable Shares. The trades and possible trades in securities to which the Transaction gives rise are the following:

(a) the issuance by Solectron of Solectron Common Shares to Exchangeco in exchange for Class A Non-Voting Shares or promissory notes and the subsequent transfer by Exchangeco of Solectron Common Shares to holders of C-MAC Common Shares (or shareholders of Holding Companies which hold C-MAC Common Shares) entitled to receive Solectron Common Shares upon the Arrangement or, at the direction of Exchangeco, the issuance by Solectron of Solectron Common Shares to holders of C-MAC Common Shares (or shareholders of Holding Companies who hold C-MAC Common Shares) entitled to receive Solectron Common Shares upon the Arrangement;

(b) the transfer to Exchangeco of C-MAC Common Shares by C-MAC Shareholders (and the transfer of shares of Holding Companies by C-MAC shareholders who hold C-MAC Common Shares indirectly through such Holding Companies), other than those held by any Holding Companies, those held by C-MAC Shareholders exercising their right of dissent and ultimately entitled to receive fair value, and those held by Solectron or any of its affiliates;

(c) the issuance of Exchangeable Shares by Exchangeco to C-MAC Shareholders validly electing to receive Exchangeable Shares upon the Arrangement;

(d) the transfer of C-MAC Common Shares to C-MAC by dissenting C-MAC Shareholders pursuant to the Arrangement;

(e) the grant of the change-in-law call right by holders of Exchangeable Shares to Solectron;

(f) the exchange of C-MAC Options for Replacement Options and the issuance and delivery of Solectron Common Shares to a holder of a Replacement Option upon the exercise thereof;

(g) the grant by Solectron to the Trustee for the benefit of holders of Exchangeable Shares, pursuant to the Voting and Exchange Trust Agreement, of the Exchange Right, the Automatic Exchange Right and the voting rights pursuant to the Special Voting Share;

(h) the issuance by Solectron, pursuant to the Voting and Exchange Trust Agreement, of the Special Voting Share to the Trustee for the benefit of the holders of the Exchangeable Shares;

(i) the issuance and intra-group transfers of Solectron Common Shares and related issuances of Class A Non-Voting Shares, promissory notes and/or shares of Solectron affiliates in consideration therefor, all by and between Solectron and its affiliates, from time to time to enable Exchangeco to deliver Solectron Common Shares to a holder of Exchangeable Shares upon a retraction of the Exchangeable Shares held by such holder, and the subsequent delivery thereof by or at the direction of Exchangeco upon such retraction;

(j) the transfer of Exchangeable Shares by the holder to Exchangeco upon the holder's retraction of Exchangeable Shares;

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

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

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

(n) the issuance and intra-group transfers of Solectron Common Shares and related issuances of Class A Non-Voting Shares, promissory notes and/or shares of Solectron affiliates in consideration therefor, all by and between Solectron and its affiliates, from time to time to enable Callco to deliver Solectron Common Shares to a holder of Exchangeable Shares in connection with Callco's exercise of its overriding retraction call right, and the subsequent delivery thereof by Callco upon the exercise of such overriding retraction call right;

(o) the transfer of Exchangeable Shares by the holder to Callco upon Callco exercising its overriding retraction call right;

(p) the issuance and intra-group transfers of Solectron Common Shares and related issuances of Class A Non-Voting Shares, promissory notes and/or shares of Solectron affiliates in consideration therefor, all by and between Solectron and its affiliates, to enable Exchangeco to deliver Solectron Common Shares to holders of Exchangeable Shares upon the redemption of the Exchangeable Shares, and the subsequent delivery thereof by or at the direction Exchangeco upon such redemption;

(q) the transfer of Exchangeable Shares by holders to Exchangeco upon the redemption of Exchangeable Shares;

(r) the issuance and intra-group transfers of Solectron Common Shares and related issuances of Class A Non-Voting Shares, promissory notes and/or shares of Solectron affiliates in consideration therefor, all by and between Solectron and its affiliates, to enable Callco to deliver Solectron Common Shares to holders of Exchangeable Shares in connection with Callco's exercise of its overriding redemption call right, and the subsequent delivery thereof by Callco upon the exercise of such overriding redemption call right;

(s) the transfer of Exchangeable Shares by holders to Callco upon Callco exercising its overriding redemption call right;

(t) the issuance and intra-group transfers of Solectron Common Shares and related issuances of Class A Non-Voting Shares, promissory notes and/or shares of Solectron affiliates in consideration therefor, all by and between Solectron and its affiliates, to enable Exchangeco to deliver Solectron Common Shares to holders of Exchangeable Shares on the liquidation, dissolution or winding-up of Exchangeco and the subsequent delivery thereof by Exchangeco upon such liquidation, dissolution or winding-up;

(u) the transfer of Exchangeable Shares by holders to Exchangeco on the liquidation, dissolution or winding-up of Exchangeco;

(v) the issuance and intra-group transfers of Solectron Common Shares and related issuances of Class A Non-Voting Shares, promissory notes and/or shares of Solectron affiliates in consideration therefor, all by and between Solectron and its affiliates, to enable Callco to deliver Solectron Common Shares to holders of Exchangeable Shares in connection with Callco's exercise of its overriding liquidation call right, and the subsequent delivery thereof by Callco upon the exercise of such overriding liquidation call right;

(w) the transfer of Exchangeable Shares by holders to Callco upon Callco exercising its overriding liquidation call right;

(x) upon the exercise of the change-in-law call right by Solectron: (i) if Solectron effects the share exchange, the issuance and delivery of Solectron Common Shares by Solectron to holders of Exchangeable Shares; (ii) if Callco effects the share exchange at Solectron's direction, the issuance and intra-group transfers of Solectron Common Shares and related issuances of shares of Solectron affiliates in consideration therefor, all by and between Solectron and its affiliates, to enable Callco to deliver Solectron Common Shares to holders of Exchangeable Shares in connection with the exercise of the parent call right, and the subsequent delivery thereof by Callco upon the exercise of such parent call right; and (iii) the transfer of Exchangeable Shares by holders to Solectron (if (i)) or Callco (if (ii)) on the exercise of a call right by Solectron;

(y) the issuance and delivery of Solectron Common Shares by Solectron to holders of Exchangeable Shares upon the exercise of the Exchange Right by such holder;

(z) the issuance and delivery of Solectron Common Shares by Solectron to holders of Exchangeable Shares pursuant to the Automatic Exchange Right;

(aa) the transfer of Exchangeable Shares by a holder to Solectron upon the exercise of the Exchange Right or the Automatic Exchange Right by such holder or pursuant to the Automatic Exchange Right; and

(bb) the issuance of Exchangeable Share Rights pursuant to the Exchangeable Share Rights Plan, the issuance of Exchangeable Shares upon exercise of Exchangeable Share Rights pursuant to the Exchangeable Share Rights Plan.

(collectively, the "Trades")

41. The fundamental investment decision to be made by a holder of C-MAC Common Shares is made at the time of the Arrangement, when such holder votes in respect of the Arrangement. As a result of this decision, a holder (other than a dissenting holder) will ultimately receive Exchangeable Shares or Solectron Common Shares in exchange for the C-MAC Common Shares held by such holder. The Exchangeable Shares (together with ancillary rights) will provide certain Canadian tax benefits to certain Canadian holders but will otherwise be substantially the economic and voting equivalent of the Solectron Common Shares, and as such all subsequent exchanges of Exchangeable Shares are in furtherance of the holder's initial investment decision. As mentioned above, that investment decision will be made on the basis of the C-MAC Circular which includes the Joint Proxy Statement/Solectron Prospectus and contains prospectus-level disclosure of the business and affairs of each of Solectron and C-MAC and of the particulars of the Transaction and the Arrangement.

42. If not for income tax considerations, Canadian resident holders of C-MAC Common Shares could have received Solectron Common Shares without the option of receiving Exchangeable Shares. The option in favour of certain Canadian resident holders of C-MAC Common Shares to ultimately receive Exchangeable Shares under the Arrangement will enable those holders of C-MAC Common Shares to defer certain Canadian income tax (provided a valid tax election is made) and, provided that the Exchangeable Shares are listed on a prescribed stock exchange in Canada (which currently includes the TSE), will permit other holders to hold property that is not "foreign property" under the ITA.

43. As a result of the economic and voting equivalency between Exchangeable Shares (together with certain ancillary rights) and Solectron Common Shares, holders of Exchangeable Shares will have a participating interest determined by reference to Solectron, rather than Exchangeco. Accordingly, it is the information relating to Solectron not Exchangeco, that will be relevant to holders of Solectron Common Shares and Exchangeable Shares.

44. Solectron will send concurrently to all holders of Solectron Common Shares resident in Canada all disclosure material furnished to holders of Solectron Common Shares resident in the United States including, without limitation, copies of its annual financial statements and all proxy solicitation materials.

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

46. For tax reasons, it is anticipated that subject to applicable law, Callco is likely to exercise the Redemption, Retraction and Liquidation Call Rights available on each occasion when such rights become exercisable.

47. It may be desirable for Exchangeco to purchase from Callco, from time to time or once all Exchangeable Shares have been acquired from holders thereof (other than Solectron and its affiliates), the Exchangeable Shares held by Callco as a result of the exercise of these rights.

48. The purchase price to be paid by Exchangeco to Callco for the Exchangeable Shares would be the fair market value of the Exchangeable Shares on the date of purchase and the purchase price would be satisfied by the issue of common shares of Exchangeco.

49. It is intended that Exchangeco will immediately cancel any Exchangeable Shares it purchases from Callco.

50. Such purchases will constitute an issuer bid under the Legislation of Ontario and will not be exempt from the issuer bid requirements under the Legislation.

51. The issuance by Exchangeco of common shares to Callco will be a distribution for purposes of the Legislation in Ontario and will not be exempt from the registration and prospectus requirements.

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

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

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

I. the requirements contained in the Legislation to be registered to trade in a security, to file a preliminary prospectus and a prospectus and receive receipts therefor shall not apply to any of the Trades made in connection with or pursuant to the Arrangement, the Voting and Exchange Trust Agreement, the Exchangeable Share Support Agreement and the Exchangeable Share Rights Plan, provided that:

1. the first trade in Exchangeable Shares arising from a Trade, including without limitation, trades of Exchangeable Shares received in connection with the Arrangement, and the first trades of Exchangeable Shares upon exercise of Exchangeable Share Rights pursuant to the Exchangeable Share Rights Plan shall be a deemed distribution or a primary distribution to the public under the Legislation of the Jurisdiction in which such first trade takes place (the "Applicable Legislation") unless:

   (a) at the time of the first trade, Exchangeco is, or is deemed to be, a reporting issuer or the equivalent under the Applicable Legislation or, if

Exchangeco is not a reporting issuer or the equivalent pursuant to the Applicable Legislation, the requirements described in paragraph 4 are met;

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

(c) no extraordinary commission or consideration is paid in respect of such first trade;

(d) if the seller of the securities is an insider or officer of Exchangeco, the seller has reasonable grounds to believe that Exchangeco is not in default of any requirement of the Applicable Legislation; and

(e) except in Quebec, the first trade is not from the holdings of a person, company or combination of persons or companies holding a sufficient number of any securities of Solectron or Exchangeco to affect materially the control of Solectron (any holder or any person, company or combination of persons or companies holding more than 20% of the outstanding voting securities of Solectron shall, in the absence of evidence to the contrary, be deemed to affect materially the control of Solectron, and for this purpose, Solectron Common Shares and Exchangeable Shares are to be considered to be the same class) except where there is evidence showing that the holding of those securities does not affect materially the control of Solectron, unless:

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

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

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

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

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

provided that the notice required to be filed under section 1(e)(ii)(A) and the declaration required to be filed under section 1(e)(ii)(B) shall be renewed and filed at the end of sixty days after the original date of filing and thereafter at the end of each twenty-eight day period so long as any of the Exchangeable Shares specified under the original notice have not been sold or until notice has been filed that the Exchangeable Shares so specified or any part thereof are no longer for sale;

(iii) the seller files with the applicable Decision Maker(s) within three days after the completion of any such resale or first trade, a report of the trade in the form prescribed by the Applicable Legislation;

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

(v) the seller (or an affiliated entity) has held the Exchangeable Shares and/or the C-MAC Common Shares in the aggregate for a period of at least one year provided that if:

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

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

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

2. the first trade in Solectron Common Shares received in connection with the Arrangement, upon retraction or redemption of Exchangeable Shares or otherwise received in connection with the Trades, in a jurisdiction where Selectron is not a reporting issuer, shall be deemed a distribution or a primary distribution to the public under the Legislation unless such trade is executed through the facilities of a stock exchange or market outside of Canada and such first trade is made in accordance with the rules of the stock exchange or market upon which the trade is made in accordance with the laws applicable to such stock exchange or market; and

3. the first trade in Solectron Common Shares received in connection with the Arrangement, upon retraction or redemption of Exchangeable Shares or otherwise received in connection with the Trades, in a jurisdiction where Selectron is a reporting issuer, shall be deemed to be a distribution or primary distribution under the Applicable Legislation unless:

(a) at the time of the first trade, Solectron is, or is deemed to be, a reporting issuer or the equivalent under the Applicable Legislation;

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

(c) no extraordinary commission or consideration is paid in respect of such first trade;

(d) if the seller of the securities is an insider or officer of Solectron, the seller has reasonable grounds to believe that Solectron is not in default of any requirement of the Applicable Legislation; and

(e) except in Quebec, the first trade is not from the holdings of a person, company or combination of persons or companies holding a sufficient number of any securities of Solectron to affect materially the control of Solectron (any holder or any person, company or combination of persons or companies holding more than 20% of the outstanding voting securities of Solectron shall, in the absence of evidence to the contrary, be deemed to affect materially the control of Solectron) except where there is evidence showing that the holding of those securities does not affect materially the control of Solectron unless:

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

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

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

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

provided that the notice required to be filed under section 3(e)(ii)(A) and the declaration required to be filed under section 3(e)(ii)(B) shall be renewed and filed at the end of sixty days after the original date of filing and thereafter at the end of each twenty-eight day period so long as any of the Solectron Common Shares specified under the original notice have not been sold or until notice has been filed that the Solectron Common Shares so specified or any part thereof are no longer for sale;

(ii) the seller files with the applicable Decision Maker(s) within three days after the completion of any such resale or first trade, a report of the trade in the form prescribed by the Applicable Legislation;

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

(iv) the seller (or an affiliated entity) has held the Solectron Common Shares, Exchangeable Shares and/or the C-MAC Common Shares in the aggregate for a period of at least one year provided that if:

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

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

then all Solectron Common Shares held by the seller will be subject to a one year hold period commencing on the date any such subsequent Solectron Common Shares are so acquired.

November 28, 2001

"Jean-François Bernier"

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

4. The requirements contained in the Legislation for Exchangeco to issue a press release and file a report with the Decision Makers upon the occurrence of a material change, file interim financial statements, an annual information form (including management discussion and analysis), audited annual comparative financial statements and an annual report, where applicable, with the Decision Makers and deliver such statements to the security holders of Exchangeco, make an annual filing with the Decision Makers in lieu of filing an information circular shall not apply to Exchangeco and the requirements to comply with insider reporting requirements shall not apply to any insider of Exchangeco, provided that:

(a) Solectron sends to all holders of Exchangeable Shares resident in Canada all disclosure material furnished to holders of Solectron Common Shares resident in the United States, including, without limitation, copies of its annual financial statements and all proxy solicitation materials;

(b) Solectron files with the Decision Makers copies of all documents required to be filed by it with the United States Securities and Exchange Commission under the United States Securities Exchange Act of 1934, as amended, including, without limitation, copies of any Form 10-K, Form 10-Q, Form 8-K and proxy statements prepared in connection with Solectron's shareholders meetings and all such filings are made under Exchangeco's SEDAR profile and the filing fees which would otherwise be payable by Exchangeco in connection with such filings are paid;

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

(d) Exchangeco complies with the requirements of the Legislation in respect of making public disclosure of material information on a timely basis in respect of material changes in the affairs of Exchangeco that would be material to holders of Exchangeable Shares but would not be material to holders of Solectron Common Shares;

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

(f) Solectron includes in all future mailings of proxy solicitation materials to holders of Exchangeable Shares a clear and concise statement explaining the reason for the mailed material being solely in relation to Solectron and not in relation to Exchangeco, such statement to include a reference to the economic equivalency between the Exchangeable Shares and Solectron Common Shares and the right to direct voting at Solectron meetings pursuant to the Voting and Exchange Trust Agreement;

(g) Solectron remains the direct or indirect beneficial owner of all the issued and outstanding voting securities of Exchangeco, until no Exchangeable Share is outstanding (except those held by Solectron or affiliates of Solectron);

(h) Exchangeco does not issue any securities to the public other than the Exchangeable Shares in connection with this Arrangement;

and with respect to relief from complying with insider reporting requirements, further provided that:

(i) such insider of Exchangeco does not receive or have access to, in the ordinary course, information as to material facts or material changes concerning Solectron before the

material facts or material changes are generally disclosed;

(j) such insider of Exchangeco is not a director or senior officer of (i) Solectron or (ii) a "major subsidiary" of Solectron, as such term is defined in National Instrument 55-101: Exemptions from Certain Insider Reporting Requirements, as if Solectron was a reporting issuer; and

(k) such insider of Exchangeco is not an insider of Solectron in a capacity other than as a director or senior officer of a subsidiary of Solectron that is not a major subsidiary of Solectron, as if Solectron were a reporting issuer.

November 28, 2001.

"Christine Lacasse"

2.1.4 CI Mutual Funds Inc. - 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,s.117 and s.121(2)(a)

Statutes Cited

Securities Act (Ontario), R.S.O. 1990 c.S.5., as am., 111(2)(b), 111(2)(c), 111(3), 117(1)(a), 117(1)(d) and 118(2)(a).

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

CI MUTUAL FUNDS INC.

DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia and Newfoundland (the "Jurisdictions") has received an application from CI Mutual Funds Inc. ("CI"), as manager of the Top Funds (as defined below) for a decision by each Decision Maker (collectively, the "Decision") under the securities legislation of the Jurisdictions (the "Legislation") that:

i. the restrictions 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 shall not apply in respect of investments by the Top Funds in the Underlying Funds (as defined below);

ii. the restrictions contained in the Legislation prohibiting a mutual fund from knowingly making an investment in an issuer in which any officer or director of the mutual fund, its management company or distribution company or an associate f any of them has a significant interest, shall not apply in respect of investments by the Top Funds in the Underlying Funds;

iii. 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) or an associate of a responsible person, is an officer or director, unless the specific fact is disclosed to the client and, if applicable, the written consent of the client to the investment is obtained before the purchase shall not apply in respect of investments by the Top Funds in the Underlying Funds; and

iv. 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 Funds in the Underlying Funds.

The above requirements and restrictions contained in the Legislation are 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 CI has represented to the Decision Makers as follows:

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

2. The Funds are or will be open-end mutual fund trusts or classes of shares of CI Sector Fund Limited ("CI Sector"), each established under the laws of Ontario. Securities of the Funds are or will be qualified for distribution 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 and not in default of any of the requirements of the Legislation.

4. CI is the manager of mutual funds in which the Top Funds will invest their assets (collectively, the "Existing Underlying Funds").

5. CI may in the future be the manager of other mutual funds in which the Top Funds will invest their assets (the "Future Underlying Funds" and collectively with the Existing Underlying Funds, the "Underlying Funds").

6. CI proposes to establish a new group of mutual funds (the "CI Portfolio Series") which includes CI Conservative Portfolio, CI Conservative RSP Portfolio, CI Balanced Portfolio, CI Balanced RSP Portfolio, CI Growth Portfolio, CI Growth RSP Portfolio, CI Maximum Growth Portfolio and CI Maximum Growth RSP Portfolio (the "Existing Top Funds"). CI may in the future establish other mutual funds with investment objectives similar to the CI Portfolio Series (the "Future Top Funds" and collectively with the Existing Top Funds, the "Top Funds").

7. As part of its investment objective, each Top Fund will invest a certain fixed percentage (the "Fixed Percentages") of its assets (excluding cash and cash equivalents) directly and, in some instances, indirectly, in securities 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 by each of the Top Funds will be made in accordance with the fundamental investment objectives of the Top Funds.

8. Certain of the Top Funds (the "RSP Top Funds") seek to achieve their investment objectives while ensuring that their units do not constitute "foreign property" for registered retirement savings plans, registered retirement income funds, deferred profit sharing plans and similar plans ("Registered Plans").

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

10. Each of the RSP Top Fund's total direct investments in the Underlying Funds which constitute foreign property in a Registered Plan will at all times not exceed the maximum foreign property limit under the Income Tax Act (Canada) for Registered Plans (the "Permitted Limit").

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

12. As part of its investment objective, each RSP Top Fund will enter into forward contracts or other specified derivatives ("Forward Contracts") based on the returns of Underlying Funds considered to be foreign property for Registered Plans with one or more financial institutions (each a "Counterparty") that link the RSP Top Fund's returns to the Underlying Funds.

13. There may be directors and/or officers of CI who are also directors and/or officers CI Sector.

14. Except to the extent evidenced by this Decision and specific approvals granted by the Decision Makers pursuant to National Instrument 81-102 ("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.

15. In the absence of this Decision, each of the Top Funds is prohibited from knowingly making or 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.

16. In the absence of this Decision, each of the Top Funds is prohibited from knowingly making an investment in an issuer in which any officer or director of the mutual fund, its management company or distribution company or an associate of any of them has a significant interest.

17. In the absence of this Decision, CI is prohibited from causing each of the Top Funds to invest in the Underlying Funds unless the specific fact is disclosed to investors and, if applicable, the written consent of investors is obtained before the purchase.

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

19. The investments by the Top Funds in securities of the Underlying Funds represents 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 under the System, this MRRS Decision Document evidences the Decision of each Decision Maker;

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the Applicable Requirements shall not apply so as to prevent the Top Funds from making or holding an investment in securities of the Underlying Funds, or so as to require CI to disclose such purchases to investors and, if applicable, obtain written consent, or to require CI to file a report relating to the purchase or sale of such securities;

PROVIDED THAT IN RESPECT OF the investments by the Top Funds in securities 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 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 securities 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 objective of the Top Fund;

(c) the simplified prospectus of the Top Fund discloses the intent of the Top Fund to invest directly and, if applicable, 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, if applicable, indirectly (through derivative exposure), in other mutual funds, and in the case of the RSP Top Fund, that the RSP Top Fund will maintain 100% eligibility for Registered Plans;

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

(f) each RSP 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's direct investment in, and, if applicable, derivative exposure to, the Underlying Funds does not deviate from the Permitted Ranges;

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

(i) if a direct or, if applicable, 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;

(j) if the Fixed Percentages and the Underlying Funds which are disclosed in the simplified prospectus of the Top Fund have been changed, either the simplified prospectus has been amended or a new simplified prospectus filed to reflect the change, and the securityholders of the 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 securities of such mutual funds;

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

(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 this right is disclosed in the simplified prospectus of the Top Fund.

November 29, 2001.

"K.D. Adams" "Lorne Morphy"

2.1.5 TPA Securities Inc. Exemption - OSC Rule 31-507 s. 4.1

Headnote

Rule 31-507 - Section 4.1 extension of time frame in which to become a SRO member - registrant working diligently with IDA to complete application.

Rule Cited

OSC Rule 31-507 - SRO Membership - Securities Dealers and Brokers

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

AND

IN THE MATTER OF
ONTARIO SECURITIES COMMISSION
RULE 31-507
SRO MEMBERSHIP
- SECURITIES DEALERS AND BROKERS

AND

IN THE MATTER OF
TPA SECURITIES INC.

EXEMPTION
(Section 4.1 of OSC Rule 31-507)

UPON the application of TPA Securities Inc. ("TPA") to the Director under the Act (the "Director") for a partial exemption pursuant to section 4.1 of Ontario Securities Commission Rule 31-507 - *SRO Membership - Securities Dealers and Brokers* - (the "Rule") granting TPA an extension to the time period set forth in section 2.2 of the Rule requiring it to be a member of a recognized self regulatory organization ("SRO") on the renewal of its registration under the Act;

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

AND UPON TPA having represented to the Director as follows:

1. TPA is a corporation incorporated under the *Business Corporations Act* (Ontario) and is not a reporting issuer in any of the provinces or territories of Canada or in any other jurisdiction.

2. TPA is registered under the Act as a dealer in the category of "securities dealer".

3. TPA's registration under the Act as a dealer in the category of securities dealer must be renewed by December 1, 2001.

4. In the absence of this Exemption, subsection 1.1(1) and section 2.2 of the Rule would have the effect of requiring that, on or before December 1, 2001, TPA be a member of the Investment Dealers Association of Canada (the "IDA") or the Mutual Fund Dealers Association of Canada (the "MFDA"), in order to be registered under the Act.

5. TPA is diligently preparing its application (the "IDA Application") for membership in the IDA and will submit the completed IDA Application to the IDA for review on or before January 31, 2002. After submitting the completed IDA Application to the IDA, TPA will work diligently with the IDA to resolve any deficiencies raised by the IDA during its review of the IDA Application and will use its best efforts to become a member of the IDA by June 1, 2002.

6. TPA has agreed to the imposition of the term and condition on TPA's registration as a "securities dealer" set out in the attached Schedule "A" which term and condition will be effective as of the date of this Exemption.

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

THE DECISION of the Director under section 4.1 of the Rule is that TPA shall be exempted from the requirement set forth in section 2.2 of the Rule requiring TPA, by its renewal date, to be a member of a SRO recognized (a "Recognized SRO") by the Commission under section 21.1 of the Act, provided that this exemption will terminate on the earlier of the date that TPA becomes a member of a Recognized SRO and June 1, 2002.

November 30, 2001.

"Peggy Dowdall-Logie"

SCHEDULE "A"

TERMS AND CONDITIONS ON REGISTRATION OF TPA SECURITIES INC.

1. No later than January 31, 2002, TPA Securities Inc. shall have submitted an application for membership to the IDA that is complete in all material respects.

2. TPA Securities Inc. shall, immediately upon satisfying the term and condition set out in paragraph 1 above, provide written notice of such event to the Ontario Securities Commission, attention: Allison McBain, Senior Registration Officer, or such other person as the Manager, Registrant Regulation may advise from time to time.

2.1.6 iPerformance Fund Corp. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Amendment to previous decision document to permit investments made through holding companies of the investor to be aggregated with investments made directly by the investor and the investor's registered plans for purpose of calculating the minimum purchase required under the private placement exemption of the Legislation.

Applicable Ontario Statutory Provisions

Securities Act (Ontario), R.S.O. 1990, c. S.5, as am., ss. 25, 53, 72(1)(d) and 144(1).

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

AND

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

AND

IN THE MATTER OF
iPERFORMANCE FUND CORP.

MRRS DECISION DOCUMENT

WHEREAS the securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland, Northwest Territories, Yukon and Nunavut (the "Jurisdictions") has received an application from iPerformance Fund Corp. (the "Filer") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") amending a previous decision granted by the Decision Maker in each of the Jurisdictions on April 16, 2001 (the "Previous Decision") on the basis set out in this Decision Document;

AND WHEREAS the Previous Decision, among other things, permitted the calculation of an initial distribution of Units of Funds (both as defined below) to aggregate an investor's purchases made personally with those made through his or her registered plans to ensure that such investor invested at least the amount prescribed by the Legislation;

AND WHEREAS at the time of granting the Previous Decision no request was made to permit the calculation of the initial distribution to also include purchases made through wholly-owned companies of the investor and the Filer now wishes to amend the Previous Decision to include such purchases;

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

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

1. The Filer has applied for registration under the *Securities Act* (Ontario) as an adviser in the categories of investment counsel and portfolio manager. Until such time as the registration has been approved by the applicable regulatory authority, the Filer will act under the registration of its controlling shareholder, Hirsch Asset Management Corp., which is a mutual fund dealer, investment counsel and portfolio manager in Ontario.

2. The Filer has, or will continue in the future to, establish certain open-ended unit trusts ("Funds") pursuant to declarations of trust for which the Filer acts as the trustee and manager.

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

4. None of the Funds are, or currently intends to become, a reporting issuer, as such term is defined in the Legislation, and the units of the Funds ("Units") are not and will not be listed on any stock exchange.

5. Each Fund is, or will be, divided into Units which will evidence each investor's undivided interest in the assets of the Fund.

6. Units of the Funds are, or will be, qualified for investment by a trust governed by a self-administered registered retirement savings plan or registered retirement income fund ("Registered Plans").

7. The Filer obtained the Previous Decision from the Decision Makers which, among other things, permitted the calculation of the initial distribution of Units to investors (the "Initial Investment") in a Fund to aggregate an investor's purchases made personally with those made through his or her Registered Plans in order to ensure that such investor invested at least the amount prescribed by the Legislation (the "Prescribed Amount") relating to the exemptions from the prospectus and registration requirements which require the investor to purchase securities of an issuer having a minimum cost.

8. The Initial Investment will have an aggregate acquisition cost to the investor, the investor's Registered Plans and the investor's Wholly-Owned Company or Companies (as defined below), of at least the Prescribed Amount.

9. Certain investors have requested to make all or a portion of the Initial Investment through a corporation in which the investor beneficially owns, directly or indirectly, all of the outstanding securities (a "Wholly-Owned Company").

10. At the time of making the application requesting the Previous Decision no request was made to permit the calculation of the Initial Investment to also include purchases made through a Wholly-Owned Company or Companies of the investor.

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 test contained in the Legislation that provides the Decision Makers with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers pursuant to the Legislation is that paragraph 7 of the Previous Decision is revoked and restated in its entirety as follows:

> "7. The initial distribution of Units of a Fund (the "Initial Investment") to an investor, the Registered Plans of the investor, and a corporation or corporations in which the investor beneficially owns, directly or indirectly, all of the outstanding securities (each a "Wholly-Owned Company"), will have an aggregate acquisition cost to the investor, the investor's Registered Plans or the investor's Wholly-Owned Company or Companies (an investor alone, an investor's Registered Plan alone, an investor's Wholly-Owned Company or Companies alone, or any combination of the foregoing, a "Unitholder") of at least the amount prescribed by the Legislation (the "Prescribed Amount") in connection with the exemptions from the prospectus and registration requirements (the "Private Placement Exemptions") which require the investor to purchase securities of an issuer having a minimum acquisition cost."

November 30, 2001.

"K.D. Adams" "H. Lorne Morphy"

2.1.7 TD Asset Management Inc. - MRRS Decision

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

AND

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

AND

IN THE MATTER OF
TD SELECT CANADIAN GROWTH INDEX FUND AND TD SELECT CANADIAN VALUE INDEX FUND

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland, Yukon, Northwest Territories and Nunavut (the "Jurisdictions") has received an application from TD Asset Management Inc. ("TDAM") on behalf of TD Select Canadian Growth Index Fund and TD Select Canadian Value Index Fund (together, the "Funds") for a decision pursuant to the securities legislation (the "Legislation") of the Jurisdictions that the prospectus and/or registration requirements contained in the Legislation do not apply to:

1. trades in Units of the Funds to the Designated Brokers, as defined in paragraph 10 below, in the circumstances described in the same paragraph; and

2. trades in Units of the Funds by members of a futures exchange or the members' partners, officers and employees who are trading on behalf of such members.

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 TDAM made the following representations to the Decision Makers:

1. Each Fund is a trust established under the laws of Ontario, which will issue units of beneficial interest ("Units").

2. The investment objective of the TD Select Canadian Growth Index Fund is to provide long-term growth of capital by replicating, to the extent possible, the performance of the Dow Jones Canada TopCap Growth Index. The investment objective of the TD Select Canadian Value Index Fund is to provide long-term growth of capital by replicating, to the extent possible, the performance of the Dow Jones Canada TopCap Value Index. Each Fund intends to hold the shares of the companies (collectively, the "Constituent Companies") that are included in the index the performance of which it intends to track (the "Target Index") in substantially the same proportions as they are represented in its Target Index.

3. TDAM is the trustee of the Funds and as such is responsible for the day-to-day administration of each Fund. TDAM is registered under the respective Legislation of all of the Jurisdictions as a portfolio manager and investment counsel and as a mutual fund dealer (or the equivalent categories of registration).

4. Each Fund has filed a preliminary prospectus (the "Prospectus") in each Jurisdiction and, upon the issuance of a receipt for the (final) prospectus, will be a reporting issuer under the Legislation of each Jurisdiction where such term is applicable.

5. Units of each Fund will be listed and posted for trading on the Toronto Stock Exchange (the "Exchange") and will confer on the holder a proportionate share of economic benefits similar to those which such holder could obtain through individual investments in the securities of the Constituent Companies (collectively, the "Index Shares") of the Fund's Target Index.

6. It is intended that the dollar value of the Index Shares underlying the Units of each Fund (the "Core Asset Share Value per Unit") and the trading price of such Units on the Exchange will equal, as closely as possible, a specified fraction of the level of each Fund's Target Index as will be disclosed in the (final) prospectus of the Funds. From time to time, however, there may be a deviation in tracking such that the Core Asset Share Value per Unit will be greater or less than the specified fraction.

7. The net asset value (the "Net Asset Value") of each Fund will be calculated daily. The Net Asset Value per Unit of each Fund will be calculated and published daily.

8. Units of each Fund may be purchased directly from the Fund by registered brokers or dealers who have entered into an underwriting agreement with such Fund (the "Underwriters"). An Underwriter may subscribe for Units of each Fund on any subscription day. The consideration payable by the Underwriters for Units of each Fund will consist of Index Shares, in prescribed quantities, and cash. The Underwriters will not receive any fees or commissions in connection with the issuance of Units of each Fund. In addition, TDAM, as trustee of the Funds may, at its discretion, charge an administrative fee on the issuance of Units to Underwriters to offset the expenses incurred by the Funds in issuing Units.

9. No Fund will issue Units until the Fund has received, in aggregate, at least $500,000 in subscriptions from Underwriters.

10. Each Fund may also issue Units periodically to one or more registered brokers or dealers ("Designated Brokers") upon an adjustment of its Target Index, take-over bid or similar extraordinary situation, or to fund permitted cash redemptions. Each Fund may also issue Units to its unitholders ("Unitholders") upon the automatic reinvestment of special dividends or capital gains distributions made on the Index Shares held by the Fund.

11. Except as described in paragraphs 8 and 10, Units of each Fund may not be purchased directly from the Funds. It is anticipated that, for the most part, investors will purchase Units of each Fund through the facilities of the Exchange.

12. It is expected that Unitholders of each Fund who wish to dispose of their Units will do so by selling them on the Exchange. However, holders of a prescribed number of Units, or integral multiples thereof, may redeem such Units for baskets of the Index Shares plus cash. Unitholders of each Fund who redeem a prescribed number of Units, or integral multiple thereof, may be charged an administrative fee in order to offset the expenses incurred by the Funds in effecting such exchange.

13. All Unitholders will also have the right to redeem Units solely for cash at a discount to the market price of the Units. The Funds intend that the redemption price will be equal to 95% of the closing trading price of Units on the effective day of the redemption. The Funds do not expect that Unitholders will generally exercise this redemption right.

14. Unitholders of each Fund holding at least the prescribed number of Units will be entitled to vote a proportion of the Index Shares held by the Fund equal to that Unitholder's proportion of outstanding Units. Unitholders holding less than a prescribed number of Units will have no right to vote Index Shares held by a Fund.

15. Subject to the expense ceiling agreed to by TDAM and described below, each Fund will be responsible for the following costs and expenses: brokerage expenses and commissions; the trustee fee payable to TDAM; registrar and transfer agency fees; securities movement charges payable to the Fund's custodian; legal and audit fees; the preparation, printing, filing and distribution of prospectuses, financial statements, annual reports and annual filing fees payable to securities regulatory authorities relating to the issuance of Units, except for the costs of formation or initial organization of the Funds, or of the preparation and filing of the initial prospectus. In respect of annual filing fees payable to securities regulatory authorities, the Fund may charge a transaction fee on the issuance of Units payable pro rata by the Underwriters and Designated Brokers who subscribe for Units which will effectively reimburse the Fund for such fees. TDAM has agreed, however, that the aggregate of the costs and expenses charged to the Fund in any year, net of the reimbursement of filing fees referred to above, including G.S.T. and excluding brokerage expenses and commissions, will not exceed the following percentages per year of the average daily Net Asset Value:

TD Select Canadian Growth Index Fund - 0.55%
TD Select Canadian Value Index Fund - 0.55%

TDAM has agreed to be responsible for the costs and expenses of the Fund in excess of the above specified percentages.

16. Unitholders of each Fund will have the right to vote at a meeting of the Fund's Unitholders before the fundamental investment objectives of such Fund are changed or before the voting right described in paragraph 14 is changed and prior to any increase in the amount of fees payable by the Fund.

17. Members of a futures exchange (or their partners, officers and employees), who are registered only under the commodity futures legislation or requirements (if any) of the Jurisdiction where such members carry on the business of trading in futures contracts may wish to trade Units of each Fund in order to hedge their derivatives holdings based on the Fund's Target Index.

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

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

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

(a) the prospectus and registration requirements of the Legislation do not apply to trades in Units of the Funds to Designated Brokers in the circumstances described in paragraph 10 above;

(b) the registration requirement of the Legislation shall not apply to trades in Units of the Funds by members of a futures exchange, or the members' partners, officers or employees trading on behalf of such members, provided that

(i) the members or their partners, officers or employees are registered for trading purposes under the commodity futures legislation or requirements (if any) of the Jurisdiction where such members carry on the business of trading in futures contracts,

(ii) the trades in Units of the Funds are made only for such members' own account, and

(iii) neither the members nor their partners, officers or employees will trade in Units of the Funds on behalf of their clients.

November 2, 2001

"J. A. Geller" "K. D. Adams"

2.1.8 TD Asset Management Inc. - MRRS Decision

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

AND

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

AND

IN THE MATTER OF
TD SELECT CANADIAN GROWTH INDEX FUND AND
TD SELECT CANADIAN VALUE INDEX FUND

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland, Yukon, Northwest Territories and Nunavut (the "Jurisdictions") has received an application from TD Asset Management Inc. ("TDAM") on behalf of TD Select Canadian Growth Index Fund and TD Select Canadian Value Index Fund (together, the "Funds") for a decision pursuant to the securities legislation (the "Legislation") of the Jurisdictions that:

1. the requirement to include a certificate of the Underwriters, as defined in paragraph 9 below, not apply in respect of the prospectus of the Funds;

2. the prohibition on making or holding an investment in any person or company who is a substantial security holder of TDAM or the Funds not apply to the Funds.

The Legislation referred to in paragraphs 1 and 2 above will be referred to in this Decision Document as the "Applicable 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 TDAM has made the following representations to the Decision Makers:

1. Each Fund is a trust established under the laws of Ontario, which will issue units of beneficial interest ("Units").

2. The investment objective of the TD Select Canadian Growth Index Fund is to provide long-term growth of capital by replicating, to the extent possible, the performance of the Dow Jones Canada TopCap Growth Index. The investment objective of the TD Select Canadian Value Index Fund is to provide long-term growth of capital by replicating, to the extent possible, the performance of the Dow Jones Canada TopCap Value Index. Each Fund intends to hold the shares of the companies (collectively, the "Constituent Companies") that are included in the index the performance of which it intends to track (the "Target Index") in substantially the same proportions as they are represented in its Target Index.

3. TDAM is the trustee of the Funds and as such is responsible for the day-to-day administration of each Fund. TDAM is registered under the respective Legislation of all of the Jurisdictions as a portfolio manager and investment counsel and as a mutual fund dealer (or the equivalent categories of registration).

4. Each Fund has filed a preliminary prospectus (the "Prospectus") in each Jurisdiction and, upon the issuance of a receipt for the (final) prospectus, will be a reporting issuer under the Legislation of each Jurisdiction where such term is applicable.

5. The shares of The Toronto-Dominion Bank ("TD Bank") will be included in the Dow Jones Canada TopCap Value Index and may be included in the Dow Jones Canada TopCap Growth Index. TD Bank is a substantial security holder of TDAM which is the management company of the Funds and of TD Securities Inc. and TD Waterhouse Investor Services (Canada) Inc. which may be distribution companies of the Funds.

6. Units of each Fund will be listed and posted for trading on the Toronto Stock Exchange (the "Exchange") and will confer on the holder a proportionate share of economic benefits similar to those which such holder could obtain through individual investments in the securities of the Constituent Companies (collectively, the "Index Shares") of the Fund's Target Index.

7. It is intended that the dollar value of the Index Shares underlying the Units of each Fund (the "Core Asset Share Value per Unit") and the trading price of such Units on the Exchange will equal, as closely as possible, a specified fraction of the level of each Fund's Target Index as will be disclosed in the (final) prospectus of the Funds. From time to time, however, there may be a deviation in tracking such that the Core Asset Share Value per Unit will be greater or less than the specified fraction.

8. The net asset value (the "Net Asset Value") of each Fund will be calculated daily. The Net Asset Value per Unit of each Fund will be calculated and published daily.

9. Units of each Fund may be purchased directly from the Fund by registered brokers or dealers who have entered into an underwriting agreement with such Fund (the "Underwriters"). An Underwriter may subscribe for Units of each Fund on any subscription day. The consideration payable by the Underwriters for Units of

each Fund will consist of Index Shares, in prescribed quantities, and cash. The Underwriters will not receive any fees or commissions in connection with the issuance of Units of each Fund. In addition, TDAM, as trustee of the Funds may, at its discretion, charge an administrative fee on the issuance of Units to Underwriters to offset the expenses incurred by the Funds in issuing Units.

10. No Fund will issue Units until the Fund has received, in aggregate, at least $500,000 in subscriptions from Underwriters.

11. Each Fund may also issue Units periodically to one or more registered brokers or dealers ("Designated Brokers") upon an adjustment of its Target Index, take-over bid or similar extraordinary situation, or to fund permitted cash redemptions. Each Fund may also issue Units to its unitholders ("Unitholders") upon the automatic reinvestment of special dividends or capital gains distributions made on the Index Shares held by the Fund.

12. Except as described in paragraphs 9 and 11, Units of each Fund may not be purchased directly from the Funds. It is anticipated that, for the most part, investors will purchase Units of each Fund through the facilities of the Exchange.

13. It is expected that Unitholders of each Fund who wish to dispose of their Units will do so by selling them on the Exchange. However, holders of a prescribed number of Units, or integral multiples thereof, may redeem such Units for baskets of the Index Shares plus cash. Unitholders of each Fund who redeem a prescribed number of Units, or integral multiple thereof, may be charged an administrative fee in order to offset the expenses incurred by the Funds in effecting such exchange.

14. All Unitholders will also have the right to redeem Units solely for cash at a discount to the market price of the Units. The Funds intend that the redemption price will be equal to 95% of the closing trading price of Units on the effective day of the redemption. The Funds do not expect that Unitholders will generally exercise this redemption right.

15. Unitholders of each Fund holding at least the prescribed number of Units will be entitled to vote a proportion of the Index Shares held by the Fund equal to that Unitholder's proportion of outstanding Units. Unitholders holding less than a prescribed number of Units will have no right to vote Index Shares held by a Fund.

16. Subject to the expense ceiling agreed to by TDAM and described below, each Fund will be responsible for the following costs and expenses: brokerage expenses and commissions; the trustee fee payable to TDAM; registrar and transfer agency fees; securities movement charges payable to the Fund's custodian; legal and audit fees; the preparation, printing, filing and distribution of prospectuses, financial statements, annual reports and annual filing fees payable to securities regulatory authorities relating to the issuance of Units, except for the costs of formation or initial organization of the Funds, or of the preparation and filing of the initial prospectus. In respect of annual filing fees payable to securities regulatory authorities, the Fund may charge a transaction fee on the issuance of Units payable pro rata by the Underwriters and Designated Brokers who subscribe for Units which will effectively reimburse the Fund for such fees. TDAM has agreed, however, that the aggregate of the costs and expenses charged to the Fund in any year, net of the reimbursement of filing fees referred to above and excluding brokerage expenses and commissions, will not exceed the following percentages per year of the average daily Net Asset Value:

TD Select Canadian Growth Fund Index - 0.55%
TD Select Canadian Value Index Fund - 0.55%

TDAM has agreed to be responsible for the costs and expenses of the Fund in excess of the above specified percentages.

17. Unitholders of each Fund will have the right to vote at a meeting of the Fund's Unitholders before the fundamental investment objectives of such Fund are changed or before the voting right described in paragraph 15 is changed and prior to any increase in the amount of fees payable by the Fund.

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

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

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

(i) require an Underwriter's certificate in the prospectus of the Funds; and

(ii) prohibit the Funds from making or holding an investment in securities of TD Bank, provided that such investment is made or held:

a. in accordance with each Fund's stated investment objective that requires it to invest in securities of TD Bank in order to track its Target Index, and

b. in substantially the same proportion as the securities are weighted or reflected in each Fund's Target Index.

November 2, 2001

"J.A. Geller" "K.D. Adams"

2.1.9 Aventis S.A. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief from registration and prospectus requirements granted in respect of certain trades in units of an employee savings fund made pursuant to a "classic plan" offering by French issuer – units of the fund are equivalent in all material respects to American Depositary Shares – relief from registration and prospectus requirements upon the redemption of such units for shares of the issuer – relief from the registration and prospectus requirements granted in respect of first trade of such shares where such trade is made through the facilities of a stock exchange outside of Canada – relief granted to the manager of the Fund from the adviser registration requirement

Applicable Ontario Statutory Provisions

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

Applicable Ontario Regulations

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

Applicable Ontario Rules

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

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

OSC Policy 4.8 - Non Resident Advisers

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

AND

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

AND

IN THE MATTER OF
AVENTIS S.A.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Québec (the "Jurisdictions") has received an application from Aventis S.A. (the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that:

(i) the requirements contained in the Legislation to be registered to trade in a security and to file and obtain a receipt for a preliminary prospectus and a prospectus (the "Registration and Prospectus Requirements") shall not apply to trades in ordinary shares of the Filer (the "Shares") by Canadian Participants (defined below) made pursuant to the Amended Classic Plan (defined below) to a French employee savings fund (the "Classic Fund", a fond commun de placement d'entreprise or "FCPE");

(ii) the Registration and Prospectus Requirements shall not apply to trades in units ("Units") of the Classic Fund made to or with Canadian Participants pursuant to the Amended Classic Plan;

(iii) the Registration and Prospectus Requirements shall not apply to trades of Shares by the Classic Fund to the Canadian Participants upon the redemption of Units by Canadian Participants pursuant to the Amended Classic Plan, or the issuance of units to Canadian Participants by a Successor Fund (as defined below) to which the Classic Fund's assets may be transferred, nor to the subsequent transfer of Shares by such Successor Fund to the Canadian Participants upon redemption of such units by the Canadian Participants;

(v) the Registration and Prospectus Requirements shall not apply to the first trade in Shares acquired by the Canadian Participants through the Amended Classic Plan where such trade is made through the facilities of a stock exchange outside of Canada; and

(vi) the manager of the Classic Fund, Interépargne, an asset management company governed by the laws of France (the "Manager"), shall be exempt from the requirement contained in the Legislation to be registered as an advisor (the "Advisor Registration Requirement") to the extent that its activities in relation to the Amended Classic Plan require compliance with the Advisor Registration Requirements.

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

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

1. The Filer is a corporation formed under the laws of France. The Filer is not, and has no intention of becoming, a reporting issuer (or equivalent) under the Legislation. The ordinary shares of the Filer are listed on the Deutsche Börse, the Paris Bourse and the New York Stock Exchange (in the form of American Depositary Shares).

2. The Filer carries on business in Canada through the following affiliated companies: Aventis Animal Nutrition Canada Inc., Aventis CropScience Canada Co., Aventis Pharma Inc., Aventis Pharma Services Inc., Aventis Pasteur Limited, Aventis Behring Canada, Inc. and Dermik Laboratories Canada Inc. (the "Canadian Affiliates", together with the Filer and other affiliates of the Filer, the "Aventis Group"). Each of the Canadian Affiliates is a direct or indirect controlled subsidiary of the Filer and is not, and has no intention of becoming, a reporting issuer (or equivalent) under the Legislation.

3. In 2000, the Filer established a worldwide stock purchase plan for employees of the Aventis Group (the "Employee Share Offering"). Only persons (the "Qualifying Employees") who were employees of a member of the Aventis Group at the time of the Employee Share Offering were eligible to participate in the Employee Share Offering. The Employee Share Offering was comprised of two plans: i) an offering of Shares by the Filer (the "Classic Plan"), and ii) an offering of units in the Aventis Performance Fund (the "Leveraged Plan").

4. The Filer has previously been granted exemptive relief in connection with the Classic Plan by MRRS Decision of the Decision Makers, other than the Decision Maker in Ontario, dated October 14, 2000. The relief requested in connection with the Classic Plan was not required in Ontario.

5. The Filer has previously been granted exemptive relief in connection with the Leveraged Plan by MRRS Decision of the Decision Makers dated March 20, 2001.

6. The offering relating to the Classic Plan concluded in October 2000. Under the Classic Plan offering:

   (a) Qualifying Employees were offered the opportunity to purchase Shares at a purchase price calculated as the average of the closing prices of the Shares on the 20 trading days preceding board approval of the Employee Share Offering (the "Reference Price"), less a 15% discount. The Reference Price was 82.01 euros. The subscription price was accordingly 69.71 euros (CDN$108.68)

   (b) All Shares purchased by Qualifying Employees resident in Canada under the Classic Plan (the "Canadian Participants") are presently held in book entry form in an account with the Royal Trust Corporation of Canada (the "Custodian"). A Canadian Participant may instruct the Custodian to sell Shares held in his or her account, but cannot otherwise use the account for securities trading activities;

   (c) Shares purchased are required to be held until April 1, 2005, subject to exceptions prescribed by French law (such as a release on death, permanent disability, termination of employment or retirement);

   (d) the total amount invested by a Canadian Participant in the Classic Plan was not permitted to exceed 25% of their gross annual compensation;

   (e) Qualifying Employees resident in Canada were not induced to participate in the Classic Plan by expectation of employment or continued employment;

   (f) Canadian Participants received an information package in the French or English languages, as applicable, which included a summary of the terms of the Classic Plan and a description of Canadian income tax consequences of purchasing and holding the Shares. Upon request, employees received copies of the Filer's annual report on Form 20-F filed with the United States Securities and Exchange Commission and/or the French *Document de Référence* filed with the French Commission des Opérations de Bourse in respect of the Shares; and

   (g) Canadian Participants received copies of the continuous disclosure materials relating to the Filer furnished to shareholders of the Filer generally.

7. The Filer wishes to amend the terms of the Classic Plan (the "Amended Classic Plan") as follows.

8. The Canadian Participants who purchased Shares under the Classic Plan presently hold such Shares directly by way of an account with the Custodian. In January, 2001, the Custodian sold its group retirement services business to Clarica Life Insurance Company ("Clarica"). As a result of this transaction, the Custodian has advised the Filer that it can no longer provide custodial services in respect of the Classic Plan effective December 2001.

9. Clarica has advised the Filer that in order to become the successor custodian of the Shares purchased under the Classic Plan, Clarica will require a significant increase in the custodial fees. As such, the Filer does not wish to engage Clarica as the custodian of the Shares, and instead proposes to have the Shares in the Classic Plan transferred to and held by the Classic Fund, a more cost efficient vehicle.

10. The Classic Fund is an FCPE, which is a collective shareholding vehicle of a type commonly used in France for the conservation or custodianship of shares held by employee investors. The Classic Fund is not, and does not intend to become, a reporting issuer (or equivalent) under the Legislation of any Jurisdiction.

11. Under the Amended Classic Plan, the Canadian Participants who purchased Shares under the Classic Plan will hold units (the "Units") of a fund (the "Classic Fund") representing their respective Shares transferred from their accounts with the Custodian to the Classic Fund.

12. In economic terms, the Units of the Classic Fund are equivalent in all material respects to American Depositary Shares. Except for the fact that the Canadian Participants will now hold Units rather than Shares, there are no material changes to the Classic Plan.

13. At the end of the Hold Period, or in the event of an early unwind resulting from the Canadian Participant exercising one of the exceptions to the Hold Period prescribed by French law, a Canadian Participant may:

    (i) redeem Units in the Classic Fund in consideration for the then-market value of the underlying Shares contributed by the Canadian Participant, to be settled by delivery of such number of Shares or the cash equivalent; or

    (ii) continue to hold Units in the Classic Fund (or units in a successor FCPE to which the applicable FCPE's assets may be transferred (the "Successor Fund")) and redeem those Units at a later date.

14. In the event a Canadian Participant elects to receive units in a Successor Fund, the underlying Shares represented by the Canadian Participants' Units will be transferred to the Successor Fund. The Successor Fund will be identical in all material respects to the Classic Fund except that there will be no period corresponding to the Hold Period. In economic terms, units in the Successor Fund will be equivalent in all material respects to American Depositary Shares.

15. The Manager is an asset management company governed by the laws of France. The Manager is registered with the French Commission des Opérations de Bourse (the "COB") to manage French investment funds and complies with the rules of the COB. The Manager is not and has no intention of becoming a reporting issuer (or equivalent) under the Legislation.

16. The Manager may, for the Classic Fund's account, acquire, sell or exchange all securities in the portfolio of the Classic Fund (the "Portfolio"). The Classic Fund's Portfolio will consist of Shares and, from time to time, cash in respect of dividends paid on the Shares. The Portfolio may include cash or cash equivalents which the Classic Fund may hold pending investments in Shares and for purposes of Unit redemptions. The Manager's Portfolio management activities in connection with the Amended Classic Plan and the Classic Fund are limited to selling the Shares as necessary in order to fund redemption requests.

17. The Manager will also be responsible for preparing accounting documents and publishing periodic informational documents as provided by the rules of the Classic Fund.

18. There is no market for the Units or the Shares in Canada, and none is expected to develop.

19. There are approximately 198 Canadian Participants, in the provinces of Ontario (78), Québec (76), Saskatchewan (26), British Columbia (5), Alberta (12), and Manitoba (1).

20. As of the date hereof and as a result of the Amended Classic Plan, Canadian Participants do not and will not beneficially own (which term, for the purposes of this paragraph, is deemed to include all Shares held by the Classic Fund and the Leveraged Fund on behalf of Canadian Participants) more than 10 per cent of the Shares and do not and will not represent in number more than 10 per cent of the total number of holders of the 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 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:

(a) the Registration and Prospectus Requirements shall not apply to trades of Shares by Canadian Participants to the Classic Fund made pursuant to the Amended Classic Plan;

(b) the Registration and Prospectus Requirements shall not apply to trades of Units of the Classic Fund to the Canadian Participants made pursuant to the Amended Classic Plan, provided that the first trade in Units acquired by Canadian Participants pursuant to this Decision in a Jurisdiction shall be deemed a distribution or a primary distribution to the public under the Legislation of such Jurisdiction;

(c) the Registration and Prospectus Requirements shall not apply to

    (i) trades of Shares by the Classic Fund to Canadian Participants upon the redemption of Units by Canadian Participants made pursuant to the Amended Classic Plan, or

    (ii) the issuance of units to Canadian Participants by a Successor Fund to which the Classic Fund's assets may be transferred pursuant to the Amended Classic Plan, or to the subsequent transfer of Shares by such Successor Fund to the Canadian Participants upon redemption of such units by the Canadian Participants,

    provided that, in each case, the first trade in any such Shares or units acquired by a Canadian Participant pursuant to this Decision in a Jurisdiction shall be deemed a distribution or a primary distribution to the public under the Legislation of such Jurisdiction;

(d) the Registration and Prospectus Requirements shall not apply to the first trade in any Shares acquired by a Canadian Participant under the Amended Classic Plan provided that such trade is

(i) made through a person or company who/which is appropriately licensed to carry on business as a broker/dealer (or the equivalent) under the applicable securities legislation in the jurisdiction where the trade is executed; and

(ii) executed through the facilities of a stock exchange outside of Canada; and

(e) the Manager shall be exempt from the Advisor Registration Requirements, where applicable, in order to carry out the activities described in paragraphs 16 and 17 hereof.

November 29, 2001.

"H.I. Wetston" "K.D. Adams"

2.1.10 Archipelago L.L.C. - MRRS Decision

Headnote

Exemption pursuant to section 15.1 of National Instrument 21-101 Marketplace Operation and section 12.1 of National Instrument 23-101 Trading Rules from the requirement to comply with National Instrument 21-101 and National Instrument 23-101 until April 1, 2002.

IN THE MATTER OF
NATIONAL INSTRUMENT 21-101
MARKETPLACE OPERATION
AND NATIONAL INSTRUMENT 23-101 TRADING RULES

AND

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

AND

IN THE MATTER OF ARCHIPELAGO L.L.C.

MRRS DECISION DOCUMENT

WHEREAS the securities regulatory authority or regulator in each of the Provinces of Ontario and British Columbia (the "Decision Maker") has received an application (the "Application") from Archipelago L.L.C. ("Archipelago") for a decision under section 15.1 of National Instrument 21-101 Marketplace Operation and section 12.1 of National Instrument 23-101 Trading Rules that the requirement to comply with National Instrument 21-101 Marketplace Operation and National Instrument 23-101 Trading Rules (together, the "ATS Rules") does not apply to Archipelago until April 1, 2002;

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

AND WHEREAS Archipelago has represented to the Decision Makers that:

1. Archipelago is a limited liability company organized under the laws of the State of Delaware with its registered office in Chicago.

2. Archipelago is a registered broker-dealer under the United States Securities Exchange Act of 1934, and is also registered as an "alternative trading system" pursuant to Regulation ATS in the United States.

3. Archipelago is a member in good standing of the National Association of Securities Dealers in the United States and a participant in the Securities Investor Protection Corporation.

4. Archipelago owns and operates an alternative trading system ("ATS") that matches electronic bids and offers for publicly traded equity securities of U.S. registered

companies (the "ARCA System"). Archipelago has effectively created a national limit order book for national markets, including the Nasdaq Stock market and securities listed on the New York Stock Exchange and the American Stock Exchange. Subscribers to the ARCA System are broker-dealers and institutional investors. Subscribers are provided with a choice of three methods to connect to the ARCA System. The choices are a dedicated line connection, a virtual private network connection, and a third party private network connection.

5. On July 19, 2000, Archipelago became registered with the Ontario Securities Commission as an International Dealer and has been providing access to the ARCA System to Ontario residents pursuant to the terms of such registration.

6. In connection with its International Dealer registration, Archipelago is required to comply with certain terms and condition of registration (the "Terms and Conditions"), which are attached hereto as Schedule A.

7. Outside of Ontario, Archipelago currently provides access to its ATS solely to registered investment dealers in British Columbia in reliance on the exemption set out in subsection 45(2)(7) of the Securities Act (British Columbia).

8. In March 2000, Archipelago signed an agreement with the Pacific Exchange, Inc. ("PCX") pursuant to which Archipelago's ATS will be transformed into a new market, which will be called the Archipelago Exchange ("ArcaEx"). ArcaEx, which will be operated by Archipelago Exchange L.L.C., a wholly-owned subsidiary of Archipelago Holdings, L.L.C. (the parent entity of Archipelago), will become a trading 'facility' (as such term is defined in Section 3(a)(2) of the United States Securities Exchange Act of 1934) of PCX Equities Inc. ("PCXE"), a wholly owned subsidiary of PCX, and will replace the equity marketplace currently offered by PCX (options trading will continue on the PCX). ArcaEx will provide automatic order execution capabilities for NYSE, Amex, Nasdaq and PCX-traded equity securities.

9. PCX and PCXE will be responsible for regulating the trading activity on the facility, and Archipelago Exchange, L.L.C. will be responsible for the business of the facility.

10. In connection with these plans, new exchange rules were filed with the SEC in June 2000 and SEC approval was granted on October 25, 2001.

11. The transformation of Archipelago's ATS into ArcaEx is currently scheduled for the first quarter of 2002.

12. Archipelago undertakes to comply with the Terms and Conditions until April 1, 2002;

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

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

THE DECISION of the Decision Makers is that Archipelago is exempt from the requirements of the ATS Rules until April 1, 2002.

This Decision is effective December 1, 2001.

November 29, 2001

"Randee B. Pavalow"

SCHEDULE A

Registration of Archipelago L.L.C. as an International Dealer Terms and Conditions of Registration

Archipelago L.L.C. has been granted registration as an International Dealer which permits it to provide Ontario resident Designated Institutions (as defined in s. 204 of the Regulation to the Securities Act) terminals to trade foreign non-interlisted securities, provided it complies with certain Terms and Conditions set out below.

Part A: Trading Restrictions

In this Part A:

"Canadian issuer" means an issuer incorporated, formed or created under the laws of Canada or any province or territory of Canada.

"foreign security" means a security issued by an issuer that is not a Canadian issuer.

The registrant shall be permitted to execute orders on behalf of customers resident in Ontario but only in foreign securities that are not listed and posted on the Toronto Stock Exchange, The Montreal Exchange or the Canadian Venture Exchange ("CDNX").

Part B: Information to be Supplied by the Registrant on a Confidential Basis

The registrant agrees to:

(a) advise the Ontario Securities Commission (the "Commission") of any substantial or material changes to its electronic trading system and business including, but not limited to, substantial or material changes in the criteria used to screen potential customers, changes in the algorithm regarding matching orders and complying with trading rules (but without prejudice to the registrant's discretion to exercise its business judgement in accepting and evaluating customers), and whether securities listed only on any of The Toronto Stock Exchange, The Montreal Exchange or CDNX are proposed to be traded through the registrant's electronic trading system;

(b) furnish, upon the request of the Commission, access on a confidential basis to filings and/or copies of filings effected by the registrant with the Securities and Exchange Commission of the United States ("SEC"); the most recent No-Action Letter dated January 12, 2001, its Form BD and its Focus Report and notify the Commission if it discontinues the filing of any of these documents;

(c) furnish on a quarterly basis a report identifying Ontario resident customers by code and listing stocks traded on behalf of Ontario resident customers so that compliance with the trading restrictions set forth in Part A can be monitored. (Ontario resident customers may be identified on such quarterly reports by identification codes only);

(d) make available on a quarterly basis a list of foreign securities and securities of Canadian issuers traded through the registrant's electronic trading system which cannot be traded on behalf of the registrant's customers resident in Ontario by virtue of the trading restrictions set forth in Part A;

(e) furnish promptly upon a request of the Commission any of the following information:

(i) a complete list of names and addresses of Ontario-resident customers on the system and their identification codes ("Ids");

(ii) a complete list of customer IDs for Ontario resident customers whose access to certain securities traded through the registrant's electronic trading system has been blocked by a mechanism (the "Blocking Mechanism") implemented by virtue of the trading restrictions set forth in Part A;

(iii) a list of identification acronyms used for Ontario resident customers with Canadian addresses;

(iv) an exception report showing Ontario addresses with IDs out of range or with the Blocking Mechanism switched off;

(v) a complete description of the controls over and procedures for identifying Ontario resident customers on the system and implementing the Blocking Mechanism to prevent trading through the registrant's terminals in both interlisted and Canadian non-interlisted securities including specifically, who initially activates the switch, who has access to or the ability to change the setting, and how changes are authorized and logged;

(vi) records of all trades by Ontario-resident customers including a description of the securities traded;

(vii) identification from the trading records of those trades made directly through a terminal of the registrant and those trades which were made by other means;

(viii) the process and criteria used by the registrant to screen potential customers, the identification of parties that have not been accepted as customers and documentation of procedures and reasons for accepting or rejecting a specific customer application;

(ix) information regarding the system's algorithm for matching orders and compliance with trading rules; and

(x) confirmation of trades and settlement process including procedures for dealing with failed trades.

(f) maintain books and records necessary to record properly the registrant's business transactions and financial affairs and make these available upon request to staff of the Commission for any valid regulatory purpose.

(g) report all information to the Securities and Exchange Commission which shall include transactions involving Ontario resident customer investors and which can be segregated from other information and made available on that basis.

Part C: Expiration of Terms and Conditions

The Terms and Conditions set forth in Parts A and B shall cease to apply to the registrant upon the expiry of the sixty day period following the date that Proposed National Instrument 21-101 Marketplace Operation becomes effective.

2.1.11 Bloomberg Tradebook LLC and Bloomberg Tradebook Canada Company - MRRS Decision

Headnote

Exemption persuant to section 15.1 of National Instrument 21-101 Marketplace Operation and section 12.1 of National Instrument 23-101 Trading Rules from the requirement to comply with National Instrument 21-101 and National Instrument 23-101 until April 1, 2002.

IN THE MATTER OF
NATIONAL INSTRUMENT 21-101
MARKETPLACE OPERATION
AND NATIONAL INSTRUMENT 23-101 TRADING RULES

AND

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

AND

IN THE MATTER OF BLOOMBERG TRADEBOOK LLC
AND
BLOOMBERG TRADEBOOK CANADA COMPANY

MRRS DECISION DOCUMENT

WHEREAS the securities regulatory authority or regulator in each of the Provinces of British Columbia, Alberta, Ontario and Quebec (each, a "Decision Maker") has received an application from Bloomberg Tradebook LLC ("Tradebook LLC") for a decision under section 15.1 of National Instrument 21-101 Marketplace Operation and section 12.1 of National Instrument 23-101 Trading Rules that the requirement to comply with National Instrument 21-101 Marketplace Operation and National Instrument 23-101 Trading Rules (together, the "ATS Rules") does not apply to Bloomberg Tradebook LLC ("Tradebook LLC") until the earlier of April 1, 2002 and the date on which Bloomberg Tradebook Canada Company ("Bloomberg Tradebook Canada") is in a position to comply with all of the requirements of the ATS Rules;

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 Tradebook LLC and Bloomberg Tradebook Canada have represented to the Decision Makers that:

1. Tradebook LLC was formed under the laws of the State of Delaware on March 28, 1996. Tradebook LLC is registered as an international dealer under the Securities Act (Ontario) ("International Dealer Registration") and as a securities dealer under the Securities Act (British Columbia) and is operating under registration exemptions in Alberta and Québec. Tradebook LLC's members are Bloomberg L.P., as to

a 99% membership interest, and Bloomberg T-Book, Inc., as to a 1% membership interest. Bloomberg L.P. is a Delaware limited partnership and Bloomberg T-Book, Inc. is a Delaware corporation.

2. Bloomberg Tradebook Canada is a Nova Scotia unlimited liability company incorporated on February 15, 2001 and is 100% owned by Bloomberg Canada LLC, a Delaware limited liability company, formed on February 1, 2001. Bloomberg Canada LLC is 100% owned by Bloomberg L.P.

3. Tradebook LLC markets and operates the Bloomberg Tradebook System, an electronic trading and order-routing system in equity and fixed income securities. Although approximately 90% of its activity is limited to order-routing, it does have an internal order-matching facility which constitutes it as an alternative trading system under the ATS Rules. Tradebook LLC offers the Bloomberg Tradebook System to institutional investors, brokers and dealers located in the Provinces of Ontario, British Columbia, Quebec and Alberta.

4. Following the publication of the ATS Rules on August 17, 2001, Bloomberg Tradebook Canada initiated proceedings to obtain membership in the Investment Dealers Association of Canada (the "IDA") and registration as an investment dealer in order to comply with the requirements of the ATS Rules. Bloomberg Tradebook Canada will assume from Tradebook LLC the responsibility for offering the Bloomberg Tradebook System to Canadian brokers, dealers and institutional investors as soon as it obtains such registrations and membership and is able to comply with the other requirements of the ATS Rules.

5. Bloomberg Tradebook Canada commenced the process of obtaining membership in the IDA in August, 2001 and filed its application material with the Toronto office of the IDA in October, 2001. Bloomberg Tradebook Canada continues to diligently pursue satisfaction of IDA membership requirements. Bloomberg Tradebook Canada has also applied for registration as an investment dealer in the Provinces of Ontario, Quebec, British Columbia and Alberta.

6. Tradebook LLC and Bloomberg Tradebook Canada are diligently pursuing satisfaction of the other requirements of the ATS Rules and have had on-going discussions with staff of the Ontario Securities Commission regarding compliance and related issues under that rule.

7. In connection with its International Dealer Registration, Tradebook LLC is required to comply with certain terms and condition of registration, including a restriction on categories of clients. Tradebook LLC restricts its clients in British Columbia and will continue to restrict its clients in British Columbia to such categories of clients as are permitted under its International Dealer Registration.

8. The ATS Rules will come into force on December 1, 2001.

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

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

THE DECISION of the Decision Makers is that Tradebook LLC is exempt from the requirements of the ATS Rules until the earlier of April 1, 2002 and the date on which Bloomberg Tradebook Canada is in a position to comply with all of the requirements of the ATS Rules.

This Decision is effective December 1, 2001.

December 1, 2001

"Randee B. Pavalow"

2.1.12 InterTAN, Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - issuer bid made through the facilities of the NYSE by U.S. offeror with approximately 2,200 registered holders in Canada holding less than 2% of the total outstanding securities subject to the bid - Offeror exempt from formal issuer bid requirements, provided that in each of the Jurisdictions, Canadian registered holders continue to hold less than 2% of the outstanding securities subject to the bid, the issuer bid is made in compliance with the applicable U.S. securities laws and all materials relating to the issuer bid sent to U.S. offerees is also sent to all offerees in the Jurisdictions and filed with the Decision Maker in each Jurisdiction.

Applicable Ontario Statutory Provisions

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

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

AND

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

AND

IN THE MATTER OF
INTERTAN, INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority (the "Decision Makers") in each of the provinces of British Columbia, Alberta, Manitoba, Nova Scotia, Ontario and Quebec, (collectively, the "Jurisdictions") has received an application (the "Application") from InterTAN, Inc. ("InterTAN") for a decision, under the securities legislation of each of the Jurisdictions (the "Legislation") that, in connection with a proposed issuer bid (described in paragraph 6 below) to be made to holders of shares of common stock of InterTAN US$1 par value per share (the "Common Shares"), InterTAN be exempt from the provisions in the Legislation relating to delivery of an offer and issuer bid circular and any notices of change or variation thereto, minimum deposit periods and withdrawal rights, take-up of and payment for securities tendered to an issuer bid, disclosure, restrictions upon purchases of securities, identical consideration and collateral benefits (collectively, the "Issuer Bid Requirements");

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

AND WHEREAS InterTAN has represented to the Decision Makers that:

1. InterTAN is a corporation incorporated under the laws of the State of Delaware with its registered and principal office in Concord, Ontario.

2. InterTAN is a reporting issuer in Ontario, Nova Scotia and Saskatchewan, but is not a reporting issuer or the equivalent in any other Jurisdiction. It is not in default as a reporting issuer in Ontario, Nova Scotia or Saskatchewan. InterTAN is also a registrant under and is subject to the requirements of the United States *Securities Act of 1933* (the "1933 Act") and the United States *Securities and Exchange Act of 1934* (the "1934 Act"), including the reporting requirements thereof.

3. As at September 30, 2001, a total of 27,133,694 Common Shares were issued and outstanding (the "Outstanding Common Shares").

4. As at September 30, 2001, there were in excess of 2,200 registered holders of record of the Common Shares having addresses in Canada (collectively, the "Canadian Registered Holders") holding in aggregate, 663,850 Common Shares. As at September 30, 2001, there were 50 or more Canadian Registered Holders resident in each of British Columbia, Alberta, Manitoba, Nova Scotia, Ontario and Quebec. Canadian Registered Holders in each of the Jurisdictions hold less than 2% of the Outstanding Common Shares.

5. The Common Shares are listed for trading on The Toronto Stock Exchange ("TSE") under the symbol ITA and are also listed for trading on the New York Stock Exchange ("NYSE") under the symbol ITN. Based on information provided by the TSE, only 1 trade (for 300 Common Shares) was reported in the Common Shares on that exchange during all of the year 2000. There have been 26 trades of Common Shares on the TSE in the year 2001 (up to September 30), representing in the aggregate 7,347 Common Shares. All other trading activity in Common Shares in the year 2000 and to date in the year 2001 occurred through the facilities of the NYSE. Based on information provided by the NYSE, approximately 38.16 million Common Shares were traded through the facilities of that exchange in the year 2000 and approximately 26.42 million Common Shares were traded on the NYSE from the beginning of the year 2001 up to September 30, 2001 (representing in each case in excess of 99% of the total volume of Common Shares traded on both the TSE and NYSE in the relevant time period).

6. InterTAN proposes to offer to repurchase, whether through one or more separate and discrete programs, up to 5,000,000 Common Shares, either in the open market on the NYSE or through privately negotiated transactions at prices equal to market prices on the NYSE, during the period commencing on the date of this MRRS Decision Document and ending on August 31, 2002 (the "2001-2002 Repurchase Program").

7. InterTAN anticipates that Common Shares repurchased pursuant to the 2001-2002 Repurchase Program will be

purchased largely from holders of Common Shares resident in the United States (collectively, "the U.S. Shareholders").

8. The 2001-2002 Repurchase Program will be completed in compliance with the 1934 Act, the 1933 Act and the rules of the Securities and Exchange Commission made pursuant to such statutes including, without limitation, Rule 10b-18 promulgated under the 1934 Act (collectively, the "Applicable U.S. Securities Laws"). All purchases made through the NYSE will be made through only one broker in any one day, will not be made at the opening of the market or within one half hour of the close, will not be made at prices higher than the highest published independent bid or last reported independent sale price on the NYSE (whichever is higher) and will be in the amount that does not exceed, in any one day, 25% of the average daily trading volume over the past four weeks.

9. If and to the extent that any material relating to the 2001-2002 Repurchase Program should be required to be sent by or on behalf of InterTAN to the U.S. Shareholders under Applicable U.S. Securities Laws, it will also be sent concurrently to all Canadian Registered Holders whose last address, as shown on InterTAN's books, is in any Jurisdiction, and will be concurrently filed with each of the Decision Makers.

10. Although the laws of the United States of America have been recognized for the purposes of the "de minimis" exemptions from the Issuer Bid Requirements that exist in some Jurisdictions, InterTAN cannot rely upon such exemptions because there are 50 or more Canadian Registered Holders whose last address as shown on InterTAN's books is in each of the Provinces of British Columbia, Alberta, Manitoba, Nova Scotia, Ontario and Quebec.

11. InterTAN cannot rely on the "normal course issuer bid" exemptions from the Issuer Bid Requirements that exist in some jurisdictions because, in the 12 month period preceding the date hereof, InterTAN has purchased approximately 1.4 million Common Shares (representing approximately 5% of the issued and outstanding Common Shares) pursuant to an issuer bid commenced by InterTAN on August 23, 2001.

12. InterTAN cannot rely on the "recognized stock exchange" exemptions from the Issuer Bid Requirements that exist in some jurisdictions because the NYSE is not recognized for the purposes of those exemptions.

13. All material changes in the affairs of InterTAN have been generally disclosed as at the date hereof and InterTAN will not purchase Common Shares at any time when it has knowledge of any material fact or material change which has not been generally disclosed.

14. The 2001-2002 Repurchase Program will be made available to the holders of the Common Shares, whose last address as shown on InterTAN's books is in any Jurisdiction on the same basis, including extending to those holders identical rights and consideration, as to the holders of the Common Shares resident in the United States.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the 2001-2002 Repurchase Program is exempt from the Issuer Bid Requirements, so long as:

(a) in each of the Jurisdictions, Canadian Registered Holders continue to hold less than 2% of the Outstanding Common Shares;

(b) the 2001-2002 Repurchase Program is made in compliance with the requirements of the Applicable U.S. Securities Laws; and

(c) all material relating to the 2001-2002 Repurchase Program and any amendment thereto that is required to be sent by or on behalf of InterTAN to U.S. Shareholders under Applicable U.S. Securities Laws, will be concurrently sent to all Canadian Registered Holders whose last address, as shown on InterTAN's books, is in any Jurisdiction and filed with each of the Decision Makers.

November 30, 2001.

"K. D. Adams" "H. Lorne Morphy"

2.2 Orders

2.2.1 Selectron Corporation, et al. - ss. 104(2)

Headnote

Subsection 104(2) - certain ongoing purchases of exchangeable shares of reporting issuer by reporting issuer from its parent exempt from issuer bid provisions of the Act and from reporting requirements of subclause 203.1(1)(b)(ii) of the Regulation.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5, as am., 72(9), 89(1), 93(3)(a), 95, 96, 97, 98, 100 and 104(2).

Regulations Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., s.203.1(1)(b)(ii).

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

AND

IN THE MATTER OF
SOLECTRON CORPORATION, SOLECTRON GLOBAL SERVICES CANADA INC., 3942163 CANADA INC. AND SOLECTRON CANADA ULC

ORDER
(Subsection 104(2) of the Act)

UPON the application of Solectron Corporation ("Solectron"), Solectron Global Services Canada Inc. ("Exchangeco"), 3942163 Canada Inc. ("Callco") and Solectron Canada ULC ("Nova Scotia Company") (collectively, the "Filer") to the Commission for an order, pursuant to subsection 104(2) of the Act, for exemptive relief from sections 95, 96, 97, 98 and 100 of the Act and subclause 203.1(1)(b)(i) of the Regulation under the Act, as amended;

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

AND UPON the Filer representing to the Commission that:

1. Solectron, C-MAC and 3924548 Canada Inc. have entered into a combination agreement dated August 8, 2001, as amended on September 7, 2001, among Solectron, 3942163 Canada Inc., 3924548 Canada Inc. and C-MAC (the "Combination Agreement") providing for the combination of Solectron and C-Mac (the "Transaction") to be effected by way of an arrangement (the "Arrangement") under section 192 of the *Canada Business Corporations Act* ("CBCA") involving holders of common shares of C-MAC (the "C-MAC Common Shares"), holders of options to acquire C-MAC Common Shares (the "C-MAC Options"), C-MAC, Exchangeco, Callco and Solectron.

2. Solectron is a corporation incorporated under the laws of Delaware and is not a "reporting issuer" under the securities legislation of any Province or Territory of Canada. Solectron's principal corporate offices are located in Milipitas, California.

3. Solectron's authorized capital consists of 1,600,000,000 common shares (the "Solectron Common Shares") and 1,200,000 shares of preferred stock ("Solectron Preferred Stock") of which 200,000 shares have been designated Series A Participating Preferred Stock ("Solectron Series A Preferred Stock"). The Solectron Common Shares are fully participating voting shares. As of the close of business on October 18, 2001, there were 658,763,262 Solectron Common Shares outstanding and as of August 1st, 2001, approximately 0.5% of the outstanding Solectron Common Shares where held by Canadian residents. As part of the Transaction, Solectron will issue one special voting share (the "Special Voting Share") to a trustee (the "Trustee") which will be appointed as trustee under the Voting and Exchange Trust Agreement (described below).

4. Solectron also has stock option and purchase plans (collectively, the "Solectron Option Plans") pursuant to which the Solectron Board of Directors has the authority to, among other things, determine the type of options ("Solectron Options") and the number of Solectron Common Shares which are subject to the Solectron Options or the number of Solectron Common Shares which may be purchased, as the case may be.

5. The Solectron Common Shares are listed on the New York Stock Exchange ("NYSE") and are not listed on any stock exchange in Canada. Solectron will apply to the NYSE to list the Solectron Common Shares issued pursuant to the Arrangement or issuable from time to time in exchange for Exchangeable Shares (defined below) or upon exercise of the Replacement Options (defined below).

6. Exchangeco is a wholly-owned subsidiary of Solectron. Exchangeco was amalgamated under the laws of New Brunswick effective December 25, 1999 and was continued under the CBCA on November 16, 2001. At the effective date of the Arrangement (the "Effective Date"), Exchangeco will be an indirect subsidiary of Solectron and a direct subsidiary of Callco. Exchangeco's registered office is located in Toronto, Ontario. Exchangeco provides a complete range of technology repair, remanufacturing and refurbishment services for a large variety of electronic products.

7. The authorized capital of Exchangeco will be amended prior to the effective time on the Effective Date such that it will consist of an unlimited number of common shares, Class A Non-Voting Shares and Exchangeable Shares. The Exchangeable Shares will rank senior to the Class A Non-Voting Shares and the common shares of Exchangeco with respect to the payment of dividends and the distribution of property or assets of

Exchangeco among its shareholders for the purpose of winding-up its affairs.

8. Exchangeco is currently a private company. Prior to the completion of the Transaction, the articles of Exchangeco will be amended to remove its private company restrictions. Upon completion of the Transaction and the listing of the Exchangeable Shares on the TSE, Exchangeco will become a reporting issuer in Ontario. Exchangeco and Solectron may become reporting issuers under the securities legislation of certain of the other Provinces as a result of the Transaction.

9 Callco is a wholly-owned subsidiary of Solectron. Callco was formed on September 6, 2001 as a corporation under the CBCA to hold all of the common shares of Exchangeco, to participate in the Transaction by delivering Solectron Common Shares to holders of Exchangeable Shares receiving them upon Callco's exercise of certain call rights to acquire the Exchangeable Shares from the holders thereof and to hold various call rights related to the Exchangeable Shares. Callco's registered office is located in Toronto, Ontario.

10. The authorized capital of Callco consists of an unlimited number of common shares. As of October 18, 2001, there was one common share issued and outstanding which was held directly by Solectron.

11. Nova Scotia Company is a wholly-owned subsidiary of Solectron. Nova Scotia Company was formed on September 6, 2001 as an unlimited liability company under the laws of the Province of Nova Scotia to participate in the Transaction and hold the common shares of Callco. Nova Scotia Company's registered office is located in Halifax, Nova Scotia.

12. The authorized capital of Nova Scotia Company consists of 1,000,000,000 common shares. As of October 18, 2001, there was one common share issued and outstanding which was held by Solectron.

13. C-MAC is a corporation incorporated under the CBCA. C-MAC is a reporting issuer under the Legislation and in each Jurisdiction that provides for a reporting issuer regime and is not, to its knowledge, in default of any requirement thereof. C-MAC's registered office is located in Montreal, Québec.

14. The authorized capital of C-MAC consists of an unlimited number of Common Shares, an unlimited number of Class "A" Preferred Shares and an unlimited number of Class "B" Preferred Shares and an unlimited number of Class "C" Preferred Shares (collectively, the "C-MAC Preferred Shares"). As of October 19, 2001, there were 86,322,376 C-MAC Common Shares outstanding. The C-MAC Common Shares are currently listed for trading on the TSE under the symbol "CMS" and on the NYSE as "EMS".

15. The Transaction will be effected by way of the Arrangement which will require, among other things: (a) the approval of the holders of not less than 66 2/3% of the C-MAC Common Shares and C-MAC Options, voting together as a class, present in person or by proxy and voting at a special meeting of C-MAC shareholders (the "C-MAC Meeting") which is expected to be held on for November 28, 2001 for the purpose of approving the Arrangement; and (b) the approval of the Superior Court of Québec (the "Court") by final order in respect of the Arrangement, the application in respect of which is expected to be heard on November 29, 2001.

16. The parties obtained an interim order (the "Interim Order") from the Court on October 18, 2001 in respect of the Arrangement. The Interim Order provides for the calling and holding of the C-MAC Meeting to consider the Arrangement as well as the requisite shareholder approval thresholds.

17. In connection with the Transaction, C-MAC has delivered to the holders of the C-MAC Common Shares an information circular (the "C-MAC Circular") dated October 20, 2001 which will also contain a prospectus of Solectron under applicable U.S. securities laws in connection with the issuance of Solectron Common Shares (the "Joint Proxy Statement/Solectron Prospectus"). On September 10, 2001, Solectron filed a Form S-4 registration statement with the U.S. Securities Exchange Commission (the "SEC"), which was declared effective on October 19, 2001 to register the Solectron Common Shares that will be issued to holders of C-MAC Common Shares in exchange for C-MAC Common Shares pursuant to the Transaction, including the Solectron Common Shares to be issued upon exchange of Exchangeable Shares.

18. Pursuant to the NYSE requirements, Solectron is also required to hold a special meeting of its stockholders (the "Solectron Meeting") to approve the issuance of the Solectron Common Shares to be used as consideration in the Transaction, including the Solectron Common Shares to be issued upon exchange of Exchangeable Shares and upon the exercise of the Replacement Options. The Joint Proxy Statement/Solectron Prospectus also serves as the Solectron management information circular in respect of these matters.

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

    (a) The outstanding C-MAC Common Shares held by each shareholder, other than (A) C-MAC Common Shares held by shareholders exercising their dissent rights who are ultimately entitled to be paid the fair value of the C-MAC Common Shares held by them, (B) C-MAC Common Shares held by Solectron or any affiliate thereof, and (C) C-MAC Common Shares held by any Holding Companies, will be transferred by the holder thereof to Exchangeco in exchange for:

        (i) that number of Solectron Common Shares equal to the product of the total number of C-MAC Common Shares held

by such shareholder multiplied by 1.755 (the "Exchange Ratio"),

(ii) that number of Exchangeable Shares (and certain ancillary rights) equal to the product of the total number of such C-MAC Common Shares held by such shareholder multiplied by the Exchange Ratio, or

(iii) a combination of Solectron Common Shares and Exchangeable Shares (and certain ancillary rights), which aggregate number of Solectron Common Shares and Exchangeable Shares is equal to the product of the total number of such C-MAC Common Shares held by such shareholder multiplied by the Exchange Ratio,

the whole as set forth in a letter of transmittal and election form sent by C-MAC (the "Letter of Transmittal and Election Form") and delivered to the depository by the election deadline, provided that notwithstanding the foregoing, only shareholders of C-MAC who are either, (1) Canadian residents who hold such C-MAC Common Shares on their own behalf, or (2) persons who hold such C-MAC Common Shares on behalf of one or more Canadian residents, shall be entitled to elect to receive Exchangeable Shares in respect of any such C-MAC Common Shares as set out in paragraphs (ii) and (iii) above, and any elections to receive Exchangeable Shares made by any other shareholders of C-MAC shall be invalid, and the C-MAC Common Shares of any such invalidly-electing C-MAC Shareholder and of C-MAC Shareholders who do not validly complete and deliver a Letter of Transmittal and Election Form to the depository by the election deadline shall be deemed to have been transferred to Exchangeco solely in consideration for Solectron Common Shares pursuant to (i) above;

(b) the outstanding shares ("Holding Company Shares") of persons holding C-MAC Common Shares through a holding company (a "Holding Company") meeting certain conditions and who elect to participate in a Holding Company alternative (the "Holding Company Alternative") in respect of each particular Holding Company shall be transferred by the holder(s) thereof to Exchangeco in exchange for,

(i) that number of Solectron Common Shares equal to the product of the total number of C-MAC Common Shares held by that Holding Company multiplied by the Exchange Ratio,

(ii) that number of Exchangeable Shares (and certain ancillary rights) equal to the product of the total number of such C-MAC Common Shares held by that Holding Company multiplied by the Exchange Ratio, or

(iii) a combination of Solectron Common Shares and Exchangeable Shares (and certain ancillary rights), which aggregate number of Solectron Common Shares and Exchangeable Shares is equal to the product of the total number of such C-MAC Common Shares held by that Holding Company multiplied by the Exchange Ratio,

the whole as set forth in a Holding Company letter of transmittal and election form sent by C-MAC to requesting shareholders of C-MAC (the "Holding Company Letter of Transmittal and Election Form") and deliver to the depository by the election deadline, provided that notwithstanding the foregoing, only holders of Holding Company Shares who are either, (1) Canadian residents who hold such Holding Company Shares on their own behalf, or (2) persons who hold such Holding Company Shares on behalf of one or more Canadian residents, shall be entitled to elect to receive Exchangeable Shares in respect of any such C-MAC Common Shares as set out in paragraphs (ii) and (iii) above, and any elections to receive Exchangeable Shares made by any other holder of Holding Company Shares shall be invalid, and the Holding Company Shares of any such invalid election shall be deemed to have been transferred to Exchangeco solely in consideration for Solectron Common Shares pursuant to (i) above;

(c) Coincident with the transfer of the C-MAC Common Shares to Exchangeco, Solectron, Callco, Nova Scotia Company and Exchangeco shall execute a support agreement (the "Exchangeable Share Support Agreement") and Solectron, Exchangeco and the Trustee will enter into a voting and exchange trust agreement (the "Voting and Exchange Trust Agreement") and all rights of holders of Exchangeable Shares under the Voting and Exchange Trust Agreement shall be received by them as part of the property receivable by them in exchange for the C-MAC Common Shares so transferred; and

(d) Each option to acquire C-MAC Common Shares under the C-MAC stock option plan (individually, a "C-MAC Option" and collectively, the "C-MAC Options") outstanding on the Effective Date, will be exchanged for a Replacement Option to purchase the number of Solectron Common Shares equal to the product of the Exchange Ratio multiplied by the number of C-MAC Common Shares that may be purchased as if such C-MAC Option was exercisable and exercised immediately prior to the Arrangement becoming effective and the option exercise price shall be adjusted by dividing the exercise price

under the C-MAC Options by the Exchange Ratio.

20. As a result of the foregoing, upon the completion of the Arrangement, all of the issued and outstanding C-MAC Common Shares will be held directly or indirectly by Solectron and its affiliates.

21. The Exchangeable Shares, together with the Voting and Exchange Trust Agreement described below, will provide holders thereof with a security of a Canadian issuer having economic and voting rights which are substantially economically equivalent to those of a Solectron Common Share. Exchangeable Shares will generally be received by Canadian-resident holders of C-MAC Common Shares who validly make a joint tax election with Exchangeco on a tax-deferred rollover basis for purposes of the *Income Tax Act* (Canada) ("ITA") and, provided that the Exchangeable Shares are listed on a prescribed stock exchange in Canada (which currently includes the TSE), will be "qualified investments" for certain investors and will not constitute "foreign property", in each case, under the ITA. The Exchangeable Shares will be exchangeable by a holder thereof for Solectron Common Shares on a one-for-one basis at any time at the option of such holder and will be required to be exchanged upon the occurrence of certain events, as more fully described below. Subject to applicable law and the paragraphs below, dividends will be payable on the Exchangeable Shares contemporaneously and in the equivalent amount per share as dividends on the Solectron Common Shares. The Exchangeable Shares are subject to adjustment or modification in the event of a stock split or other change to the capital structure of Solectron so as to maintain at all times the initial one-to-one relationship between the Exchangeable Shares and Solectron Common Shares.

22. Exchangeco will deliver or cause to be delivered to each holder of C-MAC Common Shares the Solectron Common Shares or Exchangeable Shares, as the case may be, that must be delivered to such holder pursuant to the Arrangement in exchange for the C-MAC Common Shares held by such holder.

23. The Exchangeable Shares will rank prior to the Class A Non-Voting Shares and the common shares of Exchangeco with respect to the payment of dividends and the distribution of property or assets in the event of the liquidation, dissolution or winding-up of Exchangeco, whether voluntary or involuntary, or any other distribution of property or assets of Exchangeco among its shareholders for the purpose of winding-up its affairs. The rights, privileges, restrictions and conditions attaching to the Exchangeable Shares (the "Exchangeable Share Provisions") will provide that each Exchangeable Share will entitle the holder to dividends from Exchangeco payable at the same time as, and equivalent to, each dividend paid by Solectron on a Solectron Common Share. The record date for the determination of the holders of Exchangeable Shares entitled to receive Exchangeable Shares in connection with any subdivision of Exchangeable Shares and the effective date of such subdivision shall be the same dates as the record date and the payment date, respectively, for the corresponding stock dividend declared on Solectron Common Shares.

24. The Exchangeable Shares will be non-voting (except as required by the Exchangeable Share Provisions or by applicable law) and will be retractable at the option of the holder at any time. Subject to the overriding retraction call right of Callco referred to below, upon retraction, the holder will be entitled to receive from Exchangeco for each Exchangeable Share retracted an amount equal to the current market price of a Solectron Common Share on the last business day prior to the retraction date, to be satisfied by the delivery of one Solectron Common Share, together with, on the designated payment date therefor, an amount equal to all declared and unpaid dividends on each such retracted Exchangeable Share held by the holder on any dividend record date prior to the date of retraction (such aggregate amount, the "Retraction Price"). Upon being notified by Exchangeco of a proposed retraction of Exchangeable Shares, Callco will have an overriding retraction call right (the "Retraction Call Right") to purchase from the holder all of the Exchangeable Shares that are the subject of the retraction notice for a price per share equal to the Retraction Price.

25. Subject to the applicable law and the overriding redemption call right of Callco referred to below, Exchangeco may redeem all but not less than all of the then outstanding Exchangeable Shares (other than Exchangeable Shares held by Solectron and its affiliates) on, or any time after, the seventh anniversary of the effective date of the Transaction (the "Redemption Date"). In certain circumstances the Board of Directors of Exchangeco may accelerate the Redemption Date. Upon such redemption, a holder will be entitled to receive from Exchangeco for each Exchangeable Share redeemed an amount equal to the current market price of a Solectron Common Share on the last business day prior to the Redemption Date, to be satisfied by the delivery of one Solectron Common Share, together with, on the designated payment date thereof, all declared and unpaid dividends on each such redeemed Exchangeable Share held by the holder on any dividend record date prior to the Redemption Date (such aggregate amount, the "Redemption Price"). Upon being notified by Exchangeco of a proposed redemption of Exchangeable Shares, Callco will have an overriding redemption call right (the "Redemption Call Right") to purchase on the Redemption Date all but not less than all of the then outstanding Exchangeable Shares (other than Exchangeable Shares held by Solectron and its affiliates) for a price per share equal to the Redemption Price. Upon the exercise of the Redemption Call Right by Callco, holders will be obligated to sell their Exchangeable Shares to Callco. If Callco exercises its Redemption Call Right, Exchangeco's right and obligation to redeem the Exchangeable Shares on the Redemption Date will terminate.

26. Subject to the overriding liquidation call right of Callco referred to below, in the event of the liquidation, dissolution or winding-up of Exchangeco, holders of Exchangeable Shares (other than Exchangeable

Shares held by Solectron and its affiliates) will be entitled to put their shares to Solectron in exchange for Solectron Common Shares pursuant to the Voting and Exchange Trust Agreement. Upon a proposed liquidation, dissolution or winding-up of Exchangeco, Callco will have an overriding liquidation call right (the "Liquidation Call Right") to purchase from all but not less than all of the holders of Exchangeable Shares (other than Exchangeable Shares held by Solectron and its affiliates) on the effective date of such liquidation, dissolution or winding-up (the "Liquidation Date") all but not less than all of the Exchangeable Shares held by each such holder for a price per share equal to the current market price of a Solectron Common Share on the last business day prior to the Liquidation Date, to be satisfied by the delivery of one Solectron Common Share, together with an additional amount equivalent to the full amount of all declared and unpaid dividends on each Exchangeable Share held by such holder on any dividend record date prior to the date of purchase by Callco.

27. Upon the occurrence of certain changes in Canadian tax law, Solectron has the right to purchase or cause Callco to purchase the Exchangeable Shares (other than Exchangeable Shares held by Solectron and its affiliates) prior to the seventh anniversary of the Effective Date. Solectron may exercise this call right if it delivers to the Trustee an opinion of counsel stating that there has been a change to the ITA and applicable Québec provincial income tax legislation to the effect that a sale by beneficial owners of the Exchangeable Shares (other than Solectron and its affiliates) who are Canadian residents and hold their Exchangeable Shares as capital property will qualify as a tax-deferred transaction for purposes of the ITA and applicable Québec provincial income tax legislation.

28. Upon the liquidation, dissolution or winding-up of Solectron, all Exchangeable Shares held by holders (other than Exchangeable Shares held by Solectron and its affiliates) will be automatically exchanged for Solectron Common Shares pursuant to the Voting and Exchange Trust Agreement, in order that holders of Exchangeable Shares will be able to participate in the dissolution of Solectron on a pro rata basis with the holders of Solectron Common Shares.

29. Upon the exchange of an Exchangeable Share for a Solectron Common Share, the holder of the Exchangeable Share will no longer be a beneficiary of the trust created by the Voting and Exchange Trust Agreement that holds the Special Voting Share, as described below.

30. For tax reasons, it is anticipated that subject to applicable law, Callco is likely to exercise the Redemption, Retraction and Liquidation Call Rights available on each occasion when such rights become exercisable.

31. It may be desirable for Exchangeco to purchase from Callco, from time to time or once all Exchangeable Shares have been acquired from holders thereof (other than Solectron and its affiliates), the Exchangeable Shares held by Callco as a result of the exercise of these rights.

32. The purchase price to be paid by Exchangeco to Callco for the Exchangeable Shares would be the fair market value of the Exchangeable Shares on the date of purchase and the purchase price would be satisfied by the issue of common shares of Exchangeco.

33. It is intended that Exchangeco will immediately cancel any Exchangeable Shares it purchases from Callco.

34. Such purchases will constitute an issuer bid under the Act.

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

IT IS ORDERED pursuant to subsection 104(2) of the Act that purchases from time to time of Exchangeable Shares by Exchangeco from Callco shall not be subject to the provisions of sections 95, 96, 97, 98 and 100 of the Act or section 203.1 of the Regulation.

November 27, 2001.

"Paul M. Moore" "Robert W. Korthals"

2.2.2 CI Mutual Funds Inc. - ss. 59(1)

Headnote

Exemption form 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

AND

IN THE MATTER OF

CI MUTUAL FUNDS INC.

ORDER

(Subsection 59(1) of Schedule I of the Regulation)

UPON the application of CI Mutual Funds Inc. ("CI"), as manager of (a) the RSP Portfolios (as set out in Schedule "A" to this Decision Document) and other similar funds established by CI from time to time (together with the RSP Portfolios, the "RSP Top Funds"), (b) the Non-RSP Portfolios (as set out in Schedule "B" to this Decision Document), and other similar funds established by CI from time to time (together with the Non-RSP Portfolios, the "Non-RSP Top Funds" and collectively with the RSP Top Funds, the "Top Funds") and (c) the mutual funds managed by CI (as set out in Schedule "C" to this Decision Document), and other similar mutual funds managed by CI from time to time (the "Underlying CI Funds") for an order pursuant to subsection 59(1) of Schedule 1 of the Regulation exempting the Underlying CI Funds from paying duplicate filing fees on an annual basis in respect of the distribution of shares and units (the "Securities") of the Underlying CI Funds to the Top Funds, the distribution of Securities of the Underlying CI Funds to counterparties with whom the RSP Top Funds have entered into forward contracts and on the reinvestment of distributions of such Securities;

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

AND UPON CI having represented to the Commission that:

1. CI is, or will be, the manager of the Top Funds and the Underlying CI Funds. CI is a corporation incorporated under the laws of Ontario.

2. Each Top Fund and Underlying CI Fund is, or will be, an open-ended unincorporated mutual fund trust or a mutual fund corporation established under the laws of Ontario.

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

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

5. Counterparties may hedge their obligations under the Forward Contracts by investing in Securities (the "Hedge Securities") of the applicable Underlying CI Funds;

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

7. Applicable securities regulatory approvals for the Fund-on-Fund Investments and the RSP Top Funds' and Non-RSP Top Funds' investment strategies have, or will be, obtained.

8. Annually, each of the Top Funds will be required to pay filing fees to the Commission in respect of the distribution of its Securities 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 Securities in other relevant Canadian jurisdictions pursuant to applicable securities legislation in each of those jurisdictions;

9. Annually, each of the Underlying CI Funds will be required to pay filing fees in respect of the distribution of its Securities in Ontario, including the distribution of both the Securities to the Top Funds and the Hedge Securities, pursuant to section 14 of Schedule I of the Regulation and will similarly be required to pay fees based on the distribution of its Securities 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 CI Fund; (b) Hedge Securities are distributed and (c) a distribution fee is paid by an Underlying CI Fund on Securities of the Underlying CI Fund purchased by the applicable Top Fund or on Hedge Securities which are reinvested in additional Securities of the Underlying CI Fund (the "Reinvestment Securities").

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 CI 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 Securities of the Underlying CI Funds to the RSP Top Funds, the distribution of Hedge Securities to Counterparties and the distribution of the Reinvested Securities, provided that each Underlying CI Fund shall include in its notice filed under subsection 14(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 CI Funds of (1) Securities to the RSP Top Funds; (2) Hedge Securities and (3) Reinvested Securities; 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 CI 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 Securities of the Underlying CI Funds to the Non-RSP Top Funds and the distribution of the Reinvested Securities, provided that each Underlying CI Fund shall include in its notice filed under subsection 14(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 CI Funds of (1) Securities to the Non-RSP Top Funds and (2) Reinvested Securities; together with a calculation of the fees that would have been payable in the absence of this Order.

November 22, 2001.

"Howard I. Wetston" "K.D. Adams"

Schedule A

RSP Top Funds

CI Conservative RSP Portfolio
CI Moderate Growth RSP Portfolio
CI Balanced RSP Portfolio
CI Maximum Growth RSP Portfolio

Schedule B

Non-RSP Top Funds

CI Conservative Portfolio
CI Moderate Growth Portfolio
CI Balanced Portfolio
CI Maximum Growth Portfolio

Schedule C

CI Mutual Funds

CI Canadian Bond Fund
Signature High Income Fund
CI World Bond Fund
Harbour Fund
Landmark Canadian Fund
Signature Canadian Fund
Signature Select Canadian Fund
BPI American Equity Fund
CI American Managers Sector Fund
CI American Value Sector Fund
Signature American Small Companies Fund
BPI International Equity Fund
CI International Fund
CI International Value Fund

2.2.3 Livent Inc. et al. - s. 127

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

AND

**LIVENT INC.
GARTH H. DRABINSKY
MYRON I. GOTTLIEB
GORDON ECKSTEIN
ROBERT TOPOL**

**ORDER
(Section 127)**

WHEREAS this proceeding was commenced by a Notice of Hearing and related Statement of Allegations dated July 3, 2001;

AND WHEREAS Staff of the Commission ("Staff") and the respondents have jointly requested that this matter be adjourned from December 5, 2001 to February 15, 2002, or as soon thereafter as a panel may be constituted;

AND WHEREAS Staff have requested a pre-hearing conference to be scheduled for November 23, 2001, be adjourned sine die, to a date to be agreed to by the parties;

AND WHEREAS the Commission considers it to be in the public interest to make this order;

IT IS ORDERED THAT the pre-hearing conference scheduled for November 23, 2001, be adjourned sine die, to a date to be agreed to by the parties;

IT IS FURTHER ORDERED THAT the matter be adjourned to February 15, 2002 commencing at 9:30 a.m., or as soon thereafter as a panel may be constituted.

December 3, 2001.

2.2.4 Galaxy Online Inc. - s. 144

Headnote

Cease-trade order revoked where the issuer has remedied 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
GALAXY ONLINE INC.**

**ORDER
(Section 144)**

WHEREAS the securities of

GALAXY ONLINE INC. (the "Corporation")

currently are subject to a Temporary Order (the "Temporary Order") made by the Manager, Corporate Finance (the "Manager") on behalf of the Ontario Securities Commission (the "Commission"), pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act, dated September 27, 2001, as extended by a further order (the "Extension Order") of the Manager, dated October 11, 2001, on behalf of the Commission pursuant to subsection 127(8) of the Act, that trading in the securities of the Corporation cease until the Temporary Order, as extended by the Extension Order, is revoked by a further Order of Revocation;

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

AND UPON the Corporation having represented to the Commission that:

1. The name of the Corporation is Galaxy OnLine Inc.

2. The Corporation was incorporated pursuant to the provisions of the Ontario Business Corporations Act on August 21, 1992 under the name U-Can Brew Corporation.

3. By way of Articles of Amendment certified effective July 23, 1993, the Corporation changed its name to Brew Kettle Corporation.

4. By way of Articles of Amendment certified effective August 28, 1995, the Corporation changed its name from Brew Kettle Corporation to Lago Resources Ltd.

5. By way of Articles of Amendment certified effective December 31, 1996, the Corporation changed its name from Lago Resources Ltd. to Rux Resources Inc.

6. By way of Articles of Amendment certified effective December 8, 1999, the Corporation changed its name from Rux Resources Inc. to Galaxy OnLine Inc.

7. By way of Articles of Continuance certified effective January 31, 2000, the Corporation was continued pursuant to the provisions of the Business Corporations Act (Yukon).

8. The authorized capital of the Corporation consists of :

   a. an unlimited number of common shares of which 86,332,612 common shares are issued and outstanding as fully paid and non-assessable;

   b. an unlimited number of First preferred shares of which none are issued and outstanding;

   c. an unlimited number of Second preferred shares of which none are issued and outstanding.

9. The Corporation is a reporting issuer in Alberta, British Columbia, Ontario and Yukon Territory.

10. The common shares of the Corporation were listed for trading on Canadian Dealers Network ("CDN") under the symbol RUX. Arrangements were made to list the Corporation's shares for trading on the Canadian Venture Exchange ("CDNX") under the symbol "YGO". Trading commenced on Tier 3 of CDNX on October 2, 2000. As a consequence of the Cease Trade Order issued on September 27, 2001, CDNX halted trading effective September 27, 2001.

11. The interim financial statements for the six-month period ended June 30, 2001 were not filed by August 29, 2001. As a result, a Management and Insiders Cease Trade Order was imposed on September 14, 2001. Statements were filed on September 18, 2001.

12. As these statements were not in accordance with the Act, staff of the Commission imposed an Issuer Cease Trade Order on September 27, 2001. The Order was extended on October 11, 2001. The amended statements were filed on November 15, 2001.

13. To the knowledge of the directors of the Corporation, no shareholder owns, directly or indirectly, or exercises control or direction over securities of the Corporation carrying more than 10% of the voting rights attached to the common shares of the Corporation.

14. The financial statements for the three month period ended March 31, 2001 and six month period ended June 30, 2001 were filed late due to delays caused by the termination of all employees of the Corporation and its subsidiary Moby Dark Inc. resulting in a break in the continuity of knowledge in the Corporation's accounts.

15. The Corporation is not considering and is not involved in any discussions relating to a reverse take-over transaction.

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

AND WHEREAS the undersigned Manager is satisfied that the Corporation 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.

November 30, 2001.
"John Hughes"

2.2.5 Majescor Resources Inc. - ss. 83.1(1)

Headnote

Subsection 83.1(1) - issuer deemed to be a reporting issuer in Ontario - issuer is a reporting issuer in Quebec, British Columbia and Alberta - issuer listed and posted for trading on the Canadian Venture Exchange - continuous disclosure requirements of Quebec, British Columbia and Alberta substantially identical to those of Ontario.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 83.1(1).

Policies Cited

Policy 12-602 deeming an issuer from certain other Canadian Jurisdictions to be a Reporting Issuer in Ontario (2001) 24 OSCB 1531

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

AND

IN THE MATTER OF
MAJESCOR RESOURCES INC.

ORDER
(Subsection 83.1(1))

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

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

AND UPON Majescor representing to the Commission as follows:

1. Majescor was incorporated on February 23rd, 1996 pursuant to the provisions of the *Canada Business Corporations Act*.

2. Majescor's head office, as well as its registered and records office, are located at 116 rue St-Pierre, Quebec city, province of Quebec, G1K 4A7.

3. Majescor has been a reporting issuer under the *Securities Act* (Quebec) (the "Quebec Act") since December 8th, 1999 following the receipt from the Commission des valeurs mobillieres du Quebec of Majescor's initial public offering prospectus.

4. From February 8th, 1998 to September 30th, 2001, Majescor's common shares were listed and posted for trading on the Montreal Exchange Inc. ("ME"). Since October 1st, 2001, Majescor's common shares have been listed and posted for trading on the Canadian Venture Exchange ("CDNX").

5. Majescor also became a reporting issuer under the *Securities Act* (Alberta) (the "Alberta Act") and under the *Securities Act* (British Columbia) (the "BC Act") on October 1st, 2001, following the transfer of its shares from the ME to the CDNX.

6. Majescor is not in default of any requirements of the Quebec Act, the Alberta Ac, the BC Act or CDNX.

7. Majescor has a number of shareholders who are resident in the province of Ontario.

8. The continuous disclosure materials filed by Majescor under the Quebec Act, the Alberta Act and the BC Act since December 8th, 1999 are available on the System for Electronic Document Analysis and Retrieval.

9. Other than Quebec, Alberta and British Columbia, Majescor is not a reporting issuer or public company under the securities legislation of any other jurisdiction in Canada.

10. The authorized share capital of Majescor consists of an unlimited number of common shares, of which, as of the date hereof 18, 417, 610 common shares are issued and outstanding.

11. The common shares are listed and posted for trading on CDNX.

12. Majescor has not been subject to any penalties or sanctions imposed against Majescor by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority, and has not entered into any settlement agreement with any Canadian securities regulatory authority.

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

14. Neither Majescor nor any of its officers, directors, nor to the knowledge of Majescor, its officers and directors, any of its controlling shareholders, is or has been subject to (i) any known ongoing or concluded investigations by: (a) a Canadian securities regulatory authority, or (b) a court or regulatory body, other than a Canadian securities regulatory authority, that would be likely to be considered important to a reasonable investor making an investment decision; or (ii) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years.

15. None of the officers or directors of Majescor, nor to the knowledge of Majescor, its officers and directors, any of

its controlling shareholders, is or has been at the time of such event an officer or director of any other issuer which is or has been subject to (i) any cease trade or similar orders, or orders that denied access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days, within the preceding 10 years; or (ii) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years.

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

IT IS HEREBY ORDERED pursuant to subsection 83.1(1) of the Act that Majescor be deemed a reporting issuer for the purposes of Ontario securities law.

November 28, 2001.

"Margo Paul"

2.2.6 Peak Brewing Group Inc.

Headnote

Cease trade order revoked where the issuer has remedied its default in respect of disclosure requirements under the Act.

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

AND

IN THE MATTER OF
PEAK BREWING GROUP INC.

ORDER
(Section 144)

WHEREAS the securities of Peak Brewing Group Inc. ("Peak Brewing") are subject to a cease trade order issued by the Commission on October 26, 2001 (the "Cease Trade Order") as an extension of a temporary cease trade order made on December 12, 2001, due to the failure of Peak Brewing to file annual financial statements for the period ended February 28, 2001 and interim financial statements for the period ended May 31, 2001;

AND WHEREAS Peak Brewing has made application to the Commission pursuant to section 144 of the Act for an order revoking the Cease Trade Order;

AND WHEREAS Peak Brewing has now filed with the Commission the annual financial statements on November 5, 2001 and the interim financial statements on November 21, 2001;

AND WHEREAS the undersigned Manager being satisfied that Peak Brewing has now complied with the continuous disclosure requirements under Part XVIII of the Act and has remedied its default in respect of such requirements;

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

IT IS ORDER, pursuant to section 144 of the Act, that the Cease Trade Order be revoked.

November 22, 2001.

"John Hughes"

2.2.7 TDZ Holdings Inc. - s. 144

Headnote

Cease-trade order revoked where the issuer has remedied 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

TDZ HOLDINGS INC.

ORDER
(Section 144)

WHEREAS the securities of

TDZ HOLDINGS INC.

currently are subject to a Temporary Order made by the Director on behalf of the Ontario Securities Commission (the "Commission") dated May 25, 2001 pursuant to paragraph 2 of subsections 127(1) and 127(5) of the Act and extended by a further Order of the Director dated June 8, 2001 made under subsection 127(8) of the Act (collectively, the "Cease Trade Order") directing that trading in the securities of the Issuer cease;

AND WHEREAS the Cease Trade Order was made by reason of the issuer's failure to file with the Commission audited annual statements for the year ended December 31, 2000;

AND WHEREAS the Issuer has made an application to the Director pursuant to Section 144 of the Act for a revocation of the Cease Trade Order;

AND WHEREAS the Issuer has represented to the Director that:

1. The Issuer is an Ontario Corporation formed by articles of arrangement on 28 April 1999. Its Ontario Corporation Number is 1352612.

2. The Issuer is authorized to issue an unlimited number of common shares, an unlimited number of class A special shares, an unlimited number of preferred shares. As of 30 June 2001 34,911,762 common shares have been issued.

3. The Cease Trade Order was issued due to the failure of the Issuer to file with the Commission audited financial statements for the year ended December 31, 2000.

4. The financial statements were not filed with the Commission as the Issuer was in a process of ongoing negotiations with its primary lenders and the complexity of these transactions caused delays in the preparation of the financial statements.

   The financial statements for the year ended December 31, 2000 and interim financial statements for the three-month period ended March 31, 2001 and six-month period ended June 30, 2001 were filed with the Commission vie SEDAR on August 9, 2001, August 22, 2001, and August 22, 2001, respectively.

5. The Issuer is not considering and is not involved in any discussions relating to a reverse take-over transaction.

6. Except for the Cease Trade Order, the Issuer is not otherwise in default of any requirements of the Act or the regulations made thereunder;

   The financial statements were sent to the shareholders of the Issuer on 7 September 2001.

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

AND UPON the Commission being satisfied that the Issuer is now current with the continuous disclosure requirements under Part XVIII of the Act and has remedied its defaults 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.

November 26, 2001.

"John Hughes"

2.2.8 Cara Operations Limited - s. 113

Headnote

Disclosure requirements applicable to dissident proxy solicitation - Applicant exempted from requirement in section 112 of the OBCA to deliver a dissident's information circular, provided that proxy solicitation made to no more than fifteen securityholders and copy of order provided forthwith to issuer.

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am., ss. 112(1)(b) and 113
Securities Act, R.S.O. 1990, c. S.5, as am., ss. 86(1) and 86(2)(a)

IN THE MATTER OF
THE ONTARIO BUSINESS CORPORATIONS ACT,
R.S.O. 1990, c.B.16, AS AMENDED (the "OBCA"),

AND

IN THE MATTER OF
THE SECOND CUP LTD.

AND

IN THE MATTER OF
CARA OPERATIONS LIMITED

ORDER
(Section 113)

UPON the application of Cara Operations Limited (the "Applicant") to the Ontario Securities Commission (the "Commission") for an order pursuant to section 113 of the OBCA exempting the Applicant from the requirements of clause 112(1)(b) of the OBCA in connection with the next meeting of the holders of common shares of The Second Cup Ltd. (the "Corporation");

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

AND UPON the applicants having represented to the Commission that:

1. the Corporation is a corporation existing under the OBCA and is a reporting issuer not in default under the *Securities Act*, R.S.O. 1990, c.S.5, as amended;

2. the Corporation's common shares are listed on The Toronto Stock Exchange;

3. the Applicant beneficially owns 3,663,010 common shares of the Corporation, representing approximately 39.1% of the Corporation's outstanding common shares;

4. the Applicant wishes to communicate, with fewer than 15 shareholders of the Corporation, in advance of the next meeting of shareholders to be held on December 17, 2001 (the "Meeting"), to discuss various matters relating to the composition of senior management and the structure of the board of directors of the Corporation, including changing certain directors and officers of the Corporation (the "Communications");

AND UPON the Commission being satisfied in the circumstances of this particular case that there is adequate justification for so doing;

IT IS ORDERED, pursuant to section 113 of the OBCA, that the Applicant is exempt from the requirements of clause 112(1)(b) of the OBCA with respect to the Meeting provided that:

(i) the Communications are held with not more than 15 security holders of the Corporation, two or more persons or companies who are joint registered owners of one or more securities being counted as one security holder;

(ii) the Applicant does not otherwise solicit proxies in respect of the Meeting; and

(iii) a copy of this order is provided to the Corporation forthwith.

December 4, 2001.

"Paul Moore" "R. Stephen Paddon"

2.3 Rulings

2.3.1 Madison Oil Company and Toreador Resources Corporation - s. 3.1 of OSC Rule 54-501

Headnote

OSC Rule 54-501 - Request for relief from the requirement to include the following disclosure in an information circular: (i) reconciliation of financial statements prepared in accordance with U.S. GAAP and GAAS to Canadian GAAP and GAAS; (ii) restatement of MD&A that would read differently if financial statements were prepared in accordance with Canadian GAAP; and (iii) certain Canadian oil and gas disclosure requirements contained in Item 6.4 of Form 41-501F and National Policy 2-B.

Applicable Ontario Rules

OSC Rule 41-501 - Information Required in a Prospectus - Sections 9.1 and 9.4
Form 41-501F1 - Items 6.4, 8.4, 8.5(2) and 8.5(4).

OSC Rule 54-501 - Prospectus Disclosure - Section 3.1.

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 ACT
R.S.O. 1990, c. S.5, AS AMENDED (the "Act")

AND

IN THE MATTER OF
MADISON OIL COMPANY

AND

IN THE MATTER OF
TOREADOR RESOURCES CORPORATION

RULING
(Section 3.1 of Rule 54-501)

UPON the application of Toreador Resources Corporation ("Toreador"), MOC Acquisition Corporation ("MAC"), a wholly owned subsidiary of Toreador, and Madison Oil Company ("Madison") (collectively, the "Applicant") to the Ontario Securities Commission (the "Commission") for an order pursuant to Section 3.1 of Ontario Securities Commission Rule 54-501 - Prospectus Disclosure ("Rule 54-501") that Madison be exempt from the requirement to provide the following disclosure with respect to Toreador, in the joint management information circular (the "Proxy Statement") to be sent to shareholders of Madison and Toreador in connection with the shareholder meetings to be held to approve of a merger between MAC and Madison (the "Merger"):

(a) the requirement set forth in Section 9.1 of the Ontario Securities Commission Rule 41-501 - General Prospectus Requirements ("Rule 41-501") and Item 8.4 of Form 41-501F1 – Information Required in a Prospectus ("Form 41-501F1") that historical and pro forma financial statements of Toreador and its subsidiary Texona Petroleum Corporation ("Texona"), as the case may be, prepared in accordance with U.S. GAAP be accompanied by a note to explain and quantify the effect of material differences between Canadian GAAP and U.S. GAAP that relate to measurements and provide a reconciliation of such financial statements to Canadian GAAP (the "GAAP Reconciliation Requirement");

(b) the requirement set forth in Section 9.4 of Rule 41-501 that the Toreador and Texona, as the case may be, auditor's report disclose any material differences in the form and content of its auditor's report as compared to a Canadian auditor's report and confirming that the auditing standards applied are substantially equivalent to Canadian generally accepted auditing standards (the "GAAS Reconciliation Requirement");

(c) the requirement of Item 8.5(2) of Form 41-501F1 that the Toreador MD&A provide a restatement of those parts of the Toreador MD&A that would read differently if the Toreador MD&A were based on statements prepared in accordance with Canadian GAAP and the requirement of Item 8.5(4) of Form 41-501F1 that the Toreador MD&A provide a cross-reference to the notes in the financial statements that reconcile the differences between U.S. GAAP and Canadian GAAP (the "MD&A Restatement Requirement"); and

(d) the requirements (the "Canadian Oil and Gas Requirements"):

(i) to use the categories and classifications set out in Appendix 1 to National Policy Statement 2-B – Guide for Engineers, Geologists and Prospectors Submitting Reports on Mining Properties of the Canadian Provincial Securities Administrators ("NP 2-B") which are required by section 1.1 of Appendix 2 of NP 2-B and paragraph 5 of Item 6.4 of Form 41-501F1;

(ii) contained in section 1.2 of Appendix 2 to NP 2-B to:

(A) use discount rates in estimating reserves;

(B) estimate capital costs necessary to achieve net cash flow values; and

(C) provide a breakdown of percentage and quantity of "proved producing reserves" currently in production;

(iii) contained in section 4 of Appendix 2 to NP 2-B to provide a statement regarding the degree of risk assigned to reserve values;

(iv) contained in section 5 of Appendix 2 to NP 2-B to provide a summary table of the assumptions

employed regarding prices, costs, inflation and other forecast factors;

(v) contained in section 7 of Appendix 2 to NP 2-B and in paragraph 4 of Item 6.4 of Form 41-501F1 to assign values to undeveloped net acreage;

(vi) contained in paragraph 4 of Item 6.4 of Form 41-501F1 to provide a breakdown of gross and net undeveloped acreage by state;

(vii) contained in paragraph 7 of Item 6.4 of Form 41-501F1 to reconcile reserve information for the year ended December 31, 2000 to the prior year; and

(viii) contained in paragraph 8 of Item 6.4 of Form 41-501F1 to provide:

(A) the information in subparagraphs (b) and (c) thereof; and

(B) quarterly information for the information in subparagraphs (a) and (d) thereof.

provided that, the Proxy Statement is prepared in accordance with Form S-4 under the United States Securities Act of 1933 and other applicable oil and gas disclosure requirements of United States securities laws, and further provided that, the Proxy Statement contains:

(A) a statement to the effect that as at December 31, 2000, Toreador had no additional oil and gas reserves that would be required to be disclosed under Canadian securities law, and in particular, NP 2-B; and

(B) a statement to the effect that more detailed information on Madison's oil and gas reserves can be found in Madison's annual information form for the year 2000 (the "Madison AIF"), with specific page references, provided that, the Madison AIF is in full compliance with the Canadian oil and gas disclosure requirements applicable to annual information forms;

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

AND UPON the Applicant having represented to the Commission that:

1. Madison is a corporation continued under the Delaware General Corporation Law (the "DGCL"). The common shares of Madison (the "Madison Common Shares") are listed on The Toronto Stock Exchange (the "TSE") under the symbol "MDO".

2. Madison is, and has been for at least twelve months, a reporting issuer or the equivalent under the securities legislation of British Columbia, Alberta, Manitoba, Ontario, Québec and Newfoundland and, to the best of Madison's knowledge, is not in default of any of the requirements of the securities legislation of these jurisdictions or the respective regulations or rules made thereunder.

3. Madison is an independent international exploration and production company. Madison's principal business activity is the exploration for, and the acquisition and development of, oil and natural gas reserves. It currently holds interests in developed and undeveloped oil and gas properties in France, Turkey and Trinidad.

4. The principal executive offices of Madison are located at 9400 North Central Expressway, Suite 1209, Dallas, Texas 75231.

5. The authorized capital stock of Madison consists of (i) 100,000,000 Madison Common Shares of which 25,933,096 shares were issued and outstanding as of October 3, 2001, and (ii) 20,000,000 shares of preferred stock, par value U.S.$0.0001 per share, of which no shares are issued and outstanding.

6. As of mid-October, 2001, there were a total of approximately 3200 beneficial holders of Madison Common Shares resident in Canada holding in the aggregate approximately 8.2 million Madison Common Shares, representing approximately 32% of the outstanding Madison Common Shares.

7. Madison has adopted a stock option plan pursuant to which options to purchase Madison Common Shares are granted to eligible employees, officers and directors of, and consultants and advisors to, Madison and its subsidiaries. As of October 3, 2001, Madison had outstanding options representing in the aggregate the right to purchase 1,776,000 Madison Common Shares. At or prior to the effective time of the Merger, options representing in the aggregate the right to purchase 1,231,000 Madison Common Shares will terminate in accordance with their terms if not exercised. In respect of the remaining Madison Options, representing in the aggregate the right to purchase 545,000 Madison Common Shares, there is one holder as of October 3, 2001 with an address of record in Canada on the books of Madison holding options to purchase 35,000 Madison Common Shares.

8. As of October 3, 2001, Madison had outstanding warrants to purchase Madison Common Shares representing in the aggregate the right to purchase 500,000 Madison Common Shares. There are three holders of warrants at such date,

each with an address of record in Canada on the books of Madison.

9. Toreador is also a corporation incorporated under the DGCL. The common shares of Toreador ("Toreador Common Shares") are listed on The Nasdaq National Market under the symbol "TRGL".

10. Toreador is subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, of the United States of America, but is not a reporting issuer under the securities legislation of any province of Canada.

11. Toreador is an independent energy company engaged in oil and gas exploration, development, production and acquisition. Toreador principally conducts its business through its ownership of perpetual mineral and royalty interests in properties located in the United States.

12. The principal executive offices of Toreador are located at 4809 Cole Avenue, Suite 108, Dallas, Texas 75205.

13. The authorized capital of Toreador includes 20,000,000 Toreador Common Shares, of which 6,296,944 shares were issued and outstanding as of October 25, 2001.

14. MAC is a corporation existing under the DGCL and was formed solely for the purpose of participating in the Merger.

15. MAC is a wholly-owned subsidiary of Toreador.

16. The Merger is proposed to be effected by way of a plan of merger under the DGCL, involving Madison, its shareholders, optionholders and warrantholders, and MAC, pursuant to which Madison and MAC will merge, the separate corporate existence of MAC will cease and Madison will be the continuing corporation. Toreador will be the owner of all of the issued and outstanding shares of Madison.

17. Pursuant to the Merger, each outstanding Madison Common Share (other than those shareholders exercising their appraisal rights under the DGCL) will be exchanged for 0.118 of a Toreador Common Share, such that at the effective time of the Merger, approximately 3,102,000 Toreador Common Shares will be issued to the former Madison shareholders, representing approximately 49% percent of the current issued share capital of Toreador as of October 3, 2001.

18. As at October 23, 2001, to the knowledge of Toreador, there was one (1) beneficial shareholder of Toreador resident in Canada holding an aggregate of 60,000 Toreador Common Shares, representing approximately one (1) percent of the current issued share capital of Toreador.

19. Pursuant to the Merger, each stock option to purchase Madison Common Shares outstanding when the Merger becomes effective will represent an option to purchase the number Toreador Common Shares determined by multiplying the number of Madison Common Shares into which such stock option was exercisable immediately prior to the Merger by 0.118, with an exercise price per share set for such stock option divided by 0.118. The exercise price will be converted to U.S. currency at a fixed exchange rate of C$1 per U.S.$0.6332. Vested stock options that are not exercised prior to the Merger becoming effective will terminate. These options represent the right to purchase 1,231,000 Madison Common Shares.

20. Pursuant to the Merger, each warrant to purchase Madison Common Shares outstanding when the Merger becomes effective will represent a warrant to purchase the number of Toreador Common Shares determined by multiplying the number of Madison Common Shares into which such warrant was exercisable immediately prior to the Merger by 0.118, with an exercise price per share set for such stock option divided by 0.118. Vested stock options that are not exercised prior to the Merger becoming effective will terminate. The exercise price will be converted to U.S. currency at a fixed exchange rate of C$1 per U.S.$0.6332. There are warrants for the purchase of 500,000 Madison Common Shares that will become warrants for the purchase of Toreador Common Shares.

21. Each holder of Madison Common Shares as of the effective time of the Merger will also be entitled to receive a portion of certain payments that Madison may receive from the Government of Turkey (the "Contingent Consideration"). The amount of Contingent Consideration will be calculated as 30% of these certain payments (less expenses) that Toreador may receive subsequent to the Merger in respect of monies that may be owed to Madison's two Turkish subsidiaries by the Turkish government pursuant to s. 116 of the Turkish Petroleum Regulations for investments made by such subsidiaries in Turkish petroleum operations prior to the effective time of the Merger. The Contingent Consideration, if any, will be paid, within a 10 day period following the third anniversary of the Merger, on a pro rata basis, to former holders of Madison Common Shares based on shareholdings immediately prior to the Effective Time in either U.S. dollars or Toreador Shares as determined by Toreador. If Toreador Common Shares are issued to satisfy the Contingent Consideration, the number of shares to be issued will be determined based on the

twenty day weighted average trading price of Toreador Common Shares. Toreador currently expects the maximum amount of consideration to be distributed to former holders of Madison Common Shares to be U.S.$9.0 million (less expenses).

22. Upon the consummation of the Merger, it is expected that the beneficial holders of Toreador Common Shares resident in Canada will hold approximately 11% of the issued and outstanding shares of Toreador (it is also expected that on a fully-diluted basis, this number would be less than 10%).

23. Assuming that Toreador Common Shares are issued to former holders of Madison Common Shares in satisfaction of the maximum expected amount of the Contingent Consideration, at the effective time of the Merger, beneficial holders in Canada would, immediately following the Merger, hold an estimated 15% of the outstanding Toreador Common Shares or an estimated 11% on a fully-diluted basis.

24. Madison is required to obtain shareholder approval of the Merger at a meeting of shareholders that will be held in December 2001, notice of which will be sent to Madison shareholders shortly.

25. Toreador is also required to obtain shareholder approval of the Merger at a meeting of shareholders that will also be held in December 2001, notice of which will be sent to Toreador shareholders shortly.

26. In connection with the shareholder meetings, Madison and Toreador will prepare and send to shareholders, and will file with the U.S. Securities and Exchange Commission (the "SEC") and the securities authority or regulator in each Canadian jurisdiction in which Madison is a reporting issuer or the equivalent the Proxy Statement and will mail the Proxy Statement to the holders of Toreador Common Shares and Madison Common Shares. The Proxy Statement will comply with the requirements of Form 30 made under the Securities Act (Ontario) and will contain disclosure with respect to the business and affairs of each of Toreador and Madison and with respect to the Merger, and will be prepared in accordance with Rule 54-501 as regards Toreador, except with respect to any relief granted therefrom.

27. The Proxy Statement will contain the following financial statements of Toreador, prepared in accordance with US GAAP:

    (a) Consolidated Balance Sheets as of December 31, 2000 and 1999 and September 30, 2001 (unaudited);

    (b) Consolidated Statements of Operations for the three years ended December 31, 2000 and for the nine months ended September 30, 2001 and 2000 (unaudited);

    (c) Consolidated Statements of Changes in Stockholders' Equity for the three years ended December 31, 2000 and for the nine months ended September 30, 2001 (unaudited); and

    (d) Consolidated Statements of Cash Flows for the three years ended December 31, 2000 and for the nine months ended September 30, 2001 and 2000 (unaudited).

28. The Proxy Statement will contain the following financial statements of Madison, prepared in accordance with US GAAP, reconciled to Canadian GAAP:

    (a) Consolidated Balance Sheets as of December 31, 2000 and 1999 and September 30, 2001 (unaudited);

    (b) Consolidated Statements of Operations for the year ended December 31, 2000 and 1999 and for the nine months ended September 30, 2001 and 2000 (unaudited);

    (c) Consolidated Statements of Cash Flows for the year ended December 31, 2000 and 1999 and for the nine months ended September 30, 2001 (unaudited); and

    (d) Consolidated Statements of Changes in Stockholders' Equity for the year ended December 31, 2000 and 1999 and for the nine months ended September 30, 2001 (unaudited).

29. The Proxy Statement will contain the following financial statements of Texona, a significant acquisition of Toreador, prepared in accordance with US GAAP:

    (a) Balance Sheets as of December 31, 1999 and June 30, 2000 (unaudited);

    (b) Statements of Operations for the year ended December 31, 1999 and the nine months ended June 30, 2000 (unaudited);

    (c) Statement of Stockholders' Equity as of December 31, 1999 and June 30, 2000 (unaudited); and

    (d) Statement of Cash Flows for the year ended December 31, 1999 and the nine months ended June 30, 2000 (unaudited).

30. The Proxy Statement will contain the following pro forma financial statements, prepared in accordance with US GAAP:

    (a) Unaudited Pro Forma Consolidated Statement of Operations for the nine months ended September 30, 2001;

    (b) Unaudited Pro Forma Consolidated Statement of Operations for the year ended December 31, 2000; and

    (c) Unaudited Pro Forma Consolidated Balance Sheet as of September 30, 2001.

31. The Proxy Statement will also constitute a prospectus of Toreador for purposes of the United States Securities Act of 1933 with respect to the Toreador Common Shares issuable to the Madison shareholders upon consummation of the Merger and the Toreador Common Shares issuable upon exercise of the option and warrants to be exchanged pursuant to the Merger.

32. Toreador intends to have Madison delisted from the TSE and has filed an application with the applicable Canadian securities regulators to have Madison deemed to cease to be a reporting issuer, and to have Toreador deemed to be a reporting issuer or the equivalent in the same jurisdictions, upon the consummation of the Merger or shortly thereafter. The application also seeks relief in connection with the first trade of the Toreador Common Shares to be issued pursuant to or in connection with the Merger and from compliance with certain ongoing continuous disclosure requirements of Toreador subsequent to the Merger.

33. Toreador has made an application to the TSE in order to list the Toreador Common Shares thereon.

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

THE DECISION of the Commission is that, pursuant to Section 3.1 of Rule 54-501, Madison be exempt from the requirement to provide the following disclosure in the Proxy Statement with respect to Toreador (including in respect of the financial statements of Texona):

(a) the GAAP Reconciliation Requirement;

(b) the GAAS Reconciliation Requirement;

(c) the MD&A Restatement Requirement; and

(d) the Canadian Oil and Gas Requirements,

provided that, the Proxy Statement is prepared in accordance with Form S-4 under the United States Securities Act of 1933 and other applicable oil and gas disclosure requirements of United States securities laws, and further provided that, the Proxy Statement contains:

(A) a statement to the effect that as at December 31, 2000, Toreador had no additional oil and gas reserves that would be required to be disclosed under Canadian securities law, and in particular, NP 2-B; and

(B) a statement to the effect that more detailed information on Madison's oil and gas reserves can be found in the Madison AIF, with specific page references, provided that, the Madison AIF is in full compliance with the Canadian oil and gas disclosure requirements applicable to annual information forms.

December 4, 2001.

"Iva Vranic"

This Page Intentionally left blank

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 Decisions

3.1.1 Superintendent of Financial Services and OSC vs. Universal Settlements International, Inc.

Court File No. 01-CV-218291
Date: 20011106

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:	
UNIVERSAL SETTLEMENTS INTERNATIONAL, INC., DEREK O'BRIEN AND TONY DUSCIO	*Randy Bennett* for the Applicant Universal Settlements International, Inc.
Applicants	
- and -	
THE SUPERINTENDENT OF FINANCIAL SERVICES AND THE ONTARIO SECURITIES COMMISSION	*Robert Conway* for the Respondent The Superintendent of Financial Services
Respondents	*Yvonne B. Chisholm* for the Respondent/Moving Party, the Ontario Securities Commission
	Heard: October 25, 2001

C. CAMPBELL J.:

REASONS FOR DECISION

[1] The respondents move to quash or alternatively stay the application of USI, Derek O'Brien and Tony Duscio, which application seeks a declaration that neither the *Securities Act,* R.S.O. 1990, c.s.5 and the regulations thereunder nor the *Insurance Act* R.S.O. 1990, c.1.8 apply to USI's business in Ontario.

BACKGROUND

[2] The basis of the motion to quash is that the court does not have jurisdiction, or at the very least, should not exercise jurisdiction at this stage since the Ontario Securities Commission (OSC) has neither refused to register persons to sell USI's product or commenced enforcement proceedings against the applicant. The Superintendent moves on the basis that a hearing has been requested by USI before the Financial Services Tribunal (FST) with respect to matters that are within the jurisdiction of the Superintendent and the FST.

[3] USI seeks in its application statutory interpretation by way of a declaration as to which, if either of the statutes administered by the regulatory agencies applies to its business.

FACTS

[4] The basic facts are not in dispute. For the purposes of the motion to quash, the OSC urges that the appropriateness of the relief sought by the applicants can only be determined once the OSC has had an opportunity to fully consider the issues within the context of its regulatory process and procedure designed to protect investors and foster fair and efficient capital markets to determine whether the applicants' products meet that criteria.

[5] On behalf of the Superintendent it is urged that s.2 of the governing statute provides that the Financial Services Commission of Ontario is to provide regulatory services that protect the public in the sectors supervised by the Superintendent or the Commission and to provide the resources for the proper functioning of the FST. The Superintendent further urges that the applicant may have committed an offence under s.115 of the *Insurance Act*, which makes it an offence for any person, other than an insurer and its duly authorized agent, to traffic or trade in insurance policies as follows:

> "Any person, other than an insurer or its duly authorized agent, who advertises or holds himself, herself of itself out as a purchaser of life insurance policies or of benefits thereunder, or who traffics or trades in life

insurance policies for the purpose of procuring the sale, surrender, transfer, assignment, pledge or hypothecation thereof to himself, herself or itself or any other person, is guilty of an offence".

[6] USI is an Ontario corporation which deals in what are called "life settlements" or "viatical agreements". In essence it is a financial vehicle involving the purchase of the death benefits of life insurance policies of terminally ill persons or senior citizens.

[7] The settlement permits an "investor" or "purchaser" to be entitled to receive the death benefits when a life insured person (viator) dies by paying a discounted price for the policy while the insured is still alive.

[8] The precise manner by which the viatical settlement is purchased has been the subject of consideration by both the OSC under the *Securities Act* and the Superintendent of Financial Services under the *Insurance Act* with a pending hearing with the FST.

[9] For the purpose of determining this motion to quash, it would appear that USI facilitates the purchase by an investor by identifying a qualifying life insurance policy issued by a US life insurer, obtaining from a medical underwriting company in Georgia, USA, a medical evaluation of a terminally ill insured or life expectancy evaluation of a senior citizen who may or may not have a life threatening condition.

[10] The life insured obtains the discounted value of the life benefit prior to death. The investor pays a discounted amount for a certificate that entitles that investor to the full life insurance death benefits on the death of the insured.

[11] The medical evaluation company apparently offers a "tracking service" whereby it tracks or monitors the medical condition and/or death of the viator including receiving postcards from the viator and visiting the viator.

[12] The funds invested by a purchaser in Ontario are apparently to be held in trust by an escrow agent who acts for a Qualified Settlement Provider (QSP), which is a life settlement company licensed in the state where the viator resides. The QSP (a) owns the life insurance contract; (b) pays the premiums; (c) tracks the viator's life; and (d) assists in obtaining the claim for death benefits.

[13] The entire investment is based on the provision to the prospective investor of marketing material based on a sample contract and escrow documents as well as a sample purchasing agreement.

[14] Staff of the OSC have reviewed and considered the material provided by USI through its counsel in Ontario and advised USI on June 19, 2001, that the view of staff was that the interests marketed to Ontario investors by USI fell within the definition of a "security" under the *Securities Act* and as a result securities were being sold in contravention of s.53 (which requires the filing of a prospectus) and s.25 (which requires registration of persons trading in securities).

[15] There is currently no proceeding before the OSC brought either by the applicant or the commission itself to deal with the issues raised in the staff letter.

[16] The Superintendent and his staff investigated USI activities and concluded that there was a contravention of s.115 of the *Insurance Act* as set out above. The applicant was served with a Notice of Proposed Cease and Desist order pursuant to s.441 of the *Insurance Act*. Following receipt of the letter of June 19, 2001, from the OSC the applicant has voluntarily ceased its activities with respect to the matters in issue.

[17] The parties have agreed, for the purposes of this motion to quash, that there is a pending hearing before the FST requested by the applicant in which the applicant intends to argue that the Financial Services Commission of Ontario (FSCO) lacks jurisdiction to regulate the activities of USI.

ISSUE

[18] Should this court deal with the issues raised in the application by way of declaratory relief prior to determination of any current or prospective proceedings before either or both regulatory agencies, namely the OSC and the FST?

ANALYSIS AND LAW

[19] On behalf of USI it is urged that it is appropriate for the court to make a determination on an application invoking Rule 14.05(3) of the Rules of Civil Procedure where there are no material facts in dispute.

[20] USI submits that there is no need for further information or factual record before either of the regulatory agencies and hence no need for a hearing before either. Since the jurisdiction of each agency is limited under their respective statute it is urged the court is the more appropriate forum for resolution of the matters raised.

[21] I accept that the court may have jurisdiction over the subject matter of the application but the issue for this motion is whether any jurisdiction *should* be exercised at this time, given that there has been no hearing before either regulatory agency.

[22] The cases relied on by the applicant for the proposition that the court may exercise jurisdiction must be looked at in light of more current authorities which deal with the deference to be accorded regulatory tribunals which have important public protection functions, are experts in complicated regulation and who have a hearing process that provides the opportunity to advance full argument which can be considered by the tribunal within the context of its mandate.

[23] *Bell v. Ontario (Human Rights Commission)* (1971), 18 D.L.R. (3d) 1 SCC and *Re London Life Insurance Co. & Ontario Human Rights Commission* (1985), 50 D.L.R. I(2d) 748 (HCJ) both deal with a different type of tribunal, a different context and without consideration of the more recent developments of judicial review. A tribunal set up under the *Human Rights Act* is not of the same regulation in the public interest as is either the OSC or the FST.

[24] Counsel for the applicant urges that there are no cases which deal with the difference to be afforded statutory regulatory tribunals which touch on the loss of expediency and of efficiency of resolution which occurs when a person or entity in the position of the applicant faces two sets of hearing under

two statutes giving rise to two conclusions that may or may not be inconsistent and may result in a jurisdiction being exercised by one or other or both or none of the tribunals.

[25] The applicant submits that these circumstances support the declaratory relief sought to enable one procedure before the court that can, in a timely fashion, deal with the issues of what, if any jurisdiction, either tribunal may have.

[26] On behalf of the respondents it is urged that this application is at the very least premature. It is submitted that in the case of OSC there is no hearing process which has been invoked by either the applicant or the commission which has made any determination on the issues raised by the applicant. All there is at the moment is a letter from the staff indicating its position based on hypothetical facts arising from the material filed with it. Counsel for the commission urges that it would be inappropriate for the court to make a determination on a factual background which is at best hypothetical and most likely incomplete.

[27] Ms Chisholm submitted that it is only within the factual context or factual matrix that comes from a proceeding and hearing before the Commission that it can make a determination as to whether or not the investment vehicle of the applicant offends the *Securities Act*. It is submitted that the courts should act on no less a record and indeed, given the expertise of the commission, it would benefit from the consideration of the commission of its own jurisdiction, which, in accordance with the decided cases, would be given deference on a standard of reasonableness.

[28] Counsel for the Superintendent submits that at the request of the applicant there is a pending hearing before the FST. The FST will decide within its jurisdictional mandate whether the activities of the applicant contravene the *Insurance Act* and like the situation with the OSC the court on judicial review not only can then, but should have the factual context provided by the hearing process of the FST.

[29] I am satisfied that the motions of the OSC and the Superintendent should be granted and the application for a declaration quashed on the basis of prematurity.

[30] There have been a number of recent cases in the Supreme Court of Canada commencing with *National Corn Growers Assn. v. Canada (Canada Import Tribunal)* (1990), 74 D.L.R. (4th) 449 (S.C.C.) which have dealt with the deference to be given by the courts and the standard of review to be applied to various types of regulatory tribunals.

[31] The leading case dealing with securities is *Pezim v. British Columbia (Superintendent of Brokers)* (1994), 114 D.L.R. (4th) 385. The issue in that case dealt with the meaning to be given to the phrase "Material Change" under the *Securities Act of British Columbia*. In speaking for the court Iacobucci J. stated as may be summarized from the headnote as follows:

> (1) When reviewing a decision of a securities commission not protected by a privative clause, but from which lies a statutory right of appeal and the case turns on a question of interpretation of the governing statute, the appellate court should give curial deference to the opinion of the securities commission on issues that fall squarely within its area of expertise. Further, the purpose of the statute, the breadth of the commission's powers and the fact that it has a role in policy development, support the fact that the commission has special expertise and also warrant curial deference of the commission.

[32] In *Committee for the Equal Treatment of Asbestos Minority Shareholders v. Ontario (Securities Commission)* (2001), 199 D.L.R. (4th) 577 (S.C.C.) the Supreme Court again confirmed that the standard of review with respect to a decision of the Securities Commission should be one of reasonableness, given its expertise, the purpose of the statute and the nature of the problem.

[33] In *Wilder v. Ontario Securities Commission* (2001), 53 O.R. (3d) 519 C.A. the Court of Appeal recognized the jurisdiction of the Securities Commission to reprimand lawyers for their conduct as solicitors before the OSC, notwithstanding that a lawyer was generally governed by the Law Society's rules of professional conduct. Where the Law Society's rules imposed on the lawyer a duty of confidentiality necessary to defend a client's interest, the court held that the Commission had jurisdiction to review the conduct of the lawyer notwithstanding issues of solicitor-client privilege as long as it, on a case by case basis, insured that the substantive right to solicitor-client privilege was respected.

[34] Two cases in this court confirm the appropriateness of declining declaratory relief where a comprehensive statutory framework exists within a recognized regulatory field being the more appropriate forum for the determination of issues. In *Mahar v. Rogers Cablesystems Ltd.* (1995), 25 O.R. (3d) 690 (Gen. Div.) Mr. Justice Sharpe reviewed the role to be undertaken by an adjudicative body in the context of a broad public mandate, a tribunal (the CRTC) to which a strong degree of curial deference has been granted and where there was a statutory regime including rights and a procedure for their resolution. He held that there should be a strong reluctance to permit jurisdiction to be divided between the specialized agency and the court. He went on to say at p.996:

> It is however, clear that the regulations under the *Broadcasting Act* and the interpretation of those regulations, are not only a central substantive component of the applicant's case, but indeed the focus of the relief that the applicant seeks. To decide this case would require a detailed consideration and interpretation of those regulations. The exercise would require consideration of how those regulations operate in the overall framework of the scheme established by the Act and by the Regulations as the scheme is administered by the C.R.T.C.

[35] At p.701 of the same decision Sharpe J. dealt with the particular relief of a declaration which was sought, which in effect would pre-empt the jurisdiction of the regulatory tribunal in which no decision had been made and stated as follows:

> It is true that this is not a case where review is sought of the decision of the C.R.T.C. nor is it a collateral attack on such a decision. In some ways, however, the case at bar presents a more serious challenge to the integrity of the regime established by Parliament. If the

> applicant's submission were accepted and this court were to decide the case, there would, in effect, be an alternate forum for the determination of an important aspect of the relationship between suppliers of cable services and subscribers. A superior court would be deciding that issue without the benefit of the opinionof the C.R.T.C.....The net result would be to disrupt the scheme envisaged by Parliament for the interpretation of the regulations, a scheme which includes scrutiny by a court exercising jurisdiction akin to that of a superior court.

[36] A similar result was reached in *Ontario Hydro v. Kelly* (1998), 159 D.L.R. (4th) 543 (Ont. Gen. Div.) where MacPherson J. stated at pp.551-2 as follows:

> I believe Sharpe J.'s approach is the correct one. It seems to me that, as a matter of logic, if deference is to be paid to the actual decision of a tribunal, then deference should also be paid to the jurisdiction of the tribunal to make that decision. If the factors of specialization, policy-making role, and limiting overlapping jurisdiction protect the actual decision of a tribunal, those same factors, if present in a particular fact situation, should also protect the integrity of the jurisdiction of the tribunal to make the decision.

[37] Counsel for the applicant urges that the above decisions are applicable to a situation involving a single regulatory tribunal. He urges that where there is more than one tribunal involved and where the decisions of such tribunals may be inconsistent that the court then becomes the more appropriate forum for resolution of all issues in the interests of efficiency and expediency. Counsel was unable to provide me with an authority to support that proposition.

[38] The case of *114557 Canada Ltée v. Hudson (Town)* (2001), 200 D.L.R. (4th) 419 (S.C.C.) was cited by counsel for the respondents for the proposition that there can be two valid competing regulatory authorities that can stand as long as one statute does not compel what the other forbids. In that case what was in issue was the by-law of the Town of Hudson which prohibited the use of pesticides within its territory, except for certain purposes when *Pesticides Act* R.S.Qcp-9.3 permitted a municipality to carry out pesticide application.

[39] Counsel for the applicant submitted that notwithstanding the fact that the above decision involved a constitutional issue it was dealt with by the lower courts on a motion for declaratory judgment.

[40] I am not persuaded that the potential for two different hearings before two different tribunals is sufficient in of itself to warrant the interference by a court. The above authorities emphasize the importance not only of the deference due to regulatory tribunals, but also the importance of having a full background consideration by the tribunal which then determines what its jurisdiction is and what its regulation will be, if any, within that jurisdiction.

[41] I accept the submissions on behalf of the OSC that except in the most extraordinary circumstances a court should not grant declaratory relief where the regulatory authority has not been fully engaged and does have a process for doing so. There is a danger that a court which would make a pronouncement on hypothetical facts might well undermine the policy direction of a regulatory tribunal which has not only a particular case before it, but many policy factors to consider in determining the scope and extent of appropriate regulation.

[42] For the above reasons the motion to quash will be granted on the basis that it is premature. If counsel cannot agree I may be spoken to on the issue of costs.

C. CAMPBELL J.

Released:

Court File No. 01-CV-218291
Date: 20011106

SUPERIOR COURT OF JUSTICE

B E T W E E N:

UNIVERSAL SETTLEMENTS INTERNATIONAL, INC., DEREK O'BRIEN AND TONY DUSCIO

Applicants

- and -

THE SUPERINTENDENT OF FINANCIAL SERVICES AND THE ONTARIO SECURITIES COMMISSION

Respondents

REASONS FOR JUDGMENT

C. CAMPBELL J.

RELEASED: November 6, 2001

3.1.2 Universal Settlements International, Inc. - Endorsement Regarding Costs

Court File No. 01-CV-218291
Date: 20011121

SUPERIOR COURT OF JUSTICE

BETWEEN:

UNIVERSAL SETTLEMENTS INTERNATIONAL, INC., DEREK O'BRIEN AND TONY DUSCIO (Applicants)

AND:

THE SUPERINTENDENT OF FINANCIAL SERVICES AND THE ONTARIO SECURITIES COMMISSION (Respondents)

BEFORE:

C. CAMPBELL J.

COUNSEL:

Randy Bennett for the Applicant Universal Settlements International, Inc.
Robert Conway for the Respondent the Superintendent of Financial Services
Yvonne B. Chisholm for the Respondent the Ontario Securities Commission

ENDORSEMENT

[1] Written submissions have been received in the issue of costs. The unsuccessful Applicant submits that given the novelty of the issue, the Court should consider exercising discretion to refrain from awarding costs. In the alternative, Universal submits costs should be fixed in the amount of $2000 to be divided between the moving parties.

[2] Counsel for the OSC submits that costs to it should be ordered in the sum of $4500 payable forthwith while counsel for the Superintendent seeks $1500 on a party and party basis.

[3] While the costs grid which will be in force as of January 1, 2002 does not yet apply, it does provide a useful guide. In this case, the range for partial to substantial indemnity for a half-day motion would be from $1400 to $2400.

[4] Having considered the factors applicable, including result, and considering that counsel for the OSC bore the main portion of the argument for the Respondents, I conclude that costs in the sum of $2000 for the OSC and $1500 for the Superintendent are appropriate and so fix these costs to be payable forthwith.

MR. JUSTICE C. CAMPBELL

Released: November 21, 2001.

This Page Intentionally left blank

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
Galaxy Online Inc.	27 Sep 01	9 Oct 01	11 Oct 01	30 Nov 01
Axxent Inc. CD Plus.com Ltd.	16 Nov 01	28 Nov 01	28 Nov 01	-
Netactive Inc.	21 Nov 01	3 Dec 01	3 Dec 01	-
Pacific Consolidated Resources Corp.	28 Nov 01	10 Dec 01	-	-
ATC Technologies Corporation	30 Nov 01	12 Dec 01	-	-
Dynasty Motorcar Corporation	30 Nov 01	12 Dec 01	-	-
Rodin Communications Corporation	3 Dec 01	14 Dec 01	-	-
Marketvision Direct, Inc.	5 Dec 01	17 Dec 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	-

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
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	23 Aug 01	-
Online Direct Inc.	22 Aug 01	04 Sep 01	04 Sep 01	-	18 Oct 01
Aquarius Coatings Inc.	23 Aug 01	05 Sep 01	06 Sep 01	9 Oct 01	-
Primenet Communications Inc.	29 Aug 01	11 Sep 01	11 Sep 01	-	26 Oct 01
Unirom Technologies Inc.	30 Aug 01	12 Sep 01	12 Sep 01	-	19 Oct 01
Zaurak Capital Corporation	30 Aug 01	12 Sep 01	12 Sep 01	28 Sep 01	-
Galaxy Online Inc.	14 Sep 01	27 Sep 01	-	27 Sep 01	27 Sep 01
Consumers Packaging Inc.	19 Sep 01	25 Sep 01	25 Sep 01	31 Oct 01	-
Diadem Resources Ltd.	23 Oct 01	5 Nov 01	5 Nov 01	-	-
Armistice Resources Limited	21 Nov 01	04 Dec 01	-	-	-
CTM Cafes Inc.	23 Nov 01	06 Dec 01	-	-	-
Titan Employment Services Ltd.	27 Nov 01	10 Dec 01	-	-	-
RX Neutriceuticals Corp.	29 Nov 01	12 Dec 01	-	-	-

4.3.1 Lapsed Cease Trading Orders

Company Name	Date of Lapse/Expire
Consolidated Grandview Inc.	29 Nov 01

Chapter 5

Rules and Policies

5.1.1 Amendment to OSC Rule 61-501 - Insider Bids, Issuer Bids, Going Private Transactions

NOTICE OF AMENDMENT TO
ONTARIO SECURITIES COMMISSION RULE 61-501
INSIDER BIDS, ISSUER BIDS, GOING PRIVATE TRANSACTIONS
AND RELATED PARTY TRANSACTIONS
(Canadian Venture Exchange Issuers)

Amendment to Rule 61-501

The Ontario Securities Commission (the "Commission") has, under section 143 of the *Securities Act* (Ontario) (the "Act"), made a rule (the "Amendment") that amends Commission Rule 61-501 *Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions* ("Rule 61-501").

The Amendment and the material required by the Act to be delivered to the Minister of Finance were delivered on November 30, 2001. If the Minister does not reject the Amendment or return it to the Commission for further consideration by February 13, 2002, or if the Minister approves the Amendment, the Amendment will come into force on March 1, 2002.

Background

The Commission published a draft of the Amendment for comment on August 24, 2001. The Notice that accompanied the draft Amendment provided background to the Amendment and described the change proposed to be made to Rule 61-501 and the reasons for the change. The comment period ended on November 26, 2001. The Commission received no comments.

Substance and Purpose of the Amendment

The purpose of Rule 61-501 is to provide certain protections to shareholders in connection with insider bids, issuer bids, going private transactions and related party transactions. The protections afforded by Rule 61-501 include independent valuations, minority shareholder approval and enhanced disclosure.

The purpose of the Amendment is to add a new exemption from the requirement to obtain an independent, formal valuation for related party transactions that are subject to, and carried out in accordance with, Canadian Venture Exchange ("CDNX") Policy 5.9 *Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions* ("Policy 5.9").

Policy 5.9 essentially makes Rule 61-501 a policy of CDNX, subject to the addition of certain exemptions. Policy 5.9 applies to all CDNX issuers regardless of whether they are reporting issuers in Ontario. A copy of Policy 5.9 was included with the draft Amendment in the August 24, 2001 Bulletin.

In order to recognize the unique status of CDNX issuers as developing companies, Policy 5.9 contains five exemptions from the formal valuation requirements (the "Exchange Valuation Exemptions") for related party transactions, in addition to the exemptions contained in Rule 61-501. The Exchange Valuation Exemptions apply to certain types of related party transactions that are subject to review by CDNX. The Amendment incorporates the Exchange Valuation Exemptions into the Rule, so that all CDNX issuers will have the benefit of the Exchange Valuation Exemptions, even if they are also reporting issuers in Ontario.

Summary of the Amendment

Section 5.5 of Rule 61-501 requires an issuer involved in a related party transaction to obtain an independent, formal valuation of the subject matter of the related party transaction. Section 5.6 of Rule 61-501 sets out exemptions from the formal valuation requirement. The Amendment provides an additional exemption from the formal valuation requirement where the issuer is subject to Policy 5.9 and has an Exchange Valuation Exemption.

Summary of Written Comments Received by the Commission

No comments were received. However, the Commission has made one minor change to the draft of the Amendment that was published on August 24, 2001, which change is not material. The requirement in the Amendment that CDNX "unconditionally approves the transaction" has been deleted, because Commission staff were advised that CDNX does not typically unconditionally approve transactions that are subject to Policy 5.9 in advance of the closing of such transactions. Instead, the Amendment requires that the subject transaction be carried out in compliance with the requirements of CDNX.

Transitional Matters

The Amendment will apply to related party transactions that are completed on or after the effective date.

Amendment

The text of the Amendment follows.

November 30, 2001.

AMENDMENT TO ONTARIO SECURITIES COMMISSION RULE 61-501

INSIDER BIDS, ISSUER BIDS, GOING PRIVATE TRANSACTIONS AND RELATED PARTY TRANSACTIONS

PART 1 AMENDMENT

1.1 **Amendment** - Rule 61-501 Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions is amended by the addition of the following paragraph 17 to section 5.6:

"17. Canadian Venture Exchange Policy 5.9 - The issuer is listed on the Canadian Venture Exchange ("CDNX"), the transaction qualifies for an Exchange Valuation Exemption as defined in Policy 5.9 of CDNX, *Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions*, and the transaction is carried out in compliance with the requirements of CDNX."

PART 2 EFFECTIVE DATE

2.1 **Effective Date** - This amendment comes into force on March 1, 2002.

Chapter 6

Request for Comments

THERE IS NO MATERIAL FOR THIS CHAPTER

IN THIS ISSUE

This Page Intentionally left blank

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 and other parties relying on exemptions that they are responsible for the completeness, accuracy, and timely filing of Forms 45-501F1 and 45-501F2, and any other relevant form, pursuant to section 72 of the *Securities Act* and OSC Rule 45-501 ("Exempt Distributions").

Reports of Trades Submitted on Form 45-501F1

Trans. Date	Security	Price ($)	Amount
12Nov01 to 16Nov01	724 Solutions Inc. - Common Shares	481,162	182,079
08Nov01	Acuity Pooled High Income Fund - Trust Units	300,000	21,422
16Nov01	Acuity Pooled High Income Fund - Trust Units	150,000	10,710
01Nov01 to 31Nov01	AIC American Focused Fund - Class O Units	44,297	8,895
31Oct01 to 13Nov01	AIC Diversified Canada Fund - Units	23,067	4,296
01Nov01 to 13Nov01	AIC Global Science & Technology Fund - Class O Units	6,584	892
02Nov01 to 13Nov01	AIC World Equity Fund - Units	20,169	3,570
29Oct01	Anthem, Inc. - Common Stock	22,764,236	398,224
01Nov01	Bank of Ireland Asset Management Limited - Units	2,503,375	230,461
01Nov01	Bank of Ireland Asset Management Limited - Units	901,383	82,981
20Nov01	Bow Valley Energy Ltd. - Common Shares	5,000,800	2,632,000
19Nov01	Burgundy Small Companies Fund -	1,111,250	51,586
19Nov01	Canadian Superior Energy Inc. - Flow-Through Special Warrants	7,103,002	4,178,237
16Nov01	CC&L Money Market Fund -	1,150,000	115,000
16Nov01	CC&L Money Market Fund -	425,000	42,500
20Nov01	CC&L Money Market Fund -	370,457	37,045
20Nov01	CC&L Private Client Diversified Fund -	1,943	208
19Nov01	CC&L Private Client Diversified Fund -	12,500	1,338
10Sep01	ChannelLogics, Inc. - Series B Convertible Preferred Stock	US$1,500,000	1,061,571
15Nov01	DR Residential Mortgage Trust - Series A2 Senior Medium Term Secured Floating Rate Notes due May 1, 2003	$5,500,000	$5,500,000
22Nov01	Dynetek Industries Ltd. - Common Shares	2,156,594	586,031
23Nov01	East West Resource Corporation - Common Shares	3,000	12,500
15Nov01	Equity International Investment Trust - Units in a Unit Trust	874,997	616
15Nov01	Fleming Canada Offshore Select Trust - Units in a Unit Trust	249,997	1,146
14Nov01	Hastings Resource Corp. - Special Warrants	149,998	77,319
28Sep01	Kingwest Avenue Portfolio - Units	1,204,088	64,565
15Oct01	Kingwest Avenue Portfolio - Units	944,779	49,956
31Oct01	Kingwest Avenue Portfolio - Units	1,016,054	54,551

Trans. Date	Security	Price ($)	Amount
30Sep01 to 31Oct01	Leeward Bull & Bear Fund L.P. - Limited Partnership Units	1,126,439	1,135
19Oct01	Legacy Hotels Real Estate Investment Trust - Units	1,978,213	284,635
08Feb01	Manhattan Minerals Corp. - Common Shares	112,500	75,000
31Oct01	Morgan Stanley Investment Management Inc. - Units	600,786	57,887
31Oct01	Morgan Stanley Investment Management Inc. - Units	500,680	48,249
23May01	Navitrak International Corporation - Special Warrants	650,000	2,600,000
21Nov01	Negociar Investments Limited Partnership - Limited Partnership Units	450,000	45
12Oct01	OCM Mezzanine Fund, L.P. - Aggregate Capital Commitments	15,659,000	15,659,000
26Nov01	Pacific North West Capital Corp - Property Acquisition	3,660	6,000
26Oct01	Pifher Resources Inc. - Flow-Through Special Warrants	1,500,000	925,925
15Nov01	Pifher Resources Inc. - Flow-Through Special Warrants	450,000	277,779
22Oct01	Principal Financial Group, Inc. - Common Stock	24,504,350	834,158
15Nov01	Rally Energy Corp. - Special Warrants	300,000	600,000
15Nov01	Rally Energy Corp. - Special Warrants	247,500	550,000
14Nov01	Regional Power Inc. - First Mortgage Bond	18,958,197	18,958,197
16Nov01	SHAA (2001) Master Limited Partnership - Limited Partnership Units	18,341,478	1,132
13Nov01	Thornburg Mortgage Inc. - Common Shares	US145,800	9,000
09Nov01	Triax MediaVentures No. 2 Limited Partnership - Limited Partnership Units	50,379,880	47,084
02Nov01	Trident Global Opportunities Fund - Units	154,589	1,439
05Jul01 to 25Sep01	Vanguard Institutional Index Fund, Vanguard Total Stock Market Index Fund - Shares	565,731	17,426
20Nov01	VCA Antech Inc. - Common Shares	US$50,000	5,000
05Nov01 to 23Nov01	Welton Energy Limited - Flow Through Common Shares	460,000	46,000
10Jan00 to 01Nov00	West Fraser Timber Co. Ltd. - Common Shares	28,759	900
20Nov01	Wolfden Resources Inc. - Common Shares	66,000	200,000
01Nov01	XL Capital Ltd. - Class A Ordinary Shares	713,513	5,000

Resale of Securities - (Form 45-501F2)

Date of Resale	Date of Orig. Purchase	Seller	Security	Price ($)	Amount
19Nov01 & 20Nov01	20Jan00	Investor Group Co. Ltd. as Trustee for Investors Canadian Small Cap 11	Aastra Technologies Limited - Common Shares	636,817	39,700
19Nov01 & 20Nov01	23Mar00	United Reef Limited	Asquith Resources Inc. - Common Shares	128,180	511,000

Reports Made under Subsection 5 of Subsection 72 of the Act with Respect to Outstanding Securities of a Private Company That Has Ceased to Be a Private Company -- (Form 22)

Name of Company	Date the Company Ceased to be a Private Company
Flint Energy Services Ltd.	22Nov01

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

Seller	Security	Amount
Shen, Francis N.	Aastra Technologies Limited - Common Shares	200,000
Boardwalk Properties Company Limited	Boardwalk Equities Inc. - Common Shares	350,000
Philvest Inc.	Cinram International Inc. - Common Shares	600,000
Lauren Communications Ltd.	Cossette Communication Group Inc. - Subordinate Voting Shares	39,359
Strong, Kathryn Ketcham	West Fraser Timber Co. Ltd. - Common Shares	25,000

This Page Intentionally left blank

Chapter 9

Legislation

THERE IS NO MATERIAL FOR THIS CHAPTER

IN THIS ISSUE

This Page Intentionally left blank

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Advantage Energy Income Fund
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated December 7th, 2001
Mutual Reliance Review System Receipt dated November 30th, 2001
Offering Price and Description:
$40,009,500 - 5,230,000 Trust Units @ $7.65 per Trust Unit
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Promoter(s):
Advantage Investment Management Ltd.
Project #407123

Issuer Name:
Bank of Montreal
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated November 29th, 2001
Mutual Reliance Review System Receipt dated November 30th, 2001
Offering Price and Description:
US$250,000,000 - 10,000,000 Shares (Non-Cumulative Perpetual Class B Preferred Shares Series 10
@ US$25.00
per Share to yield 5.95%
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Merrill Lynch Canada Inc.
National Bank Financial Inc.
Trilon Securities Corporation
Promoter(s):
-
Project #407109

Issuer Name:
Bell Canada International Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated November 30th, 2001
Mutual Reliance Review System Receipt dated December 3rd, 2001
Offering Price and Description:
$440,241,800 - Issue of Rights to subscribe for Units consisting of Deposit Receipts and Warrants
@$100.00 per Unit
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #407356

Issuer Name:
Brascan Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated December 5th, 2001
Mutual Reliance Review System Receipt dated December 5th, 2001
Offering Price and Description:
$125,000,000 - 8.35% Preferred Securities due December 31, 2050
($25.00 principal amount per Security)
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
HSBC Securities (Canada) Inc.
National Bank Financial Inc.
Merrill Lynch Canada Inc.
Trilon Securities Inc.

Promoter(s):
-
Project #408100

Issuer Name:
CGI Group Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated December 5th, 2001
Mutual Reliance Review System Receipt dated December 5th, 2001
Offering Price and Description:
$124,987,500 - 11,110,000 Class A Subordinate Shares @ $11.25 per Class A Share
Underwriter(s) or Distributor(s):
TD Securities Inc.
CIBC World Markets Inc.
Credit Suisse First Boston Canada Inc.
Merrill Lynch Canada Inc.
BMO Nesbitt Burns Inc.
Yorkton Securities Inc.
Desjardins Securities Inc.

Promoter(s):
-
Project #408113

Issuer Name:
Great Lakes Hydro Income Fund
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated December 5th, 2001
Mutual Reliance Review System Receipt dated December 5th, 2001
Offering Price and Description:
$141,432,500 - 10,286,000 Trust Units @$13.75 per Trust Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.
Merrill Lynch Canada Inc.
Trilon Securities Corp.
FirstEnergy Capital Corp.

Promoter(s):
-
Project #408089

Issuer Name:
Mackenzie Managed Return Capital Class
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated December 5th, 2001
Mutual Reliance Review System Receipt dated December 5th, 2001
Offering Price and Description:
Series A, F, I and O Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
Mackenzie Financial Corporation
Project #407961

Issuer Name:
Maple Leaf Foods Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated November 29th, 2001
Mutual Reliance Review System Receipt dated November 29th, 2001
Offering Price and Description:
$151,499,980 - 14,708,736 Common Shares @ $10.30 per Common Shares
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Promoter(s):
-
Project #405948

Issuer Name:
Maritime Life Canadian Funding
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Shelf Prospectus dated December 3rd, 2001
Mutual Reliance Review System Receipt dated December 3rd, 2001
Offering Price and Description:
$1,500,000,000 - Annuity-Backed, Secured Limited Recourse Notes Issuable in Series and with Recourse Limited to Annuities
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
RBC Dominion Securities Inc.
Project #407452

Issuer Name:
Pengrowth Energy Trust
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated November 30th, 2001
Mutual Reliance Review System Receipt dated December 3rd, 2001
Offering Price and Description:
$ * - * Trust Units @$* per Trust Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Merrill Lynch Canada Inc.
CIBC World Markets Inc.
TD Securities Inc.
National Bank Financial Inc.
Scotia Capital Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Raymond James Ltd.
Dundee Securities Corporation
FirstEnergy Capital Corp.
Promoter(s):
-
Project #407309

Issuer Name:
SNP Health Split Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated November 29th, 2001
Mutual Reliance Review System Receipt dated December 3rd, 2001
Offering Price and Description:
US$ * - * Capital Shares and * Preferred Shares @ US$ per Capital Share and US$25.00 per
Preferred Shares. (Two Capital Shares will be issued for each Preferred Share)
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
Promoter(s):
Scotia Capital Inc.
Project #407157

Issuer Name:
Stressgen Biotechnologies Corporation
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated December 5th, 2001
Mutual Reliance Review System Receipt dated December 5th, 2001
Offering Price and Description:
$25,000,015 - 6,024,100 Common Shares @ $4.15 per Common Share
Underwriter(s) or Distributor(s):
Raymond James Ltd.
BMO Nesbitt Burns Inc.
Yorkton Securities Inc.
Promoter(s):
-
Project #408105

Issuer Name:
Trojan Technologies Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated November 30th, 2001
Mutual Reliance Review System Receipt dated November 30, 2001
Offering Price and Description:
$15,000,000 - 2,000,000 Units @ $7.50 per Unit
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Promoter(s):
-
Project #407064

Issuer Name:
Tundra Semiconductor corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated November 29th, 2001
Mutual Reliance Review System Receipt dated November 29th, 2001
Offering Price and Description:
$15,650,000 - 1,000,000 Common Shares @ $15.65 per Common Shares
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
Paradigm Capital Inc.

Promoter(s):
-
Project #405886

Issuer Name:
Fidelity RSP Focus Telecommunications Fund
Fidelity RSP American Opportunities Fund
Fidelity RSP Focus Financial Services Fund
Fidelity RSP Focus Health Care Fund
Fidelity RSP Focus Technology Fund
Fidelity RSP Overseas Fund
Fidelity RSP Far East Fund
Fidelity RSP Japanese Growth Fund
Fidelity RSP European Growth Fund
Fidelity RSP Growth America Fund
Fidelity RSP International Portfolio Fund
Fidelity RSP Global Asset Allocation Fund
(Series A, Series F and Series O Units)
Fidelity Canadian Balanced Fund
Fidelity Canadian Asset Allocation Fund
Fidelity Global Asset Allocation Fund
(Series A, Series F, Series O and Series T Units)
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated November 28th, 2001 to Simplified Prospectus and Annual Information Form dated September 28th, 2001
Mutual Reliance Review System Receipt dated 4th day of December, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Fidelity Investments Canada Limited
Promoter(s):
-
Project #383052

Issuer Name:
Connor, Clark & Lunn PRINTS Trust
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated November 29th, 2001
Mutual Reliance Review System Receipt dated 29th day of November, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
TD Securities Inc.
Merrill Lynch Canada Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Desjardins Securities Inc.
National Bank Financial Inc.
Scotia Capital Inc.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Canaccord Capital Corporation
Yorkton Securities Inc.
Promoter(s):
Connor, Clark & Capital Markets Inc.
Project #395634

Issuer Name:
Enervest FTS Limited Partnership 2001
Principal Regulator - Alberta
Type and Date:
Final Prospectus dated November 26th, 2001
Mutual Reliance Review System Receipt dated 27th day of November, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #397992

Issuer Name:
MRF 2001 II Limited Partnership
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated November 29th, 2001
Mutual Reliance Review System Receipt dated 29th day of November, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Middlefield Group
Project #398554

Issuer Name:
Manulife Financial Capital Trust
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated December 5th, 2001
Mutual Reliance Review System Receipt dated 6th day of December, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
Merrill Lynch Canada Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
TD Securities Inc.
HSBC Securities (Canada) Inc.
Laurentian Bank Securities Inc.
National Bank Financial Inc.
Promoter(s):
-
Project #398566

Issuer Name:
Navitrak International Corporation
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated November 27th, 2001
Mutual Reliance Review System Receipt dated 29th day of November, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Raymond James Ltd.
Promoter(s):
-
Project #363204

Issuer Name:
STaRS Income Fund
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated November 27th, 2001
Mutual Reliance Review System Receipt dated 29th day of November, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBD Dominion Securities Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
TD Securities Inc.
HSBC Securities (Canada) Inc.
Middlefield Securities Limited
Raymond James Ltd.
Canaccord Capital Corporation
Desjardins Securities Inc.
Dundee Securities Corporation
Wellington West Capital Inc.
Yorkton Securities Inc.
Promoter(s):
Middlefield Group Limited
Middlefield STRS Management Limited
Project #393213

Issuer Name:
TD Select Canadian Value Index Fund
TD Select Canadian Growth Index Fund
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated November 30th, 2001
Mutual Reliance Review System Receipt dated 30th day of November, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
TD Asset Management Inc.
Promoter(s):
-
Project #387698

Issuer Name:
Textron Financial Canada Funding Corp.
Principal Regulator - Nova Scotia
Type and Date:
Final MJDS Prospectus dated November 30th, 2001
Mutual Reliance Review System Receipt dated 4th day of December, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #400399

Issuer Name:
Textron Financial Corporation
Principal Regulator - Nova Scotia
Type and Date:
Final MJDS Prospectus dated November 30th, 2001
Mutual Reliance Review System Receipt dated 4th day of December, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #400420

Issuer Name:
Associates Capital Corporation of Canada
Principal Regulator - Ontario
Type and Date:
Final Short Form Shelf Prospectus dated November 26th, 2001
Mutual Reliance Review System Receipt dated 29th day of November, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
TD Securities Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
Promoter(s):
-
Project #398099

Issuer Name:
Bakbone Software Incorporated
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated December 5th, 2001
Mutual Reliance Review System Receipt dated December 5th, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Golden Capital Securities Ltd.
Promoter(s):
Archie J. Nesbitt
Keith Richard
Project #403953

Issuer Name:
Brascan Corporation
Principal Regulator - Ontario
Type and Date:
Final Short Form Shelf Prospectus dated November 29th, 2001
Mutual Reliance Review System Receipt dated 29th day of November, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #396211

Issuer Name:
COM DEV International Ltd.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated November 30th, 2001
Mutual Reliance Review System Receipt dated 30th day of November, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
TD Securities Inc.
Promoter(s):
-
Project #399956

Issuer Name:
Dominion Canada Finance Company
Principal Regulator - Alberta
Type and Date:
Final Short Form Shelf Prospectus dated November 30th, 2001
Mutual Reliance Review System Receipt dated 3rd day of December, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Promoter(s):
Dominion Resources, Inc.
Project #396492

Issuer Name:
Theratechnologies Inc.
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated December 5th, 2001
Mutual Reliance Review System Receipt dated 5th day of December, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #405061

Issuer Name:
Optima Strategy Cash Management Pool
Optima Strategy Short Term Income Pool
Optima Strategy Canadian Fixed Income Pool
Optima Strategy Global Fixed Income Pool
Optima Strategy RSP Global Fixed Income Pool
Optima Strategy Canadian Equity Small Cap Pool
Optima Strategy Canadian Equity Value Pool
Optima Strategy Canadian Equity Growth Pool
Optima Strategy Canadian Equity Diversified Pool
Optima Strategy US Equity Value Pool
Optima Strategy US Equity Growth Pool
Optima Strategy US Equity Diversified Pool
Optima Strategy RSP US Equity Diversified Pool
Optima Strategy International Equity Value Pool
Optima Strategy International Equity Growth Pool
Optima Strategy International Equity Diversified Pool
Optima Strategy RSP International Equity Diversified Pool
Optima Strategy Real Estate Investment Pool
Principal Regulator - Manitoba
Type and Date:
Final Simplified Prospectus and Annual Information Form dated November 28th, 2001
Mutual Reliance Review System Receipt dated 3rd day of December 3, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Assante Capital Management Ltd.
Assante Asset Management Ltd.
Promoter(s):
-
Project #397561

Issuer Name:
TD FundSmart Managed Balanced Growth RSP Portfolio
TD FundSmart Managed Income & Moderate Growth RSP Portfolio
TD Managed Income & Moderate Growth RSP Portfolio
TD Managed Balanced Growth RSP Portfolio
TD FundSmart Managed Aggressive Growth RSP Portfolio
TD FundSmart Managed Aggressive Growth Portfolio
TD Managed Aggressive Growth RSP Portfolio
TD Managed Aggressive Growth Portfolio
TD FundSmart Managed Maximum Equity Growth RSP Portfolio
TD FundSmart Managed Maximum Equity Growth Portfolio
TD Managed Maximum Equity Growth RSP Portfolio
TD Managed Maximum Equity Growth Portfolio
(ADVISOR SERIES UNITS)
Principal Regulator - Ontario

Type and Date:
Final Simplified Prospectus and Annual Information Form dated November 20th, 2001
Mutual Reliance Review System Receipt dated 29th day of November, 2001

Offering Price and Description:
-

Underwriter(s) or Distributor(s):
TD Asset Management Inc.

Promoter(s):
-

Project #388331

This Page Intentionally left blank

Chapter 12

Registrations

12.1.1 Securities

Type	Company	Category of Registration	Effective Date
Change in Categories	Greystone Managed Investments Inc. Attention: Ronald Schwass c/o McCarthy Tetrault Suite 4700 Toronto Dominion Bank Tower Toronto-Dominion Centre Toronto ON M5K 1E6	From: Extra Provincial Adviser Investment Counsel & Portfolio Manager To: Extra Provincial Adviser Limited Market Dealer (Conditional) Investment Counsel & Portfolio Manager	Nov 27/01
New Registration	Fivestar Asset Management Inc. Attention: Ning-Yuan Guo 20 Wertheim Court Unit 12 Richmond Hill ON L4B 3A8	Investment Counsel & Portfolio Manager	Nov 28/01
New Registration	Benson-Quinn-GMS Inc. Attention: Paul Beauregard c/o Davies Ward Phillips & Vineberg LLP 1 First Canadian Place, 44th Floor PO Box 63 Toronto ON M5X 1B1	Futures Commission Merchant	Nov 30/01
New Registration	Bluestone Financial Corporation Attention: Patricia Anne Rempel 96 Queen Street St Catharines ON L2R 5H3	Mutual Fund Dealer	Nov 30/01

This Page Intentionally left blank

Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 IDA Discipline - Kwok Lai Orson Chan

BULLETIN # 2919
December 2001

DISCIPLINE PENALTIES IMPOSED ON KWOK LAI ORSON CHAN - VIOLATION OF BY-LAW 29.1 AND REGULATION 1300.1(A)

Person Disciplined

The Ontario District Council of the Investment Dealers Association of Canada (the "Association") has imposed discipline penalties on Kwok Lai Orson Chan, at all material times, a registered representative with CIBC World Markets Inc. ("CIBC"), a Member of the Association.

By-laws, Regulations, Policies Violated

On November 22, 2001, the Ontario District Council considered, reviewed and accepted a settlement agreement negotiated between Mr. Chan and Association Staff.

Pursuant to the Settlement Agreement, Mr. Chan admitted that:

- in August 1999, he opened an account and accepted trading instructions for that account from a person who was not authorized to open the account or give trading instructions, contrary to Association By-law 29.1;
- he submitted a document to CIBC that he knew to be forged and failed to advise CIBC that account opening documents previously submitted to it had also been forged, contrary to Association By-law 29.1; and
- he failed to use due diligence and a reasonable standard of care in learning the essential facts relevant to a client and an account, contrary to Regulation 1300.1(a).

Penalty Assessed

The discipline penalties assessed against Mr. Chan are a fine in the amount of $25,000.00 and that, as a condition of his continued approval by the Association, he re-write and pass, within nine months, the examination based on the Conduct and Practices Handbook for Securities Industry Professionals. Mr. Chan was also required to pay $1,500.00 towards the Association's costs in this proceeding.

Summary of Facts

C.C.H., a client of Mr. Chan, made inquiries of Mr. Chan about opening an account in his sister's name, C.C.J.. C.C.J. lived in Taiwan and was a non-resident of Canada.
C.C.H. thought that opening an account in C.C.J.'s name might assist him to reduce his income taxes.

In August 1999, C.C.H. instructed Mr. Chan to open an account in C.C.J.'s name. Mr. Chan entrusted C.C.H. to send the account opening documents to his sister in Taiwan and to have them completed and signed by her. C.C.H. returned the documents to Mr. Chan and Mr. Chan opened the account. There was no signed trading authorization or power of attorney sent with the account opening documents that would have permitted C.C.H. to give trading instructions on behalf of his sister. Notwithstanding this, Mr. Chan proceeded to make purchases in C.C.J.'s account on C.C.H.'s instructions. All of the cash deposits into C.C.J.'s account were transfers from accounts in C.C.H.'s name.

On September 14, 1999, C.C.H. presented Mr. Chan with a letter purportedly signed by C.C.J. instructing CIBC to issue a cheque from her account in C.C.H.'s favour. At that time, Mr. Chan questioned C.C.H. about the letter and C.C.H. admitted that he had forged his sister's signature on the letter and on the account opening documents that had been previously submitted to CIBC. Mr. Chan believed that some of the monies in C.C.J.'s account belonged to C.C.H. because he knew, from his past experience with C.C.J. and C.C.H., that they sometimes mingled funds and considered accounts to be "family monies". Mr. Chan submitted the forged letter to CIBC and requested that a cheque be issued to C.C.H. When CIBC compared the signature on C.C.J.'s passport against the one on the letter, it refused to issue the cheque as it had determined that C.C.J.'s signature had been forged. Mr. Chan admitted, at that time, to knowing that the signature had been forged and that the account opening documents had also been forged. CIBC immediately dismissed Mr. Chan and put the investments purchased in C.C.J.'s account into an account in C.C.H.'s name.

Mr. Chan is currently employed as a registered representative with Research Capital Corporation.

"Kenneth A. Nason"

13.1.2 IDA Settlement Agreement - Kwok Lai Orson Chan

IN THE MATTER OF
DISCIPLINE PURSUANT TO BY-LAW 20
OF THE INVESTMENT DEALERS ASSOCIATION OF CANADA

Re: KWOK LAI ORSON CHAN

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. The staff ("Staff") of the Investment Dealers Association of Canada (the "Association") has conducted an investigation (the "Investigation") into the conduct of Kwok Lai Orson Chan (the "Respondent").

2. The Investigation discloses matters for which the District Council of the Association (the "District Council") may penalize the Respondent by imposing penalties.

II. JOINT SETTLEMENT RECOMMENDATION

3. Staff and the Respondent consent and agree to the settlement of these matters by way of this Settlement Agreement in accordance with By-Law 20.25.

4. This Settlement Agreement is subject to the acceptance of the District Council, in accordance with By-Law 20.26. The District Council may also impose a lesser penalty or less onerous terms than those provided in this Settlement Agreement, or, with the consent of the Respondent, it may also impose a penalty or terms more onerous than those provided by this Settlement Agreement.

5. Staff and the Respondent jointly recommend that the District Council accept this Settlement Agreement.

6. If, at any time prior to the acceptance of this Settlement agreement, or the imposition of a lesser penalty or less onerous terms, or the imposition, with the consent of the Respondent, of a penalty or terms more onerous, by the District Council, there are new facts or issues of substantial concern in the view of Staff, Staff will be entitled to withdraw this Settlement Agreement from consideration by the District Council.

III. STATEMENT OF FACTS

7. Staff and the Respondent agree with the facts as set out in this Section III and acknowledge that the terms of the settlement contained in this Settlement Agreement are based upon those specific facts.

8. The investigation of this matter was initiated as a result of a Uniform Termination Notice ("UTN") received by the Association from CIBC World Markets Inc. ("CIBC") on September 17, 1999.

9. The Respondent was, at all material times, employed as a registered representative by CIBC until his employment was terminated on September 15, 1999.

10. The Respondent has been a registered representative since January 1995. He is currently employed in that capacity with Research Capital Corporation.

11. On August 6, 1999, the Respondent opened a cash account with CIBC having account number 41019932-12 ("the account") in the name of C.C.J., a resident of Taiwan.

12. C.C.J.'s brother, C.C.H., provided the Respondent with the information for the account opening documents. At no time did the Respondent discuss the opening of the account with C.C.J.

13. The Respondent entrusted C.C.H. to have the account opening documents, which consisted of CIBC's "Know Your Client" Form and a Foreign Resident Client Agreement, signed by C.C.J. C.C.H. returned the account opening documents to the Respondent with signatures purporting to be those of C.C.J.

14. The Respondent did not verify if a signed trading authorization, in favour of C.C.H., or a Power of Attorney, was received with the account opening documents.

15. At about the time that the account was opened, C.C.H. made inquiries of the Respondent regarding the possibility of reducing his income tax by purchasing investments in the name of C.C.J. as C.C.J. was a non-resident of Canada and C.C.H. was a resident.

16. Between August 9, 1999, and September 13, 1999, the Respondent, acting on C.C.H.'s instructions, conducted the following transactions on the account:

(a) Purchase of $ 73,385.73 U.S. of Canada Savings Bonds on August 9, 1999;
(b) Purchase of $ 25,770.72 U.S. of Canada Savings Bonds on August 9, 1999;
(c) Deposit of $ 100,000.00 U.S. on August 11, 1999, received directly as a transfer from one of C.C.H.'s accounts;
(d) Purchase of 2,000 shares of Bid Com International on August 31, 1999, for $9, 060.00 U.S.;
(e) Sale of $ 74, 474. 23 U.S. of Canada Savings Bonds on September 2, 1999;
(f) Purchase of $ 63, 187.73 U.S. of Canada Savings Bonds on September 2, 1999;
(g) Purchase of $ 107, 514.12 of Province of Alberta Savings Bonds on September 7, 1999;
(h) Sale of $ 6, 064.04 of Province of Alberta Savings Bonds on September 8, 1999;
(i) Deposit of $ 102, 378.02 on September 9, 1999, transferred from one of C.C.H's accounts;
(j) Deposit of $ 4,061.64 U.S. on September 9, 1999, transferred from one of C.C.H.'s accounts; and
(k) Sale of $ 10,124.51 of Province of Alberta Savings Bonds on September 13, 1999.

17. No Power of Attorney or other authorizing document was filed with CIBC permitting C.C.H. to open the account and to give trading instructions on behalf of C.C.J. However, in the Respondent's prior dealings with C.C.H. and C.C.J., C.C.H. had been an attorney for C.C.J. under a general Power of Attorney. It was the Respondent's belief that C.C.J. also had the equivalent of a general Power of Attorney for C.C.H. in

Taiwan and that funds held in different accounts were sometimes treated as "family monies" by C.C.J. and C.C.H.

18. On or about September 14, 1997, C.C.H. presented the Respondent with a letter, purportedly signed by C.C.J., requesting that a cheque be issued to him from monies in the account ("the Request Letter"). C.C.H. admitted to the Respondent, at that time, that he had forged C.C.J.'s signature on the Request Letter and that he had also previously forged C.C.J.'s signature on the account opening documents.

19. Notwithstanding C.C.H.'s admission, the Respondent submitted the forged Request Letter to CIBC in order to have the cheque issued to C.C.H. After comparing the signature on the forged Request Letter to C.C.J.'s signature on her passport, CIBC refused to issue the cheque.

20. When confronted with the forgery, the Respondent admitted to CIBC that he was aware that both the Request Letter and the opening account documents had been forged. The Respondent explained to CIBC that C.C.H.'s funds had been inadvertently mixed with C.C.J.'s funds in the account and that C.C.H. only wished to withdraw his portion of the funds. The Respondent was immediately dismissed.

21. Shortly thereafter, CIBC reversed all of the transactions in C.C.J.'s account and put them into an account in C.C.H.'s name.

IV. CONTRAVENTIONS

22. The Respondent has engaged in a business conduct or practice that is unbecoming or detrimental to the public interest, contrary to By-Law 29.1, by submitting the forged Request Letter to CIBC and by failing to advise CIBC that the account opening documents for the account had been forged.

23. The Respondent has engaged in a business conduct or practice that is unbecoming or detrimental to the public interest, contrary to By-Law 29.1, by accepting trading instructions from a person other than the apparent owner of the account without obtaining a duly signed trading authorization from the account's owner.

24. The Respondent has violated Regulation 1300.1(a) by failing to exercise due diligence and a reasonable standard of care in learning the essential facts relevant to the account and the client.

V. ADMISSION OF CONTRAVENTIONS AND FUTURE COMPLIANCE

25. The Respondent admits the contravention of the By-Law and Regulations of the Association noted in Section IV of this Settlement Agreement. The Respondent acknowledges his responsibility to comply with the By-laws, Regulations, Rulings and Policies of the Association.

VI. PENALTIES

26. The Respondent hereby accepts the imposition by the Association of the following discipline penalty:
(a) a fine in the amount of $ 25,000.00. The Respondent shall pay $ 15,000.00 within thirty days of the effective date of this Settlement Agreement, as set out in Part VIII herein. The Respondent shall pay the remaining $ 10,000.00 of the fine within 18 months of the effective date of this Settlement Agreement, as set out in Part VIII herein; and
(b) as a condition of approval in any registered capacity by the Association, the Respondent must successfully re-write and pass the examination based on the Conduct and Practices Handbook for Securities Industry Professionals administered by the Canadian Securities Institute within nine months of the effective date of this Settlement Agreement, as set out in Part VIII herein.

VII. ASSOCIATION COSTS

27. The Respondent shall pay the Association's costs of this proceeding in the amount of $1,500.00, payable to the Association within sixty days of the effective date of this Settlement Agreement, as set out in Part VIII herein.

VIII. EFFECTIVE DATE

28. This Settlement Agreement shall become effective and binding upon the Respondent and Staff in accordance with its terms as of the date of:

(a) its acceptance; or
(b) the imposition of a lesser penalty or less onerous terms; or
(c) the imposition, with the consent of the Respondent, of a penalty or terms more onerous,

by the District Council.

IX. WAIVER

29. If this Settlement Agreement becomes effective and binding, the Respondent hereby waives his right to a hearing under the Association By-Laws in respect of the matters described herein and further waives any right of appeal or review which may be available under such By-Laws or any applicable legislation.

X. STAFF COMMITMENT

30. If this Settlement Agreement becomes effective and binding, Staff will not proceed with disciplinary proceedings under Association By-Laws in relation to the facts set out in Section III of the Settlement Agreement.

XI. PUBLIC NOTICE OF DISCIPLINE PENALTY

31. If this Settlement Agreement becomes effective and binding:

(a) the Respondent shall be deemed to have been penalized by the District Council for the purpose of giving written notice to the public thereof by publication in an Association Bulletin and by delivery of the notice to the media, the securities regulators and such other persons, organizations or corporations, as required by Association By-Laws and any applicable Securities Commission requirements; and

(b) the Settlement Agreement and the Association Bulletin shall remain on file and shall be disclosed to members of the public upon request.

XII. EFFECT OF REJECTION OF SETTLEMENT AGREEMENT

32. If the District Council rejects this Settlement Agreement:

(a) the provisions of By-Laws 20.10 to 20.24, inclusive, shall apply, provided that no member of the District Council rejecting this Settlement Agreement shall participate in any hearing conducted by the District Council with respect to the same matters which are the subject of the Settlement Agreement; and

(b) the negotiations relating thereto shall be without prejudice and may not be used as evidence or referred to in any hearing.

AGREED TO by the Respondent at the "City" of "Toronto", in the Province of Ontario, this "23rd" day of "October", 2001.

	"Orson Chan"
WITNESS	KWOK LAI ORSON CHAN
	RESPONDENT

AGREED TO by Staff at the City of Toronto, in the Province of Ontario, this "23rd" day of "October", 2001.

"Belle Kaura"	"Jeff Kehoe"
WITNESS	JEFFREY KEHOE
	Director of Enforcement Litigation, Enforcement Division, on behalf of Staff of the Investment Dealers Association of Canada

ACCEPTED by the Ontario District Council of the Investment Dealers Association of Canada, at the City of "Toronto", in the Province of Ontario, this "22nd" day of "November", 2001.

INVESTMENT DEALERS ASSOCIATION OF CANADA
(ONTARIO DISTRICT COUNCIL)

Per: "Fred Kaufman", Chairperson

Per: "David Kerr"

Per: "Michael Walsh"

Chapter 25

Other Information

25.1 Consent

25.1.1 PacWest Ventures Ltd. - ss. 4(b), OBCA Reg.

Headnote

Consent given to an OBCA corporation to continue under the laws of Canada.

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s.181.
Securities Act, R.S.O. 1990, c. S.5, as am.
Canada Business Corporations Act (Canada), R.S.C. 1985, c.C-44, as am.

Regulations Cited

Regulation made under the Business Corporation Act, Ont. Reg. 289/00, ss.4(b).

IN THE MATTER OF
ONT. REG. 289/00 (THE "REGULATION")
MADE UNDER THE BUSINESS CORPORATIONS ACT
R.S.O. 1990 c. B 16 (THE "OBCA")

AND

IN THE MATTER OF
PACWEST VENTURES LTD.

CONSENT
(Subsection 4(b) of the Regulation)

UPON the application of PacWest Ventures Ltd. ("PacWest") to the Ontario Securities Commission (the "Commission") requesting a consent from the Commission for PacWest to continue into another jurisdiction pursuant to subsection 4(b) of the Regulation;

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

AND UPON PacWest having represented to the Commission that:

1. PacWest is proposing to submit an application to the Director under the Business Corporations Act (Ontario) (the "OBCA") pursuant to section 181 of the OBCA (the "Application for Continuance") for authorization to continue as a corporation under the Canada Business Corporations Act, R.S.C. 1985, c.144, as amended (the "CBCA").

2. Pursuant to subsection 4(b) of the Regulation, where a corporation is an offering corporation, the Application for Continuance must be accompanied by a consent from the Commission.

3. PacWest was incorporated under the provisions of the OBCA on May 21, 1997 under the name "PacWest Investment Banking Inc." The head office of PacWest is located at 140 Fullarton Street, Suite 2002, London, Ontario.

4. Effective December 5, 1997, the articles of PacWest Investment Banking Inc. were amended to change its name to "PacWest Ventures Ltd."

5. The authorized share capital of PacWest is comprised of an unlimited number of common shares and an unlimited number of Class A Preferred Shares, of which 51,022,804 common shares and 1,142,556 Class A Preferred Shares are issued and outstanding.

6. PacWest is an offering corporation under the OBCA, is a reporting issuer in Alberta, British Columbia, Manitoba, Ontario and Saskatchewan, and its common shares, Class A shares and Series A notes are listed for trading on The Toronto Stock Exchange. PacWest intends to remain a reporting issuer in Ontario and in the other jurisdictions in which it is a reporting issuer.

7. PacWest is not in default under any provision of the Act or the regulations of the Act, nor under the securities legislation of any other jurisdiction where it is a reporting issuer.

8. PacWest is not a party to any proceeding nor, to the best of its knowledge, information and belief, any pending proceeding under the Act.

9. The Application for Continuance of PacWest under the CBCA is subject to approval by the shareholders of PacWest by special resolution to be obtained at a Special Meeting of Shareholders (the "Meeting") to be held on December 18, 2001.

10. The joint management Information Circular dated November 13, 2001 provided to all shareholders in connection with the Meeting advised the holders of common shares of PacWest on their dissent rights pursuant to s.185 of the OBCA.

12. The continuance of PacWest under the CBCA is proposed in furtherance of the proposed amalgamation (the "Amalgamation") of PacWest and Pacific & Western Credit Corp., which is incorporated under the CBCA, is a reporting issuer in Alberta, British Columbia, Manitoba, Ontario and Saskatchewan and is not in default under any provision of the CBCA or the

securities legislation of any jurisdiction where it is a reporting issuer.

13. The material rights, duties and obligations of a corporation governed by the CBCA are substantially similar to those of a corporation governed by the OBCA;

THE COMMISSION HEREBY CONSENTS to the continuance of PacWest as a corporation under the Canada Business Corporations Act.

November 30, 2001.

"Paul Moore" "Lorne Morphy"

25.1.2 YM BioSciences Inc. - ss. 4(b), OBCA Reg.

Headnote

Consent given to OBCA corporation to continue under the Nova Scotia Companies Act.

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B16, as am., s.181.
Securities Act, R.S.O. 1990, C.S.5, as am.

Regulations Cited

Regulation made under the Business Corporation Act, R.R.O., Reg. 62, as am by Reg. 290/00, s. 4(b)

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

**IN THE MATTER OF
THE REGULATION MADE UNDER
THE BUSINESS CORPORATIONS ACT, R.S.O. 1990,
c. B.16, AS AMENDED (the "OBCA")**

R.R.O. 1990, REGULATION 289/00 (the "Regulation")

AND

**IN THE MATTER OF
YM BIOSCIENCES INC.**

**CONSENT
(Clause 4(b))
(OBCA Regulation 289/00)**

UPON the application (the "**Application**") of YM BioSciences Inc. (the "**Company**") to the Ontario Securities Commission (the "**Commission**") requesting a consent from the Commission to continue into another jurisdiction pursuant to clause 4(b) of the Regulation;

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

AND UPON the Company having represented to the Commission that:

1. the Company is proposing to submit an application to the Director under the OBCA for authorization to continue into the Province of Nova Scotia pursuant to section 181 of the OBCA (the "**Application for Continuance**");

2. Pursuant to clause 4(b) of the Regulation, where a corporation is an offering corporation under the OBCA, the Application for Continuance must be accompanied by a consent from the Commission;

3. the Company is an offering corporation under the OBCA and is a reporting issuer under the *Securities Act*, R.S.O. 1990, c.S. 5, as amended (the "**Act**");

4. the Company is not in default of any of the provisions of the Act or the regulation made under the Act;

5. the Company is not a party to any proceeding or to the best of its knowledge, information and belief, pending proceeding under the Act;

6. the Company presently intends to remain a reporting issuer in the Province of Ontario;

7. the continuance under the laws of the Province of Nova Scotia was voted on and duly approved by the shareholders of the Company at the annual and special meeting of shareholders of the Company to be held on November 29, 2001;

8. the continuance under the laws of the Province of Nova Scotia has been proposed so that The Company may conduct its affairs in accordance with the *Companies Act* (Nova Scotia) (the "**NSCA**"); and

9. the material rights, duties and obligations of a corporation incorporated under the NSCA are substantially similar to those under the OBCA with the exception that there is not a Canadian residency requirements for the members of the board of directors under the NSCA.

THE COMMISSION HEREBY CONSENTS to the Continuance of YM BioSciences Inc. as a corporation under the laws of the Province of Nova Scotia.

November 30, 2001.

"Paul Moore" "H.Lorne Morphy"

This Page Intentionally left blank

Index