The Ontario Securities Commission

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

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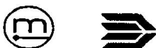

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

December 21, 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
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H. Lorne Morphy, Q. C.	—	HLM
R. Stephen Paddon, Q.C.	—	RSP

SCHEDULED OSC HEARINGS

Date	Matter
Date to be announced	**Mark Bonham and Bonham & Co. Inc.** s. 127 M. Kennedy in attendance for staff Panel: TBA
January 3/2002 10:00 a.m.	**Jack Banks a.k.a. Jacques Benquesus and Larry Weltman** s. 127 Ian Smith in attendance for staff. Panel: PMM
January 8,10,11, 17,18,22,24,25, 31/02 9:30 a.m. February 1, 5, 7 & 8/02 9:30 a.m. March 5,7, 8, 19,21,22,28, 29/02 9:30 a.m. April 2,4,5,11,12/02 9:30 a.m. January 15 & 29/02 2:00 p.m. February 12/ 02 2:00 p.m. March 12 & 26/02 2:00 p.m. April 9/02 2:00 p.m.	**YBM Magnex International Inc., Harry W. Antes, Jacob G. Bogatin, Kenneth E. Davies, Igor Fisherman, Daniel E. Gatti, Frank S. Greenwald, R. Owen Mitchell, David R. Peterson, Michael D. Schmidt, Lawrence D. Wilder, Griffiths McBurney & Partners, National Bank Financial Corp., (formerly known as First Marathon Securities Limited)** s.127 K. Daniels/M. Code/J. Naster/I. Smith in attendance for staff. Panel: HIW / DB / RWD

January 24, 2002 10:00 a.m.	**Yorkton Securities Inc., Gordon Scott Paterson, Piergiorgio Donnini, Roger Arnold Dent, Nelson Charles Smith and Alkarim Jivraj (Piergiorgio Donnini)** s. 127(1) and s. 127.1 J. Superina in attendance for Staff Panel: TBA
January 30, 2002 9:30 a.m.	**Michael Goselin, Irvine Dyck, Donald McCrory, Roger Chiasson** s.127 T. Pratt in attendance for staff Panel: TBA
February 4, 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
February 15, 2002 9:30 a.m.	**Livent Inc., Garth H. Drabinsky, Myron I. Gottlieb, Gordon Eckstein and Robert Topol** J. Superina in attendance for Staff s. 127 Panel: TBA
February 27, 2002 10:00 a.m.	**Rampart Securities Inc.** T. Pratt 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 1, 2 & 3, 2002 10:00 a.m.	**James Frederick Pincock** s. 127 J. Superina in attendance for Staff Panel: TBA
May 6, 2002 10:00 a.m.	**Teodosio Vincent Pangia, Agostino Capista and Dallas/North Group Inc.** S. 127 Y. Chisholm in attendance for Staff Panel: PMM

ADJOURNED SINE DIE

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

Michael Bourgon

DJL Capital Corp. and Dennis John Little

Dual Capital Management Limited, Warren Lawrence Wall, Shirley Joan Wall, DJL Capital Corp., Dennis John Little and Benjamin Emile Poirier

First Federal Capital (Canada) Corporation and Monter Morris Friesner

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

Global Privacy Management Trust and Robert Cranston

Irvine James Dyck

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

Offshore Marketing Alliance and Warren English

Robert Thomislav Adzija, Larry Allen Ayres, David Arthur Bending, Marlene Berry, Douglas Cross, Allan Joseph Dorsey, Allan Eizenga, Guy Fangeat, Richard Jules Fangeat, Michael Hersey, George Edward Holmes, Todd Michael Johnston, Michael Thomas Peter Kennelly, John Douglas Kirby, Ernest Kiss, Arthur Krick, Frank Alan Latam, Brian Lawrence, Luke John Mcgee, Ron Masschaele, John Newman, Randall Novak, Normand Riopelle, Robert Louis Rizzuto, And Michael Vaughan

S. B. McLaughlin

Southwest Securities

Terry G. Dodsley

PROVINCIAL COURT PROCEEDINGS

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

1.1.2 CSA Staff Notice - SEDI Electronic Reporting Deadlines Shifted to January 21, 2002

CANADIAN SECURITIES ADMINISTRATORS' STAFF NOTICE 55-304

SYSTEM FOR ELECTRONIC DISCLOSURE BY INSIDERS (SEDI) NATIONAL INSTRUMENT 55-102

Electronic Reporting Deadlines Shifted - Insider and Issuer Event Reporting Start January 21, 2002

The Canadian Securities Administrators ("CSA") have shifted the date for full implementation of the System for Electronic Disclosure by Insiders (SEDI), the web-based insider reporting system, to Monday, January 21, 2002. Beginning on that date, insiders and issuers must file electronically their insider and issuer event reports using SEDI.

SEDI, located at **www.sedi.ca**, first went live on October 29, 2001 and was scheduled to become fully operational on December 17, 2001. The date has been pushed back to allow system designers to correct a software application error, and to avoid introducing a new mandatory reporting system during a period when many people are on holidays and the typically high volume year-end filings are due.

Until January 21, 2002, the CSA will either, depending on the jurisdiction, refrain from enforcing, vary the time periods of, or issue blanket exemptive relief from, the relevant provisions of National Instrument 55-102 *System for Electronic Disclosure by Insiders (SEDI)* and related instruments, requiring issuers to file electronically issuer event reports, and insiders to file electronically their insider trade reports. Until January 21, 2002, insiders should continue to file insider reports in paper format in the same manner as they currently file these reports.

During the period that the software application error is being corrected, SEDI will be unavailable for SEDI issuers, agents and insiders to register, file issuer profile supplements, or insider profiles. Upon SEDI becoming available again, reporting issuers who were SEDI issuers as at October 29, 2001, but who have not yet filed their issuer profile supplements, should ensure their issuer profile supplements are filed as soon as possible, or contact their securities regulatory authority. Reporting issuers who become SEDI issuers after October 29, 2001, have three business days to file their issuer profile supplements.

Insiders may, but are not obliged to, file insider profiles, provided that their insider profiles are filed before their first insider report is required to be filed on SEDI.

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December 14, 2001

1.1.3 Notice of Minister of Finance Approval for Amendment to Rule

NOTICE OF MINISTER OF FINANCE APPROVAL FOR AMENDMENT TO RULE UNDER THE SECURITIES ACT IN THE MATTER OF CERTAIN REPORTING ISSUERS [INCLUDING NATIONAL POLICY STATEMENT NO. 41]

On December 4, 2001, the Minister of Finance approved the amendment to OSC Rule "In the Matter of Certain Reporting Issuers [including National Policy Statement No. 41] (1997), 20 OSCB 1219, as amended by (1999), 22 OSCB 152, (2000), 23 OSCB 288 and (2000), 23 OSCB 6725". This amendment extends the expiration date of the Rule from December 31, 2001 to June 30, 2002.

The amended Rule is published in Chapter 5 of this Bulletin.

1.1.4 Withdrawal of CSA Notices

Canadian Securities Administrators Staff Notice 11-302

Withdrawal of CSA Notices

Staff of the members of the CSA has determined that the following Notices are no longer required and therefore will be withdrawn in all CSA jurisdictions, effective immediately.

CSAN 11-301	Canadian Securities Administrators Strategic Plan 1999-2001
CSAN 12-305	Exemptive Relief Applications for Year End
CSAN 13-401	Request for Changes, Additions or Improvements for a Revised SEDAR System
CSAN 31-401	Registration Forms Relating to the National Registration Database (not published in Quebec)
CSAN 33-303 & 81-304	Trust Accounts for Mutual Fund Securities
CSAN 43-301	CSA Mining Technical Advisory and Monitoring Committee
CSAN 53-301	The Toronto Stock Exchange Committee on Corporate Disclosure Final Report - CSA Task Force on Civil Remedies
CSAN 55-302	National Instrument 55-102 System for Electronic Disclosure by Insiders (SEDI) - Implementation Date Postponed

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December 21, 2001.

1.1.5 Minister of Finance Approval of NI 33-105 Underwriting Conflicts

Notice of Minister of Finance Approval of National Instrument 33-105 Underwriting Conflicts

On December 4, 2001, the Minister of Finance approved National Instrument 33-105 Underwriting Conflicts (the "National Instrument") as a rule under the Act. The purpose of the National Instrument is to impose appropriate regulatory requirements on distributions of securities in which the relationship between the issuer or selling securityholder of the securities and the registrant acting as underwriter raises the possibility that the registrant will be in an actual or perceived position of conflict between its own interests or those of the issuer or selling securityholder, and those of investors.

Previously, materials related to the National Instrument and Companion Policy 33-105 CP (the "Companion Policy") were published in the Bulletin on February 6, 1998 at (1998), 21 OSCB 781, June 22, 2001 at (2001), 24 OSCB 3805, and October 26, 2001 at (2001), 24 OSCB 6443.

The National Instrument and the Companion Policy will come into effect in Ontario on January 3, 2002.

In connection with the implementation of the National Instrument, the Commission has made, and the Minister of Finance has approved, a Regulation (filed as Regulation 504/01) amending Regulation 1015 of the Revised Regulations of Ontario, 1990 (General). A description of the amendments contained in Regulation 504/01 was previously published in the Bulletin on October 26, 2001 at (2001), 24 OSCB 6444.

The National Instrument and Companion Policy are being published in Chapter 5 of this issue of the Bulletin. The National Instrument together with Regulation 504/01 will also be published in the Ontario Gazette on January 5, 2002.

1.2 News Releases

1.2.1 Start-up of Insider Reporting System Shifted to January 21, 2002 - CSA

For Immediate Release
December 13, 2001

START-UP OF NEW INSIDER REPORTING SYSTEM SHIFTED TO JANUARY 21, 2002

Toronto - Canadian securities regulators have shifted the start-up for their new web-based insider trade reporting system to Monday, January 21, 2002. Beginning on that date, all insider trading activity must be reported electronically within 10 days of the trade, and all such reports will be available to the public.

The System for Electronic Disclosure by Insiders (SEDI) was scheduled to become fully operational on Monday, December 17. The date has been pushed back to allow system designers to correct a software application error. System administrators became aware of the problem on December 10, and shut the system down the same day. This effectively prevented reporting issuers, agents and insiders from continuing to register on SEDI.

Correction of the software application and related testing are expected to be completed within the next few days, allowing issuers, agents and insiders to resume registering. However, the Canadian Securities Administrators are delaying full public implementation until January 21 to avoid introducing a new mandatory reporting system during a period when many people are on holidays and the typically high volume year-end filings are due.

Prior to January 21, insiders are required to continue filing reports under the current paper system. Legal notice of the new effective date will be issued Friday.

SEDI first went live on October 29, 2001, and since that time the majority of Canada's public companies, a growing number of company insiders and agents for issuers and insiders have registered. Once it is fully operational, SEDI will provide greater convenience to market participants and more timely information to investors about insider transactions. SEDI is an initiative of the Canadian Securities Administrators, the umbrella organization representing the 13 provincial and territorial securities commissions.

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1.2.2 OSC Commences Proceedings in Relation to Yorkton Securities, Gordon Scott Paterson, et al.

FOR IMMEDIATE RELEASE
December 17, 2001

OSC COMMENCES PROCEEDINGS IN RELATION TO YORKTON SECURITIES INC., GORDON SCOTT PATERSON, PIERGIORGIO DONNINI, ROGER ARNOLD DENT, NELSON CHARLES SMITH AND ALKARIM JIVRAJ

Toronto - The Ontario Securities Commission (the "Commission") today issued a Notice of Hearing and related Statement of Allegations in respect of Yorkton Securities Inc. ("Yorkton"), Gordon Scott Paterson ("Paterson"), Piergiorgio Donnini ("Donnini"), Roger Arnold Dent ("Dent"), Nelson Charles Smith ("Smith") and Alkarim Jivraj ("Jivraj").

The first appearance in this matter will be held at 10:30 a.m. on Wednesday, December 19, 2001 in the Large Hearing Room of the Commission located on the 17th Floor, 20 Queen Street West, Toronto, Ontario.

The purpose of the hearing is to request the Commission's approval of settlement agreements between Staff and each of Yorkton, Paterson, Dent, Smith and Jivraj, and to set a date for the hearing in respect of Donnini.

A copy of the Notice of Hearing and Statement of Allegations is available at the Commission's website at **www.osc.gov.on.ca**.

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1.2.3 OSC Approves Yorkton Settlement Agreements

FOR IMMEDIATE RELEASE
December 19, 2001

ONTARIO SECURITIES COMMISSION APPROVES YORKTON SETTLEMENT AGREEMENTS

Toronto - The Ontario Securities Commission has approved settlement agreements reached between Staff of the Commission and Yorkton Securities Inc. and four of its current and former officers. The agreement follows an enforcement action initiated Monday, in which OSC staff alleged that the respondents acted contrary to the public interest.

"The sanctions are sufficient to promote the public interest," Howard Wetston, Chair of the OSC panel that approved the settlements, told the hearing. "These orders are intended to restrain the inappropriate conduct of registrants that has arisen out of conflicts of interest. They serve as a strong deterrent against behaviour that undermines the integrity of our capital markets."

Settlement agreements were reached separately with each of the five respondents, and each agreement includes its own list of sanctions.

Yorkton Securities Inc. has agreed to the following sanctions:

- Yorkton will make a voluntary payment to the Commission in the amount of $1,250,000.
- Yorkton is reprimanded by the Commission.
- Yorkton will implement the proposed amendments to an IDA regulation concerning know-your-client obligations.
- Yorkton will ensure that none of its employees own control or direct any offshore entity.
- Yorkton will retain PricewaterhouseCoopers LLP to conduct an independent review of, and report on proper implementation and compliance with, Yorkton's plan to ensure that the firm and its individual registrants meet industry standards and act in the public interest in their ongoing business activities.
- Yorkton will pay $200,000 in respect of the costs of the investigation.
- Yorkton undertakes to cooperate with the Commission and its Staff with any additional investigations.

G. Scott Paterson, formerly the Chairman and Chief Executive Officer of Yorkton, has agreed to the following sanctions:

- he will make a voluntary payment to the Commission in the amount of $1,000,000;
- his registration will be suspended for a period of two years;
- he will not be an officer or director of a registrant for a period of two years;
- he will not own directly or indirectly any interest in a registrant for a period of two years, with the exception of his current interest in Yorkton, which he will make efforts to sell, and which he agrees not to use for the purpose of exercising any influence over Yorkton;

- he is prohibited from trading in securities for a period of six months, with the exception of any sale of his current interest in Yorkton within the next 45 days;
- he is reprimanded by the Commission; and
- he will make an additional payment of $100,000 towards the costs of the investigation.

Roger Arnold Dent, Yorkton's Vice-Chairman, Executive Vice-President and Director of Research, has agreed to the following sanctions:

- a voluntary payment to the Commission in the amount of $50,000;
- a reprimand by the Commission; and
- an additional payment of $10,000 towards the costs of the investigation.

Nelson Charles Smith, Yorkton's Vice-President and Managing Director, Head of Investment Banking, has agreed to the following sanctions:

- a voluntary payment to the Commission in the amount of $15,000;
- a reprimand by the Commission; and
- an additional payment of $5,000 towards the costs of the investigation.

Alkarim Jivraj, currently Yorkton's Vice-President and Managing Director, Technology Investment, has agreed to the following sanctions:

- a voluntary payment to the Commission in the amount of $10,000;
- a reprimand by the Commission; and
- an additional payment of $5,000 towards the costs of the investigation.

A sixth respondent, Piergiorgio Donnini, a former Head Institutional and Liability Trader with Yorkton, is scheduled to appear before the Commission on January 24, 2002 to set a date for a hearing.

The agreements reached today represent the culmination of an 18 month investigation by the Ontario Securities Commission with considerable assistance from enforcement staff at the British Columbia Securities Commission and the Toronto Stock Exchange.

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1.3 Notices of Hearing

1.3.1 Yorkton Securities Inc., Gordon Scott Paterson, et al.

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

AND

**IN THE MATTER OF
YORKTON SECURITIES INC.,
GORDON SCOTT PATERSON, PIERGIORGIO DONNINI,
ROGER ARNOLD DENT, NELSON CHARLES SMITH
AND ALKARIM JIVRAJ**

NOTICE OF HEARING

TAKE NOTICE that the Commission will hold a hearing pursuant to sections 127(1) and 127.1 of the Securities Act, R.S.O. 1990, c.S.5, as amended (the "Act") at the offices of the Commission located at 20 Queen Street West, Toronto, Ontario, in the Large Hearing Room, 17th Floor, on Wednesday, the 19th day of December, 2001, at 10:30 a.m. or as soon thereafter as the hearing can be held:

TO CONSIDER whether, pursuant to sections 127(1) and 127.1 of the Act, it is in the public interest for the Commission:

(a) to make an order approving the proposed settlement entered into between Staff of the Commission ("Staff") and the respondent, Yorkton Securities Inc. ("Yorkton") of this proceeding, pursuant to sections 127 and 127.1 of the Act, which approval will be sought jointly by Staff and Yorkton;

(b) to make an order approving the proposed settlement entered into between Staff and the respondent, Gordon Scott Paterson ("Paterson") of this proceeding, pursuant to sections 127 and 127.1 of the Act, which approval will be sought jointly by Staff and Paterson;

(c) to make an order approving the proposed settlement entered into between Staff and Nelson Charles Smith ("Smith") of this proceeding, pursuant to sections 127 and 127.1 of the Act, which approval will be sought jointly by Staff and Smith;

(d) to make an order approving the proposed settlement entered into between Staff and Roger Arnold Dent ("Dent") of this proceeding, pursuant to sections 127 and 127.1 of the Act, which approval will be sought jointly by Staff and Dent;

(e) to make an order approving the proposed settlement entered into between Staff and Alkarim Jivraj ("Jivraj") of this proceeding, pursuant to sections 127 and 127.1 of the Act, which approval will be sought jointly by Staff and Jivraj;

(f) to make an order that trading in securities by Donnini cease permanently or for such other period as specified by the Commission;

(g) to make an order that Donnini be prohibited from becoming or acting as director or officer of any issuer;

(h) to make an order that the respondents be reprimanded; and

(i) to make an order that the respondents pay costs to the Commission.

BY REASON OF the allegations set out in the related Statement of Allegations of Staff dated December 17, 2001, and such additional allegations as counsel may advise and the Commission may permit;

AND TAKE FURTHER NOTICE that any party to the proceeding may be represented by counsel at the hearing;

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

December 17, 2001.

"John Stevenson"

1.3.2 Statement of Allegations in the Matter of Yorkton Securities Inc., Gordon Scott Paterson, et al.

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

AND

**IN THE MATTER OF
YORKTON SECURITIES INC.,
GORDON SCOTT PATERSON, PIERGIORGIO DONNINI,
ROGER ARNOLD DENT, NELSON CHARLES SMITH
AND ALKARIM JIVRAJ**

**STATEMENT OF ALLEGATIONS
OF STAFF OF THE ONTARIO SECURITIES COMMISSION**

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

THE RESPONDENTS

1. The conduct of the Respondents that is the subject matter of this proceeding occurred prior to February 2001 (the "Material Time").

2. Yorkton is registered as, among other things, a broker and investment dealer under the Act and is a member of, among other things, the Toronto Stock Exchange (the "TSE") and the Investment Dealers Association of Canada (the "IDA"). Yorkton is an employee-owned firm with over 600 employees. Yorkton is a wholly-owned subsidiary of Yorkton Financial Inc. ("Yorkton Financial").

3. Gordon Scott Paterson ("Paterson") was registered as a trading officer and the Chairman and Chief Executive Officer of Yorkton since October 1998, and President of Yorkton from May 20, 1997 to October 1, 1998. During the Material Time, Paterson owned approximately 15% of Yorkton Financial. Paterson was registered as a trading officer with the title of Executive Vice-President and Director from May 16, 1995 to May 20, 1997.

4. Piergiorgio Donnini ("Donnini") was Yorkton's Head Institutional and Liability Trader during the Material Time, with the exception of the period from September 1998 to April 1999 as indicated herein. Donnini's employment with Yorkton was terminated in April 2001. From November 14, 1995 to April 5, 2001, Donnini was registered as a sales representative with Yorkton, with the exception from September, 1998 to April, 1999 when Donnini was not employed with Yorkton.

5. Roger Arnold Dent ("Dent") has been registered since September 1998 as a trading officer and director with the titles of Vice-Chairman, Executive Vice-President and Director of Research of Yorkton. Dent was registered as a trading officer with the title of Vice-President and Director from March 19, 1997 to March 9, 1998, and as Executive Vice-President from March 9, 1998 to September 8, 1998.

6. Nelson Charles Smith ("Smith") is, and has been registered since March 26, 2001, as a trading officer with the titles of Vice-President and Managing Director, Head of Investment Banking. Smith was registered as a trading officer with the title of Vice-President from November 9, 1995 to January 30, 1997, and from January 30, 1997 to March 26, 2001 as Vice-President and Director of Investment Banking for the Media, Entertainment & Leisure Group.

7. Alkarim Jivraj ("Jivraj") has been employed with Yorkton as an investment banker since 1996. Jivraj was registered as an approved, non-trading officer with the title of Vice-President and Director from May 24, 2000 to March 12, 2001. Since March 12, 2001 Jivraj has been registered as an approved, non-trading officer with the title of Vice-President and Managing Director, Technology Investment.

FACTS

GTR Group Inc.

8. GTR Group Inc. ("GTR") was the continuing company formed through the reverse take-over (the "RTO") by Games Trader Inc. ("GTI") of the listed "shell" then known as Xencet Investments Inc. ("Xencet") in October 1998 and the concurrent exchange of securities with shareholders of 1308129 Ontario Inc. ("1308129"). Effective September 5, 2001, GTR changed its name to Mad Catz Interactive Inc. During the Material Time GTR was a reporting issuer in British Columbia, Alberta and Ontario and its common shares were listed and posted for trading on the TSE under the symbol GTR.

9. During the Material Time GTR carried on business through two operating subsidiaries. Through the first of those subsidiaries (which carried on business under the name "Games Trader"), GTR was a supplier of video games to mass merchant and specialty retailers in the United States and Canada, with its principal business activity being the sourcing, refurbishing, repackaging and distribution of previously played video game software. Through the second of those subsidiaries, GTR designed, developed, manufactured (through third parties) and marketed interactive video game control devices and accessories.

10. GTI was, until it was taken public through the RTO, a closely-held company that carried on the business later operated under the "Games Trader" name.

1. Investments by Yorkton Group in GTI

11. In March 1997, Capital Canada Limited ("CCL") made a presentation to representatives of Yorkton concerning an opportunity to participate in the acquisition and financing of GTI. In this presentation, CCL expressed the view that individuals at Yorkton should acquire shares in GTI as a sign of their good faith.

12. In response to this presentation, ultimately Yorkton acquired 250,000 common shares, representing approximately 6% of the outstanding common shares of GTI. Yorkton then transferred those shares to the various persons and entities including Smith, Dent and Patstar Inc., a corporation owned by Paterson (collectively, the "Yorkton Group").

2. Yorkton/Paterson Relationship with Xencet

13. Xencet was incorporated in 1993 as a "junior capital pool" under the name Patch Ventures Inc. ("Patch") at the initiative of, among others, Paterson. In 1994, Patch acquired all of the issued and outstanding shares of Legacy Manufacturing Corporation pursuant to a reverse take-over, following which the name of the company was changed to Legacy Storage Systems International Inc. ("Legacy"). In 1995, Paterson joined the board of directors of Legacy and its shares were listed and posted for trading on the TSE. Paterson has since 1995 also been a shareholder of Legacy and its successor companies.

14. Since 1995, Yorkton has regularly acted as underwriter and financial advisor for Xencet and its predecessor companies and was also a security holder. In particular, Yorkton was the underwriter in respect of two special warrant offerings of Legacy completed in May 1995 and December 1995, and the underwriter in respect of the unit offering of Legacy completed in March 1996. Yorkton also acted as financial advisor to Legacy in connection with the acquisition by Legacy of shares and assets of Rexon Inc., completed in March 1996. Legacy subsequently changed its name to Tecmar Technologies International Inc. in December 1996. In January 1998, its name again was changed to Xencet Investments Inc. ("Xencet") in connection with the proposed sale of the last of its operating businesses. Paterson remained on the board of Xencet (and its predecessor companies as of August 1995) until his resignation from the board on September 30, 1998.

15. Upon completion of the sale of the last of Xencet's operating businesses, in mid-February 1998, Xencet had no significant operations. It held cash and cash equivalents in excess of $7.5 million. Its only other asset was a listing on the TSE. To preserve this listing, the TSE required that Xencet enter into a legally binding agreement by August 18, 1998 to acquire an operating business that, if completed, would result in Xencet meeting the original listing requirements of the TSE. Failing that, the shares of Xencet would be de-listed. The board of directors of Xencet asked Paterson and other firms and individuals and firms to search out business opportunities.

16. In late March 1998, notwithstanding that Xencet had no apparent need or use for additional cash, Paterson proposed to the two other directors of Xencet a transaction pursuant to which Paterson and certain other investors identified by him would acquire for $0.65 per unit approximately 1,150,000 units. Each unit was to consist of one common share in the capital of Xencet and one common share purchase warrant exercisable for $0.70 per share for a period of two years from the date of issue. On March 31, 1998, the closing price of the common shares of Xencet on the TSE was $0.70 per share.

17. The proposed private placement was announced by Xencet on April 30, 1998 (the "Xencet Private Placement"). The Xencet Private Placement closed in late May 1998 at which time 460,000 units were issued to Yorkton in trust for Paterson, and 690,000 units were issued to two Yorkton institutional clients.

18. Xencet's press release of April 30, 1998 did not disclose the identity of the subscribers to the Xencet Private Placement, and certain Yorkton personnel assisting with the RTO were not made aware that Paterson had participated in the Xencet Private Placement until such disclosure was made in the Xencet Information Circular dated August 26, 1998 in connection with the RTO. Paterson signed his subscription agreement in relation to the Xencet Private Placement on May 21, 1998 and filed his insider report on September 16, 1998, reporting his acquisition of 460,000 units of Xencet effective May 22, 1998.

3. The RTO - Role of Yorkton's Officers and Investment Bankers

19. In March 1998, Paterson committed to the board of Xencet resources of Yorkton. In particular, Paterson committed employees of Yorkton to review possible merger or RTO candidates and to report the results of the review to the Xencet Board. As a director of Xencet, Paterson was informed of all business opportunities presented to the Xencet board, and the development of any proposed transaction. Although Paterson committed Yorkton resources to help search out proposed business opportunities, Paterson did not cause Yorkton to enter into an engagement agreement with Xencet. Xencet was not placed on the grey list (also referred to as a watch list) in March 1998. Yorkton did not place Xencet on its grey list until August 13, 1998.

20. During the Material Time, other Yorkton senior officers and investment bankers acted as financial advisors to GTI, including Smith, the Director of Investment Banking for the Media, Entertainment & Leisure Group.

21. Through 1997 and into 1998, representatives of GTI met with Smith, and others at Yorkton, on various occasions to discuss the timing of an initial public offering of GTI and the company's financing requirements.

22. On or about April 16, 1998, Smith, Dent and other employees on behalf of Yorkton, met with the President of GTI for a general business update on GTI. Smith arranged for the GTI President to give a presentation to Paterson on or about April 24, 1998.

23. After that presentation, Paterson advised representatives of GTI that it was Yorkton's view that, given GTI's recent operating results and financial condition, an initial public offering was not likely to be

successfully completed until 1999 or later. Paterson indicated that he was aware, however, of a TSE-listed company that was looking for merger or acquisition candidates and that he would take the information provided by GTI and consider whether there could be a deal between GTI and that listed company. Shortly after this meeting, discussions ensued concerning a possible transaction, and the identity of Xencet was disclosed to GTI.

24. During April and May 1998, GTI was in discussions with Movies & Games 4 Sale, L.P. ("M4S"), a Dallas-based private limited partnership engaged in the same type of business as GTI, with respect to the possible combination of the businesses of GTI and M4S.

25. Paterson introduced GTI to the Board of Directors of Xencet on or about May 5, 1998.

26. In early May, 1998, Paterson, on behalf of Xencet, and a representative of GTI, negotiated the share exchange ratio in respect of the three businesses, such that Xencet, GTI and M4S were agreed to be valued as one-third interests of the proposed business combination. The share exchange ratio agreed to by the parties was not publicly available. In or about early May, 1998, Smith was informed of the share exchange ratio agreed to by Xencet and GTI in relation to the interests of Xencet, GTI and M4S. This information was made available to Dent in or about early May, 1998 by virtue of his role.

27. On or about June 12, 1998, it was determined by the interested parties that the proposed merger/RTO would no longer include M4S as a party to the transaction.

28. On or about June 16, 1998, Paterson, on behalf of Xencet, and representatives of GTI reached an agreement in respect of the share exchange ratio for the proposed RTO of GTI and Xencet. The parties agreed to a 50/50 share exchange ratio. The share exchange ratio agreed to by the parties was not publicly announced at this time. The information concerning the share exchange ratio agreed to by Xencet and GTI was available to each of Dent and Smith in or about mid-June, 1998 by virtue of their roles. On Friday, June 19, 1998, Xencet and GTI also entered into a confidentiality agreement, and began to exchange information under that agreement on Monday, June 22, 1998.

29. In order to proceed with the proposed RTO, GTI also approached the shareholders of GTI and requested that the original shareholders (which included Patstar Inc., Smith and Dent) purchase shares from the founder of GTI.

30. On June 30, 1998, Paterson, Smith and Dent, purchased common shares of GTI. Paterson, through Patstar Inc., purchased 55,627 shares of GTI. Dent and certain of his relatives purchased 30,990 shares of GTI. Smith purchased 2,660 shares of GTI.

31. On July 31, 1998, Xencet and GTI entered into an acquisition agreement (the "Acquisition Agreement"), as amended and restated on August 20, 1998, providing for the acquisition of all the issued and outstanding common shares of GTI, pursuant to securities exchange agreements to be entered into with the holders of GTI common shares in exchange for units of Xencet comprised of common shares and a fractional number of common share purchase warrants.

32. The share ratio agreed to by Xencet and GTI, as reflected in the Acquisition Agreement, was as follows:

"On the terms and subject to the conditions set out herein and in the Securities Exchange Agreement, the transactions contemplated by this Agreement shall be effected by the implementation of the following steps on the Closing Date:

(a) Xencet shall acquire all of the GTI Securities from the GTI Securityholders in exchange for an aggregate of:

(i) 10,300,000 Xencet Common Shares: and

(ii) 1,000,000 Xencet Series A Warrants;

(b) Peter Kozicz shall receive options to purchase 514,884 common shares of Xencet exercisable until April 7, 2000 for the Kozicz Options held by him, it being the intent that the options to be granted to Peter Kozicz will be granted at the market price of the common shares of Xencet, as agreed to with the TSE, and that the accrued gain in the Kozicz Options, being the excess of the exercise price per share of the options to be granted by Xencet to Peter Kozicz over $0.4017 (the "Excess Amount") will be treated as a pre-payment of a portion of the exercise price per share payable under such options equal to the Excess Amount per share of the options to be granted to Peter Kozicz, so that Peter Kozicz is in the same economic position as if he continued to hold the Kozicz Options, and the TSE shall have approved the issuance of such options on the foregoing terms on or before August 12, 1998."

The Acquisition Agreement and the terms contained therein were not then made publicly available.

33. In or about late July 1998, Jivraj was formally assigned to the Xencet, GTI RTO transaction, although Jivraj had information regarding the RTO prior to that date. Jivraj's primary responsibility was to close the financing transaction concurrent with the RTO. In mid 1998, Jivraj became aware that several senior Yorkton officers had recently purchased shares in GTI.

34. In mid 1998, Jivraj approached Paterson and proposed that Paterson sell to him common shares in GTI. Paterson agreed to sell a portion of his position in GTI.

35. On August 19, 1998 Jivraj purchased 2,217 common shares of GTI from Patstar Inc. for $1,441.05.

36. The RTO transaction was publicly announced by Xencet on August 26, 1998, which announcement included disclosure of the share exchange ratio agreed

to by Xencet and GTI as reflected in the Acquisition Agreement, as amended and restated on August 20, 1998. The RTO was completed by October 30, 1998, and the name of the company was changed to GTR as of November 11, 1998. Following the RTO, the common shares of Xencet/GTR traded on the TSE at prices substantially above the price at which the units were sold to Paterson and the two Yorkton institutional clients, pursuant to the Xencet Private Placement, and substantially above the price of the GTI shares purchased by Paterson, Smith, Dent and Jivraj in the summer of 1998.

Kasten Chase Applied Research Limited

37. Kasten Chase Applied Research Limited ("KCA") is a corporation incorporated under the Business Corporations Act (Ontario). KCA develops and applies technology to provide secure remote access to computer networks. KCA was a privately held company up until 1994 at which time Yorkton structured the reverse take over by KCA of the reporting issuer known as Dysis Corp. KCA is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec. The common shares of KCA are listed and posted for trading on the TSE under the symbol KCA. Since 1994 Yorkton has acted as underwriter in respect of several financings and private placements for KCA.

1. First KCA Special Warrant Financing

38. In early February 2000, Yorkton and KCA engaged in discussions about a possible financing of KCA. On February 10, 2000, KCA sought "price protection" from the TSE for an offering of special warrants based on the $1.37 closing price of its common shares on February 9, 2000.

39. On February 11, 2000, KCA executed an engagement agreement with Yorkton under which KCA proposed to raise $5 million by issuing 4 million special warrants priced at $1.25 each (referred to as the "SWI"). Pursuant to subsections 619(a) and (b) and 622 of the TSE Company Manual, special warrants exchangeable into listed common shares may be issued at a discount to the closing price of the common shares on the TSE on the day before the date on which price protection is sought. Each special warrant was to entitle the holder to acquire one common share of KCA and one warrant to acquire one-half of one common share at an exercise price equal to $1.75 per common share.

40. Pursuant to the engagement agreement, Yorkton was entitled to receive an underwriter's commission equal to 8% of the gross proceeds of the offering (or $400,000 in cash commission) and compensation options to acquire 400,000 units at an exercise price of $1.37 per unit. Each unit was to be exchangeable for one common share of KCA and one warrant to acquire one-half of one common share at an exercise price equal to $1.75 per common share. Yorkton did not own freely tradeable shares of KCA at this time.

41. The arrangements between Yorkton and KCA set out in the engagement agreement were confirmed in an underwriting agreement dated February 24, 2000. The financing closed on February 24, 2000.

2. Subscriptions For First KCA Special Warrants

42. During the pre-marketing of SWI, Yorkton's institutional clients expressed a greater demand for the purchase of SWI units than the proposed 4 million units. These clients were prepared to purchase close to 6.5 million KCA units.

43. Accordingly, on February 11, 2000, Yorkton received sufficient orders to purchase the special warrants that resulted in the offering being oversubscribed.

44. Among others, a Yorkton institutional client (the "Yorkton Institutional Client"), subscribed for 340,000 special warrants and a Yorkton retail client (the "Yorkton Retail Client") subscribed for 78,000 special warrants, respectively.

45. Each subscriber was required to complete a subscription agreement and a private placement questionnaire and undertaking in a form prescribed by the TSE. Pursuant to the undertaking, each subscriber undertook to the TSE that, except with the "prior consent" of the TSE, it would not "sell or otherwise dispose of any of the said securities so purchased or any securities derived therefrom for the lesser of" six months or the date that a receipt for a final prospectus in respect of those securities was issued by the Commission.

3. Purchases by Yorkton of KCA Special Warrants

46. The trading price of KCA common shares on the TSE increased substantially from $2.05 per KCA common share at the close of business on February 11, 2000 to $6.75 per common share by the close of business on February 28, 2000. As a result, subscribers for the special warrants enjoyed a substantial unrealized appreciation in value.

47. Commencing in mid-February 2000, certain Yorkton salespersons spoke with some of the subscribers for the special warrants to determine their interest in realizing a profit by selling some or all of their special warrants. The clients approached were pleased to have the opportunity to sell the special warrants and realize a profit on the sale.

48. On or about February 28, 2000, Yorkton agreed to purchase from the Yorkton Institutional Client, for Yorkton's own account, 80,000 of the KCA special warrants at a price of $5.00 per warrant.

49. On or about February 29, 2000, Yorkton agreed to purchase from the Yorkton Retail Client, for Yorkton's own account, 78,000 of the KCA special warrants at a price of $7.65 per warrant. Yorkton charged the Yorkton Retail Client an aggregate commission of

$19,500 on this sale and Yorkton did not disclose to the Yorkton Retail Client that Yorkton was purchasing the special warrants as principal. Yorkton has agreed to credit $19,500 to the account of this client.

50. On or about February 29, 2000, Yorkton agreed to purchase from the Yorkton Institutional Client, for Yorkton's own account, 60,000 of the KCA special warrants at a price of $7.00 per warrant and 100,000 special warrants at a price of $7.75 per warrant.

51. On March 2, 2000, Yorkton sought and obtained the TSE's consent to these purchases of KCA special warrants from the Yorkton Institutional Client and the Yorkton Retail Client, conditional upon, among other things, Yorkton filing a questionnaire and undertaking in the prescribed form. Yorkton failed to file the questionnaire and undertaking as required.

52. Yorkton did not maintain an itemized daily record of the purchases from the Yorkton Institutional Client and the Yorkton Retail Client. The purchases were not recorded, and the trades were not ticketed, until March 3, 2000, the day after TSE consent was received.

4. Yorkton's Borrowing and Short Sales1 in KCA Common Shares

53. Commencing on or about February 15, 2000, with the knowledge and approval of Paterson, Donnini began executing short sales of common shares of KCA for Yorkton's own account.

54. On or about February 17, 2000, Donnini, on behalf of Yorkton, began to borrow KCA common shares from various registered dealers. Between February 15, 2000 and February 28, 2000, Yorkton sold short for its own account approximately 355,000 common shares of KCA. These transactions were transparent to the market as Donnini traded from Yorkton's inventory account.

55. The short sales carried out prior to February 29, 2000, were effected as part of a strategy to lock in Yorkton's profits in relation to compensation options and special warrants from SWI, which could not be freely traded.

5. Second KCA Special Warrant Financing Proposal

56. On February 29, 2000, Paterson presented a financing proposal to the Chief Financial Officer of KCA. Paterson informed Donnini on February 29, 2000 that the proposed second KCA financing was a $10 million special warrant offering at $6.75 per special warrant, and was to have a structure similar to the SWI financing. Given the nature of the information provided by Paterson to Donnini, which was not publicly available, Paterson should have instructed or directed Donnini to cease his short selling of KCA common shares on February 29, 2000, but failed to do so. Having regard to the status of the negotiations, Paterson should have informed Yorkton's compliance department that KCA be placed on the grey list on February 29, 2000, but failed to do so.

57. Prior to the discussion between Paterson and Donnini referred to above, Donnini had discussed with the Chief Financial Officer of KCA on February 29, 2000 matters related to a proposed transaction involving KCA.

58. Donnini was in a special relationship with KCA within the meaning of subsection 76(5) of the Act, and in particular, subsection 76(5)(d) of the Act. The information provided by Paterson to Donnini on February 29, 2000 that the proposed second KCA financing was a $10 million special warrant offering at $6.75 per special warrant, and was to have a structure similar to the SWI financing, was a material fact which had not been generally disclosed on February 29 or March 1, 2000.

59. Following receipt of information from Paterson, as described above, Donnini traded in common shares of KCA for Yorkton's account through jitney trades. By the close of business on February 29, 2000, Donnini had sold short on February 29, 2000 for Yorkton's account 579,000 commons shares of KCA.

60. On the morning of March 1, 2000, the CFO of KCA continued to negotiate the terms of the special warrant offering with Paterson, and by mid-day, KCA had reached an agreement in principle with Yorkton in relation to the following terms of the second warrant financing (subject to board approval of KCA and negotiation of the engagement letter with Yorkton):

- the pricing of the special warrants II offering;
- the size of the special warrants II offering (including the common share purchase warrants and the exercise period and exercise price of the warrants);
- the Commission to be paid to Yorkton in respect of the special warrants II offering, and the number, exercise price and exercise period of the compensation warrants to be issued to Yorkton in respect of the underwriting.

61. On March 1, 2000 KCA sought price protection from the TSE for an offering of special warrants at $6.75 per special warrant based on the $6.90 closing price of KCA's common shares on February 29, 2000.

62. At the close of the day on March 1, 2000, the board of directors of KCA approved the second special warrant financing.

63. On March 1, 2000, Yorkton sold short for its own account a further 440,200 common shares of KCA, of which over 400,000 shares were jitneyed through another investment dealer, which had the effect of concealing Yorkton's involvement in the trade. By the close of trading on the TSE on March 1, 2000, Donnini had sold short for Yorkton's account approximately 1,375,000 common shares of KCA. Paterson took no steps to restrict Donnini's trading in KCA common shares. All of the short sales from February 29 and March 1 were made at prices in excess of the $6.75

price for the KCA SW2 warrants. The average price of these trades (i.e. short sales) excuted by Donnini beginning on the afternoon of February 29 at approximately 2:45 p.m., and continuing on March 1, was $7.48.

64. Yorkton's "bought deal" committee approved Yorkton's participation in the second special warrants financing at about 8:00 a.m. on March 2, 2000. KCA and Yorkton then executed an engagement agreement pursuant to which KCA agreed to raise, and Yorkton agreed to underwrite, $10 million by issuing 1.483 million special warrants priced at $6.75 each. Each special warrant was to entitle the holder to acquire one common share of KCA and one warrant to acquire one-half of one common share at an exercise price equal to $7.75 per common share.

65. Pursuant to the engagement agreement, Yorkton was entitled to receive an underwriter's commission equal to 8% of the gross proceeds of the offering and compensation options to acquire 148,399 units at an exercise price of $6.90 per unit. Each unit was to be exchangeable for one common share of KCA and one warrant to acquire one-half of one common share at an exercise price equal to $7.75 per common share.

66. After Yorkton's "bought deal" committee approved the financing, KCA was placed on Yorkton's "restricted list", which was distributed by e-mail shortly before markets opened on March 2, 2000.

67. The arrangements between Yorkton and KCA set out in the engagement agreement were formalized in an underwriting agreement dated March 15, 2000. The financing closed on March 15, 2000.

68. Yorkton's retail salespersons advised Yorkton's syndication department that they had received indications of interest from sophisticated retail clients in purchasing a total of 609,500 special warrants. Retail sales were allocated 431,000 of the 1.483 million special warrants that were to be distributed. Except for some hedge fund clients, Yorkton's institutional clients were not interested in purchasing KCA units in the second warrant financing. Yorkton purchased, as principal, the remaining 650,000 special warrants at a price of $4,387,500, with the result that fewer special warrants were allocated to sophisticated retail clients.

Book4golf.com Corporation

69. Book4golf.com Corporation ("Book4golf") has since September 22, 1999 been incorporated pursuant to the Canada Business Corporations Act. Book4golf is the developer and owner of Book4golf.com, an e-commerce Web portal that allows golfers to book tee times at various types of golf courses over the Internet. Book4golf is a reporting issuer in British Columbia and Ontario. The common shares of Book4golf are listed and posted for trading on the Canadian Venture Exchange ("CDNX") under the symbol BFG.

70. Dent, Yorkton's Director of Research, became a director of Book4golf on September 22, 1999 and resigned as a director effective January 10, 2001.

1. Book4golf Research Reports

71. Yorkton commenced research coverage of Book4golf effective February 1, 2000. On February 1, 2000, Yorkton issued a "Research Comment" about Book4golf authored by a Yorkton Research Analyst (the "Yorkton Research Analyst"), that contained a "strong buy" recommendation. The Research Comment disclosed that Yorkton had acted as "agent for financing of or financial advisor for" Book4golf within the preceding three years, but did not disclose that Dent was a director of Book4golf.

72. The strong buy recommendation was repeated in research documents on Book4golf authored by the Yorkton Research Analyst dated March 17, 2000; March 22, 2000; April 11, 2000; April 28, 2000; May 3, 2000; June 5, 2000; June 26, 2000; July 17, 2000 and July 31, 2000, variously titled as "Online", "The Wake-Up Call" and "Research Comment". The Yorkton Research Analyst authored two further research documents dated September 26, 2000 and October 16, 2000 in which Yorkton's recommendations changed from "strong buy" to "speculative buy". Each of the foregoing documents (collectively, referred to as the "Research Reports") disclosed that Yorkton had acted as "agent for financing of or financial advisor for" Book4golf, but did not disclose that Dent was a director of Book4golf.

73. The research document dated January 11, 2001, titled "The Wake-Up Call" authored by the Yorkton Research Analyst disclosed that Dent had stepped down as director of Book4golf.

74. At no time did Yorkton or Dent instruct the Yorkton Research Analyst to disclose in the Research Reports that Dent was a director of Book4golf, or instruct the Yorkton Research Analyst to disclose in the Research Reports the existence of a conflict of interest arising from Dent's position as a Book4golf director and Yorkton's research coverage of Book4golf.

2. Book4golf off CDNX Trade

75. Paterson and Yorkton played a major role in the affairs of Somerville Capital Inc., a junior capital pool ("JCP") company, and they continued to play a major role after the RTO transaction that transformed the JCP into Book4golf. Yorkton acted as underwriter and financial advisor. Paterson and other Yorkton employees were shareholders and Paterson publicly supported Book4golf. Yorkton provided research coverage on Book4golf and the Director of Research reported directly to Paterson. Yorkton was the dominant trading member firm in Book4golf shares.

76. On January 24, 2000, Book4golf opened at a price of $17.30, reached a high of $18.05 and a low of $14.00, and closed at $15.85. The following day Book4golf opened at a price of $17.00.

77. On January 24, 2000, a U.S. client of Yorkton's Chicago office wished to sell 100,000 shares of Book4golf. The Chicago office relayed the information to Donnini, the Head of Institutional Trading in Yorkton's Toronto office. Donnini, who reported directly to Paterson, approached Paterson and together they decided to offer a bid price of $13.75 per share, a 25¢ discount to the lowest transaction price on that date. Of the 100,000 Book4golf shares, Donnini purchased 25,000 Book4golf shares in his personal account and Paterson purchased the remaining 75,000 Book4golf shares through the account of his personal holding company.

78. Donnini failed to disclose the 100,000 sale of the Book4golf shares to CDNX and the transactions were only recorded on the books and records of Yorkton on January 25, 2000 "as of January 24, 2000". The size and nature of this transaction would have depressed the market price of Book4golf if it had been placed through the facilities of the CDNX.

79. Paterson actively traded Book4golf shares on January 24, 2000 prior to buying the 75,000 Book4golf shares.

80. From January 26, 2000 to February 18, 2000, Paterson sold 75,000 shares of Book4golf at prices ranging from $16.00 to $23.25. On a "last in, first out" basis, he made a profit of over $400,000.

81. Donnini and Yorkton were sanctioned by the CDNX for failing to report the transaction involving the 100,000 shares of Book4golf. The settlement agreement was approved on June 4, 2001 by a Disciplinary Hearing Panel of the CDNX.

3. Missing Trade Tickets

82. In the course of its investigation giving rise to this settlement agreement, on September 5, 2001, Staff requested that Yorkton provide certain trade tickets in Book4golf.

83. Yorkton was unable to provide to Staff the requested documents as required under Ontario securities law.

84. Yorkton has advised Staff that Yorkton's former external records retention service provider lost the requested documents.

Storage One Inc.

1. Establishment of Storage One

85. Storage One Inc. ("Storage One") was incorporated under the Business Corporations Act (Ontario) as Storage Express Inc. on October 18, 1993 as a subsidiary of Tecmar Technologies Incorporated ("Tecmar"). Storage Express Inc. changed its name to Storage One effective November 10, 1993 and to EcomPark Inc. effective May 19, 1999.

86. Tecmar was a wholly owned subsidiary of Tecmar Technologies International Inc. As noted above in paragraph 17, Tecmar Technologies International Inc. was formerly Legacy Storage Systems International Inc. Paterson was a shareholder of Legacy Storage Systems International Inc. (and the successor companies, including Xencet) from 1995 to date, and a director of Legacy Systems International Inc. (and its successor companies) from 1995 until his resignation from the Xencet board on September 30, 1998.

87. Storage One did not carry on active business until April 14, 1997, when it acquired certain inventory, fixed assets, prepaid expenses and goodwill of the computer storage hardware business carried on by Tecmar. On the advice of Paterson to the board of Tecmar Technologies International Inc., Storage One became a separate company in April, 1997.

88. Effective August, 1997, Storage One became a reporting issuer in British Columbia, Alberta and Ontario. Effective October, 1997, the common shares of Storage One were listed and posted for trading on the Alberta Stock Exchange (as it then was) under the symbol SOJ.

2. August 18, 1997 Prospectus

89. Pursuant to a prospectus dated August 18, 1997, Storage One made an initial public offering (the "August IPO") by which it raised $800,000 by offering 3,200,000 units consisting of a common share and common share purchase warrant. The same prospectus qualified for distribution common shares and warrants issuable upon the exercise of special warrants issued in April 1997 for proceeds of $2,893,500. These investments were described in the prospectus as speculative and involving a high degree of risk.

90. As described in the prospectus under the heading "Management of Storage", each of the four managers of Storage One identified in the prospectus had held management positions with Tecmar or with its computer storage hardware business before that business was acquired by Storage One. Under the heading "Risk Factors", the prospectus stated that Storage One was substantially dependent on the services of a few key personnel, including three of the four managers identified in the prospectus. The prospectus disclosed no concerns about the quality or abilities of management.

91. The financing agreement dated April 14, 1997 between Storage One and Yorkton relating to the offering of the special warrants of Storage One (the "April Private Placement"), required Storage One to deposit into a segregated bank account the majority of the proceeds of that financing and the net proceeds of the sale of units later issued under the prospectus. These funds could be released only with the consent of two Yorkton nominees.

92. In connection with the April Private Placement, these restrictions were required because Paterson had concerns in relation to management's use of funds, and management's ability to manage its cash. Paterson assumed the lead role in respect of Yorkton's underwriting of the April Private Placement.

93. These restrictions remained in place at the time of the August IPO, and are disclosed in the prospectus as follows:

"Pursuant to the Underwriting Agreement, the Corporation agreed to deposit the net proceeds from the offering of Special Warrants in excess of $1,700,000, as well as the net proceeds from this Offering and from the exercise of the Warrants, the New Warrants and the Compensation Options into a segregated bank account of the Subsidiary that requires two signing officers, both of whom are nominees of Yorkton. As long as any funds remain in this bank account of the Subsidiary, the Corporation has also agreed: (i) other than certain existing liens, not to create or permit any lien, claim, security interest or other encumbrance whatsoever against or in respect of the Subsidiary; (ii) to ensure a majority of the board of directors of the Subsidiary are nominees of Yorkton; and (iii) to ensure the Subsidiary does not conduct any active business without the consent of Yorkton. The purpose of the funds deposited to the bank account of the Subsidiary is to identify and pursue future acquisition and expansion opportunities".

94. Paterson's knowledge, information and belief in respect of the management of Storage One, giving rise to the imposition and continuation of these restrictions, was not disclosed in the Storage One prospectus.

3. Paterson's Undisclosed Views About Management

95. In the course of an interview by staff of the CDNX held on June 6, 2000, Paterson testified that in 1997 he had serious concerns about management of Storage One and about management's use of funds when employed by Tecmar. Paterson told the CDNX that the restrictions on the proceeds of the 1997 financings were adopted for this reason. Paterson did not share these views with the Yorkton prospectus due diligence team.

4. Storage One March 1999 Private Placement

96. On February 2, 1999, Storage One announced a proposed private placement offering up to a maximum of 2,920,000 units of Storage One at a price of $0.10 per unit. Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase one additional common share at an exercise price of $.15 per share for a period of two years from the closing date. The private placement closed on March 5, 1999, (the "Storage One Placement"). The Storage One Placement was completed under several private placement exemptions.

97. Following the completion of the Storage One Placement, Yorkton Staff approached Paterson and expressed their disappointment that their clients did not have an opportunity to participate in the recent offering. Paterson contacted Alberta counsel to Storage One to determine if certain investors in the Storage One Placement would consider selling their units.

98. As a result of Paterson's request, arrangements were made on or about July 7, 1999, through Storage One's Alberta counsel, for the sale of approximately 1,062,500 shares of Storage One from an offshore corporation to 17 persons, 12 of which were clients of Yorkton. Paterson advised Yorkton personnel including Dent, that the Storage One shares could only be sold to a non pro client.

99. Dent nonetheless arranged for the sale of 40,000 Storage One shares to a close relative and loaned his close relative funds to purchase the shares.

YORKTON'S CONDUCT CONTRARY TO THE PUBLIC INTEREST

100. The conduct of Yorkton was contrary to the public interest for the reasons set out below.

GTI and Xencet RTO

101. Yorkton permitted a culture of non-compliance, and therefore failed to prevent conflicts of interest in circumstances where Paterson:

(a) played multiple roles as a director and shareholder of Xencet, as a shareholder of GTI, and as a registrant and the then President of Yorkton;

(b) initiated a private placement by Xencet in advance of the RTO when Xencet had no apparent need for additional cash;

(c) caused the private placement to be made available only to Paterson and two institutional clients and not to other Yorkton clients;

(d) purchased units of Xencet on May 22, 1998, having knowledge of undisclosed information in respect of the proposed RTO, in circumstances where Paterson should not have purchased Xencet units;

(e) purchased common shares of GTI on June 30, 1998, having knowledge of undisclosed information in respect of the proposed RTO, in circumstances where Paterson should not have purchased the GTI shares; and

(f) sold GTI shares to Jivraj on or about August 19, 1998 in circumstances where Paterson should not have sold GTI shares to Jivraj, and in circumstances where Paterson should have directed Jivraj not to purchase shares in GTI from Yorkton or any other person.

102. Yorkton permitted a culture of non-compliance in circumstances where:

(a) Smith's purchase of GTI shares on June 30, 1998 placed Smith in a conflict of interest given his position as a registrant, the nature of his involvement in assisting GTI with its financing, and either Smith's knowledge of undisclosed information in respect of the proposed RTO or

the availability to Smith of such undisclosed information by virtue of his role in assisting GTI on the proposed RTO;

(b) Dent's purchase of GTI shares on June 30, 1998 placed Dent in a conflict of interest, given his position as a registrant, the nature of his involvement on the proposed RTO, and either Dent's knowledge of undisclosed information in respect of the proposed RTO or the availability to Dent of such undisclosed information by virtue of Dent's position in Yorkton; and

(c) Jivraj's purchase of GTI shares on August 19, 1998 was contrary to the public interest, given his position as an investment banker, the nature of his involvement in assisting GTI with its financing, and either his knowledge of undisclosed information, including in relation to the share exchange ratio on the reverse takeover transaction between GTI and Xencet and other terms of the Acquisition Agreement, or availability to Jivraj of such undisclosed information.

Kasten Chase

103. Yorkton failed to properly supervise Paterson and Donnini and permitted a culture of non-compliance in connection with the second KCA financing in circumstances where:

(a) Yorkton's head trader, Donnini, traded (i.e. sold short) in excess of 500,000 KCA common shares for the benefit of Yorkton's inventory account on February 29 and March 1, 2000, while Donnini had knowledge of undisclosed information in relation to the price and size of the proposed KCA second warrant financing, and in circumstances where Donnini should not have traded KCA common shares on February 29 and March 1, 2000;

(b) Paterson provided to Donnini undisclosed information in relation to the price and size of the proposed KCA second financing, and failed to direct or instruct Donnini to cease trading in KCA common shares commencing on February 29, 2000. Paterson further failed to notify Yorkton's compliance department that KCA be placed on the grey list on February 29, 2000, having regard to the status of the negotiations between Yorkton and KCA in relation to the proposed KCA second financing; and

(c) Yorkton failed to place KCA on Yorkton's grey list on February 29, 2000.

104. Yorkton permitted a culture of non-compliance and acted in conflict with an issuer client by selling short common shares of KCA while Yorkton was negotiating the second KCA financing, failing to disclose to KCA that Yorkton was trading in KCA common shares on February 29, 2000 when KCA inquired about trading in its securities, and concealing Yorkton's trading in KCA common shares from KCA and the market by jitneying the short sales with another dealer, beginning on February 29, 2000 and continuing on March 1, 2000.

105. Yorkton permitted a culture of non-compliance and acted in conflict of interest with its retail and institutional clients in connection with:

(a) the purchase of special warrants from the Yorkton Retail Client on February 28, 2000 in circumstances where Yorkton did not disclose that it was purchasing as principal and, in connection with those trades for its own account, charged a commission to its client; and

(b) the allocation to its principal account of a larger portion of the second financing, resulting in certain of its sophisticated retail clients not receiving requested allocation.

106. Yorkton failed to maintain appropriate books and records by:

(a) failing to contemporaneously record and ticket the purchases from two Yorkton clients; and

(b) failing to file with the TSE a questionnaire and undertaking in the prescribed form in connection with the purchases by Yorkton of special warrants from the two Yorkton clients.

Book4golf

107. Yorkton failed to properly supervise its research function to ensure that for so long as Dent was a director of Book4golf, Dent should not have supervised or reviewed the Research Analyst's Research Reports in relation to Book4golf. Further, Yorkton failed to disclose in the Research Reports the existence of a conflict of interest arising from the research coverage provided by Yorkton in the Research Reports contemporaneous with an officer and employee of Yorkton (in this case, Dent) serving as a director of Book4golf.

108. Yorkton permitted a culture of non-compliance in relation to the purchase of 100,000 Book4golf shares by Paterson and Donnini on January 24, 2000, in respect of the following:

(i) Having regard to Paterson's multiple roles with Yorkton and Book4golf, and in relation to the purchase by Paterson of 75,000 shares of Book4golf on January 24, 2000, Paterson failed to employ prudent business practices in respect of real or potential conflicts of interest regarding his personal trading, by reason of the following:

(a) as Donnini's supervisor, Paterson failed to ensure Donnini properly reported a transaction from which Paterson personally profited;

(b) Paterson knew or ought to have known that the Book4golf transaction had not

been reported to the CDNX in light of other trades in Book4golf that Paterson made on January 24, 2000; and

(c) as the then CEO of Yorkton, Paterson failed to ensure the appearance of fair and equitable trading, having regard to the involvement of Paterson and Yorkton in heavily promoting Book4golf and having regard to the profit made by Paterson from this transaction.

109. Yorkton failed to maintain appropriate books and records, and in particular, trade tickets for Book4golf, and to provide such records to Staff, as required under Ontario securities law.

Storage One

110. Yorkton failed to properly supervise Paterson, and failed to do sufficient prospectus due diligence to ensure that Paterson's knowledge, information and belief relating to the quality and ability of management of Storage One, was disclosed to the prospectus due diligence team.

111. Yorkton permitted a culture of non-compliance in relation to the sale of Storage One shares by Dent to a close relative, and the loan of funds to the close relative to purchase the shares, in conflict with the interests of Yorkton's clients.

PATERSON'S CONDUCT CONTRARY TO THE PUBLIC INTEREST

112. Paterson's conduct was contrary to the public interest for the reasons set out below.

GTI and Xencet RTO

113. Paterson's conduct in relation to the GTI and Xencet RTO was contrary to the public interest by reason of the following:

(a) Paterson played multiple roles as a director and shareholder of Xencet, as a shareholder of GTI, and as a registrant and President of Yorkton;

(b) Paterson initiated a private placement by Xencet in advance of the transaction required to meet the TSE listing requirements when Xencet had no apparent need for additional cash;

(c) Paterson caused the private placement, which was not underwritten by Yorkton, to be made available only to Paterson and two institutional clients and not to other Yorkton clients;

(d) Paterson closed the purchase of units of Xencet on May 22, 1998, having knowledge of undisclosed information in respect of the proposed RTO;

(e) Paterson purchased common shares of GTI on June 30, 1998, having knowledge of undisclosed information in respect of the proposed RTO; and

(f) Paterson sold GTI shares to Jivraj on or about August 19, 1998 where by reason of the foregoing, Paterson should not have done so. Paterson should have directed Jivraj not to purchase shares in GTI from Yorkton or any other person.

Kasten Chase

114. Paterson's conduct in relation to the second KCA financing was conduct contrary to the public interest by reason of the following:

(a) Paterson provided to Donnini undisclosed information in relation to the price and size of the proposed KCA second financing on February 29, 2000, and failed to direct or instruct Donnini to cease trading in KCA common shares commencing on February 29, 2000. Paterson further failed to notify Yorkton's compliance department that KCA be placed on the grey list commencing on February 29, 2000, having regard to the status of the negotiations between Yorkton and KCA in relation to the proposed KCA second financing.

Book4golf

115. Having regard to Paterson's multiple roles with Yorkton and Book4golf, and in relation to the purchase by Paterson of 75,000 shares of Book4golf on January 24, 2000, Paterson failed to employ prudent business practices in respect of real or potential conflicts of interest regarding his personal trading, by reason of the following:

(a) Paterson, as Donnini's supervisor, is accountable for Donnini's failure to have properly reported a transaction from which Paterson personally profited;

(b) Paterson knew or ought to have known that the Book4golf transaction had not been reported to the CDNX in light of other trades in Book4golf that Paterson made on January 24, 2000; and

(c) as the then CEO of Yorkton, Paterson failed to ensure the appearance of fair and equitable trading, having regard to the involvement of Paterson and Yorkton in publicly supporting Book4golf and having regard to the profit made by Paterson from this transaction.

Storage One

116. Paterson's conduct was contrary to the public interest in that he failed to disclose to the Yorkton due diligence team his knowledge, information and belief relating to the quality and ability of management of Storage One. As a result of this failure, Paterson's knowledge,

information and belief relating to the quality and ability of management of Storage One was not disclosed in the Storage One prospectus.

DONNINI'S CONDUCT CONTRARY TO THE PUBLIC INTEREST

Kasten Chase

117. Donnini's conduct was contrary to the public interest and contrary to section 76(1) of the Act by reason of the following:

   (a) Pursuant to subsection 76(1) of the Act, no person or company in a special relationship with a reporting issuer shall purchase or sell securities of the reporting issuer with knowledge of a material fact or material change with respect to the reporting issuer that has not been generally disclosed. Donnini was in a special relationship with KCA within the meaning of subsection 76(5) of the Act, and in particular, subsection 76(5)(d) of the Act. The information provided to Donnini by Paterson on February 29, 2000 that the proposed second KCA financing was a $10 million special warrant offering at $6.75 per special warrant and was to have a structure similar to the SWI financing, was a material fact which had not been generally disclosed on February 29 or March 1, 2000; and

   (b) Donnini, as Yorkton's head trader, traded (i.e. sold short) in excess of 500,000 KCA common shares for the benefit of Yorkton's inventory account on February 29 and March 1, 2000, while Donnini had knowledge of a material fact in relation to the price and size of the proposed KCA second warrant financing, contrary to subsection 76(1) of the Act and contrary to the public interest.

DENT'S CONDUCT CONTRARY TO THE PUBLIC INTEREST

118. Dent's conduct was contrary to the public interest for the reasons set out below.

Xencet and GTI RTO

119. Dent's purchase of GTI shares on June 30, 1998 placed Dent in a conflict of interest, given his position as a registrant, and either Dent's knowledge of undisclosed information in respect of the proposed RTO or the availability to Dent of such undisclosed information by virtue of Dent's position in Yorkton.

Book4golf

120. Dent's conduct was contrary to the public interest in that he failed to direct or instruct the Yorkton Research Analyst to disclose in the Research Reports Dent's position as a director of Book4golf. Dent further failed to direct or instruct the Yorkton Research Analyst that the Research Reports disclose the existence of a conflict of interest arising from Dent's position as a director of Book4golf and the research coverage provided by Yorkton in the Research Reports.

Storage One

121. As described above, Dent's conduct was contrary to the public interest in that Dent arranged for the sale of Storage One shares to a close relative, and loaned his close relative funds to purchase shares, in conflict with the interests of Yorkton's clients.

SMITH'S CONDUCT CONTRARY TO THE PUBLIC INTEREST

Xencet and GTI RTO

122. Smith's conduct was contrary to the public interest by reason of the following:

   Smith's purchase of GTI shares on June 30, 1998, placed Smith in a conflict of interest given his position as a registrant, the nature of his involvement in assisting GTI with its financing, and either Smith's knowledge of undisclosed information in respect of the proposed RTO or the availability to Smith of such undisclosed information by virtue of his role in assisting GTI on the proposed RTO.

JIVRAJ'S CONDUCT CONTRARY TO THE PUBLIC INTEREST

Xencet and GTI RTO

123. Jivraj's purchase of GTI shares was contrary to the public interest given his position as an investment banker, the nature of his involvement in assisting GTI with its financing, and either Jivraj's knowledge of undisclosed information in respect of the proposed RTO or the availability to Jivraj of such undisclosed information by virtue of his role in assisting GTI on the proposed RTO.

Other

124. Such additional allegations as Staff may submit and the Commission may permit.

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Drayton Valley Power Income Fund - MRRS Decision

Headnote

Issuer deemed to have ceased to be reporting issuer under the Act.

Applicable Ontario Statutory Provisions

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

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

AND

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

AND

**IN THE MATTER OF
DRAYTON VALLEY POWER INCOME FUND**

MRRS DECISION DOCUMENT

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

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

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

1. the Filer is an open-ended trust established under the laws of the Province of Alberta pursuant to an amended and restated trust indenture effective January 2, 1997, as amended by a first supplemental trust indenture to the amended and restated trust indenture effective June 15, 1998, and as further amended by the second supplemental trust indenture to the amended and restated trust indenture effective July 27, 2001 (as amended, the "Trust Indenture"), is a reporting issuer in each of the Jurisdictions and, with the exception of not having filed the confirmation of mailing for the interim financial statements for the quarter ended June 30, 2001, is not in default of any of the requirements of the Legislation;

2. the Filer's head office is located at Suite 210, 2085 Hurontario Street, Mississauga, Ontario;

3. the aggregate number of trust units (the "Trust Units") which the Filer may be authorized to issue is unlimited. 7,991,120 Trust Units are currently issued and outstanding;

4. as a result of an offer dated June 15, 2001 by Algonquin Acquisition Inc. ("Algonquin") to purchase all of the outstanding Trust Units of the Filer, and a subsequent compulsory acquisition of the remaining Trust Units pursuant to the provisions of the Trust Indenture, Algonquin owns all of the Trust Units;

5. the Trust Units of the Filer were delisted from The Toronto Stock Exchange on August 23, 2001 and no securities, including debt securities, of the Filer are listed or quoted on any exchange or market;

6. the registers of the Filer are not open for the transfer of its Trust Units;

7. other than the Trust Units, the Filer has no securities, including debt securities, outstanding; and

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

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

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

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

December 6, 2001.

"John Hughes"

2.1.2 Mansfield Trust/Fiducie Mansfield - MRRS Decision

Headnote

Mutual Reliance Review System - issuer of asset-backed securities exempt from the requirement to prepare, file and deliver interim and annual financial statements and annual information circulars or, where applicable, annual reports in lieu of an information circular subject to conditions, including the requirement to prepare, file and deliver monthly and annual reports regarding performance of pools of securities assets.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., 77, 78,79, 80(b)(iii), 88(2)(b).

Regulations Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., s. 5.

Policies Cited

National Policy Statement No. 41.
National Instrument 44-101 Short Form Prospectus Distributions.

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

AND

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

AND

**IN THE MATTER OF
MANSFIELD TRUST/FIDUCIE MANSFIELD**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and Newfoundland (the "Jurisdictions") has received an application from Sun Life Assurance Company of Canada ("Sun Life Assurance") on behalf of Mansfield Trust/Fiducie Mansfield (the "Issuer"), for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the provisions of the Legislation concerning the preparation, filing and delivery of interim and annual financial financial statements and the annual filing of an information circular or, where applicable, an annual report in prescribed form in lieu thereof; and to prepare an information circular, where management of the Issuer solicits the proxies of holders of "voting securities" in respect of a meeting of which notice has or will be given, shall not apply to the offering of the Certificates (as defined below) and such additional certificates as may be set forth in the Schedule attached hereto ("Additional Certificates").

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 Issuer has represented to the Decision Makers as follows:

1. The Issuer is a special purpose trust which was established by The Trust Company of Bank of Montreal (the "Issuer Trustee") under the laws of Ontario pursuant to a declaration of trust dated as of May 24, 2001, the beneficiary of which is a registered charity. The only security holders of the issuer will be the holders of its asset-backed securities (the "Certificateholders").

2. The Issuer proposes to offer pass-through certificates, from time to time to the public in Canada, that will entitle the holders to the cash flows of discrete pools of commercial and residential mortgages, hypothecs or other charges on real or immovable property situated in Canada, and other financial assets such as bonds, debentures or other evidences of indebtedness and all related assets (including the proceeds thereof and any related security) owned by Sun Life Assurance (collectively, the "Assets") that by their terms convert into cash within a finite time period, and any rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of the Certificates ("asset-backed securities"), to finance the purchase by the Certificateholders of undivided ownership interests in Assets ("Ownership Interests") from Sun Life Assurance or an affiliate thereof. The Certificates will be sold to the public pursuant to short form prospectuses on the basis of an approved rating by an approved rating organization, as those terms are defined in National Instrument 44-101 *Short Form Prospectus Distributions* or any successor instruments thereto.

3. The issuer filed a short form prospectus dated July 17, 2001 with each of the Canadian provincial securities regulatory authorities for the issuance of approximately $253,300,000 aggregate principal amount of Commercial Mortgage Pass-Through Certificates Series 2001-1 (the "Certificates") and received receipts for such prospectus from each of the Canadian provincial securities regulatory authorities (the "Transaction").

4. As a special purpose trust, the Issuer will not carry on any activities other than purchasing the Assets and issuing asset-backed securities. The Issuer may from time to time seek to issue Additional Certificates in connection with asset-backed securities transactions, similar to the Transaction, which it may undertake in the future, in which case the Issuer may seek from the Decision Makers a variation of the relief granted hereunder so as to include such Additional Certificates.

5. The Issuer currently has and will have no material assets or liabilities other than its rights and obligations arising from acquiring Assets and immediately issuing Certificates.

6. The Issuer Trustee has delegated its duties under the Declaration of Trust to Sun Life Assurance (in such capacity, the "Administrative Agent") pursuant to an administration agreement dated as of May 24, 2001 (the "Administration Agreement"). The Administrative Agent will be paid the annual administrative fee collected by the Trust equal to 0.03% of the aggregate principal balance of the non-residual or non-interest only Certificates of the Trust issued pursuant to the Transaction and then outstanding, less $100 per month. This is the only compensation to be received by the Administrative Agent for its agreement to pay the Trust's costs and expenses.

7. The issuer has no directors and no officers.

8. No insider of the Issuer or associate or affiliate of such insider, has a direct or indirect interest in any transaction which has materially affected or would materially affect the Issuer.

9. The auditors of the Issuer are Deloitte & Touche LLP.

10. The information contained in the interim and annual financial statements of the Issuer is not and will not be relevant to Certificateholders since such Certificateholders only have recourse to the Assets (or ownership interests therein) securing their series of Certificates and do not have any recourse to any other assets of the Issuer.

11. For each offering of Certificates, the Issuer and, among others, Sun Life Assurance, as master servicer (the "Master Servicer"), The Canada Trust Company, as custodian on behalf of Certificateholders (the "Custodian") and a reporting agent (the "Reporting Agent") will enter into a pooling and servicing agreement (the "Pooling and Servicing Agreement") providing for the issuance of Certificates and governing the rights of Certificateholders. There is, however, a possibility that other parties acceptable to the rating agencies rating a particular series of Certificates may serve as Master Servicer.

12. The Pooling and Servicing Agreement will provide for certain administrative functions relating to the asset-backed securities, such as maintaining a register of holders of asset-backed securities and other duties specified in the Pooling and Servicing Agreement including the making of periodic reports to Certificateholders.

13. The Issuer, Master Servicer or Reporting Agent will provide, on a website to be identified in the relevant short form prospectus for the Certificates or in correspondence sent to Certificateholders, or otherwise as provided for in the relevant prospectus, no later than the fifteenth day of each month (or such subsequent business day as is provided in the Pooling and Servicing Agreement if the fifteenth day of the month is not a business day) the financial and other information prescribed therein to be delivered or made available to Certificateholders on a monthly basis, together with such additional information as may be prescribed by the Decision Makers (the "Distribution Date Statement"), signed by the Issuer or on its behalf by its duly appointed representative, and will contemporaneously file or cause to be filed reasonably contemporaneously therewith a summary of such information as contained in the Distribution Date Statement on the System for Electronic Document Analysis and Retrieval ("SEDAR"). The monthly information includes (i) a Distribution Date Statement in the form attached to the applicable prospectus and (ii) a Commercial Mortgage Securities Association ("CMSA") loan periodic update file.

14. Notwithstanding paragraph 13, the Issuer may amend the contents of the financial and other information posted on the website and filed on SEDAR in order not to disclose the names of individual obligors of Assets as may be required by confidentiality agreements or other obligations of confidentiality binding on the Issuer.

15. There will be no annual meetings of Certificateholders. The Pooling and Servicing Agreement provides that only the holders of a certain percentage of Certificates of each series of the Issuer have the right to direct the Custodian to take certain actions under the Pooling and Servicing Agreement with respect to such series of asset-backed securities.

16. On not less than an annual basis, the Issuer will request intermediaries to deliver a notice to Certificateholders pursuant to the procedures stipulated by the Rule entitled *In the Matter of Certain Reporting Issuers* [including National Policy Statement No. 41] (1998) 21 OSCB 6437, or any successor instrument thereto, advising Certificateholders that the monthly information prescribed in paragraph 13 hereof, the quarterly information prescribed in paragraph 18 and the annual information prescribed in paragraph 19 is available on SEDAR and on a website, the website address, and that Certificateholders may request that paper copies of such reports be provided to them by ordinary mail.

17. On a quarterly basis, the Issuer will publish in a national business newspaper in circulation throughout Canada and in a French language newspaper in Montreal a notice to Certificateholders advising Certificateholders that the monthly information prescribed in paragraph 13 hereof, the quarterly information prescribed in paragraph 18 hereof and the annual information prescribed in paragraph 19 hereof is available on a website, the website address, and that Certificateholders may request that paper copies of such reports be provided to them by ordinary mail.

18. Within 60 days of the end of each fiscal quarter of the Issuer, the Issuer or its duly appointed representative or agent will post on the applicable website or mail to Certificateholders who so request in accordance with the procedures set forth above and will contemporaneously file on SEDAR management's discussion and analysis ("MD&A") with respect to the

applicable pool of Assets included in the Issuer's Annual Information Form filed with the Decision Makers (as supplemented by any short form prospectuses filed by the Issuer during the intervening period).

19. Within 140 days of the end of each fiscal year of the Issuer, the Issuer or its duly appointed representative or agent will post on the applicable website or mail to Certificateholders who so request in accordance with the procedures set forth above and will contemporaneously file on SEDAR:

    (a) cumulative financial and other information as prescribed by the Decision Makers for the last completed fiscal year with respect to the applicable pool of Assets;

    (b) MD&A with respect to the applicable pool of Assets included in the Issuer's Annual Information Form filed with the Decision Makers (as supplemented by any short form prospectuses filed by the Issuer during the intervening period);

    (c) an annual statement of compliance signed by a senior officer of each applicable Master Servicer or other party acting in a similar capacity on behalf of the Issuer for the applicable pool of Assets, certifying that the Master Servicer or such other party acting in a similar capacity has fulfilled all of its obligations under the related Pooling and Servicing Agreement during the year or, if there has been a Default, specifying each such Default and the status thereof; and

    (d) an annual accountants' report in form and content acceptable to the Decision Makers prepared by a firm of independent public or chartered accountants acceptable to the Decision Makers respecting compliance, with the exception noted below, by the Master Servicer (or such other party acting in a similar capacity) with the Uniform Single Attestation Program (USAP) or such other servicing standard acceptable to the Decision Makers. Pursuant to the Pooling and Servicing Agreement, the Master Servicer does not have to have in effect a fidelity bond and errors and omissions policy, required under Article VII of the USAP, so long as it maintains a minimum rating of "A" (or its equivalent) from prescribed rating organizations.

20. The Issuer will issue press releases and file material change reports in accordance with the requirements of the Legislation in respect of material changes in its affairs and in respect of changes in the status (including defaults in payments due to Certificateholders), of the Assets underlying the Certificates which may reasonably be considered to be material to Certificateholders.

21. The provision of information to Certificateholders on a monthly, quarterly and annual basis as described in paragraphs 13, 18 and 19 hereof, as well as the quarterly and annual notices to be given by the Issuer as to the availability of such information given pursuant to terms of paragraphs 16 and 17 hereof will meet the objectives of allowing the Certificateholders to monitor and make informed decisions about their investment.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the Issuer is exempted from the requirements of the Legislation concerning the preparation, filing and delivery of interim and annual financial statements and the annual filing of an information circular or, where applicable, a report in prescribed form in lieu thereof, and the preparation of an information circular, where management of the Issuer solicits proxies of holders of "voting securities" in respect of a meeting of which notice has or will be given, in connection with the Certificates and Additional Certificates, provided that:

(a) the Issuer complies with paragraphs 13, 16, 17, 18, 19 and 20 hereof; and

(b) the exemption from the requirements of the Legislation concerning the annual filing of an information circular or, where applicable, a report in lieu thereof, shall terminate sixty days after the occurrence of a material change in any of the representations of the Issuer contained in paragraphs 5 through 9 inclusive, unless the Issuer satisfies the Decision Makers that the exemption should continue.

November 28, 2001

"K.D. Adams" "Howard I. Wetson"

2.1.3 HSBC Canadian Money Market Fund, et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - extension of mutual fund lapse date.

Statutes Cited

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

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

AND

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

AND

**IN THE MATTER OF
HSBC CANADIAN MONEY MARKET FUND, HSBC U.S. DOLLAR MONEY MARKET FUND, HSBC MORTGAGE FUND, HSBC CANADIAN BOND FUND, HSBC WORLD BOND RSP FUND, HSBC CANADIAN BALANCED FUND, HSBC DIVIDEND INCOME FUND, HSBC EQUITY FUND, HSBC SMALL CAP GROWTH FUND, HSBC GLOBAL EQUITY FUND, HSBC GLOBAL EQUITY RSP FUND, HSBC U.S. EQUITY FUND, HSBC U.S. EQUITY RSP FUND, HSBC EUROPEAN FUND, HSBC ASIAPACIFIC FUND, HSBC EMERGING MARKETS FUND, HSBC GLOBAL TECHNOLOGY FUND (INDIVIDUALLY A "FUND" AND COLLECTIVELY, THE "FUNDS")**

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions") has received an application from HSBC Investment Funds (Canada) Inc. ("HIFC"), in its capacity as manager of each Fund, for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the time limits pertaining to the distribution of units ("Units") under the simplified prospectus and annual information form of the Funds dated December 1, 2000 (collectively, the "2000 Prospectus") be extended;

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the British Columbia Securities Commission is the Principal Jurisdiction for this application;

AND WHEREAS HIFC and the Funds have represented to the Decision Makers that:

1. HIFC is the manager-trustee, principal distributor and promoter of the Funds and is an indirect wholly-owned subsidiary of HSBC Bank Canada, a Schedule II chartered bank under the *Bank Act* (Canada).

2. HIFC is registered under the Legislation as a mutual fund dealer (or its equivalent).

3. Each Fund is a reporting issuer under the Legislation and is not in default of any of the requirements of the Legislation made thereunder.

4. The Funds are open-end mutual fund trusts, each of which was established under the laws of British Columbia or Ontario pursuant to a separate declaration of trust and each of which is qualified for distribution in the Jurisdictions by means of a simplified prospectus and annual information form.

5. The lapse date for the distribution of securities of the Funds in British Columbia, Alberta, Saskatchewan, Manitoba, Nova Scotia and Newfoundland and Labrador is December 1, 2001, and in Ontario and Quebec it is December 4, 2001.

6. The Applicant proposes to establish four new mutual funds, the HSBC Japan Fund, HSBC Global Healthcare Fund, HSBC Global Financial Services Fund and HSBC Global Resources Fund (together, the "New Funds"), each of which will be an open-end mutual fund trust established under the laws of British Columbia and each of which will be qualified for distribution in the Jurisdictions by means of the consolidated simplified prospectus and annual information form for the Funds.

7. A preliminary and pro forma simplified prospectus (the "2001 Prospectus") and annual information form (the "2001 AIF") for the Funds and the New Funds were filed with the securities regulatory authorities in each of the Jurisdictions on August 2, 2001. The 2001 Prospectus and 2001 AIF were "preliminary" with respect to the New Funds and "pro forma" with respect to the Funds.

8. The Applicant has in the 2001 Prospectus and 2001 AIF combined disclosure regarding the New Funds with disclosure regarding the Funds (the New Funds and the Funds being collectively referred to herein as the "HSBC Mutual Fund Group"). In this way, a single simplified prospectus and annual information form will be used in respect of all of the mutual funds in the HSBC Mutual Fund Group.

9. In order for the New Funds to qualify as a "mutual fund trust" under the *Income Tax Act* (Canada) (the "Tax Act") effective from the date of their formation, each New Fund must, among other things, have 150

unitholders within 90 days of the end of its first financial year. The financial year for the Funds ends, and the financial year for the New Funds will end, on December 15 of each year. As a result, if the New Funds were established and a (final) simplified prospectus and annual information form for the HSBC Mutual Fund Group was filed within the prescribed time frames under the current lapse date of December 1, 2001, the New Funds would be required to have 150 unitholders by March 14, 2002. Recent events affecting capital markets occurring subsequent to the date of filing of the 2001 Prospectus and 2001 AIF have created doubt as to whether the New Funds will be able to obtain 150 unitholders by March 14, 2002.

10. The Applicant wishes to extend the time limits for filing the final simplified prospectus and annual information form and for obtaining a receipt for a renewal prospectus of the Funds.

11. The request to extend these time limits for the Funds is sought to permit HIFC to form the New Funds after December 15, 2001 and thereby provide the New Funds with additional time to obtain 150 unitholders.

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 time limits provided by the Legislation for the filing of the final annual information form and final simplified prospectus for the Funds and the receipting thereof in connection with the distribution of securities of the Funds are hereby extended such that:

a) The final annual information form and simplified prospectus for the Funds must be filed by December 17, 2001;

b) The receipts therefore must be received by December 24, 2001; and

c) The distribution of units under the 2000 Prospectus may continue until December 24, 2001 on condition that the requirements in (a) and (b) above are met.

December 10, 2001.

"Marcine Renner"

2.1.4 RBC Dominion Securities Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Section 233 of Regulation. Issuer is a connected issuer, but not a related issuer, of the underwriters in respect of a proposed offering pursuant to a prospectus - Underwriters exempted from clause 224(1)(b) of Regulation where the issuer is not a "specified party" for the purposes of proposed Multi-Jurisdictional Instrument 33-105, Underwriting Conflicts.

Applicable Ontario Statutory Provisions

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

Regulations Cited

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

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

AND

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

AND

IN THE MATTER OF
RBC DOMINION SECURITIES INC.,
CIBC WORLD MARKETS INC.,
TD SECURITIES INC., SCOTIA CAPITAL INC.,
BMO NESBITT BURNS INC.
AND BCE EMERGIS INC.

MRRS DECISION DOCUMENT

WHEREAS an application has been received by the securities commission (the **"Decision Maker"**) of Quebec, Alberta, Ontario and Newfoundland (the "**Jurisdictions**") from RBC Dominion Securities Inc. ("**RBCDS**"), CIBC World Markets Inc. ("**CIBCWM**"), National Bank Financial Inc. ("**NBF**"), TD Securities Inc. ("**TDS**"), Scotia Capital Inc. ("Scotia") and BMO Nesbitt Burns Inc. ("**BMONB**") (the "**Underwriters**") for a decision pursuant to the securities legislation of Quebec, Alberta, Ontario and Newfoundland (the "**Legislation**") that the requirements to comply with the rule against acting as underwriter in connection with a distribution of securities of a connected issuer of the Underwriters (the "**Independent Underwriter Requirement**") contained in the Legislation shall not apply to the Underwriters in connection with an offering (the "**Offering**") of Common Shares of BCE Emergis Inc. (the "Issuer") to be made by means of a prospectus (the "**Prospectus**");

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

AND WHEREAS the Issuer and the Underwriters have represented to the Decision Makers that:

1. The Issuer was incorporated under the Canada Business Corporations Act on December 11, 1986.

2. The Issuer is a reporting issuer under the Legislation and is not in default of any requirement under the legislation.

3. The Issuer will file a preliminary prospectus on November 8, 2001 (the "**Preliminary Prospectus**") in all Canadian provinces in order to qualify the distribution of Common Shares at a price of $38.75.

4. Pursuant to the terms of an underwriting agreement (the "**Underwriting Agreement**") between the Issuer and the underwriters, the underwriters will agree to act as underwriters in connection with the Offering. The proportionate share of the Offering to be underwritten by each of the underwriters is as follows:

Underwriter Name	Proportionate Share of Offering
RBC Dominion Securities Inc.	27.84%
CIBC World Markets Inc.	27.84%
National Bank Financial Inc.	15.91%
TD Securities Inc.	15.91%
Scotia Capital Inc.	6.81%
BMO Nesbitt Burns Inc.	2.27%
Raymond James Ltd.	1.14%
Yorkton Securities Inc.	1.14%
Thomson Kernaghan & Co. Limited	1.14%
	100.0%

5. BCE Emergis has a term loan with remaining payments of $4.5 million (the "**Term Loan**") and an undrawn line of credit under which $8.0 million is available (the "**BMO Credit Line**") with the Bank of Montreal. BMONB is controlled by the Bank of Montreal ("**BMO**").

6. BCE Emergis has a capital lease credit facility under which $30 million is available and which currently has $24.5 million drawn (the "**RB Capital Lease**"), and an undrawn line of credit under which $8.0 million is available (the "**RB Credit Line**"), with the Royal Bank of Canada ("**RBC**"). RBCDS is controlled by RBC.

7. The Term Loan, the BMO Credit Line, the RB Capital Lease and the RB Credit Line are collectively referred to as the "**Facilities**".

8. BCE Emergis is currently in preliminary discussions relating to a possible 3-year credit facility (the "**Proposed Credit Facility**") which could include a syndicate incorporating certain banks that control other Underwriters. There is no definitive indication as to what the syndicate could be at this time.

9. RBCDS, BMO or any of the other underwriters that could be controlled by banks that could be members of the syndicate for the Proposed Credit Facility, namely CIBCWM, NBF, TDS and Scotia (the "**Potential Non-Independent Underwriters**") will not benefit in any manner from the Offering other than the payment of their fee in connection with the distribution.

10. RBC, BMO or any other bank that controls CIBCWM, Scotia, NBF or TDS did not participate in the decision to make the Offering nor in the determination of the terms of the distribution.

11. Raymond James Ltd., Yorkton Securities Inc. and Thomson Kernaghan & Co. Limited are not controlled by a bank that may become a member of the syndicate under the Proposed Credit Facility.

12. BCE Emergis is in good financial condition, is in compliance with its obligations under the Facilities and is not under any financial pressure to complete the Offering.

13. The proceeds of the Offering will not be used to repay the Facilities or the Proposed Credit Facility, if such Proposed Credit Facility is in place when the Prospectus is filed.

14. The Prospectus would contain the information required by Appendix "C" to Multilateral Instrument 33-105 Underwriting Conflicts (the "**Proposed Instrument**"). Such information would only be included in relation to the Potential Non-Independent Underwriters if a binding agreement was reached on the Proposed Credit Facility prior to the filing of the Prospectus and banks which controlled such Potential Non-Independent Underwriters were included in the Proposed Credit Facility syndicate.

15. The Issuer is not a "related issuer", as defined in the Proposed Instrument of any of the Underwriters for the purposes of the Offering. In addition, the Issuer is not a "specified party", as the term is defined in the Proposed Instrument.

16. The certificate in the Prospectus will be signed by each of the Underwriters as required by the legislation.

AND UPON being satisfied that doing so would not be prejudicial to the public interest to grant the relief requested.

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

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

The Decision of the Decision Makers under the Legislation is that the Independent Underwriter Requirement shall not apply to the Underwriters in connection with the Offering.

November 15, 2001.

"Jean Lorrain"

2.1.5 International Properties Group Ltd. - Rule 61-501 s. 9.1

Headnote

Rule 61-501 - Insider Bid - Insider owning virtually all of target's common shares making bid for all outstanding preferred shares - Only 3 shareholders resident in Ontario holding approximately 8.4% of preferred shares - Valuation obtained from independent valuator - Insider and target unable to comply with subsection 2.3(2) as no members of board of directors of target independent of insider bidder - Relief granted from subsection 2.3(2) subject to certain conditions

Rules Cited

OSC Rule 61-501 - Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions, ss. 2.3(2) and 9.1.

**IN THE MATTER OF
ONTARIO SECURITIES COMMISSION
RULE 61-501 ("RULE 61-501")**

AND

**IN THE MATTER OF
INTERNATIONAL PROPERTIES GROUP LTD., IPG
MERGER SUB INC.
AND INVESTORPLUS.COM INC.**

**DECISION
(Rule 61-501 Section 9.1)**

UPON the application (the "Application") of International Properties Group Ltd. ("IPG"), IPG Merger Sub Inc. (the "Offeror"), and Investorplus.com Inc. (the "Company"), to the Director of the Ontario Securities Commission (the "Commission") for a decision pursuant to section 9.1 of Rule 61-501 that, in connection with the offer (the "Offer") by IPG, through the Offeror, to purchase all of the outstanding shares of Series A Preferred Stock, par value $0.001 per share ("Series A Preferred Stock") of the Company at a price of U.S.$2.66 per share, the Offeror and the Company be exempt from subsection 2.3(2) of Rule 61-501;

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

AND UPON IPG and the Offeror having represented to the Director of the Commission (the "Director") as follows:

1. IPG is a corporation amalgamated under the laws of the *Business Corporations Act* (Alberta).

2. IPG is a reporting issuer in Ontario and is not on the list of defaulting reporting issuers maintained by the Commission.

3. IPG's authorized capital consists of an unlimited number of Class "A" Voting Shares and an unlimited number of Redeemable Preferred Shares. As at November 30, 2001, there were issued and outstanding: (a) 35,303,029 Class "A" Voting Shares; (b) 13,776,793 Redeemable Preferred Shares; and (c) 1,305,917 options to purchase Class "A" Voting Shares.

4. The Class "A" Voting Shares and the Redeemable Preferred Shares of IPG are listed on The Toronto Stock Exchange under the symbols IPX.A and IPX.PR.A, respectively.

5. The Offeror is a corporation incorporated under the laws of the State of Delaware.

6. The authorized capital of the Offeror consists of 100 shares of Common Stock, par value $0.001 per share, of which all 100 shares are owned by IPG.

7. The Offeror is not a reporting issuer in Ontario.

8. The Company is a corporation incorporated under the laws of the State of Delaware.

9. The authorized capital of the Company consists of 50,000,000 shares of Common Stock, par value $0.001 per share (the "Common Stock"), and 20,000,000 shares of Preferred Stock, of which 1,351,200 shares have been designated as Series A Preferred Stock and 1,758,308 shares have been designated as Series B Preferred Stock, par value $0.001 per share (the "Series B Preferred Stock"). As at November 30, 2001, there were issued and outstanding: (a) 8,060,000 shares of Common Stock, of which 8,000,000 shares are held by the Offeror; (b) 1,340,300 shares of Series A Preferred Stock; (c) no Series B Preferred Stock; and (d) options to purchase 650,000 shares of Common Stock.

10. In all matters that may come before the Company's stockholders, each share of Series A Preferred Stock entitles its holder to a number of votes equal to the number of shares of Common Stock that such share would be converted into pursuant to the conversion provisions of the certificate of incorporation of the Company. Each share of Series A Preferred Stock may be converted on either a voluntary or a mandatory basis at a conversion ratio of one share of Common Stock to each share of Series A Preferred Stock, subject to anti-dilution protection.

11. The Company is not a reporting issuer in Ontario and is not listed on any exchange or trading over-the-counter.

12. IPG, through the Offeror, is conducting a take-over bid for all of the outstanding shares of Series A Preferred Stock at a price of U.S. $2.66 per share. The take-over bid is an insider bid for the purposes of Rule 61-501 by virtue of IPG's ownership of Common Stock of the Company.

13. A special committee of the directors of IPG (the "Special Committee") was formed on or about April 12, 2001 for the purpose of (1) evaluating on behalf of IPG various alternatives to enable IPG to acquire sole ownership of the Company and (2) ensuring on behalf of the Company that such alternatives resulted in a return to holders of the Series A Preferred Stock of a fair portion of their investment in the Company.

14. An independent committee of the Company could not be formed because five of the six members of the Company's board of directors are directors of IPG and the sixth director is a senior officer of IPG.

15. The Special Committee, on behalf of the Company, retained Roth Capital Partners, LLC ("Roth Capital") to conduct an independent valuation of the Company (the "Valuation"). The Special Committee selected Roth Capital and supervised the preparation of the Valuation. The Valuation was prepared by Roth Capital and addressed to the Board of Directors of the Company.

16. The Valuation complies with the requirements of Part 6 of Rule 61-501 and such valuation shall be disclosed in the take-over bid circular (the "Circular") prepared in connection with the Offer pursuant to the requirements of Rule 61-501.

17. There are only three holders of Series A Preferred Stock resident in the Province of Ontario, who hold an aggregate of 112,762 shares of Series A Preferred Stock, being 8.4% of the issued and outstanding Series A Preferred Stock. One of these shareholders owns 93,984 shares of Series A Preferred Stock, being 7% of the issued and outstanding Series A Preferred Stock.

18. Fairness opinions in respect to the Offer have been issued by Roth Capital on behalf of the holders of Series A Preferred Stock of the Company and Thomson Kernaghan & Co. Limited on behalf of the shareholders of IPG, and such fairness opinions will be disclosed in the Circular.

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

IT IS DECIDED pursuant to section 9.1 of Rule 61-501 that, in connection with the Offer, the Offeror and the Company shall not be subject to subsection 2.3(2) of Rule 61-501, provided that the Valuation is filed with and disclosed in the Circular and the Offeror complies with the other applicable provisions of Rule 61-501.

December 11, 2001.

"Ralph Shay"

2.1.6 Primerica Canadian Money Market Portfolio Fund - MRRS Decision

Headnote

Investment of virtually all assets of a mutual fund (excluding cash and cash equivalents held to meet redemptions and to pay management fees) in a specified third party managed mutual fund to implement a "passive" fund-of-fund structure. Exempted from the self-dealing and reporting requirements of subsections 111(2)(b), 111(3), 117(1)(a) and 117(1)(d) subject to certain specified conditions.

Statutes Cited

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

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

AND

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

AND

IN THE MATTER OF
PFSL INVESTMENTS CANADA LTD.

AND

PRIMERICA CANADIAN MONEY MARKET PORTFOLIO 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, Ontario, Newfoundland & Labrador and Nova Scotia (the "Jurisdictions") has received an application (the "Application") from PFSL Investments Canada Ltd. ("PFSL") and Primerica Canadian Money Market Portfolio Fund (the "Top Fund") for a decision by each Decision Maker (collectively, the "Decision") pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the following requirements and restrictions contained in the Legislation (the "Applicable Requirements") shall not apply to the Top Fund, or PFSL, as the case may be, in respect of certain investments to be made by the Top Fund in the AGF Canadian Money Market Fund (the "Underlying Fund"):

(a) the requirement contained in the Legislation prohibiting the Top Fund from knowingly making or holding an investment in a person or company in which the Top Fund, alone or together with

one or more related mutual funds, is a substantial security holder;

(b) the requirement contained in the Legislation requiring PFSL to file a report of the following:

i. every transaction of purchase or sale of securities between the Top Fund and any related person or company; and

ii. any transaction in which, by arrangement other than an arrangement relating to insider trading in portfolio securities, the Top Fund is a joint participant with one or more of its related persons or companies, in respect of the Top Fund to which it provides services or advice, within 30 days after the end of the month in which it occurs.

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

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

1. PFSL is a corporation incorporated under and governed by the laws of Ontario and is registered as a mutual fund dealer or equivalent under the securities legislation of each of the Jurisdictions. The head office of PFSL is located in Mississauga, Ontario.

2. The Top Fund is an open-ended unincorporated mutual fund trust governed by the laws of the province of Ontario.

3. PFSL is the manager, trustee, exclusive distributor, promoter and the registrar and transfer agent of the Top Fund and Royal Trust is the custodian of the Top Fund.

4. Units of the Top Fund and Underlying Fund are offered for sale on a continuous basis in the Jurisdictions pursuant to a simplified prospectus and annual information form (the "Prospectus") receipted in each of the Jurisdictions.

5. The Top Fund and Underlying Fund are reporting issuers in each of the provinces and territories of Canada and are not in default of any requirements of the acts or rules applicable in each of the provinces and territories.

6. To achieve its investment objectives, the Top Fund will invest its net assets, excluding cash and cash equivalents held to meet redemptions and to pay management fees and other expenses, in securities of the Underlying Fund. The manager of the Underlying Fund has been chosen by PFSL on the basis of their management style, their choice of sub-advisers and other consultants, their efficiency of administration, the calibre of their reporting procedures and the historic performance of their funds.

7. The simplified prospectus of the Top Fund will describe the intent of the Top Fund to invest in the Underlying Fund in its investment objectives. The simplified prospectus for the Top Fund will also disclose the investment objectives, investment strategies, risks and restrictions of the Top Fund and the Underlying Fund, and the manager of the Underlying Fund.

8. The arrangements between or in respect of the Top Fund and the Underlying Fund will be such as to avoid the duplication of sales charges, redemption charges or management fees. The Top Fund will receive management fee distributions from the Underlying Fund and management fee rebates from the manager of the Underlying Fund. An incremental management fee borne by unitholders of the Top Fund is limited to 0.10%. The incremental management fee is warranted given the portfolio allocation and consolidated reporting services provided to investors in the Top Funds.

9. Except to the extent evidenced by this Decision and the specific approvals to be granted by the Decision Makers pursuant to National Instrument 81-102 ("NI 81-102"), the investments by the Top Fund in securities of the Underlying Fund will comply in all respects with the investments restrictions in the Legislation and in NI 81-102.

10. Unless the requested relief is granted,

    i. the Top Fund would be prohibited from knowingly making and holding an investment in securities of the Underlying Fund to the extent that the Top Fund, either alone or in combination with other PFSL managed funds, is a substantial security holder of the Underlying Fund; and

    ii. PFSL would be required to file reports respecting every purchase or sale of securities of the Underlying Fund by the Top Fund.

11. Each investment by the Top Fund in the Underlying Fund will be in the best interests of the Top Fund and will represent the business judgment of responsible persons uninfluenced by considerations other than the best interests of the 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 tests contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers pursuant to the Legislation is that the Applicable Requirements shall not apply so as to prevent the Top Fund or PFSL, as the case may be, from making and holding investments by the Top Fund in securities of the Underlying Fund;

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

1. the Decision, as it relates to the jurisdiction of a Decision Maker, will terminate upon the coming into force 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 the Top Fund makes or holds an investment in the Underlying Fund, the following conditions are satisfied:

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

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

   (c) the simplified prospectus of the Top Fund, describes the intent of the Top Fund to invest in the Underlying Fund and discloses the manager, the name of its portfolio adviser, the investment objectives and investment strategies of the Underlying Fund, and the risks associated with investing in the Underlying Fund;

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

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

   (f) there are compatible dates for the calculation of the net asset value of each of the Top Fund and the Underlying Fund for the purpose of the issue and redemption of the securities thereof;

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

   (h) if redemption fees are charged by the Underlying Fund in respect of the redemption by the Top Fund of securities of the Underlying Fund owned by the Top Fund, the redemption fee will be paid by the Manager of the Top Fund and the amount of the redemption fee will be deducted from the proceeds of redemption prior to payment to the investor in the Top Fund and remitted to the Manager;

   (i) no fees or charges, other than the redemption fees described in paragraph h, and the commissions and trailing fees disclosed in the Prospectus of the Top Fund, are paid by the Top Fund and the Underlying Fund, by their respective managers or principal distributors, or by any affiliate or associate of any of the foregoing entities, to anyone in respect of the Top Fund's purchase, holding or redemption of the securities of the Underlying Fund;

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

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

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

   (m) 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 Fund in the financial statements of the Top Fund; and

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

December 12, 2001.

"Paul M. Moore" "Richard W. Korthals"

2.1.7 Congress Financial Capital Company - MRRS Decision

Headnote

MRRS - NI 44-101 - relief from certain eligibility criteria to permit a wholly-owned Canadian subsidiary of a MJDS eligible U.S. issuer to issue approved rating debt, guaranteed by U.S. parent using a short from prospectus, relief from GAAP reconciliation requirement - certain continuous disclosure relief.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., s. 75, 77, 78, 79, 80(b)(iii), 81(2), 88(2)(b), 107, 108, 109, 121(2), 147.

Regulations Cited

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

National Instruments

NI 44 -101 Short Form Prospectus Distributions, Form 44-101F3
OSC Rule 51-501 - AIF and MD&A.

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

AND

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

AND

**IN THE MATTER OF
WACHOVIA CORPORATION**

AND

CONGRESS FINANCIAL CAPITAL COMPANY

MRRS DECISION DOCUMENT

WHEREAS the securities regulatory authority or regulator (the "Decision Makers" or the "Commissions") in each of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland, Nova Scotia, Ontario, Prince Edward Island and Saskatchewan (the "Jurisdictions") has received an application (the "Application") from Wachovia Corporation ("Wachovia") on its own behalf and on behalf of its wholly-owned subsidiary, Congress Financial Capital Company ("FinanceCo", and together with Wachovia, the "Applicants") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that:

A. the Applicants be exempted from the following requirements contained in the Legislation:

(i) the requirements in section 2.5(1) of National Instrument 44-101 ("NI 44-101") that a person or company guaranteeing non-convertible debt issued by an issuer be a reporting issuer with a 12-month reporting history in a Canadian province or territory and have a current annual information form (an "AIF") (the "Eligibility Requirement"), in order to permit FinanceCo to issue (the "Offering") non-convertible debt securities, in particular medium term notes (the "Notes"), with an approved rating (as defined in NI 44-101) which will be fully and unconditionally guaranteed by Wachovia;

(ii) the requirement in NI 44-101 that the short form prospectus filed by FinanceCo in connection with the Offering include a reconciliation (the "Reconciliation Requirement") to Canadian generally accepted accounting principles ("GAAP") of the consolidated financial statements of Wachovia (or its predecessor First Union Corporation) and its subsidiaries included in or incorporated by reference into the prospectus which have been prepared in accordance with foreign GAAP and that where such financial statements are audited in accordance with foreign generally accepted auditing standards ("GAAS"), FinanceCo provide a statement by the auditor disclosing any material differences in the auditor's report and confirming that the auditing standards of the foreign jurisdiction are substantially similar to Canadian GAAS;

(iii) the requirement in NI 44-101 and under the Legislation of Ontario (Ontario Securities Commission Rule 51-501) and Saskatchewan (Saskatchewan Instrument 51.501) that FinanceCo have a current AIF and file renewal AIFs (the "AIF Requirement") with the Commissions;

(iv) the requirement that FinanceCo file with the Commissions and send, where applicable, to its security holders audited annual financial statements or annual reports, where applicable, including without limitation management's discussion and analysis thereon (the "Annual Financial Statement Requirement");

(v) the requirement that FinanceCo file with the Commissions and send, where applicable, to its securityholders unaudited interim financial statements, including, without limitation, management's discussion and analysis thereon (the "Interim Financial Statement Requirement");

(vi) the requirement that FinanceCo issue and file with the Commissions press releases and file material change reports (the "Material Change Requirement");

(vii) the requirement that the insiders of FinanceCo file with the Commissions insider reports (the "Insider Reporting Requirement"); and

(viii) the requirement that FinanceCo comply with the proxy and proxy solicitation requirements, including filing an information circular or report in lieu thereof (the "Proxy Requirement" and together with the Annual Financial Statement Requirement, the Interim Financial Statement Requirement, the Material Change Requirement, and the Insider Reporting Requirement, the "Continuous Disclosure and Reporting Requirements"); and

B. the Application and the Decision, as defined below, be held in confidence by the Decision Makers subject to certain conditions.

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

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

1. First Union Corporation was incorporated under the laws of North Carolina in 1967. Wachovia Corporation ("Former Wachovia") was incorporated under the laws of North Carolina in 1985.

2. Wachovia was formed by the merger of First Union Corporation and Former Wachovia on September 1, 2001. The surviving corporation of the merger is First Union Corporation, although the name of the surviving corporation has been changed to Wachovia Corporation. References herein to "Wachovia" refer to the merged entity.

3. Wachovia is registered as a financial holding company and a bank holding company under the U.S. *Bank Holding Company Act*. Wachovia provides a wide range of commercial and retail banking and trust services through full-service banking offices located throughout the United States. It also provides various other financial services in the United States, including mortgage banking, credit card, investment banking, investment advisory, home equity lending, asset-based lending, leasing, insurance, and international securities brokerage services through its subsidiaries.

4. None of Wachovia, First Union Corporation or Former Wachovia is (or has ever been) a reporting issuer in any of the provinces or territories of Canada.

5. Wachovia has been a reporting company under the United States *Securities Exchange Act of 1934*, as amended (the "1934 Act"), since 1967. More recently, both First Union Corporation and Former Wachovia have filed with the United States Securities and Exchange Commission (the "SEC") annual reports on Form 10-K for the fiscal year ended December 31, 2000 and quarterly reports under Form 10-Q for the quarterly periods ended March 31, 2000, June 30, 2000, September 30, 2000, March 31, 2001 and June 30, 2001, in accordance with the filing obligations set out in sections 13 and 15(d) of the 1934 Act (collectively, the "Wachovia Disclosure Documents").

6. The aggregate market value of Wachovia's equity securities (which are listed and posted for trading over the facilities of the New York Stock Exchange (the "NYSE")), calculated in accordance with NI 44-101, on October 12, 2001 was approximately US$27.3 billion.

7. Wachovia's senior long-term debt is rated A by Standard & Poor's; A1 by Moody's; and A by Fitch. Wachovia's subordinated debt is rated A2 by Moody's; and A- by Fitch and its short-term obligations are rated A-1 by Standard & Poor's; P-1 by Moody's; and F-1 by Fitch.

8. FinanceCo is incorporated under the laws of Nova Scotia and is an indirect wholly-owned subsidiary of Wachovia.

9. FinanceCo is not currently a reporting issuer in any of the provinces or territories of Canada. FinanceCo's primary business will be to access Canadian capital markets to raise funds on behalf of the Canadian subsidiary companies of Wachovia, and will have no other operations.

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

11. Except for the fact that FinanceCo is not incorporated under United States law, the Offering would comply with the alternative eligibility criteria for offerings of non-convertible debt having an approved rating under the MJDS as set forth in Section 3.2 of NI 71-101.

12. FinanceCo is ineligible to issue the Notes by way of a prospectus in the form of a short form prospectus under NI 44-101 as neither FinanceCo nor Wachovia, as credit supporter for the payments to be made by FinanceCo under the Notes, is a reporting issuer in any province or territory of Canada, and Wachovia does not itself have a current AIF or meet the criteria set out in clause 2.5(1)2 of NI 44-101.

13. As a result of the Offering, FinanceCo will become a reporting issuer or the equivalent under the Legislation and would therefore be subject to the Continuous Disclosure and Reporting Requirements unless the relief requested herein is granted.

14. In connection with the Offering:

    (i) prior to filing a preliminary short form prospectus for the Offering:

(a) Wachovia will file with the Commissions an AIF in the form of First Union Corporation's annual report on Form 10-K for the year ended December 31, 2000 (the "First Union Form 10-K"), in electronic format through SEDAR (as defined in National Instrument 13-101) under FinanceCo's SEDAR profile, and

(b) Wachovia will file with the Commissions, in electronic format under FinanceCo's SEDAR profile, the documents that each of First Union Corporation and Former Wachovia has filed under the 1934 Act during the last year being, as of the date hereof, an annual report on Form 10-K for the year ended December 31, 1999 and quarterly reports on Form 10-Q for the periods ending June 30, 2001 (which quarterly report contains pro forma financial statements for the periods ending December 31, 2000 and June 30, 2001), March 31, 2001, September 30, 2000, June 30, 2000 and March 31, 2000;

(ii) the prospectus will be prepared pursuant to the short form prospectus requirements contained in NI 44-101 and will comply with the requirements set out in Form 44-101F3 of NI 44-101 with the disclosure required by item12 of Form 44-101F3 of NI 44-101 being addressed by incorporating by reference First Union Corporation's public disclosure documents, including the First Union Form 10-K and with the disclosure required by item 7 of Form 44-101F3 of NI 44-101 being addressed by disclosure with respect to Wachovia in accordance with United States requirements;

(iii) the prospectus will include or incorporate by reference all material disclosure concerning FinanceCo;

(iv) the prospectus will incorporate by reference the First Union Form 10-K (as filed under the 1934 Act) together with all Form 10-Qs and Form 8-Ks of First Union Corporation (and by Wachovia, following September 1, 2001) filed under the 1934 Act in respect of the financial year following the year that is the subject of the First Union Form 10-K, as would be required were Wachovia to file a registration statement on Form S-4 in the United States, and will incorporate by reference any documents of the foregoing type filed after the date of the prospectus and prior to termination of the Offering and will state that purchasers of the Notes will not receive separate continuous disclosure information regarding FinanceCo;

(v) the consolidated annual and interim financial statements of Wachovia and its subsidiaries that will be included in or incorporated by reference into the short form prospectus are prepared in accordance with U.S. GAAP and otherwise comply with the requirements of U.S. law, and in the case of audited annual financial statements, such financial statements are audited in accordance with U.S. GAAS;

(vi) Wachovia will fully and unconditionally guarantee the payments to be made by FinanceCo as stipulated in the terms of the Notes or in an agreement governing the rights of holders of Notes (the "Noteholders") such that the Noteholders shall be entitled to receive payment from Wachovia within 15 days of any failure by FinanceCo to make a payment as stipulated;

(vii) the Notes will have an approved rating;

(viii) Wachovia will sign the prospectus as credit supporter and promoter; and

(ix) Wachovia will undertake to file with the Commissions, in electronic format under FinanceCo's SEDAR profile, all documents that it files under Sections 13 (other than sections 13(d), (f) and (g) which relate, inter alia, to holdings by Wachovia of securities of other public companies) and 15(d) of the 1934 Act, together with the appropriate filing fees, until such time as the Notes are no longer outstanding;

15. In the circumstances, were Wachovia to have effected the Offering of the Notes under the MJDS it would be unnecessary for it to reconcile to Canadian GAAP its financial statements included in or incorporated by reference into the short form prospectus in connection with the issuance of the Notes.

16. Part 7 of NI 44-101 and Item 20.1 of Form 44-101F3 of NI 44-101 would seem to require the reconciliation to Canadian GAAP of financial statements prepared in accordance with foreign GAAP that are included in a short form prospectus.

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 each 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 Applicants be exempted from the Eligibility Requirement and the Reconciliation Requirement in connection with the Offering provided that:

(i) each of FinanceCo and Wachovia complies with paragraph 14 above;

(ii) FinanceCo complies with all of the filing requirements and procedures set out in NI 44-101 except as varied by the Decision;

(iii) Wachovia remains the direct or indirect beneficial owner of all of the issued and outstanding voting securities of FinanceCo; and

(iv) Wachovia continues to satisfy the criteria set forth in paragraph 3.1 of NI 71-101 (or any successor provision) and remains eligible to use MJDS (or any successor instrument) for the purposes of distributing approved rating non-convertible debt in Canada based on compliance with United States prospectus requirements with certain additional Canadian disclosure.

THE FURTHER DECISION of the Decision Makers pursuant to the Legislation is that, in connection with the Offering, the AIF Requirement shall not apply to FinanceCo, provided that (i) Wachovia complies with the AIF requirements of NI 44-101 as if it is the issuer; and (ii) the Applicants comply with all of the conditions in the Decisions above and below.

"J. William Slattery"

THE FURTHER DECISION of the Decision Makers pursuant to the Legislation is that, in connection with the Offering:

A. the Annual Financial Statement Requirement shall not apply to FinanceCo, provided that (i) FinanceCo files with the Commissions the annual reports on Form 10-K filed by Wachovia with the SEC within one business day after they are filed with the SEC; and (ii) such documents are provided to Noteholders whose last address as shown on the books of FinanceCo is in Canada in the manner and at the time required by applicable United States law;

B. the Interim Financial Statement Requirement shall not apply to FinanceCo, provided that (i) FinanceCo files with the Commissions the quarterly reports on Form 10-Q filed by Wachovia with the SEC within one business day after they are filed with the SEC; and (ii) such documents are provided to Noteholders whose last address as shown on the books of FinanceCo is in Canada in the manner and at the time required by applicable United States law;

C. the Material Change Requirement shall not apply to FinanceCo, provided that (i) FinanceCo files with the Commissions the mandatory reports on Form 8-K (including press releases) filed by Wachovia with the SEC forthwith after the earlier of the date the report is filed with the SEC and the date it is required to be filed with the SEC; (ii) Wachovia complies with the requirements of the NYSE in respect of making public disclosure of material information on a timely basis and forthwith issues in each Jurisdiction any press release issued in this regard; (iii) Wachovia forthwith issues in each Jurisdiction and FinanceCo files with the Commissions any press release that discloses material information and which is required to be issued in connection with the mandatory Form 8-K requirements applicable to Wachovia; and (iv) if there is a material change in respect of the business, operations or capital of FinanceCo that is not a material change in respect of Wachovia, FinanceCo will comply with the requirements of the Legislation to issue a press release and file a material change report notwithstanding that the change may not be material in respect of Wachovia;

D. the Insider Reporting Requirement shall not apply to insiders of FinanceCo, provided that such insiders file with the SEC on a timely basis the reports, if any, required to be filed with the SEC pursuant to section 16(a) of the 1934 Act and the rules and regulations thereunder; and

E. the Proxy Requirements shall not apply to FinanceCo, provided that (i) Wachovia complies with the requirements of the 1934 Act and the rules and regulations thereunder relating to proxy statements, proxies and proxy solicitations in connection with any meetings of its noteholders (if any); (ii) FinanceCo files with the Commissions the materials relating to the meeting filed by Wachovia with the SEC promptly after they are filed by it with the SEC; and (iii) such documents are provided to Noteholders whose last address as shown on the books of FinanceCo is in Canada in the manner, at the time and if required by applicable United States law;

for so long as (i) Wachovia maintains an approved rating in respect of the Notes; (ii) Wachovia maintains direct or indirect 100% beneficial ownership of the outstanding voting securities of FinanceCo; (iii) Wachovia maintains a class of securities registered pursuant to section 12 of the 1934 Act; (iv) Wachovia continues to satisfy the criteria set forth in paragraph 3.1 of NI 71-101 (or any successor provision) and remains eligible to use MJDS (or any successor instrument) for the purpose of distributing approved rating non-convertible debt in Canada based on compliance with United States prospectus requirements with certain additional Canadian disclosure; (v) FinanceCo carries on no other business than that set out in paragraph 9 of the Decision; (vi) Wachovia continues to fully and unconditionally guarantee the Notes as to the payments required to be made by FinanceCo to the Noteholders; (vii) FinanceCo does not issue additional securities other than the Notes (or any other series of Notes which may hereinafter be issued), debt securities ranking *pari passu* to the Notes, any debentures issued in connection with the security granted by FinanceCo to the Noteholders or debt ranking *pari passu* with the Notes, other than to Wachovia or to wholly-owned subsidiaries of Wachovia; and (viii) if notes of another series or debt securities ranking *pari passu* with the Notes are hereinafter issued by FinanceCo, Wachovia shall fully and unconditionally guarantee such notes or debt securities as to the payments required to be made by FinanceCo to holders of such notes or debt securities.

THE FURTHER DECISION of the Decision Makers pursuant to the Legislation is that the Application and the Decision shall be held in confidence by the Decision Makers until the earlier of the date that the preliminary prospectus is filed in connection with the Offering and December 15, 2001.

November 15, 2001.

"H. Leslie O'Brien"

2.1.8 Lawrence Enterprise Fund Inc. - MRRS Decision

Headnote:

Exemption from the restrictions in section 2.1 of National Instrument 81-105 to permit a labour-sponsored investment fund (LSIF) corporation to pay certain specified distribution costs out of fund assets.

Statutes Cited:

National Instrument 81-105 Mutual Fund Sales Practices, section 2.1 and section 9.1.

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO AND NOVA SCOTIA

AND

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

AND

IN THE MATTER OF
NATIONAL INSTRUMENT 81-105
MUTUAL FUND SALES PRACTICES

AND

IN THE MATTER OF
LAWRENCE ENTERPRISE FUND INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in Nova Scotia and Ontario (the "Jurisdictions") has received an application from Lawrence Enterprise Fund Inc. (the "Fund") for a decision pursuant to section 9.1 of National Instrument 81-105 ("NI 81-105") that the prohibition contained in section 2.1 of NI 81-105 against the making of certain payments by the Fund to participating dealers shall not apply to the Fund;

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 Fund and Lawrence Asset Management Inc. (the "Manager") have represented to the Decision Makers as follows:

1. The Fund is a corporation formed under the laws of Canada on October 31, 2001 and is a mutual fund as defined in the legislation of each of the Jurisdictions. The Fund has filed a preliminary prospectus dated November 1, 2001 (the "Preliminary Prospectus") with the Commission and anticipates becoming a reporting issuer under the Act.

2. The Fund is registered as a labour sponsored investment fund corporation under the *Community Small Business Investment Funds Act* (Ontario), as amended, (the "Ontario Act"), as a labour-sponsored venture capital corporation under the *Equity Tax Credit Act* (Nova Scotia) (the "Nova Scotia Act"), and as a labour-sponsored venture capital corporation under the *Income Tax Act* (Canada), as amended, (the "Federal Tax Act").

3. The authorized capital of the Fund consists of an unlimited number of two series of Class A Shares, designated as Class A Shares, Series I and Class A Shares, Series II (collectively, the "Class A Shares") and 25,000 Class B Shares. As of the date of this Application, there are no Class A Shares issued and outstanding. All of the issued and outstanding Class B Shares are owned by the sponsor of the Fund, Canadian Air Traffic Control Association, Local 5454.

4. The Fund has retained the Manager to act as manager of the Fund.

5. The Manager is a subsidiary of Lawrence & Company Inc. The Fund and the Manager have retained Lawrence & Company Inc. to assist in screening and evaluating investment opportunities of the Fund.

6. The administrator is Mavrix Fund Management Inc. (the "Fund Administrator"). The Fund Administrator is responsible for providing administration and client services, shareholder reporting and transfer agency services to the Fund.

7. The Fund will be a mutual fund which makes investment in small and medium-sized Canadian businesses which are eligible investments for the Fund under the Ontario Act or the Nova Scotia Act.

8. The Class A Shares of the Fund will be distributed in the Province of Ontario and Nova Scotia following receipt of a receipt for the final prospectus.

9. Section 2.1 of the National Instrument prohibits the Fund, in connection with the distribution of its securities, from making payments or providing benefits to dealers participating in the distribution of its securities, including the payment of sales commissions to, or the reimbursements of costs or expenses incurred or to be incurred by such dealers.

10. There is no direct sales charge payable by investors on the purchase of Class A Shares. However, the Fund proposes to pay directly to participating dealers certain costs associated with the distribution of its Class A Shares. These costs are:

    (a) with respect to the distribution of both series of Class A Shares, a corporate finance fee of $150,000 to the Agent, Scotia Capital Inc., for advisory services;

    (b) with respect to the distribution of Class A Shares, Series I:

        (i) a commission of 6% of the original issue price (the "6% Sales Commission"); and

        (ii) an amount equal to 4% of the original issue price of the Class A Shares, Series I in lieu of any service fees being payable before the eighth anniversary of the date of issue of the shares (the "4% Trailing Commission"); and

    (c) with respect to the distribution of Class A Shares, Series II:

        (i) a 6% Sales Commission; and

        (ii) a service fee (the "Service Fee") equal to 0.50% annually of the net asset value of the Class A Shares, Series II held by clients of the sales representatives of the dealers.

11. The Fund's payment of applicable sales commissions, the amortization of such commissions, and the potential recapture of such commissions, or part thereof, arising on redemption of Class A Shares is viewed by the Fund as an appropriate and beneficial mechanism through which the Fund may match distribution expenses against subscriptions.

12. In addition, the Fund may also enter into co-operative marketing programs with certain registered dealers providing for the reimbursement by the Fund of certain expenses (the "Co-op Expenses") incurred by such dealers in promoting sales of Class A Shares.

13. The Prospectus discloses the payment by the Fund of the distribution and marketing expenses incurred by the Fund as described above (the "Distribution Costs") and discloses that the Fund is responsible for payment of these expenses.

14. The Fund desires to be in a position to incur all the Distribution Costs. The Fund and the Manager will comply with all of the relevant provisions of the National Instrument, other than the prohibition contained in section 2.1 of the National Instrument against the Fund paying the Distribution Costs. The Distribution Costs are compensation permitted to be paid to participating dealers under the National Instrument.

15. For accounting purposes, the Fund will

    (i) defer and amortize the amount paid or payable in respect of the 6% Sales Commission to retained earnings on a straight line basis over eight years,

    (ii) defer and amortize the amount paid or payable in respect of the 4% Trailing Commission and the Corporate Finance Fee to income on a straight line basis over eight years, and

    (iii) expense the Co-op Expenses and the Service Fee in the fiscal period when incurred and will not defer and amortize any Co-op Expenses.

16. Gross investment amounts will be contributed to the Fund in respect of each subscription. This is to ensure that the entire subscription amount contributed by the investor is counted for the purpose of the applicable federal and provincial tax credits in connection with the purchase of Class A Shares.

17. Due to the structure of the Fund, the most tax efficient way for the Distribution Costs to be financed is for the Fund to pay them directly.

18. The Manager, or its affiliates is the only member of the organization of the Fund, other than the Fund, available to pay the Distribution Costs. The Manager does not have sufficient resources to pay the Distribution Costs, and unless the requested discretionary relief is granted, would be obliged to finance these costs through borrowings.

19. Any loans obtained by the Manager to finance the Distribution Costs would result in the Manager increasing the management fee chargeable to the Fund, by an amount equal to the borrowing costs incurred by the Manager plus an amount required to compensate the Manager for any risks associated with fluctuations in the net asset value of the Fund and, therefore, fluctuations in the Manager's fee. Requiring compliance with section 2.1 of NI 81-105 would cause the expenses of the Fund to increase above those contemplated in the Preliminary Prospectus.

20. Requiring the Manager to pay the Distribution Costs while granting an exemption to other labour funds permitting such funds to pay similar Distribution Costs directly, would put the Fund at a permanent and serious competitive disadvantage with its competitors.

21. The Fund undertakes to comply with all other provisions of NI 81-105. In particular, the Fund undertakes that all Distribution Costs paid by it will be compensation permitted to be paid to participating dealers under NI 81-105.

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 subsection 9.1(1) of NI 81-105 is that the Fund shall be exempt from section 2.1 of NI 81-105 to permit the Fund to pay the Distribution Costs, provided that:

(a) the Distribution Costs are otherwise permitted by, and paid in accordance with, NI 81-105;

(b) the Distribution Costs are accounted for in the Fund's financial statements in the manner described in paragraph 15 above;

(c) the summary section (the "Summary Section") of the final prospectus of the Fund describes plainly the commission structure of Class A Shares, Series I as a 10% initial sales commission, plus service fees after eight years. The Summary Section must be placed within the first 10 pages of the final prospectus.

(d) the final prospectus explains plainly the services and value that the participating dealers would provide to investors in return for the service fees payable to them;

(e) the Summary Section of the final prospectus provides a full, true and plain explanation to investors that

(i) they pay the Distribution Costs indirectly, as the Fund pays these Distribution Costs using investors' subscription proceeds, and

(ii) a portion of the net asset value of the Fund is comprised of a deferred commission, rather than an investment asset; and

(f) this Decision shall cease to be operative with respect to a Decision Maker on the date that a rule replacing or amending section 2.1 of NI 81-105 comes into force.

December 14, 2001.

"Paul M. Moore" "Lorne Morphy"

2.1.9 - Enbridge Pipelines (NW) Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - corporation deemed to have ceased to be a reporting issuer as all of its issued and outstanding securities are held, either directly or indirectly, by another issuer.

Applicable Ontario Statutory Provisions

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

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

AND

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

AND

IN THE MATTER OF ENBRIDGE PIPELINES (NW) INC.

MRRS DECISION DOCUMENT

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

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

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

   3.1 Interprovincial Pipe Line (NW) Ltd. was incorporated under the *Canada Business Corporations Act* (the "CBCA") on March 3, 1980;

   3.2 Interprovincial Pipe Line (NW) Ltd. changed its name to Enbridge on October 13, 1998;

   3.3 Enbridge's head office is located in Calgary, Alberta;

   3.4 Enbridge is a reporting issuer in the Jurisdictions and became a reporting issuer in the Jurisdictions on or about March 7, 1984 as a result of obtaining receipts for a final prospectus (the "Prospectus");

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

   3.6 under the Prospectus and prospectuses dated October 24, 1994 and September 19, 1985, Enbridge completed public offerings of Series A, Series B, and Series C debentures (collectively, the "Debentures"), respectively;

   3.7 all of the Debentures have been redeemed or have matured;

   3.8 the authorized capital of Enbridge consists of an unlimited number of common shares (the "Common Shares") and an unlimited number of preferred shares, issuable in series of which, as of September 30, 2001, there were 385,735 Common Shares outstanding;

   3.9 all of the outstanding Common Shares are held by Enbridge Inc., a corporation incorporated under the CBCA with its head office located in Calgary, Alberta;

   3.10 no securities of Enbridge are, or have ever been, listed or quoted on any exchange or market;

   3.11 other than the outstanding Common Shares, there are no securities of Enbridge, including debt securities, outstanding;

   3.12 Enbridge does not intend to seek public financing by way of an offering of its securities;

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

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

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

November 15, 2001.

"Patricia M. Johnston"

2.1.10 TD Securities Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - subdivided offering - the prohibitions contained in the Legislation prohibiting trading in portfolio shares by persons or companies having information concerning the trading programs of mutual funds shall not apply to the promoter/agent with respect to certain principal trades with the issuer in securities comprising the issuer's portfolio - issuer's portfolio consisting of common shares of five Canadian chartered banks.

Market making trades by promoter/agent shall not be subject to requirements to file and obtain a receipt for a preliminary and final prospectus provided that the promoter/agent and its affiliates do not beneficially own or have the power to exercise control of a sufficient number of voting securities of an issuer of the securities comprising the issuer's portfolio to permit the promoter/agent to affect materially the control of such issuer.

Issuer, a mutual fund, exempted from restriction against making an investment in any person or company who is a substantial security holder of the mutual fund, its management company or distribution company.

Applicable Ontario Statutes

Securities Act, R.S.O. 1990, c.S.5, as amended, ss. 1(1), 53(1), 74(1), 111(2)(a), 113, 119, 121(2)(a)(ii).

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

AND

IN THE MATTER OF
5BANC SPLIT INC.

AND

IN THE MATTER OF
TD SECURITIES INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, Nova Scotia, Newfoundland and Labrador, New Brunswick, and Prince Edward Island (the "Jurisdictions") has received an application from 5Banc Split Inc. (the "Company") and TD Securities Inc. ("TD Securities") for decisions under the securities legislation (the "Legislation") of the Jurisdictions that the following requirements contained in the applicable Legislation shall not apply to the Company and/or TD Securities, as applicable:

(a) in the case of the Legislation of each of the Jurisdictions other than Manitoba and Québec, the prohibitions contained therein prohibiting trading in portfolio shares by persons or companies having information concerning the trading programs of mutual funds (the "Principal Trading Prohibitions") shall not apply to TD Securities in connection with the Principal Sales and Principal Purchases (both as hereinafter defined);

(b) in the case of the Legislation of each of the Jurisdictions other than Manitoba, the restrictions contained therein prohibiting the Company from making investments in the common shares of the Banks (as defined below), each of which is, or is likely to be, a substantial security holder of a distribution company of the Company (the "Investment Restrictions"), shall not apply to the Company in connection with the initial public offering (the "Offering") of the class A capital shares (the "Capital Shares") and class A preferred shares (the "Preferred Shares") of the Company; and

(c) the requirements contained in the Legislation of each of the Jurisdictions other than Québec to file and obtain a receipt for a preliminary prospectus and final prospectus (the "Prospectus Requirements") shall not apply to Market Making Trades (as hereinafter defined) by TD Securities in Preferred Shares and Capital Shares of the Company;

subject to certain restrictions;

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 Company has represented to the Decision Makers that:

1. TD Securities is a direct, wholly-owned subsidiary of The Toronto-Dominion Bank (the "TD Bank") and is registered under the Legislation as a dealer in the categories of "broker" and "investment dealer" and is a member of the Investment Dealers Association of Canada and The Toronto Stock Exchange (the "TSE").

2. TD Securities is the promoter of the Company and will be establishing a credit facility in favour of the Company in order to facilitate the acquisition of the Portfolio Shares (as defined below) by the Company.

3. The Company was incorporated on November 9, 2001 under the laws of the Province of Ontario and is authorized to issue an unlimited number of Class E Shares.

4. The Company has filed with the securities regulatory authorities of the Jurisdictions a preliminary prospectus dated November 9, 2001 (the "Preliminary Prospectus") in respect of the proposed Offering of Capital Shares and Preferred Shares to the public.

5. The Company intends to become a reporting issuer under the Legislation by filing a final prospectus (the

"Final Prospectus") relating to the Offering. Prior to the filing of the Final Prospectus, the Articles of the Company will be amended so that the authorized capital of the Company will consist of an unlimited number of Capital Shares, an unlimited number of Preferred Shares, an unlimited number of Class B, Class C and Class D Capital Shares, issuable in series, an unlimited number of Class B, Class C and Class D Preferred Shares, issuable in series, and an unlimited number of Class E voting shares, having the attributes set forth under the headings "Description of Share Capital" and "Details of the Offerings" in the Preliminary Prospectus.

6. The Capital Shares and Preferred Shares may be surrendered for retraction at any time in the manner described in the Preliminary Prospectus.

7. Application will be made to list the Capital Shares and Preferred Shares on the TSE.

8. The Class E Shares will be the only voting shares in the capital of the Company. There are currently, and will be at the time of filing the Final Prospectus, 100 Class E Shares issued and outstanding. TD Securities owns 50 of the issued and outstanding Class E Shares of the Company and 5Banc Split Holdings Corporation owns the remaining 50 issued and outstanding Class E Shares of the Company. Two employees of TD Securities each own 50% of the issued and outstanding common shares of 5Banc Split Holdings Corporation.

9. The Company has a board of directors which currently consists of five directors, three of whom are employees of TD Securities and two of whom are independent of TD Securities. The President/Chief Executive Officer and Chief Financial Officer/Secretary of the Company are employees of TD Securities.

10. Pursuant to an agreement (the "Agency Agreement") to be made between the Company and TD Securities, Scotia Capital Inc. and such other agents as may be appointed after the date of this application (collectively, the "Agents" and individually, an "Agent"), the Company will appoint the Agents, as its agents, to offer the Capital Shares and Preferred Shares of the Company on a best efforts basis and the Final Prospectus qualifying the Offering will contain a certificate signed by each of the Agents in accordance with the Legislation.

11. The Company is considered to be a mutual fund as defined in the Legislation, except in Québec. Since the Company does not operate as a conventional mutual fund, it has made application for a waiver from certain requirements of National Instrument 81-102 Mutual Funds.

12. The Company is a passive investment company whose principal undertaking will be to invest the net proceeds of the Offering in a portfolio (the "Portfolio") of common shares (the "Portfolio Shares") of Bank of Montreal, The Bank of Nova Scotia, Canadian Imperial Bank of Commerce, Royal Bank of Canada and the TD Bank (collectively, the "Banks" and individually, a "Bank"). The purpose of the Company is to generate dividend income for the holders of the Preferred Shares and to enable holders of Capital Shares to participate in any capital appreciation in the Portfolio Shares and to benefit from any increase in the dividends paid on the Portfolio Shares.

13. The Final Prospectus will disclose the acquisition cost of the Portfolio Shares to the Company and selected financial information and dividend and trading history with respect to the Portfolio Shares.

14. The Portfolio Shares are listed and traded on the TSE.

15. The Company is not, and will not upon the completion of the Offering, be an insider of any of the issuers of the Portfolio Shares within the meaning of the Legislation.

16. TD Securities does not have knowledge of a material fact or material change with respect to any of the issuers of the Portfolio Shares that has not been generally disclosed.

17. TD Securities' economic interest in the Company and in the material transactions involving the Company are disclosed in the Preliminary Prospectus and will be disclosed in the Final Prospectus under the heading "Interest of Management and Others in Material Transactions".

18. The net proceeds from the sale of the Capital Shares and Preferred Shares under the Final Prospectus, after payment of commissions to the Agents, expenses of issue and carrying costs relating to the acquisition of the Portfolio Shares, will be used by the Company to:

    (a) pay the acquisition cost (including any related costs or expenses) of the Portfolio Shares; and

    (b) pay the initial fee payable to TD Securities for its services under the Administration Agreement (as defined below).

19. All Capital Shares and Preferred Shares outstanding on a date approximately five years from the closing of the Offering will be redeemed by the Company on such date (the "Redemption Date") as will be specified in the Final Prospectus, and Preferred Shares will be redeemable at the option of the Company on any Annual Retraction Payment Date, as described in the Preliminary Prospectus.

20. Pursuant to an agreement (the "Securities Purchase Agreement") to be entered into between the Company and TD Securities, TD Securities will purchase, as agent for the benefit of the Company, Portfolio Shares in the market on commercial terms or from non-related parties with whom TD Securities and the Company deal at arm's length. Subject to receipt of all necessary regulatory approvals, TD Securities may, as principal, sell Portfolio Shares to the Company (the "Principal Sales"). The aggregate purchase price to be paid by the Company for the Portfolio Shares (together with carrying costs and other expenses incurred in

connection with the purchase of Portfolio Shares) will not exceed the net proceeds from the Offering.

21. The Preliminary Prospectus discloses and the Final Prospectus will disclose that any Principal Sale will be made in accordance with the rules of the applicable stock exchange and the price paid to TD Securities (inclusive of all transaction costs, if any) will not be greater than the price which would have been paid (inclusive of all transaction costs, if any) if the acquisition had been made through the facilities of the principal stock exchange on which the Portfolio Shares are listed and posted for trading at the time of the purchase from TD Securities. TD Securities may realize a gain or loss in respect of the Principal Sales, which is described in the Preliminary Prospectus and will be described in the Final Prospectus.

22. TD Securities will not receive any commissions from the Company in connection with the Principal Sales and all Principal Sales will be approved by the two independent directors of the Company.

23. For the reasons set forth in paragraphs 20 and 21 above, and the fact that no commissions are payable to TD Securities in connection with the Principal Sales, in the case of the Principal Sales, the interests of the Company and the shareholders of the Company may be enhanced by insulating the Company from price increases in respect of the Portfolio Shares.

24. None of the Portfolio Shares to be sold by TD Securities as principal to the Company have been acquired, nor has TD Securities agreed to acquire, any Portfolio Shares while TD Securities had access to information concerning the investment program of the Company, although certain of the Portfolio Shares to be held by the Company may be acquired or TD Securities may agree to acquire such Portfolio Shares on or after the date of this Decision Document.

25. It will be the policy of the Company to hold the Portfolio Shares and to not engage in any trading of the Portfolio Shares, except:

    (a) to fund retractions or redemptions of Capital Shares and Preferred Shares;

    (b) to fund a portion of the fixed distribution on the Preferred Shares;

    (c) following receipt of stock dividends on the Portfolio Shares; or

    (d) in certain other limited circumstances as described in the Preliminary Prospectus.

26. Pursuant to an administration agreement (the "Administration Agreement") to be entered into, the Company will retain TD Securities to administer the ongoing operations of the Company and will pay TD Securities (i) a monthly fee of 1/12 of 0.15% of the market value of the Portfolio Shares held in the Portfolio, and (ii) interest income earned by the Company from time to time.

27. In connection with the services to be provided by TD Securities to the Company pursuant to the Administration Agreement, TD Securities may sell Portfolio Shares, as agent on behalf of the Company, to pay a portion of the dividends payable on the Preferred Shares, to fund retractions of Capital Shares and Preferred Shares prior to the Redemption Date and upon liquidation of Portfolio Shares prior to the Redemption Date. However, in certain circumstances, such as where a small number of Capital Shares and Preferred Shares have been surrendered for retraction, TD Securities may purchase Portfolio Shares as principal (the "Principal Purchases") subject to receipt of all regulatory approvals.

28. In connection with any Principal Purchases, TD Securities will comply with the rules, procedures and policies of the applicable stock exchange of which it is a member and in accordance with orders obtained from all applicable securities regulatory authorities. The Final Prospectus will disclose that TD Securities may realize a gain or loss on the resale of such securities.

29. The Administration Agreement will provide that TD Securities must take reasonable steps, such as soliciting bids from other market participants or such other steps as TD Securities, in its discretion, considers appropriate after taking into account prevailing market conditions and other relevant factors, to enable the Company to obtain the best price reasonably available for the Portfolio Shares so long as the price obtained (net of all transaction costs, if any) by the Company from TD Securities is at least as advantageous to the Company as the price which is available (net of all transaction costs, if any) through the facilities of the applicable stock exchange at the time of the trade.

30. TD Securities will not receive any commissions from the Company in connection with Principal Purchases and, in carrying out the Principal Purchases, TD Securities shall deal fairly, honestly and in good faith with the Company.

31. TD Securities will be a significant maker of markets for the Capital Shares and Preferred Shares, although it is not anticipated that TD Securities will be appointed the registered pro-trader by the TSE with respect to the Company. As a result, TD Securities will, from time to time, purchase and sell Capital Shares and Preferred Shares as principal and trade in such securities as agent on behalf of its clients, the primary purpose of such trades (the "Market Making Trades") being to provide liquidity to the holders of Capital Shares and Preferred Shares. All trades made by TD Securities as principal will be recorded daily by the TSE.

32. Each Bank is a substantial security holder of an investment dealer subsidiary, which is, or is likely to be, a distribution company of the Company. Each of the Agents will be a distribution company of the Company for the purposes of the Legislation.

33. As TD Securities owns 50% of the Class E Shares of the Company, TD Securities will be deemed to be in a position to effect materially the control of the Company

and consequently, each Market Making Trade will be a "distribution" or "distribution to the public" within the meaning of the Legislation.

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

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

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

A. The Principal Trading Prohibitions shall not apply to TD Securities in connection with the Principal Sales and Principal Purchases.

B. The Investment Restrictions shall not apply to the Company in connection with investments in Portfolio Shares for the purposes of the Offering as described in the Preliminary Prospectus.

C. The Prospectus Requirements shall not apply to the Market Making Trades by TD Securities in the Capital Shares and Preferred Shares provided that at the time of each Market Making Trade, TD Securities and its affiliates do not beneficially own or have the power to exercise control or direction over a sufficient number of voting securities of a Bank, securities convertible into voting securities of a Bank, options to acquire voting securities of a Bank, or any other securities which provide the holder with the right to exercise control or direction over voting securities of a Bank which in the aggregate, permit TD Securities to affect materially the control of such Bank and without limiting the generality of the foregoing, the beneficial ownership of or the power to exercise control or direction over securities representing in the aggregate 20% or more of the votes attaching to all the then issued and outstanding voting securities of a Bank shall, in the absence of evidence to the contrary, be deemed to affect materially the control of such Bank.

December 12, 2001.

"Paul Moore" "H. Lorne Morphy"

2.1.11 Pollitt & Co. Inc. - Exemption s. 4.1 of OSC Rule 31-507

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

AND

IN THE MATTER OF
ONTARIO SECURITIES COMMISSION RULE 31-507
SRO MEMBERSHIP – SECURITIES DEALERS AND BROKERS (the "Rule")

AND

IN THE MATTER OF
POLLITT & CO. INC.

EXEMPTION

(Section 4.1 of OSC Rule 31-507)

UPON the Director having received an application (the "Application") from Pollitt & Co. Inc. ("Pollitt") seeking a decision pursuant to section 4.1 of the Rule to exempt, until June 1, 2002, Pollitt from the application of subsection 2.3 of the Rule, which would require that Pollitt be a member of a self-regulatory organization ("SRO") recognized by the Ontario Securities Commission (the "Commission") under section 21.1 of the Act ("Recognized SRO");

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

AND UPON Pollitt having represented to the Director that:

1. Pollitt is a corporation incorporated under the laws of Ontario and is not a reporting issuer in any of the provinces or territories of Canada or in any other jurisdiction.
2. Pollitt is registered under the Act as a dealer in the category of "broker".
3. Pollitt's registration under the Act as a dealer in the category of "broker" is subject to renewal on December 31, 2001 (the "Renewal Date").
4. Pollitt is a member of the Bourse de Montreal Inc. and The Toronto Stock Exchange Inc.

5. In the absence of this Decision, subsection 1.1(1) and section 2.3 of the Rule would have the effect of requiring that, on or before the Renewal Date, Pollitt be a member of the Investment Dealers Association of Canada (the "IDA"), in order to be registered under the Act as a "broker".

6. Pollitt is in the process of completing its application for membership in the IDA and expects to file a completed application on or before December 31, 2001.

7. It is unlikely that the IDA will be in a position to complete its review of Pollitt's application for membership prior to the Renewal Date.

8. Pollitt has agreed to the imposition of the term and condition on its registration as a "broker" 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;

IT IS THE DECISION of the Director, pursuant to section 4.1 of the Rule, that Pollitt is hereby exempt from the requirement of subsection 2.3 of the Rule that it be, by the Renewal Date, a member of a Recognized SRO, provided that this exemption will terminate on the earlier of the date that Pollitt's membership in a Recognized SRO is approved and June 1, 2002.

December 17, 2001

"Robert F. Kohl"

SCHEDULE "A"

TERMS AND CONDITIONS ON REGISTRATION OF POLLITT & CO. INC.

1. No later than December 31, 2001, Pollitt & Co. Inc. shall have submitted an application for membership to the IDA that is complete in all material respects.

2. Pollitt & Co. 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.

2.1.12 PMC Sierra, Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief from the registration and prospectus requirements for a variety of trades and possible trades in connection with a business combination of two subsidiaries previously involved in an exchangeable share transaction.

Applicable Ontario Statutes

Securities Act, R.S.O. 1990, c.S.5, ss. 25, 53 & 74.

Applicable Ontario Rules

Multilateral Instrument 45-102 Resale of Securities (2001), OSCB 24 7029.

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

AND

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

AND

IN THE MATTER OF
PMC-SIERRA, INC.,
PMC-SIERRA LTD.,
PMC-SIERRA ULC AND
EXTREME PACKET DEVICES INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Manitoba and Ontario (the "Jurisdictions") has received an application from PMC-Sierra, Inc. ("PMC"), PMC-Sierra Ltd. ("Ltd."), PMC-Sierra ULC ("Newco") and Extreme Packet Devices Inc. ("Extreme") (collectively, the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation to be registered to trade in a security and to file and obtain a receipt for a preliminary prospectus and a prospectus (the "Registration and Prospectus Requirements") shall not apply to certain trades of securities in connection with the combination (the "Combination") of the businesses of Ltd. and Extreme;

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

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

1. PMC was incorporated under the laws of Delaware, is not a reporting issuer (or equivalent) under the Legislation, but is subject to the reporting requirements of the United States Securities Exchange Act of 1934, as amended;

2. the authorized capital of PMC is 900,000,000 shares of PMC Common Stock (the "PMC Shares") and 5,000,000 shares of Preferred Stock, of which approximately 165,259,314 PMC Shares were outstanding as of November 19, 2001;

3. the PMC Shares are quoted on NASDAQ National Market;

4. Ltd. was incorporated by continuation under the laws of British Columbia, and is not a reporting issuer (or equivalent) under the Legislation;

5. Ltd.'s authorized capital is (a) 100,000,000 Ordinary shares (the "Ltd. Ordinary Shares"); (b) 2,557,838 Class 1 Special shares; (c) 2,100,000 Class 2 Special shares; (d) 342,162 Class 3 Special shares; and (e) 5,000,000 Class 4 Special shares (the Class 1, 2, 3 and 4 Special shares are collectively, the "Existing Ltd. Special Shares");

6. as at November 19, 2001, there were approximately 3,968,920 Ltd. Ordinary Shares and 4,794,853 Existing Ltd. Special Shares issued and outstanding, of which PMC holds all of the Ltd. Ordinary Shares;

7. Newco was incorporated as an unlimited liability corporation under the laws of Nova Scotia to hold certain rights and obligations related to the Combination and is a wholly-owned subsidiary of PMC;

8. Extreme was incorporated by continuation under the laws of British Columbia and is not a reporting issuer (or equivalent) under the Legislation;

9. Extreme's authorized capital is 2,619,940 common shares, 10,000,000 ordinary shares (the "Extreme Ordinary Shares") and 10,000,000 special shares (the "Extreme Special Shares");

10. as of November 19, 2001, there was 1 Extreme Ordinary Share and approximately 1,646,346 Extreme Special Shares issued and outstanding, of which Ltd. holds the 1 Extreme Ordinary Share and approximately 1,196,229 Extreme Special Shares;

11. the Extreme Special Shares:

    (a) have economic attributes, including voting, dividend rights and liquidation entitlements which are, as nearly as practicable, equivalent to those of PMC Shares; and

    (b) are exchangeable into PMC Shares on a one-for-one basis in certain circumstances;

12. the Combination will be effected by:

(a) Ltd. creating the Ltd. Special shares (the "Ltd. Special Shares") with substantially the same characteristics as the Extreme Special Shares;

(b) Ltd. offering to acquire (the "Exchange Offer") all Extreme Special Shares in exchange for Ltd. Special Shares (the "Exchange");

(c) Extreme transferring all of its assets and liabilities to Ltd.;

(d) Ltd. exercising its existing liquidation call right to acquire all Extreme Special Shares not acquired under the Exchange Offer in exchange for PMC Shares; and

(e) Extreme being voluntarily dissolved;

13. after the Exchange, holders of Extreme Special Shares who accept the Exchange Offer will hold securities with terms substantially equivalent to those held before the Exchange, except that with respect to the payment of dividends and amounts in the event of the liquidation, winding up or dissolution of Ltd. the Ltd. Special Shares will rank behind the Existing Ltd. Special Shares, but holders of Ltd. Special Shares will receive the benefit of covenants given by PMC and Ltd. under the Support Agreement and Trust Agreement (defined below);

14. the Exchange and the Ltd. Special Shares may allow Canadian resident shareholders of Extreme to defer the capital gains tax otherwise payable if they received PMC Shares in exchange for their Extreme Special Shares as part of the Combination;

15. the Ltd. Special Shares:

(a) do not entitle holders to receive notice of or vote at meetings of shareholders of Ltd., but under the Trust Agreement (defined below), PMC will deposit with the Trustee, PMC Shares equal to the number of Ltd. Special Shares outstanding to enable holders of Ltd. Special Shares to vote at meetings of holders of PMC Shares;

(b) entitle holders to receive dividends from Ltd. at the same time and in the same amount as dividends paid by PMC on PMC Shares;

(c) with respect to the distribution of assets in the event of a liquidation, dissolution or winding-up of Ltd.:

(i) rank ahead of Ltd. Ordinary Shares to the extent that the holders of Ltd. Special Shares shall receive one PMC Share in such event;

(ii) rank behind Existing Ltd. Special Shares which have a preference in an amount equal to the fair market value of the PMC Shares into which such Existing Ltd. Special Shares are exchangeable (this should be satisfied by the delivery of PMC Shares);

(d) are exchangeable into PMC Shares on a one-for-one basis, from PMC, Newco or Ltd. on the:

(i) liquidation, dissolution or winding-up of Ltd.;

(ii) retraction or redemption of the Ltd. Special Shares; or;

(iii) compulsory sale of the Ltd. Special Shares under exercise of call rights by PMC or Newco;

16. the number of PMC Shares exchangeable for each Ltd. Special Share will be adjusted, in certain events involving PMC, including capital reorganization, stock dividend and disposition of all or substantially all of the property and assets;

17. prior to the closing of the Exchange Offer, PMC, Newco and Ltd. will enter into a support agreement (the "Support Agreement") under which, PMC will ensure that:

(a) Ltd. declares simultaneous and equivalent dividends on the Ltd. Special Shares as are paid by PMC on the PMC Shares, and that Ltd. has sufficient assets to pay such dividends;

(b) Newco and Ltd. are able to fulfil their obligations in respect of the put, redemption and retraction rights and the dissolution entitlements upon liquidation that are attributes of the Ltd. Special Shares and the exchange rights provided under the Trust Agreement (defined below);

18. at the closing of the Exchange Offer, PMC, Newco and Ltd., the holders of Ltd. Special Shares and a trust company, as trustee (the "Trustee") for the holders of Ltd. Special Shares, will enter into a voting trust and exchange agreement (the "Trust Agreement") under which:

(a) PMC will deposit with the Trustee, PMC Shares equal to the number of Ltd. Special Shares outstanding to enable holders of the Ltd. Special Shares to vote at meetings of holders of PMC Shares;

(b) holders of Ltd. Special Shares will be entitled to exchange their Ltd. Special Shares into PMC Shares from PMC or Newco:

(i) at the election of the holder of Ltd. Special Shares on the insolvency of Ltd.;

(ii) on the exercise of an exchange put right by holders of Ltd. Special Shares at any time; or

(iii) automatically, in the event of liquidation, winding-up or dissolution of PMC, or if PMC enters into any transaction where all or substantially all of its property and

assets become the property of another person or successor company who is not bound by the Trust Agreement and the Support Agreement;

19. the steps under the Combination and the attributes of the Ltd. Special Shares, the Support Agreement and the Trust Agreement involve certain trades and possible trades in securities (collectively, the "Trades") where no registration and prospectus exemptions may be available under the Legislation;

20. if all of the Ltd. Special Shares were exchanged for PMC Shares immediately after the completion of the Exchange, all persons and companies resident in Canada would not in the aggregate own directly or indirectly more than 10% of the total number of issued and outstanding PMC Shares or represent more than 10% of the total number of holders of PMC Shares;

21. there is no market for the PMC Shares in any province or territory of Canada and none is expected to develop;

22. on completing the Combination, none of PMC, Newco or Ltd. will become reporting issuers (or the equivalent) in any province or territory of Canada;

23. all disclosure material furnished to holders of PMC Shares in the United States will be provided to holders of Ltd. Special Shares and PMC Shares resident in the Jurisdictions; and

24. so long as any outstanding Ltd. Special Shares are held by any person other than PMC or its affiliates, PMC will remain the direct or indirect beneficial owner of all the outstanding voting shares of Newco and Ltd.;

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

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

THE DECISION of the Decision Makers under the Legislation is that the Registration and Prospectus Requirements shall not apply to the Trades, provided that,

1. the first trade in Ltd. Special Shares, other than in exchange for PMC Shares, shall be a distribution or primary distribution to the public; and

2. the first trade in any PMC Shares acquired on exchange of Ltd. Special Shares shall be a distribution or primary distribution to the public unless the trade is made through an exchange, or a market, outside of Canada, or to a person or company outside of Canada.

December 14, 2001.

"Brenda Leong"

2.1.13 Solar Trust/Fiducie Solar - MRRS Decision

Headnote

MRRS - variation of order exempting issuer of asset-backed securities from the preparation, filing and delivery of continuous disclosure documents subject to certain conditions. Order varied to include in the exemption additional commercial mortgage pass-through certificates issued since the date of the original order.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., s.144.

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

AND

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

AND

IN THE MATTER OF
SOLAR TRUST/FIDUCIE SOLAR

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Québec, Nova Scotia, and Newfoundland and Labrador (the "Jurisdictions") issued on February 1, 2001 an order (the "Solar Order") pursuant to the securities legislation of the Jurisdictions (the "Legislation"), that provisions of the Legislation concerning the preparation, filing and delivery of interim and annual financial statements and the annual filing of a form by a reporting issuer shall not apply to Solar Trust/Fiducie Solar (the "Applicant") in respect of an offering of commercial mortgage pass-through certificates specified in the Solar Order;

AND WHEREAS the Solar Order contemplates that the Applicant will from time to time issue additional certificates in connection with similar asset-backed securities transactions, and will periodically apply for a variation of the terms of the Solar Order to extend the relief granted thereby to such additional certificates;

AND WHEREAS the Applicant has now completed an additional offering of commercial mortgage pass-through certificates and is seeking a variation of the Solar Order so as to extend such relief to such additional certificates;

AND WHEREAS the Applicant is seeking to clarify some ambiguities in the Solar Order that may render the Solar Order somewhat unclear;

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

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

1. The Applicant is a private, special purpose trust which was organized pursuant to a declaration of trust under the laws of Ontario dated July 5, 2000, the beneficiary of which is a registered charity. The Applicant trustee is CIBC Mellon Trust Company. The only security holders of the Applicant will be the holders of its asset-backed securities (the "Certificateholders").

2. The Applicant's activities are limited to purchasing certain assets ("Securitized Assets") and of issuing asset-backed securities to fund the purchases of such Securitized Assets. The issuer has no material assets and does not and will not carry on any activities other than the issuance of asset-backed securities.

3. The Toronto-Dominion Bank ("TD") administers the ongoing operations of the Applicant pursuant to an administration agreement dated July 5, 2000 (the "Administration Agreement") for which TD receives nominal consideration. The Applicant is not required to compensate TD for the fees and expenses paid on the Applicant's behalf thereunder.

4. The Applicant is a reporting issuer or equivalent pursuant to the Legislation and is not in default of any of the requirements thereunder. As described below, the Applicant has received relief from the continuous disclosure requirements under the Legislation from the securities regulatory authorities in the Jurisdictions in respect of its initial public offering of $189,550,000 (initial certificate balance) of pass-through certificates designated as "Commercial Mortgage Pass-Through Certificates, Series 2000-1", which were issued on October 31, 2000.

5. On February 1, 2001 the Decisions Makers issued the Solar Order pursuant to the Legislation that provisions of the Legislation concerning the preparation, filing and delivery of interim and annual financial statements and the annual filing of a form by a reporting issuer shall not apply to the Applicant in respect of the offering of commercial mortgage pass-through certificates specified in the Solar Order.

6. In the Solar Order, the Applicant represented that it may from time to time seek to issue additional certificates in connection with similar asset-backed securities transactions which it may undertake in the future, in which case the Applicant may seek from the Decision Makers a variation of the relief granted to the Applicant so as to include such additional certificates.

7. The Solar Order contemplates the periodic application by the Applicant for a variation of the terms of the Solar Order to extend the relief granted thereby to such additional offerings. The Solar Order contemplates the extension of such relief to additional offerings by means of periodic amendment to the defined term "Additional Certificates", which is defined to mean the issuance of further certificates by the Applicant in connection with similar asset-backed securities transactions from time to time.

8. Since the date of the Solar Order, the Applicant has made one additional offering of asset-backed securities, namely the Commercial Mortgage Pass-Through Certificates, Series 2001-1 (as described below).

9. On July 31, 2001 the Applicant filed a short form prospectus and on August 2, 2001 the Applicant filed a prospectus supplement with each of the Canadian provincial securities regulatory authorities for the issuance of $214,660,426 (initial certificate balance) of commercial mortgage pass-through certificates evidencing co-ownership interests in a pool of 47 conventional, fixed rate mortgage loans, designated as Commercial Mortgage Pass-Through Certificates, Series 2001-1 (the "Commercial Mortgage Pass-Through Certificates, Series 2001-1 Certificates") and received receipts for such prospectus from each of the Canadian provincial securities regulatory authorities. In this respect, in order for the Applicant to continue to be permitted the continuous disclosure relief which was granted in the Solar Order, the Applicant hereby requests that the Solar Order be amended to include a reference to the Commercial Mortgage Pass-Through Certificates, Series 2001-1 Certificates in the Schedule.

10. All of the factual statements concerning the Applicant that are contained in the Solar Order remain true as of the date hereof.

11. All filing fees that would otherwise be payable by the Applicant in connection with the continuous disclosure requirements under the Legislation are paid.

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;

IT IS ORDERED pursuant to the Legislation that:

1. The schedule to the Original Order (the "Schedule") be amended by inserting, directly underneath the heading of "ADDITIONAL CERTIFICATES" the following sentence: "In this Decision, the following certificate and/or classes of certificates constitute "Additional Certificates"".

2. The Schedule to the Solar Order shall be amended by the deletion of the word "None", and the insertion of the following:

   "1. $214,660,426 (initial certificate balance) of commercial mortgage pass-through certificates evidencing co-ownership interests in a pool of 47

conventional, fixed rate mortgage loans, designated as Commercial Mortgage Pass-Through Certificates, Series 2001-1".

3. Paragraph 4 of the Solar Order shall be amended by deleting the words "additional certificates (the "Additional Certificates")" in the fourth line and by substituting the following words "Additional Certificates (as defined in the Schedule attached hereto)", in their place.

December 17, 2001.

"Paul Moore" "R. Stephen Paddon"

2.1.14 Alimentation CoucheTard Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Issuer is a connected, but not a related issuer, in respect of certain registrants that are underwriters in a proposed distribution of Class B Subordinated Voting Shares of the issuer - Underwriters exempt from the independent underwriter requirement in the legislation provided that the issuer is not a related issuer of any of the underwriters and certain disclosure made in the prospectus.

Ontario Regulations

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

Applicable Ontario Rules

Proposed Multi-Jurisdictional Instrument 33-105: Underwriting Conflicts (2001) 24 OSCB 3805.

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

AND

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

AND

IN THE MATTER OF
SCOTIA CAPITAL INC.,
NATIONAL BANK FINANCIAL INC.,
CIBC WORLD MARKETS INC.,
DESJARDINS SECURITIES INC.

AND

IN THE MATTER OF
ALIMENTATION COUCHE-TARD INC.

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authorities or regulator (the "Decision Makers") of Quebec, Alberta, Ontario, Newfoundland and Labrador (the "Jurisdictions ") has received an application from Scotia Capital Inc. ("Scotia"), National Bank Financial Inc. ("NBF"), CIBC World Markets Inc. ("CIBCWM") and Desjardins Securities Inc. ("Desjardins"), (collectively, the "Filers") for a decision pursuant to the securities legislation of Quebec, Alberta, Ontario and Newfoundland (the "Legislation") that the requirement to comply with the rule against acting as underwriter in connection with a distribution of securities of a connected issuer of the Underwriters (the "Independent Underwriter Requirement") contained in the Legislation shall

not apply to the Underwriters in connection with an offering (the "Offering") of Class B Subordinated Voting Shares of Alimentation Couche-Tard Inc. (the "Issuer") to be made by means of a prospectus (the "Prospectus");

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

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

1. The Issuer was incorporated under Part 1A of the Companies Act (Quebec) by certificate of amalgamation dated May 1, 1988.

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

3. The Issuer has filed a preliminary short form prospectus on December 7, 2001 in all Canadian provinces in order to qualify the distribution of 4,000,000 Class B Subordinate Voting Shares at a price of $25.40.

4. Pursuant to the terms of an underwriting agreement (the "Underwriting Agreement") between the Issuer and the Underwriters, the Underwriters have agreed to act as underwriters in connection with the Offering. The proportionate share of the Offering to be underwritten by each of the Underwriters is as follows:

Underwriter Name	Proportionate Share of Offering
Scotia Capital Inc.	35%
National Bank Financial Inc.	35%
CIBC World Markets Inc.	12.5%
BMO Nesbitt Burns Inc. ("BMONB")	10%
Desjardins Securities Inc.	2.5%
Dundee Securities Corporation ("Dundee")	2.5%
Harris Partners Limited ("Harris")	2.5%
	100.0%

5. The Issuer has entered into an amended and restated credit agreement on June 21, 2001 (the "Credit Agreement") with the National Bank of Canada ("NBC"), acting as lead agent. The credit facilities (the "Facilities") under the Credit Agreement are with, among others, NBC, Bank of Nova Scotia ("BNS"), the Canadian Imperial Bank of Commerce ("CIBC") and Caisse centrale Desjardins ("Caisse") (NBC, BNS CIBC and Caisse are collectively referred to as the "Banks") and include a renewable operating credit as well as several term credits, all of which (except one) are not renewable.

6. As at December 5, 2001, the amounts due by the Issuer under the Facilities to the Banks were as follows: (i) $17.3 million to BNS, (ii) $58.6 million to NBC, (iii) $24.3 million to CIBC and (iv) $10.4 million to Caisse.

7. Scotia is controlled by BNS, NBF is controlled by NBC, CIBCWM is controlled by CIBC and Desjardins is controlled by Caisse.

8. The Filers will not benefit in any manner from the Offering other than the payment of their fee in connection with the distribution.

9. By virtue of the Facilities, the Issuer may, in connection with the Offering, be considered a "connected issuer" (or the equivalent) of Scotia, NBC, CIBCWM and Caisse.

10. The Banks did not participate in the decision to make the Offering nor in the determination of the terms of the distribution.

11. BMONB, Harris and Dundee are not controlled by a bank that is a party to the Credit Agreement.

12. The Issuer is in good financial condition, is in compliance with its obligations under the Facilities and is not under any financial pressure to complete the Offering.

13. The proceeds of the Offering will be used to repay a portion of the Facilities.

14. The Prospectus will contain the information required by Appendix "C" to Multilateral Instrument 33-105 Underwriting Conflicts, as amended (the "Proposed Instrument").

15. The Issuer is not a "related issuer", as defined in the Proposed Instrument of any of the Underwriters for the purposes of the Offering.

16. The certificate in the Prospectus will be signed by each of the Underwriters as required by the Legislation.

AND UPON being satisfied that doing so would not be prejudicial to the public interest to grant the relief requested.

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 Filers shall be exempted from the Independent Underwriter Requirement contained in the Legislation in respect of the Offering, provided that :

a) at the time of the Offering, the Issuer is not a "related issuer" of a Filer as that term is defined in the Proposed Instrument; and

b) the Prospectus relating to the Offering contains disclosure of the relationship between the Issuer, the Filers, and the Banks as would be required under Appendix "C" of the Proposed Instrument.

December 14, 2001.

"Jean Lorrain"

2.1.15 Ex Fund Capital Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief granted from registration requirements for trades of public company shares and from the registration and prospectus requirements for trades of promissory notes, all by the issuer under an issuer bid - relief also granted from the valuation requirement and certain disclosure requirements in the issuer bid circular in connection with the issuer bid - 12 registered shareholders of issuer in Ontario holding 1.4% of outstanding shares of issuer - no beneficial owners in Ontario - issuer bid made in compliance with British Columbia requirements but issuer unable to rely on statutory de minimus exemption from Ontario issuer bid requirements as issuer obtaining exemption from certain of the British Columbia issuer bid requirements.

Applicable Ontario Statutes Cited

Securities Act, R.S.O. 1990, c.S.5, as am., ss 25, 53, 74(1) and 104(2)(c).

Applicable Ontario Rules Cited

Rule 61-501 - Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions, ss. 3.3, 3.4(1) and 9.1.

Forms

Form 33, Item 22.

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

AND

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

AND

IN THE MATTER OF EX FUND CAPITAL INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta and Ontario (the "Jurisdictions") has received an application from Ex Fund Capital Inc. (the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that, in connection with the proposed purchase by the Filer of its outstanding common shares (the "Shares") under an issuer bid (the "Offer"), the Filer be exempt from the requirements in the Legislation:

(a) to be registered to trade in a security (the "Registration Requirements") for trades by the Filer of common

shares of Cardiocomm Solutions Inc. ("Cardiocomm"), Photochannel Networks Inc. ("Photochannel") and Cryopak Industries Inc. ("Cryopak") or of Notes (as defined below) under the Offer;

(b) to file and obtain a receipt for a preliminary prospectus and a prospectus (the "Prospectus Requirements") for trades by the Filer of Notes under the Offer;

(c) to obtain a formal valuation of the Shares and provide disclosure in the issuer bid circular (the "Circular") of such valuation or a summary thereof (the "Valuation Requirements");

(d) that the Circular include, with respect to Cardiocomm, Photochannel and Cryopak, the information prescribed in the form of prospectus appropriate for those companies (the "Public Company Disclosure Requirements"); and

(e) that the Circular include, with respect to the Filer, the information prescribed in the form of prospectus appropriate for the Filer (the "Ex Fund Disclosure Requirements");

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

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

1. the Filer was incorporated under the Company Act (British Columbia) on February 5, 1996;

2. the Filer is a reporting issuer in British Columbia and is not a reporting issuer in anyother of the Jurisdictions;

3. the Filer is not in default of any requirement under the Legislation;

4. the Filer is a venture capital fund company that, by itself and with its two wholly-owned subsidiaries, holds equity securities of:

   (a) three private companies, including common shares (the "Brookdale Shares") of Brookdale International Systems Inc. ("Brookdale"), and

   (b) four public companies, Cardiocomm, Photochannel and Cryopak, all of which are listed on the Canadian Venture Exchange, and Unity Wireless Corp. ("Unity"), which is quoted on the over-the-counter bulletin board in the United States (the "OTC BB");

5. the Filer's authorized share capital is 100,000,000 Shares and 20,000,000 Class A Preference shares without par value; as at November 27, 2001, 21,130,423 Shares and no Class A Preference shares were outstanding;

6. none of the Filer's securities are listed on any stock exchange or quotation system;

7. the Filer has received final forgiveness orders under the *Small Business Venture Capital Act* permitting it to distribute its assets, including the equity securities, to its shareholders; the Filer proposes to carry out this distribution through the Offer;

8. under the Offer, the Filer proposes to acquire all of its outstanding Shares in exchange for:

   (a) approximately $0.0875 in cash (the "Cash Amount"),

   (b) 0.1544 common shares of Cardiocomm,

   (c) 0.0237 common shares of Photochannel,

   (d) 0.0205 common shares of Cryopak, and

   (e) one promissory note to be issued by the Filer (the "Note"),

for each Share tendered and not withdrawn under the Offer;

9. the Cash Amount will be based on a *pro rata* portion of the Filer's cash on hand on the day immediately before the date the Offer is made, less estimated expenses the Filer may incur before paying for the Shares tendered under the Offer, plus the estimated value on the day immediately before the date the Offer is made of the shares of the three private companies owned by the Filer, and the average trading price of the shares of Unity on the OTC BB on the 20 trading days prior to the day the Offer is made;

10. each Note will entitle the holder to receive from the Filer, from time to time, an amount equal to the cash portion of any consideration received by the Filer from a disposition of any of the Brookdale Shares or as a result of a corporate change in Brookdale (once the aggregate amount of money received by the Filer from such dispositions and corporate changes equals $88,750), less any taxes and expenses incurred by the Filer in connection with the disposition or as a result of the corporate change, divided by 21,130,423;

11. the Filer does not propose to distribute the private company shares under the Offer because of restrictions on transfer in the private companies' articles; the Filer does not propose to distribute the shares of Unity under the Offer because OTC BB traded shares are not eligible for registered retirement savings plans;

12. the Filer has approximately 100 shareholders;

13. Discovery Capital Corporation ("DCC"), a British Columbia company, owns 432,736, or 2.0%, of the outstanding Shares and Ex Fund Technologies Corp. ("ETC"), a British Columbia company and a wholly-owned subsidiary of DCC, owns 17,529,041, or 83.0%, of the outstanding Shares;

14. as at November 29, 2001, other than DCC and ETC, the Filer had:

(a) 81 registered shareholders in British Columbia holding 2,633,116, or 12.5%, of the outstanding Shares,

(b) there are no beneficial shareholders in Ontario and 12 registered shareholders in Ontario holding 299,149, or 1.4%, of outstanding Shares, each of whom was a trustee under a British Columbia resident's registered retirement savings plan, and

(c) one registered shareholder in Alberta holding 40,000, or 0.2%, of the outstanding Shares;

15. DCC and ETC have advised the Filer that, as at November 29, 2001, neither of them intend to tender their Shares to the Offer;

16. there are no exemptions from the Registration Requirements in some of the Jurisdictions for trades of common shares of Cardiocomm, Photochannel and Cryopak by the Filer under the Offer;

17. there are no exemptions from the Registration Requirements or the Prospectus Requirements in some of the Jurisdictions for trades of Notes by the Filer under the Offer;

18. the Circular will include:

(a) an opinion as to the fairness, from a financial point of view, of the Offer to the Filer's shareholders,

(b) information as to where publicly available information regarding Cardiocomm, Photochannel and Cryopak may be obtained, and

(c) except to the extent exemptive relief is granted by this decision, the disclosure prescribed by the Legislation for issuer bids;

AND WHEREAS under the System, the 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:

1. the Registration Requirements shall not apply to trades by the Filer of common shares of Cardiocomm, Photochannel and Cryopak under the Offer;

2. the Registration Requirements and the Prospectus Requirements shall not apply to trades by the Filer of Notes under the Offer provided that the first trade in Notes acquired under the Offer is deemed to be a distribution under the Legislation;

3. the Filer is exempt from the Valuation Requirements, the Public Company Disclosure Requirements and the Ex Fund Disclosure Requirements in connection with the Offer.

December 14, 2001.

"Brenda Leong"

2.2 Orders

2.2.1 Miller Tabak Roberts Securities, LLC - s. 211

Headnote

Applicant for registration as international dealer exempted from requirement in subsection 208(2) of the Regulation that it carry on the business of underwriter in a country other than Canada where applicant will not act as underwriter in Ontario - Applicant is registered with the S.E.C. as a broker-dealer and is a member of the N.A.S.D.

Statutes Cited

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

Regulations Cited

Regulation made under the Securities act, R.R.O., Reg. 1015, as am., ss.100(3), 208(1), 208(2) and 211.

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

AND

IN THE MATTER OF
R.R.O. 1990, REGULATION 1015,
AS AMENDED (the "Regulation")

AND

IN THE MATTER OF
MILLER TABAK ROBERTS SECURITIES, LLC

ORDER
(Section 211 of the Regulation)

UPON the application (the "Application") of Miller Tabak Roberts Securities, LLC (the "Applicant") to the Ontario Securities Commission (the "Commission") for an order, pursuant to section 211 of the Regulation, exempting the Applicant from the requirement in subsection 208(2) of the Regulation that the Applicant carry on the business of an underwriter in a country other than Canada, in order for the Applicant to be registered under the Act as a dealer in the category of "international dealer";

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant has filed an application for registration as a dealer under the Act in the category of "international dealer" in accordance with section 208 of the Regulation. The Applicant is not presently registered in any capacity under the Act.

2. The Applicant is a limited liability corporation formed under the laws of the State of New York, United States of America, and having its principal place of business at 331 Madison Avenue, 12th floor, New York, New York 10017, USA.

3. The Applicant is registered as a broker-dealer with the United States Securities and Exchange Commission (the "SEC"), and with the appropriate state securities authority in 48 state jurisdictions of the United States and in the District of Columbia and Puerto Rico. The Applicant is also a member of the National Association of Securities Dealers (the "NASD").

4. The Applicant does not currently act as an underwriter in the United States. The Applicant does not currently act as an underwriter in any other jurisdiction outside of the United States.

5. In the absence of the relief requested in this Application, the Applicant would not meet the requirements of the Regulation for registration as a dealer in the category of "international dealer" as it does not carry on the business of an underwriter in a country other than Canada.

6. The Applicant does not now act as an underwriter in Ontario and will not act as an underwriter in Ontario if it is registered under the Act as an "international dealer", despite the fact that subsection 100(3) of the Regulation provides that an "international dealer" is deemed to have been granted registration as an underwriter for the purposes of permitted distributions.

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

IT IS THE DECISION of the Commission that, pursuant to section 211 of the Regulation, in connection with the registration of the Applicant as a dealer under the Act in the category of "international dealer", the Applicant is exempt from the provisions of subsection 208(2) of the Regulation requiring that the Applicant carry on the business of an underwriter in a country other than Canada, provided that, so long as the Applicant is registered under the Act as an "international dealer":

(a) the Applicant carries on the business of a dealer in a country other than Canada; and

(b) notwithstanding subsection 100(3) of the Regulation, the Applicant shall not act as an underwriter in Ontario.

December 4, 2001.

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

2.2.2 YBM Magnex International, Inc. - s. 144

Headnote

Partial revocation of cease trade order pursuant to section 144 of the Act granted to permit trades solely for the purpose of establishing a tax loss for income tax purposes, in accordance with OSC Policy 57-602.

Statutes Cited

Securites Act, R.S.O. 1990, c.S.5, as am., 6(3) 127 and 144.

Policies Cited

OSC Policy 57-602

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

AND

IN THE MATTER OF
PERIGEE DIVERSIFUND

AND

PERIGEE CANADIAN AGGRESSIVE GROWTH EQUITY FUND

AND

YBM MAGNEX INTERNATIONAL, INC.

ORDER
(Section 144)

WHEREAS the securities of YBM Magnex International, Inc. ("YBM") are subject to an order of the Ontario Securities Commission (the "Commission") dated May 28, 1998 (the "Cease Trade Order") pursuant to section 127 of the Act, extending a Temporary Order of the Commission made on May 13, 1998, ordering that trading in securities of YBM cease until a hearing is concluded;

AND WHEREAS Perigee Diversifund and Perigee Canadian Aggressive Growth Equity Fund (collectively, the "Vendors") have made an application to the Commission pursuant to section 144 of the Act (the "Application") for an order varying the Cease Trade Order in order to allow for the disposition by Perigee Diversified of 146,000 common shares of YBM and by Perigee Canadian Aggressive Growth Equity Fund of 266,700 common shares of YBM (all such securities of YBM, the "Securities") for the purpose of establishing a tax loss;

AND WHEREAS Ontario Securities Commission Policy 57-602 provides that the Commission is prepared to vary an outstanding cease trade order to permit the disposition of securities which are subject to a cease trade order for the purpose of establishing a tax loss where the Commission is satisfied that the disposition is being made, so far as the security holder is concerned, solely for the purpose of that security holder establishing a tax loss and provided that the security holder provides the purchaser with a copy of the cease trade order and the variation order;

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

AND UPON the Vendors having represented to the Commission that:

(i) the Vendors acquired the Securities prior to the issuance of the Cease Trade Order;

(ii) the Vendors will effect the proposed disposition of the Securities (the "Disposition") solely for the purpose of establishing a tax loss in respect of such Disposition;

(iii) Harris Partners Limited (the "Purchaser") has agreed to purchase the Securities as principal for an aggregate purchase price payable to each of the Vendors of $1; and

(iv) the Vendors have provided the Purchaser with a copy of the Cease Trade Order and will provide the Purchaser with a copy of this Order;

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

IT IS ORDERED pursuant to section 144 of the Act that the Cease Trade Order be and is hereby varied in order to permit the Disposition.

December 14, 2001.

"Paul M. Moore" "H. Lorne Morpy"

2.2.3 - Enbridge Pipelines (NW) Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - corporation deemed to have ceased to be a reporting issuer as all of its issued and outstanding securities are held, either directly or indirectly, by another issuer.

Applicable Ontario Statutory Provisions

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

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

AND

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

AND

IN THE MATTER OF ENBRIDGE PIPELINES (NW) INC.

MRRS DECISION DOCUMENT

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

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

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

   3.1 Interprovincial Pipe Line (NW) Ltd. was incorporated under the *Canada Business Corporations Act* (the "CBCA") on March 3, 1980;

   3.2 Interprovincial Pipe Line (NW) Ltd. changed its name to Enbridge on October 13, 1998;

   3.3 Enbridge's head office is located in Calgary, Alberta;

   3.4 Enbridge is a reporting issuer in the Jurisdictions and became a reporting issuer in the Jurisdictions on or about March 7, 1984 as a result of obtaining receipts for a final prospectus (the "Prospectus");

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

   3.6 under the Prospectus and prospectuses dated October 24, 1994 and September 19, 1985, Enbridge completed public offerings of Series A, Series B, and Series C debentures (collectively, the "Debentures"), respectively;

   3.7 all of the Debentures have been redeemed or have matured;

   3.8 the authorized capital of Enbridge consists of an unlimited number of common shares (the "Common Shares") and an unlimited number of preferred shares, issuable in series of which, as of September 30, 2001, there were 385,735 Common Shares outstanding;

   3.9 all of the outstanding Common Shares are held by Enbridge Inc., a corporation incorporated under the CBCA with its head office located in Calgary, Alberta;

   3.10 no securities of Enbridge are, or have ever been, listed or quoted on any exchange or market;

   3.11 other than the outstanding Common Shares, there are no securities of Enbridge, including debt securities, outstanding;

   3.12 Enbridge does not intend to seek public financing by way of an offering of its securities;

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

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

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

November 15, 2001.

"Patricia M. Johnston"

Chapter 3

Reasons: Decisions, Orders and Rulings

THERE IS NO MATERIAL FOR THIS CHAPTER

IN THIS ISSUE

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Chapter 4

Cease Trading Orders

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Chapter 5

Rules and Policies

5.1.1 Amendment to OSC Rule in the Matter of Certain Reporting Issuers

**AMENDMENT TO
ONTARIO SECURITIES COMMISSION RULE
IN THE MATTER OF CERTAIN REPORTING ISSUERS
[INCLUDING NATIONAL POLICY STATEMENT NO. 41]**

1.1 Amendment - The Rule entitled *In the Matter of Certain Reporting Issuers* [including National Policy Statement No. 41] (1997), 20 OSCB 1219, as amended by (1999), 22 OSCB 152, (2000), 23 OSCB 288 and (2000), 23 OSCB 6725, is amended by deleting "December 31, 2001" in the last sentence and replacing it with "June 30, 2002".

5.1.2 NI 33-105 Underwriting Conflicts

**NATIONAL INSTRUMENT 33-105
UNDERWRITING CONFLICTS**

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NATIONAL INSTRUMENT 33-105 UNDERWRITING CONFLICTS

PART 1 DEFINITIONS, INTERPRETATION AND APPLICATION

1.1 **Definitions** - In this Instrument

"associated party" means, if used to indicate a relationship with a person or company

(a) a trust or estate in which

(i) that person or company has a substantial beneficial interest, unless that trust or estate is managed under discretionary authority by a person or company that is not a member of any professional group of which the first mentioned person or company is a member, or

(ii) that person or company serves as trustee or in a similar capacity,

(b) an issuer in respect of which that person or company beneficially owns or controls, directly or indirectly, voting securities carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the issuer, or

(c) a relative, including the spouse, of that person, or a relative of that person's spouse, if

(i) the relative has the same home as that person, and

(ii) the person has discretionary authority over the securities held by the relative;

"connected issuer" means, for a registrant,

(a) an issuer distributing securities, if the issuer or a related issuer of the issuer has a relationship with any of the following persons or companies that may lead a reasonable prospective purchaser of the securities to question if the registrant and the issuer are independent of each other for the distribution:

(i) the registrant,

(ii) a related issuer of the registrant,

(ii) a director, officer or partner of the registrant,

(iv) a director, officer or partner of a related issuer of the registrant, or

(b) a selling securityholder distributing securities, if the selling securityholder or a related issuer of the selling securityholder has a relationship with any of the following persons or companies that may lead a reasonable prospective purchaser of the securities to question if the registrant and the selling securityholder are independent of each other for the distribution:

(i) the registrant,

(ii) a related issuer of the registrant,

(iii) a director, officer or partner of the registrant,

(iv) a director, officer or partner of a related issuer of the registrant;

"direct underwriter" means, for a distribution,

(a) an underwriter that is in a contractual relationship with the issuer or selling securityholder to distribute the securities that are being offered in the distribution, or

(b) a dealer manager, if the distribution is a rights offering;

"foreign issuer" has the meaning ascribed to that term in National Instrument 71-101 The Multijurisdictional Disclosure System;

"independent underwriter" means, for a distribution, a direct underwriter that is not the issuer or the selling securityholder in the distribution and in respect of which neither the issuer nor the selling securityholder is a connected issuer or a related issuer;

"influential securityholder" means, in relation to an issuer,

(a) a person or company or professional group that

(i) holds, has the power to direct the voting of, or has direct or indirect beneficial ownership of, voting securities entitling the person or company or professional group to cast more than 20 percent of the votes for the election or removal of directors of the issuer,

(ii) holds, has the power to direct the voting of, or has direct or indirect beneficial ownership of, equity securities entitling the person or company or professional group to receive more than 20 percent of the dividends or distributions to the holders of the equity securities of the issuer, or more than 20 percent of the amount to be distributed to the holders of equity securities of the issuer on the liquidation or winding up of the issuer,

(iii) controls or is a partner of the issuer if the issuer is a general partnership, or

(iv) controls or is a general partner of the issuer if the issuer is a limited partnership,

(b) a person or company or professional group that

(i) holds, has the power to direct the voting of, or has direct or indirect beneficial ownership of,

(A) voting securities entitling the person or company or professional group to cast more than 10 percent of the votes for the election or removal of directors of the issuer, or

(B) equity securities entitling the person or company or professional group to receive more than 10 percent of the dividends or distributions to the holders of the equity securities of the issuer, or more than 10 percent of the amount to be distributed to the holders of equity securities of the issuer on the liquidation or winding up of the issuer, and

(ii) either

(A) together with its related issuers

(I) is entitled to nominate at least 20 percent of the directors of the issuer or of a related issuer of the issuer, or

(II) has officers, directors or employees who are also directors of the issuer or a related issuer of the issuer, constituting at least 20 percent of the directors of the issuer or of the related issuer, or

(B) is a person or company of which the issuer, together with its related issuers,

(I) is entitled to nominate at least 20 percent of the directors of the person or company or at least 20 percent of the directors of a related issuer of the person or company, or

(II) has officers, directors or employees who are also directors of the person or company or a related issuer of the person or company, constituting at least 20 percent of the directors of the person or company or of the related issuer of the person or company, or

(c) a person or company

(i) of which the issuer holds, has the power to direct the voting of, or has direct or indirect beneficial ownership of,

(A) voting securities entitling the issuer to cast more than 10 percent of the votes for the election or removal of directors of the person or company, or

(B) equity securities entitling the issuer to receive more than 10 percent of the dividends or distributions to the holders of the equity securities of the person or company, or more than 10 percent of the amount to be distributed to the holders of equity securities of the person or company on the liquidation or winding up of the person or company, and

(ii) either

(A) that, together with its related issuers

(I) is entitled to nominate at least 20 percent of the directors of the issuer or of a related issuer of the issuer, or

(II) has officers, directors or employees who are also directors of the issuer or a related issuer of the issuer, constituting at least 20 percent of the directors of the issuer or of the related issuer, or

(B) of which the issuer, together with its related issuers

(I) is entitled to nominate at least 20 percent of the directors of the person or company or at least 20 percent of the directors of a related issuer of the person or company, or

(II) has officers, directors or employees who are also directors of the person or company or a related issuer of the person or company, constituting at least 20 percent of the directors of the person or company or of the related issuer of the person or company, or

(d) if a professional group is within paragraph (a) or (b), the registrant of the professional group;

"professional group" means a group comprised of a registrant and all of the following persons or companies:

(a) any employee of the registrant,

(b) any partner, officer or director of the registrant,

(c) any affiliate of the registrant,

(d) any associated party of any person or company described in paragraphs (a) through (c) or of the registrant;

"registrant" means a person or company registered or required to be registered under securities legislation, other than as a director, officer, partner or salesperson;

"related issuer" means a party described in subsection 1.2(2); and

"special warrant" means a security that, by its terms or the terms of an accompanying contractual obligation, entitles or requires the holder to acquire another security without payment of material additional consideration and obliges the issuer of the special warrant or the other security to undertake efforts to file a prospectus to qualify the distribution of the other security.

1.2 Interpretation

(1) For the purposes of calculating a percentage of securities that are owned, held or under the direction of a person or company in the definition of "influential securityholder"

(a) the determination shall be made

(i) first, by including in the calculation only voting securities or equity securities that are outstanding, and

(ii) second, if the person or company is not an influential securityholder by reason of a calculation under subparagraph (i), by including all voting securities or equity securities that would be outstanding if all outstanding securities that are convertible or exchangeable into voting securities or equity securities, and all outstanding rights to acquire securities that are convertible into, exchangeable for, or carry the right to acquire, voting securities or equity securities, are considered to have been converted, exchanged or exercised, as the case may be, and

(b) securities held by a registrant in its capacity as an underwriter in the course of a distribution are considered not to be securities that the registrant holds, has the power to direct the voting of, or has direct or indirect beneficial ownership of.

(2) A person or company is a "related issuer" of another person or company if

(a) the person or company is an influential securityholder of the other person or company,

(b) the other person or company is an influential securityholder of the person or company, or

(c) each of them is a related issuer of the same third person or company.

(3) Calculations of time required to be made in this Instrument in relation to a "distribution" shall be made in relation to the date on which the underwriting or agency agreement for the distribution is signed.

1.3 Application of Instrument - This Instrument does not apply to a distribution of

(a) securities described in the provisions of securities legislation listed in Appendix A; or

(b) mutual fund securities.

PART 2 RESTRICTIONS ON UNDERWRITING

2.1 Restrictions on Underwriting

(1) No registrant shall act as an underwriter in a distribution of securities in which it is the issuer or selling securityholder, or as a direct underwriter in a distribution of securities of or by a connected issuer or a related issuer of the registrant, unless the distribution is made under a prospectus or another document that, in either case, contains the information specified in Appendix C.

(2) For a distribution of special warrants or a distribution made under a prospectus no registrant shall act

(a) as an underwriter if the registrant is the issuer or selling securityholder in the distribution; or

(b) as a direct underwriter if a related issuer of the registrant is the issuer or selling securityholder in the distribution.

(3) Subsection (2) does not apply to a distribution

(a) in which

(i) at least one registrant acting as direct underwriter acts as principal, so long as an independent underwriter underwrites not less than the lesser of

(A) 20 percent of the dollar value of the distribution, and

(B) the largest portion of the distribution underwritten by a registrant that is not an independent underwriter, or

(ii) each registrant acting as direct underwriter acts as agent and is not obligated to act as principal, so long as an independent underwriter receives a portion of the total agents' fees equal to an amount not less than the lesser of

(A) 20 percent of the total agents' fees for the distribution, and

(B) the largest portion of the agents' fees paid or payable to a registrant that is not an independent underwriter; and

(b) the identity of the independent underwriter and disclosure of the role of the independent underwriter in the structuring and pricing of the distribution and in the due diligence activities performed by the underwriters for the distribution is contained in

(i) a document relating to the special warrants that is delivered to the purchaser of the special warrants before that purchaser enters into a binding agreement of purchase and sale for the special warrants, for a distribution of special warrants, or

(ii) the prospectus, for a distribution made under a prospectus.

2.2 **Calculation Rules** - The following rules shall be followed in calculating the size of a distribution and the amount of independent underwriter involvement required for purposes of subsection 2.1(3):

(a) For a distribution that is made entirely in Canada, the calculation shall be based on the aggregate dollar value of securities distributed in Canada or the aggregate agents' fees relating to the distribution in Canada, and the aggregate dollar value of the distribution underwritten, or aggregate dollar value of agents' fees received, by the independent underwriter in Canada.

(b) For a distribution that is made partly in Canada of securities of an issuer that is not a foreign issuer, the calculation shall be based on the aggregate dollar value of securities distributed in Canada and outside of Canada or the aggregate agents' fees relating to the distribution in Canada and outside of Canada, and the aggregate dollar value of the distribution underwritten, or aggregate dollar value of agents' fees received, by the independent underwriter in Canada and outside of Canada.

(c) For a distribution that is made partly in Canada by a foreign issuer and that is not exempt from the requirements of subsection 2.1(2) by subsection 2.1(3) or by section 3.2, the calculation shall be based on the dollar value of securities distributed in Canada or the agents' fees relating to the distribution paid or payable in Canada, and the dollar value of the distribution underwritten, or aggregate dollar value of agents' fees received, by the independent underwriter in Canada.

PART 3 NON-DISCRETIONARY EXEMPTIONS

3.1 **Exemption from Disclosure Requirement** - Subsection 2.1(1) does not apply to a distribution that

(a) is made under a document other than a prospectus if each of the purchasers of the securities

(i) is a related issuer of the registrant,

(ii) purchases as principal, and

(iii) does not purchase as underwriter; or

(b) is made under a provision of securities legislation listed in Appendix B.

3.2 **Exemption from Independent Underwriter Requirement** - Subsection 2.1(2) does not apply to a distribution of securities of a foreign issuer if more than 85 percent of the aggregate dollar value of the distribution is made outside of Canada or if more than 85 percent of the agents' fees relating to the distribution are paid or payable outside of Canada.

PART 4 VALUATION REQUIREMENT

4.1 **Valuation Requirement** - A purchaser of securities offered in a distribution for which information is required to be given under subsection 2.1(1) shall be given a document that contains a summary of a valuation of the issuer by a member of the Canadian Institute of Chartered Business Valuators, a chartered accountant or by a registered dealer of which the issuer is not a related issuer, and that specifies a reasonable time and place at which the valuation may be inspected during the distribution, if

(a) the issuer in the distribution

(i) is not a reporting issuer,

(ii) is a registered dealer, or an issuer all or substantially all of whose assets are securities of a registered dealer,

(iii) is issuing voting securities or equity securities, and

(iv) is effecting the distribution other than under a prospectus; and

(b) there is no independent underwriter that satisfies subsection 2.1(3).

PART 5 EXEMPTION

5.1 Exemption

(1) The regulator or securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

(2) Despite subsection (1), in Ontario only the regulator may grant such an exemption.

5.2 **Evidence of Exemption** - Without limiting the manner in which an exemption under section 5.1 may be evidenced, the issuance by the regulator of a receipt for a prospectus or an amendment to a prospectus is evidence of the granting of the exemption if

(a) the person or company that sought the exemption has delivered to the regulator, on or before the date that the preliminary prospectus or an amendment to the preliminary prospectus was filed, a letter or memorandum describing the matters relating to the exemption and indicating why consideration should be given to the granting of the exemption; and

(b) the regulator has not sent written notice to the contrary to the person or company that sought the exemption before, or concurrent with, the issuance of the receipt.

PART 6 EFFECTIVE DATE

6.1 **Effective Date** - This National Instrument comes into force on January 3, 2002.

NATIONAL INSTRUMENT 33-105

APPENDIX A

EXEMPT SECURITIES

JURISDICTION	SECURITIES LEGISLATION REFERENCE
ALBERTA	Section 66 of the *Securities Act* (Alberta)
BRITISH COLUMBIA	Section 46 of the *Securities Act* (British Columbia)
MANITOBA	Subsection 19(2) of the *Securities Act* (Manitoba)
NEWFOUNDLAND	Subsection 36(2) of the *Securities Act* (Newfoundland)
NEW BRUNSWICK	Section 4 of the Exemption Regulation - *Security Frauds Prevention Act* (New Brunswick)
NOVA SCOTIA	Subsection 41(2) of the *Securities Act* (Nova Scotia)
ONTARIO	Subsection 35(2) of the *Securities Act* (Ontario)
PRINCE EDWARD ISLAND	Subsection 2(4) of the *Securities Act* (Prince Edward Island)
QUÉBEC	Section 41 of the *Securities Act* (Québec)
SASKATCHEWAN	Subsection 39(2) of *The Securities Act, 1988* (Saskatchewan)

NATIONAL INSTRUMENT 33-105

APPENDIX B

PROVISIONS REFERRED TO IN PARAGRAPH 3.1(b)

JURISDICTION	SECURITIES LEGISLATION REFERENCE
ALBERTA	Subsections 112(1) and 112(3) of the *Securities Act* (Alberta)
BRITISH COLUMBIA	Section 128(d) of the *Securities Rules* (British Columbia)
NEWFOUNDLAND	Subsection 73(7)(b) of the *Securities Act* (Newfoundland)
NOVA SCOTIA	Subsection 77(11)(b) of the *Securities Act* (Nova Scotia)
ONTARIO	Clause 72(7)(b) of the *Securities Act* (Ontario)
SASKATCHEWAN	Clauses 81(10) and 81(11) of *The Securities Act, 1988* (Saskatchewan)

NATIONAL INSTRUMENT 33-105

APPENDIX C

REQUIRED INFORMATION

REQUIRED INFORMATION FOR THE FRONT PAGE OF THE PROSPECTUS OR OTHER DOCUMENT

1. A statement in bold type, naming the relevant registrant or registrants, that the issuer or the selling securityholder is a connected issuer or a related issuer of a registrant or registrants in connection with the distribution.

2. A summary, naming the relevant registrant or registrants, of the basis on which the issuer or selling securityholder is a connected issuer or a related issuer of the registrant or registrants.

3. A cross-reference to the applicable section in the body of the prospectus or other document where further information concerning the relationship between the issuer or selling securityholder and registrant or registrants is provided.

REQUIRED INFORMATION FOR THE BODY OF THE PROSPECTUS OR OTHER DOCUMENT

4. A statement, naming the relevant registrant or registrants, that the issuer or the selling securityholder is a connected issuer or a related issuer of a registrant or registrants for the distribution.

5. The basis on which the issuer or selling securityholder is a connected issuer or a related issuer for each registrant referred to in paragraph 4, including

   (a) if the issuer or selling securityholder is a related issuer of the registrant, the details of the holding, power to direct voting, or direct or indirect beneficial ownership of, securities that cause the issuer or selling securityholder to be a related issuer;

   (b) if the issuer or selling securityholder is a connected issuer of the registrant because of indebtedness, the disclosure required by paragraph 6 of this Appendix; and

   (c) if the issuer or selling securityholder is a connected issuer of the registrant because of a relationship other than indebtedness, the details of that relationship.

6. If the issuer or selling securityholder is a connected issuer of the registrant because of indebtedness,

   (a) the amount of the indebtedness;

   (b) the extent to which the issuer or selling securityholder is in compliance with the terms of the agreement governing the indebtedness,

   (c) the extent to which a related issuer has waived a breach of the agreement since its execution;

   (d) the nature of any security for the indebtedness; and

   (e) the extent to which the financial position of the issuer or selling securityholder or the value of the security has changed since the indebtedness was incurred.

7. The involvement of each registrant referred to in paragraph 4 and of each related issuer of the registrant in the decision to distribute the securities being offered and the determination of the terms of the distribution, including disclosure concerning whether the issue was required, suggested or consented to by the registrant or a related issuer of the registrant and, if so, on what basis.

8. The effect of the issue on each registrant referred to in paragraph 4 and each related issuer of that registrant, including

   (a) information about the extent to which the proceeds of the issue will be applied, directly or indirectly, for the benefit of the registrant or a related issuer of the registrant, or

   (b) if the proceeds will not be applied for the benefit of the registrant or a related issuer of the registrant, a statement to that effect.

9. If a portion of the proceeds of the distribution is to be directly or indirectly applied to or towards

   (a) the payment of indebtedness or interest owed by the issuer, an associate or related issuer of the issuer, a person or company of which the issuer is an associate, the selling securityholder, an associate or related issuer of the selling securityholder, a person or company of which the selling securityholder is an associate, to the registrant or a related issuer of the registrant, or

   (b) the redemption, purchase for cancellation or for treasury, or other retirement of shares other than equity securities of the issuer, an associate or related issuer of the issuer, a person or company of which the issuer is an associate, the selling securityholder, an associate or related issuer of the selling securityholder, or of a person or company of which the selling securityholder is an associate, held by the registrant or a related issuer of the registrant

   particulars of the indebtedness or shares in respect of which the payment is to be made and of the payment proposed to be made.

10. Any other material facts with respect to the relationship or connection between each registrant referred to in paragraph 4, a related issuer of each registrant and the issuer that are not required to be described by the foregoing.

REGISTRANT AS ISSUER OR SELLING SECURITYHOLDER

11. If the registrant is the issuer or selling securityholder in the distribution, then the information required by this Appendix shall be provided to the extent applicable.

COMPANION POLICY 33-105CP TO NATIONAL INSTRUMENT 33-105 UNDERWRITING CONFLICTS

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COMPANION POLICY 33-105CP TO NATIONAL INSTRUMENT 33-105 UNDERWRITING CONFLICTS

PART 1 INTRODUCTION

1.1 Purpose - The purpose of this Policy is to state the views of the Canadian Securities Administrators (the "CSA") on various matters relating to National Instrument 33-105 Underwriting Conflicts (the "Instrument"), and to provide market participants with guidance in understanding the operation of the Instrument and the policy concerns that lie behind some of the provisions of the Instrument. This Policy includes, as Appendix A, a series of flow charts designed to illustrate the analysis required to be made in determining whether a party falls under certain of the defined terms of the Instrument and whether the requirements of the Instrument apply to a given distribution. The flow charts are for illustrative purposes only and, in all cases, reference should be made to the precise language of the Instrument.

1.2 General Policy Rationale for the Instrument

(1) Two of the basic objectives of securities legislation are to ensure that investors purchasing securities in the course of a distribution purchase those securities at a price determined through a process unaffected by conflicts of interest, and receive full, true and plain disclosure of all material facts regarding the issuer and the securities offered. The Instrument is based upon the premise that those objectives are best achieved if the issuer and the underwriters deal with each other as independent parties, free of any relationship that might negatively affect the performance of their respective roles.

(2) The Instrument seeks to protect the integrity of the underwriting process in circumstances in which there is a direct or indirect relationship between the issuer or selling securityholder and the underwriter that might give rise to a perception that they are not independent of each other in connection with a distribution. The Instrument imposes two basic requirements in those circumstances. First, full disclosure of the relationships giving rise to the potential conflict of interest is required to be given to investors, and second, an independent underwriter is required in certain circumstances to participate in the transaction.

PART 2 GENERAL STRUCTURE OF THE INSTRUMENT

2.1 Relationships of Concern

(1) The Instrument identifies three types of relationships between a registrant acting as underwriter on a distribution and the issuer or selling securityholder of securities in the distribution that give rise to concerns over conflicts of interest; each of these relationships may be subject to the requirements of the Instrument.

(a) The registrant as issuer or selling securityholder. This relationship represents the relationship with the highest degree of conflict of the three recognized by the Instrument.

(b) An issuer or selling securityholder that is a "related issuer" of the registrant. This relationship is created primarily as the result of cross-ownership between an issuer or selling securityholder and the registrant. Subsection 1.2(2) of the Instrument provides that an entity is a related issuer to another entity if one of them is an "influential securityholder" of the other, or each of them is a related issuer of the same third party.

(c) An issuer or selling securityholder that is not a related issuer of the registrant, but that has some other relationship with the registrant that would cause a reasonable prospective purchaser of the securities being offered to question if the registrant and the issuer or selling securityholder are independent of each other for the distribution. This type of issuer is a "connected issuer" of the relevant registrant.

(2) The Instrument recognizes the relative degrees of relationships and the resulting potential for conflict by imposing additional requirements for distributions by registrants and their related issuers than for distributions by connected issuers.

(3) The term "independent underwriter" is defined in the Instrument to mean a registrant acting as direct underwriter in a distribution if the registrant does not have one of the relationships with the issuer or selling securityholder described in this section. The term "non-independent underwriter" is used in this Policy to describe a registrant acting as direct underwriter that does have one of those relationships.

2.2 General Requirements of the Instrument - The general requirements of the Instrument, contained in section 2.1, provide, in effect, that a registrant that would be a non-independent underwriter on a distribution may not act as a direct underwriter in the distribution, unless certain requirements are satisfied or an exemption is available. The requirements are the disclosure obligation, required by subsection 2.1(1) of the Instrument and discussed in section 2.3 of this Policy, and, in the case of related issuer distributions, the independent underwriter obligation, required by the combination of subsections 2.1(2)

and (3) of the Instrument and discussed in section 2.4 of this Policy. An exemption from the independent underwriter obligation is contained in section 3.2 of the Instrument and discussed in Part 3 of this Policy.

2.3 Disclosure Obligation

(1) The disclosure obligation applicable to a distribution in which a non-independent underwriter participates, contained in subsection 2.1(1) of the Instrument, requires that the distribution be made under a prospectus or other document that contains the information described in Appendix C of the Instrument. This requirement is applicable both to transactions made under a prospectus and to those done by way of a private placement without a prospectus. Appendix C is designed to require full disclosure of the relationship between the underwriter and issuer or selling securityholder.

(2) Market participants are reminded that section 10.1 of National Instrument 71-101 The Multijurisdictional Disclosure System exempts distributions under that National Instrument from the disclosure requirements of the Instrument.

2.4 Requirement for Independent Underwriter Involvement

(1) Subsection 2.1(2) of the Instrument provides that, in the case of a distribution of special warrants or a distribution made under a prospectus, a registrant may not act

(a) as an underwriter if the registrant is the issuer or selling securityholder in the distribution; or

(b) as a direct underwriter if a related issuer of the registrant is the issuer or selling securityholder in the distribution.

(2) Subsection 2.1(3) of the Instrument provides that subsection 2.1(2) of the Instrument does not apply to a distribution otherwise caught by that subsection if there is an independent underwriter and if certain disclosure is made in a disclosure document or prospectus. The requirement for independent underwriter involvement is satisfied if at least one independent underwriter participates in the offering to the extent specified in subsection 2.1(3). Subsection 2.1(3) provides alternate threshold criteria for such involvement, depending upon whether the distribution is a "firm commitment" underwriting or a "best efforts agency" offering.

In the case of a firm commitment underwriting, an independent underwriter is required to underwrite not less than the lesser of

(a) 20 percent of the dollar value of the distribution, and

(b) the largest portion of the distribution underwritten by a registrant that is not an independent underwriter.

In the case of a best efforts agency offering, an independent underwriter must receive a portion of the total agents' fees equal to an amount not less than the lesser of

(a) 20 percent of the total agents' fees for the distribution, and

(b) the largest portion of the agents' fees paid or payable to a registrant that is not an independent underwriter.

(3) Subsection 2.1(3) of the Instrument requires the relevant disclosure document to disclose what role the independent underwriter played in the structuring, pricing and due diligence activities of the distribution. The Instrument does not specify what functions the independent underwriter must fulfil, because it is recognized that the appropriate role will vary according to the nature of the distribution and the issuer or selling securityholder, and because it is expected that the requirement to disclose the role actually played will impose a measure of market discipline on the process. Subsection 2.1(3) of the Instrument also requires the name of the independent underwriter to be disclosed.

(4) Section 2.2 of the Instrument sets out the rules for calculating the size of a distribution and the requirements for independent underwriter involvement. These rules deal with issues that may arise when distributions occur in more than one jurisdiction, or only partly in Canada.

(5) Market participants are directed to National Instrument 44-102 Shelf Distributions for applicable provisions on how the requirements of the Instrument are satisfied for shelf distributions.

PART 3 EXEMPTION FROM INDEPENDENT UNDERWRITER REQUIREMENT

3.1 Exemption from Independent Underwriter Requirement - Section 3.2 of the Instrument provides an exemption from the independent underwriter requirement for distributions of securities of a foreign issuer if more than 85 percent of the dollar value of the distribution is effected outside of Canada or if more than 85 percent of the agents' fees relating to the distribution are paid or payable outside of Canada. This exemption is expected to be primarily used in the context of international offerings of major issuers.

PART 4 COMMENTARY ON RELATIONSHIPS DESCRIBED IN THE INSTRUMENT

4.1 Related Issuers

(1) Common ownership is the traditional measure of a non-arm's length relationship in which a conflict of interest is seen to arise. The definition of "related issuer", together with the definitions of "influential securityholder" and "professional group", contain the test used in the Instrument for these non-arm's length relationships.

(2) The Instrument provides that two persons or companies are related issuers of each other if one of them is an influential securityholder of the other, or if each of them are related issuers to a third person or company.

(3) The term "influential securityholder" is defined to include relationships between an issuer and another person or company or, in some cases, a professional group, that involve specified thresholds of share ownership or rights to elect directors, as summarized in subsection (4).

(4) Briefly stated, a person or company or professional group ("A") is an influential securityholder of an issuer ("I") under the definition of "influential securityholder" in the following circumstances.

(a) A owns or controls 20 percent of the voting or equity securities of I (paragraph (a) of the definition), or controls or is a general partner of the issuer, if the issuer is either a general partnership or a limited partnership.

(b) A owns or controls 10 percent of the voting or equity securities of I and either

(i) A is entitled to nominate 20 percent of the directors of I or has officers, directors or shareholders that constitute 20 percent of the directors of I; or

(ii) I is entitled to nominate 20 percent of the directors of A or has officers, directors or shareholders that constitute 20 percent of the directors of A (paragraph (b) of the definition).

(c) I owns or controls 10 percent of the voting or equity securities of A (other than a professional group) and either

(i) A is entitled to nominate 20 percent of the directors of I or has officers, directors or shareholders that constitute 20 percent of the directors of I; or

(ii) I is entitled to nominate 20 percent of the directors of A or has officers, directors or shareholders that constitute 20 percent of the directors of A (paragraph (c) of the definition).

Paragraph (c) of the definition contains no reference to professional groups in recognition of the fact that it is not possible to hold a voting or equity interest in such an entity nor does such an entity have a board of directors.

(d) If a professional group is an influential securityholder of I within paragraphs (a) or (b) of the definition, then the registrant that is part of that professional group will also be an influential securityholder of I (paragraph (d) of the definition).

(5) It is noted that under subsection 1.2(2) of the Instrument only a person or company can be a related issuer of another person or company; therefore, a professional group cannot be a related issuer of a person or company even if it is an influential securityholder of that person or company. Professional groups have been included in the definition of "influential securityholder" in order to allow paragraph (d) of the definition of "influential securityholder" to operate; this ensures that the registrant that is part of a professional group that is an influential securityholder of a person or company is itself an influential securityholder, and therefore a related issuer, of that person or company.

(6) The CSA note the following matters relating to the "influential securityholder" tests:

(a) The definition of "influential securityholder" requires an aggregation of all securities held, directly or indirectly beneficially owned and ones over which the holder has the right to direct the voting.

(b) Paragraphs 1.2(2)(a) and (b) provide that A is a related issuer of B if A is an influential securityholder of B or if B is an influential securityholder of A. Paragraph 1.2(2)(c) of the Instrument ties together all related issuers by providing that two persons or companies that are related issuers of a third person or company are related issuers of each other. The following examples illustrate the operation of paragraph 1.2(2)(c).

(i) If A is an influential securityholder of B, meaning that A is a related issuer of B under paragraph 1.2(2)(a), and B is an influential securityholder of C, meaning that C is a related issuer of B under paragraph 1.2(2)(b), then A is a related issuer of C, since both A and C are related issuers of the same person, B.

(ii) If D is an influential securityholder of both E and F, meaning that D is a related issuer of both E and F, then E and F are related issuers of each other.

(c) There is no provision in the Instrument for "diluting" indirect ownership interests in making calculations. Therefore, if A owns 45 percent of the voting shares of B that in turn owns 22 percent of the voting shares of C, all three of A, B, and C are related issuers of each other.

(d) The operation of paragraph 1.2(1)(a) of the Instrument requires, in effect, the calculation of a person or company's percentage ownership in another person or company to be done twice; first, only the outstanding voting or equity securities held would be counted, and, second, if the 10 percent or 20 percent ownership level is not reached, the calculation should be repeated on a fully diluted basis, assuming all convertible or exchangeable securities of the relevant class issued and outstanding were converted or exchanged.

4.2 Connected Issuers

(1) One relationship described in section 2.1 of this Policy as being of concern in connection with conflict matters is that of an issuer that is a connected issuer, but not a related issuer, to a registrant in a distribution. This relationship historically has led to some difficulties of interpretation under analogous provisions of securities legislation. The definition of "connected issuer" in the Instrument provides that the test for whether an issuer/selling securityholder and registrant are "connected" is whether the relationship between the issuer or selling securityholder (or their related issuers) and a registrant (or its related issuers) may lead a reasonable prospective purchaser of the securities to question the independence of such parties for purposes of the distribution.

(2) The test contained in the definition requires that the question of independence, or lack of independence, of a registrant be determined with reference to the activities of concern in a distribution and from the viewpoint of a reasonable prospective purchaser. The key issues in making that assessment are

(a) whether the investor would perceive that the relationship would interfere with the ability or inclination of the registrant to do proper due diligence, or to ensure complete disclosure of all material facts related to the issuer or affect the price placed on the securities being distributed; and

(b) whether the investor would perceive that the relationship would make the issuer or selling securityholder more subject to influence in the disclosure, due diligence or pricing process from the underwriter or its related issuer.

In either case, would the result be that some party's interests are perceived to be favoured to the detriment of those of investors?

(3) As in the case of related issuers, a relationship of concern may arise directly between the issuer or selling securityholder and the registrant or indirectly through one or more related issuers of either the issuer or selling securityholder or the registrant or any of them.

4.3 Issues Relating to "Connected Issuer" Relationships

(1) The definition of "connected issuer" is designed to catch relationships of concern between the issuer/selling securityholder and the registrant that are not related issuer relationships. For example, if a significant shareholder of the registrant is the chairman of the board of directors of the issuer and another related issuer of the registrant owns a large number of preferred shares that are to be repaid out of the proceeds of a distribution, the issuer may be a connected issuer of the registrant for the purposes of the distribution. In each case, the issuer, registrant and their advisers will have to weigh the totality of the relationships between the issuer and the registrant against whether a prospective purchaser might question the independence of the issuer and dealer to determine if there is a connected issuer relationship.

(2) The mere existence of a debtor/creditor relationship between the issuer and the registrant, or any of their respective related issuers, does not necessarily give rise to a connected issuer relationship. The test is whether in the circumstances the relationships among the parties might, in the view of a reasonable prospective purchaser, affect their independence from one another. Factors that may be relevant in reaching the conclusion in cases in which the relationship is debtor/creditor may include the size of the debt, the materiality of the amount of the debt to both the creditor and debtor, the terms of the debt, whether the lending arrangement is in good standing, and whether the proceeds of the issue are being used for repayment of the debt.

(3) Preference shares are not presently treated by Canadian GAAP as liabilities on the balance sheet of issuers, although they may be held by investors as an alternative to making loans or holding securities more conventionally thought of as debt. If there is cross-ownership of a material number of preference shares, there may be a relationship of concern between the issuer or

selling securityholder and the registrant. Factors to be considered include the terms of the preference shares (whether the shares are term preferred shares, redeemable at the option of the holder, or represent relatively permanent capital of the issuer or selling securityholder) and the materiality of the shareholding to the issuer or selling securityholder or to the preference shareholder.

(4) Most relationships of concern are likely to arise through debtor/creditor relationships or cross-ownership. However, in some circumstances there may be other relationships between the issuer or selling securityholder and the underwriter that raise concerns. These other business relationships would have to be material to the issuer, selling securityholder, underwriter or one or more of their related entities and give rise to some special interest in the continued viability of the other entity or the success of the distribution over and above that of other entities with a similar relationship with that company. The following relationships, among others, could be material in this context.

(a) A relationship in which an issuer was a joint venture partner with a person that owed money to a related party of a registrant could raise conflict issues. In circumstances in which the joint venture party needed funds to be able to satisfy its obligations to the related party of the registrant, and those funds would be provided by the issuer following a distribution, there is the possibility that the registrant might be motivated in an underwriting for the issuer by interests other than those of an independent underwriter.

(b) A relationship in which an issuer's supplier was a related party of a registrant could also raise conflict issues, particularly if the financial condition of the issuer could put the supply arrangements in jeopardy. The registrant could be motivated to act inappropriately in raising equity for the issuer.

(c) Franchise relationships could also raise conflict issues. An issuer that is a franchisor might need to raise funds to support its franchisees or to keep the entire franchise arrangement in place. If the registrant was a related party of creditors of the franchisees that were dependent upon a successful offering to raise such funds, the independence of the registrant might be compromised.

PART 5 CONTROL MEASURES

5.1 **Control Measures** – The CSA encourage registrants to adopt written internal control measures to ensure that, in connection with the distribution of securities of a "related issuer" or a "connected issuer", they deal with the issuer as an independent party, as if acting at arm's length. Although this recommendation is not intended to be prescriptive, registrants should note that they may be asked, in the normal course of inspections, whether such control measures have been adopted and a copy thereof may be requested in the course of such inspections.

PART 6 APPENDICES

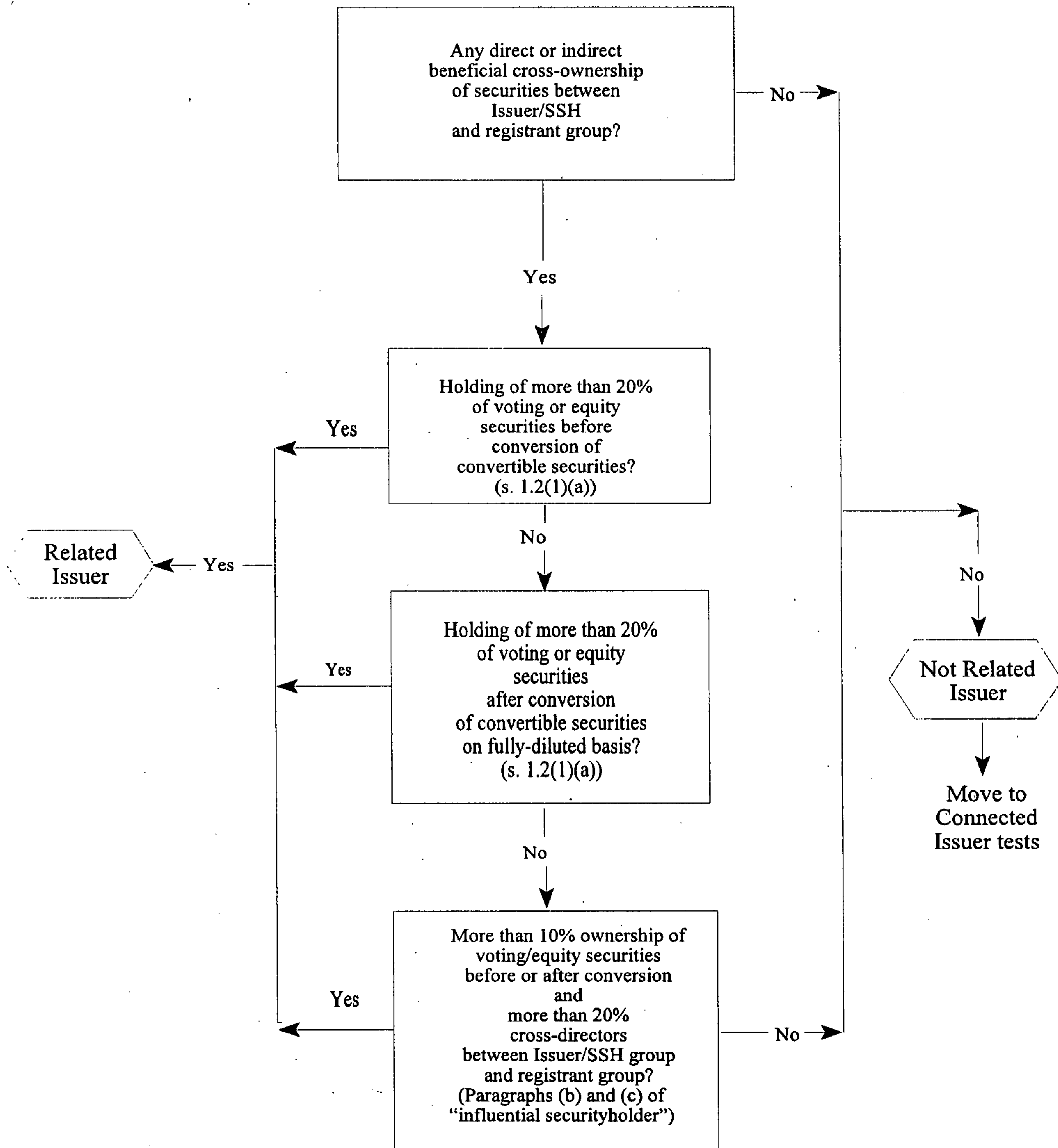
6.1 **Appendices** - To illustrate the analysis required to be made in determining the application of the Instrument to a distribution, Appendices A-1, A-2, A-3 and A-4 have been included in this Policy. Appendices A-1 and A-2 assist in determining whether parties are related issuers. Appendix A-3 assists in determining whether parties are connected issuers to registrants. Appendix A-4 provides a general analysis of whether, or how, the Instrument applies to a given distribution.

COMPANION POLICY 33-105CP TO NATIONAL INSTRUMENT 33-105

APPENDIX A-1

RELATED ISSUER

Relevant provisions: s.1.1: "influential securityholder" & s.1.2(1), (2)

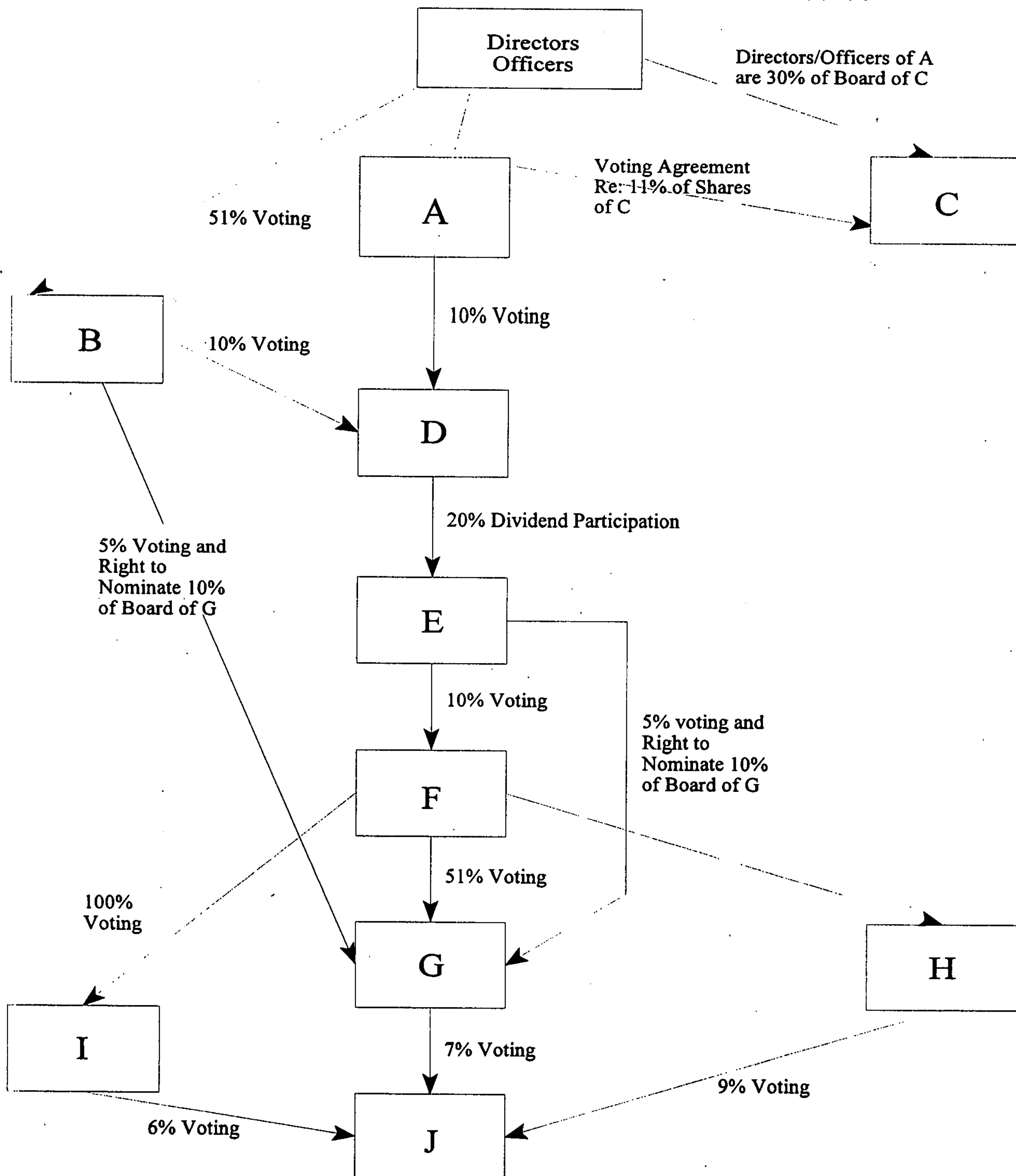


COMPANION POLICY 33-105CP TO NATIONAL INSTRUMENT 33-105

APPENDIX A-2

RELATED ISSUER - INFLUENTIAL SECURITYHOLDER

All of A-J are Related Issuers of Each Other
Relevant provisions: s. 1.1: "influential securityholder" & s.1.2(1), (2)

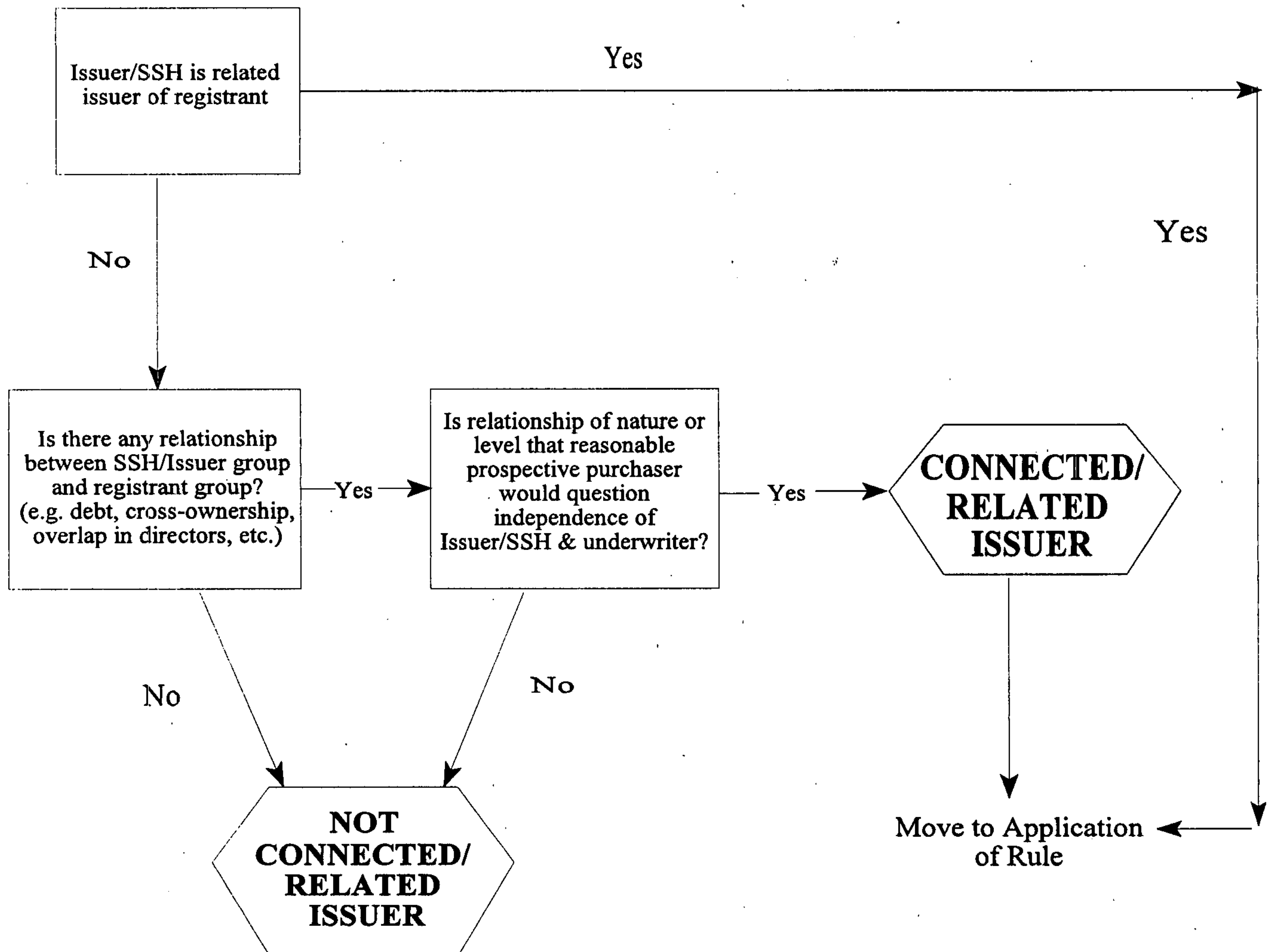


COMPANION POLICY 33-105CP TO NATIONAL INSTRUMENT 33-105

APPENDIX A-3

CONNECTED/RELATED ISSUER

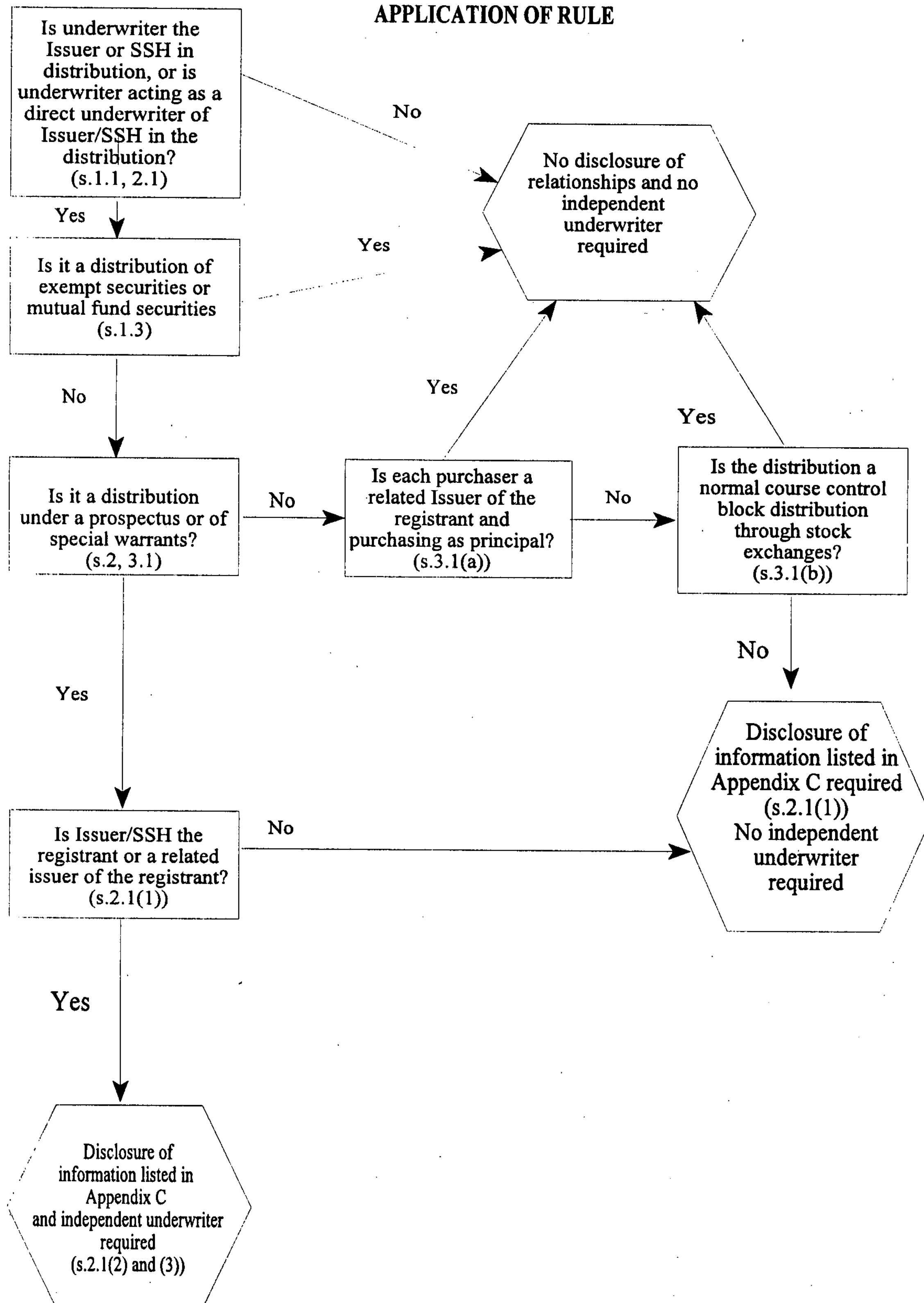
Relevant provisions: s.1.1: "connected issuer"



COMPANION POLICY 33-105CP TO NATIONAL INSTRUMENT 33-105

APPENDIX A-4

APPLICATION OF RULE



Chapter 6

Request for Comments

THERE IS NO MATERIAL FOR THIS CHAPTER

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Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesScource (see www.carswell.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 8

Notice of Exempt Financings

Exempt Financings

The Ontario Securities Commission reminds issuers 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	Purchaser	Security	Price ($)	Amount
01Dec01		ABC American-Value Fund - Units	150,000	12,407
01Dec01		ABC Fundamental -Value Fund - Units	485,667	50,158
29Nov01		Abingworth Bioventures III C L.P. - Limited Partnership Interest	15,100,000	1
22Nov01		Acuity Pooled Global Equity Fund - Trust Units	150,000	10,306
03Dec01		Acuity Pooled High Income Fund - Trust Units	150,000	10,668
14Nov01 t0 23Nov01		AIC American Focused Fund - Class O Units	30,233	5,900
15Nov01		Alliant Energy Corporation - Common Stock	US$140,000	5,000
23Nov01		Arrow Global MultiManager Fund - Class A Trust Units	156,799	15,870
03Dec01	Canadian Imperial Bank of Commerce	BCE Inc. - Cumulative Redeemable First Preferred Shares, Series W	70,000,000	2,800,000
01Dec01	Canada Life Assurance Company, The	Beaver Creek Fund Inc. - Ordinary Shares	1,572,800	1,572,800
07Dec01	Kutkevicius, John	BM Diamondcorp Inc. - Units	21,000	150,000
09Nov01		BPI American Opportunities Fund - Units	747,476	4,932
01Oct01		Brandes Canada Global Equity Unit Trust - Trust Units	15,000,000	939,430
03Dec01 to 05Dec01		Canadian Superior Energy Inc. - Flow-Through Special Warrants	4,643,599	1,681,472
11Dec01	Vero Capital Corporation and RAPN Investments Inc.	Capture.Net Technologies Inc. - Units	250,250	715,000
27Nov01		CC&L Balanced Fund -	500	44
28Nov01		CC&L Money Market Fund -	246,499	24,649
27Nov01		CC&L Money Market Fund -	48,909	4,890
29Nov01		CC&L Private Client Diversified Fund -	13,621	1,568
28Nov01		CC&L Private Client Equity Fund -	200	20
30Oct01		CMS Entrepreneurial Real Estate Fund III, L.P. - Limited Partnership Unit	395,000	.10
30Nov01	Canada Life Assurance Company, The	Concordia Capital Ltd. - Class A Common Shares	3,145,600	3,145,600
22Nov01		Cougar Hydrocarbons Inc. - Flow-Through Common Shares	2,250,000	1,800,000
28Nov01		DB Mortgage Investment Corporation #1 - Common Shares	5,126,000	5,126

Trans. Date	Purchaser		Security	Price ($)	Amount
29Nov01			DC DiagnostiCare Inc. - Warrants	153,800	8,246,790
29Nov01			DC DiagnostiCare Inc. - Warrants	230,500	12,375,546
29Nov01			DC DiagnostiCare Inc. - Warrants	384,600	20,622,335
29Nov01			Dexit Inc. - Common Shares	500,000	600,000
28Nov01			Digital Fairway Corporation - Class A Preferred Shares	575,000	3,593,750
14Aug01			DLJ Merchant Banking Partners III, L.P. and DLJMB Overseas Partners III, C.V. - Unit	61,756,000	1
29Nov01			DLJ Merchant Banking Partners III, L.P. and DLJMB Overseas Partners III, C.V. - Unit	79,545,000	1
20Nov01	One Purchaser	#	Dryden High Yield CDO 2001-1 - Mandatorily Redeemable Preferred Shares	3,190,000	3,190,000
29Nov01			eStation Network Services, Inc. - Subscription Receipts	1,000,000	33,333,333
28Nov01			First Horizon Holdings Ltd. - Subscription Certificate	650,000	650,000
29Nov01			First Horizon Holdings Ltd. - Class G, H, and K Shares	68,825, 68,825, 160,592	5,685, 7,059, 15,341 Resp.
28Nov01			First Horizon Holdings Ltd. - Class K and I Redeemable Convertible Non-Voting Shares	78,000, 78,000	7,500, 6,993 Resp.
29Nov01			First Horizon Holdings Ltd. - Class I Redeemable Convertible Non-Voting Shares and Class I Shares	8,143,488	18,894, 518,828
28Nov01			First Horizon Holdings Ltd. - Subscription Certificate	151,500	1
29Nov01			First Horizon Holdings Ltd. - Subscription Certificate	750,000	1
30Nov	Northern Rivers Innovation Fund L.P		Genetronics Biomedical Corporation - Special Warrants	148,680	210,000
04Sep01 to 01Nov01			GS+A Premium Income Fund, The - Units In Limited Partnership	783,996	7,940
26Nov01			Horizonlive.com, Inc. - Convertible Promissory Notes	$500,000	$500,000
30Jun01			HYWY Corp. - Common Shares	2,800,000	2,660,000
26Nov01 to 30Nov01	7 Purchasers		Infowave Software, Inc. - Special Warrants	1,268,420	1,838,290
03Dec01	Canada Life Assurance Company, The		Kallista Fund Limited - US$ Shares	3,154,200	3,154,200
01Dec01	Canada Life Assurance Company, The		KBC Alpha Fund plc - Participating Shares	2,359,200	2,359,200
09Nov01			Landmark Global Opportunities Fund - Units	1,428,483	13,519
16Nov01			Lehman Brothers Inc. - Common Shares of Beneficial Interest	1,797,153	30,000
26Nov01			Maple NHA Mortgage Trust - Debentures Floating Rate Notes due June 6, 2003	$20,000,000	$20,000,000
10Dec01			Mauldin & Ridge (Greenville) Associates Limited Partnership - Limited Partnership Units	3,582	30,000
03Dec01	5 Purchasers		MCAN Performance Strategies - Limited Partnership Units	1,808,000	11,300
05Dec01	25 Purchasers		MKS Inc. - Special Warrants	9,062,500	6,041,667
20Nov01			Neotel Inc. - Units	152,500	1,525,000
22Nov01			Northland Systems Training Inc. - Convertible Debentures	150,000	150,000
09Nov01			Odyssey Resources Limited - Units	333,500	1,667,500
29Nov01			Oiltec Resources Ltd. - Common Shares	6,144,785	2,997,500
03Dec01			OPTI Canada Inc. - Unsecured, Subordinated Convertible Debentures	$446,550	US$300,265

 # - Offering Memorandum

Trans. Date	Purchaser	Security	Price ($)	Amount
30Nov01		Orbus Life Sciences Inc. - Special Warrants	150,000	200,000
28Nov01		Raphael Partners Contingent Litigation Recovery Limited Partnership - Units of Limited Partnership	320,000	32
30Nov01 & 23Oct01		Roxmark Mines Limited - Common Shares	12,500, 75,000	250,000, 1,500,000
29Jun01 & 23Oct01		Roxmark Mines Limited - Common Shares	150,000, 100,000	2,727,273, 1,667,000
01Dec01	Canada Life Assurance Company, The	Sector Maritime Investments Ltd. - Class A Shares	1,572,800	1,572,800
29Nov01		SHAAE (2001) Master Limited Partnership - Units of Limited Partnership Interest	10,877,862	671
29Nov01		SHAAE (2001) Master Limited Partnership - Limited Partnership Units	25,195,536	1,555
29Nov01		SHELS V Issuerco Ltd. - Variable Rate Linked Debentures	91,130,855	57,583
03Dec01		Silvercreek Limited Partnership - Units	175,484	4,000
30Nov01	Soltrus Inc.	Soltrus Inc. - Common Shares	19,521,250	402,500
28Nov01		STARS TRUST Series 2001-1 Bonds	68,000,000	68,000,000
03Aug01 to 07Dec01	3 Purchasers	Stirling International Asset Management, Inc. - Units	491,207	4,601
30Nov01		Talware Networx Inc. - Units	149,999	833,333
27Nov01		TrueSpectra, Inc. - Series A Preferred Stock and Series A-! Preferred Stock	3,975,837	3,099,244, 234,103
29Nov01		University of British Columbia, The - 6.65% Series A Senior Unsecured Debentures due December 1, 2031	41,093,292	41,200,000
30Nov01	Ernst Mark and Rankine, Winifred	Vertex Fund Limited Partnership - Limited Partnership	210,000	7,992
30Nov01	Canada Life Assurance Company, The	Wharton Asian Equity Linked Company Limited - Participating Redeemable Preferences Shares	2,359,200	2,359,200
26Nov01		Wimberly Apartments Limited Partnership - Limited Partnership Units	500,000	422,561
26Nov01		Wimberly Apartments Limited Partnership - Limited Partnership Units	500,000	446,707
30Nov01		YMG Institutional Fixed Income Fund - Units	790,000	74,481
30Nov01		YMG Institutional Fixed Income Fund - Units	870,000	82,024

Resale of Securities - (Form 45-501F2)

Date of Trade	Date of Orig. Purchase	Seller	Security	Price ($)	Amount
05Dec01		MKS Inc.	MKS Inc. - Special Warrants	10,000,000	6,666,667
05Dec01	10Oct00	Investors Group Trust Co. Ltd. as Trustee for Investors Quebec Enterprises Fund	Pangeo Pharma Inc. - Purchase Warrants	220,000	200,000
19Oct01		Fraser, James D.	Stirling International Asset Management, Inc. - Unit Trust	60,020	610

Reports Made under Subsection 2.7(1) of Multilateral Instrument 45-102 Resale of Securities with Respect to an Issuer That Has Ceased to Be a Private Company or Private Issuer - FORM 45-102F1

Name of Issuer	Date the Company Ceased to be a Private Company or Private Issuer
Digital Fairway Corporation	28Nov01

Notice of Intention to Distribute Securities and Accompanying Declaration under Section 2.8 of Multilateral Instrument 45-102 Resale of Securities - Form 45-102F3

Seller	Security	Amount
SLMsoft.com Inc.	Infocorp Computer Solutions Ltd. - Common Shares	6,811,052
Edensor Nominees Pty Ltd.	Tahera Corporation - Common Shares	30,422,678

Chapter 9

Legislation

THERE IS NO MATERIAL FOR THIS CHAPTER

IN THIS ISSUE

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Brompton VIP Income Trust
Principal Regulator - Ontario
Type and Date:
Second Amended Preliminary Prospectus dated December 14, 2001
Mutual Reliance Review System Receipt dated December 18th, 2001
Offering Price and Description:
Maximum $ * - * Trust Untis
Underwriter(s) or Distributor(s):
Raymond James Ltd.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
Yorkton Securities Inc.
Brompton Securities Limited
Research Capital Corp.
RBC Dominion Securities Inc.
TD Securities Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.
Desjardins Securities Inc.
Dundee Securities Corporation
Promoter(s):
Brompton VIP Management Limited
Project #399038

Issuer Name:
JML Resources Ltd.
Principal Regulator - Ontario
Type and Date:
Preliminary and Amended and Restated Preliminary Prospectus dated December 14th, 2001
Mutual Reliance Review System Receipt dated December 17th, 2001
Offering Price and Description:
Up to * Units ($500,000) $* per Unit and Minimum Offering: * Flow-Through Shares ($600,000)
Maximum Offering: * Flow-Through Shares ($1,500,000) and 3,579,760 Common Shares as a Dividend -in-King and 357,976 Common Shares Issuable for Property Acquisition
Underwriter(s) or Distributor(s):
Jennings Capital Inc.
Promoter(s):
Mustang Minerals Corp.
Project #398058

Issuer Name:
Miranda Mining Corporation
Principal Regulator - British Columbia
Type and Date:
Preliminary Prospectus dated December 14th, 2001
Mutual Reliance Review System Receipt dated December 18th, 2001
Offering Price and Description:
A Minimum of * Common Shares and a Maximum of * Common Shares @$ * per Share
Underwriter(s) or Distributor(s):
Salman Partners Inc.
Promoter(s):
-
Project #410698

Issuer Name:
NAV CANADA
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus dated December 14th, 2001
Mutual Reliance Review System Receipt dated December 18th, 2001
Offering Price and Description:
$500,000,000 - Capital Markets Platform Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #410137

Issuer Name:
Putnam U.S. Voyager Fund
Putnam U.S. Value Fund
Putnam International Equity Fund
Putnam Global Equity Fund
Putnam Canadian Money Market Fund
Putnam Canadian Equity Fund
Putnam Canadian Bond Fund
Putnam Canadian Balanced Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated December 14th, 2001
Mutual Reliance Review System Receipt dated December 17th, 2001
Offering Price and Description:
Class A Units (SC and DSC Series) and Class M Units
Underwriter(s) or Distributor(s):

Promoter(s):
Putnam Investments Inc.
Project #410312

Issuer Name:
RETROCOM GROWTH FUND INC.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated December 14th, 2001
Mutual Reliance Review System Receipt dated December 17th, 2001
Offering Price and Description:
Class C Series 8 Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
Retrocom Investment Management Inc.
Project #410014

Issuer Name:
Telesystem International Wireless Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Prospectus dated December 14th, 2001
Mutual Reliance Review System Receipt dated December 14th, 2001
Offering Price and Description:
US$90,000,000 Underlying Securities To Special Warrants and US$15,000,000 Purchase Warrants
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #410086

Issuer Name:
AGF American Growth Class
AGF Asian Growth Class
AGF Canada Class
AGF European Equity Class
AGF Global Equity Class
AGF International Stock Class
AGF Japan Class
AGF MultiManager Class
AGF Short-Term Income Class
(Classes of AGF All World Tax Advantage Group Limited)
AGF Canadian Aggressive All-Cap Fund
AGF Canadian Aggressive Equity Fund
AGF Canadian Balanced Fund
AGF Canadian Bond Fund
AGF Canadian High Income Fund
AGF Canadian Stock Fund
AGF European Asset Allocation Fund
AGF International Value Fund
AGF RSP American Growth Fund
AGF RSP European Equity Fund
AGF RSP International Equity Allocation Fund
AGF RSP International Value Fund
AGF RSP Japan Fund
AGF RSP MultiManager Fund
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated December 10th, 2001to the Amended and Restated Simplified Prospectus and Annual Information Form dated July 5th, 2001 amending and restating the Simplified Prospectus and the Annual Information Form dated April 25th, 20001
Mutual Reliance Review System Receipt dated 14th day of December, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
AGF Funds Inc.
Promoter(s):
-
Project #339955

Issuer Name:
AGF American Growth Class
AGF Asian Growth Class
AGF Canada Class
AGF European Equity Class
AGF Global Equity Class
AGF Japan Class
AGF Short-Term Income Class
AGF MultiManager Class
AGF International Stock Class
(Classes of AGF All World Tax Advantage Group Limited)
AGF Canadian Aggressive All-Cap Fund
AGF Canadian Aggressive Equity Fund
AGF Canadian Balanced Fund
AGF Canadian Bond Fund
AGF Canadian High Income Fund
AGF Canadian Opportunities Fund
AFG Canadian Stock Fund
AGF Canadian Value Fund
AGF European Asset Allocation Fund
AGF International Value Fund
AGF RSP American Growth Fund
AGF RSP European Equity Fund
AGF RSP International Equity Allocation Fund
AGF RSP International Value Fund
AGF RSP Japan Fund
AGF RSP MultiManager Fund
AGF RSP World Companies Fund
AGF RSP World Equity Fund
AGF U.S. Dollar Money Market Account
AGF World Companies Fund
AGF World Equity Fund
AGF World Opportunities Fund
Global Strategy Europe Plus Fund
Global Strategy Europe Plus RSP Fund
Global Strategy Income Plus Fund
Global Strategy U.S. Equity Fund
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated December 10th, 2001, to the Amended and Restating Simplified Prospectus
and Annual Information Form dated June 28th, 2001 amending and restating the Simplified Prospectus
and Annual Information Form dated March 26th, 2001
Mutual Reliance Review System Receipt dated December 14, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
AGF Funds Inc.
Promoter(s):
-
Project #332119

Issuer Name:
AGF Canadian Opportunities Fund
AGF Canadian Value Fund
AGF RSP World Companies Fund
AGF RSP World Equity Fund
AGF World Companies Fund
AGF World Equity Fund
AGF World Opportunities Fund
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated December 10th, 2001 to the Amended and Restated Simplified Prospectus a
nd Annual Information Form dated July 5th, 2001, amending and restating the Simplified Prospectus \
and Annual Information Form dated June 27th, 2001
Mutual Reliance Review System Receipt dated 14th day of December, 2001
Offering Price and Description:
Series F Securities
Underwriter(s) or Distributor(s):
AGF Funds Inc.
Promoter(s):
-
Project #364812

Issuer Name:
AGF U.S. Value Class
(of the AGF All World Tax Advantage Group Limited)
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated December 10th, 2001 to the Amended Restated Simplified Prospectus and
Annual Information Form dated June 28th, 2001, amending and restating the Simplified Prospectus
and Annual Information Form dated June 1st, 2001
Mutual Reliance Review System Receipt dated December 14, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
AGF Funds Inc.
Promoter(s):
-
Project #344879

Issuer Name:
AGF U.S. Value Class
(of the AGF All World Tax Advantage Group Limited)
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated December 10th, 2001 Amended Restated Simplified Prospectus and
Annual Information Form dated July 5th, 2001, amending and restating the Simplified Prospectus and
Annual Information Form dated June 1st, 2001
Mutual Reliance Review System Receipt dated December 14, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
AGF Funds Inc.
Promoter(s):
-
Project #347661

Issuer Name:
AIC Global Health Care Fund
AIC RSP Global Health Care Fund
AIC Global Medical Science Fund
AIC RSP Global Medical Science Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated December 5th, 2001 to Simplified Prospectus and Annual Information Form
dated August 23rd, 2001
Mutual Reliance Review System Receipt dated 14th day of December, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #373225

Issuer Name:
Canadian Small Company Equity Fund
(Class O, I and P Units)
Principal Regulator - Ontario
Type and Date:
Amended and Restated Simplified Prospectus and Annual Information Form dated November 30th, 2001,
amending and restating the Simplified Prospectus and Annual Information Form dated May 7th, 2001
Mutual Reliance Review System Receipt dated 13th day of December, 2001
Offering Price and Description:
(Class O, I and P Units)
Underwriter(s) or Distributor(s):
-
Promoter(s):
SEI Investments Canada Company
Project #341304

Issuer Name:
Canadian Large Cap Index Fund
Canadian Index Fund
Canadian Fixed Income Index Fund
U.S. MidCap Synthetic Fund
(Class O, I and P Units)
Principal Regulator - Ontario
Type and Date:
Amended and Restated Simplified Prospectus and Annual Information Form dated November 30th, 2001,
amending and restating the Simplified Prospectus and Annual Information Form dated August 10th, 2001
Mutual Reliance Review System Receipt dated 13th day of December, 2001
Offering Price and Description:
(Class O, I and P Units)
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #371577

Issuer Name:
CEO CANADIAN DEMOGRAPHIC FUND (Formerly Hirsch Fixed Income Fund)
CEO HIRSCH OPPORTUNISTIC NATURAL RESOURCE FUND (Formerly Hirsch Natural Resource Fund)
CEO HIRSCH OPPORTUNISTIC TACTICAL ALLOCATION FUND (Formerly Hirsch Balanced Fund)
CEO HIRSCH OPPORTUNISTIC CANADIAN FUND (Formerly Hirsch Canadian Growth Fund)
Principal Regulator - Ontario
Type and Date:
Amended and Restated Simplified Prospectus and Annual Information Form dated December 3rd, 2001, amending and restating the Simplified Prospectus and Annual Information form dated May 24th, 2001
Mutual Reliance Review System Receipt dated 18th, day of December , 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Burgeonvest Securities Limited
Promoter(s):
-
Project #347704

Issuer Name:
Defiant Energy Corporation
Principal Regulator - Alberta
Type and Date:
Amended and Restated Prospectus dated December 17th, 2001
Mutual Reliance Review System Receipt dated 17th day of December, 2001
Offering Price and Description:
Up to $1,300,000 Up to 1,000,000 Common Shares @ $1.30 per Common Share and Up to $1,500,000
Up to 1,000,000 Flow-Through Common Shares @ $1.50 per Flow-Through Common Share
Underwriter(s) or Distributor(s):
Dominick & Dominick Securities Inc.
Jennings Capital Inc.
Promoter(s):
David J. Evans
Timothy V. Dunne
Project #377544

Issuer Name:
Enervest FTS Limited Partnership 2001
Principal Regulator - Alberta
Type and Date:
Amendment dated December 10th, 2001 to Prospectus dated November 26th, 2001
Mutual Reliance Review System Receipt dated 13th December, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Research Capital Corporation
Promoter(s):
EnerVest and EnerVest 2001 General Partner Corp.
Project #397992

Issuer Name:
StrategicNova Canadian High Yield Bond Fund
(Class A, F, I & O Units)
Principal Regulator - Ontario
Type and Date:
Amended and Restated Simplified Prospectus and Annual Information Form dated December 6th, 2001, amending and restating the Simplified Prospectus and Annual Information Form dated October 30th, 2001
Mutual Reliance Review System Receipt dated 14th day of December, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):

Promoter(s):
-
Project #376939

Issuer Name:
3XL Futures Index Fund
Futures Index Fund
(Class O, I and P Units)
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated December 14th, 2001
Mutual Reliance Review System Receipt dated 18th day of December, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #400050

Issuer Name:
Bulldog Energy Inc.
Principal Regulator - Alberta
Type and Date:
Final Prospectus dated December 13th, 2001
Mutual Reliance Review System Receipt dated 13th day of December, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Research Capital Corporation
Promoter(s):
Kenneth McKay
Michael Flanagan
Bruce McKay
Project #399253

Issuer Name:
Covington Fund II Inc.
(Class A Shares)
Type and Date:
Final Prospectus dated December 13th, 2001
Receipt dated 14th day of December, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Covington Capital Corporation
Project #402631

Issuer Name:
DiagnoCure Inc.
Principal Regulator - Quebec
Type and Date:
Final Form Prospectus dated December 17th, 2001
Mutual Reliance Review System Receipt dated 17th day of December, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Desjardins Securities Inc.
Promoter(s):
-
Project #400865

Issuer Name:
IPC US Income Commercial Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated December 13th, 2001
Mutual Reliance Review System Receipt dated 13th day of December, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
HSBC Securities (Canada) Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Raymond James Ltd.
Promoter(s):
PRF Holdings Inc.
Project #400756

Issuer Name:
Lawrence Enterprise Fund Inc.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated December 14th, 2001
Mutual Reliance Review System Receipt dated 14th day of December, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #398472

Issuer Name:
Triax Growth Fund Inc.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated December 14th, 2001
Mutual Reliance Review System Receipt dated 14th day of December, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Triax Growth Fund Inc.
Promoter(s):
TCU Sponsor Inc.
Triax Capital Management Inc.
Project #403361

Issuer Name:
VentureLink Brighter Future (Balanced) Fund Inc.
(Class A Shares)
Type and Date:
Final Prospectus dated December 14th, 2001
Receipt dated 14th day of December, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #391861

Issuer Name:
VentureLink Brighter Future (Equity) Fund Inc.
(Class A Shares, Series I and Class A Shares, Series II)
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated December 14th, 2001
Mutual Reliance Review System Receipt dated 17th day of December, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #391846

Issuer Name:
VentureLink Financial Services Innovation Fund Inc.
(Class A Shares, Series I and Class A Shares, Series II)
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated December 14th, 2001
Mutual Reliance Review System Receipt dated 17th day of December, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #391222

Issuer Name:
Alimentation Couche-Tard Inc.
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated December 14th, 2001
Mutual Reliance Review System Receipt dated 14th day of December, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Scotia Capital Inc., National Bank Financial Inc., CIBC World Markets Inc., BMO Nesbitt Burns Inc.,
Desjardins Securities Inc., Dundee Securities Corporation, Harris Partners Limited
Promoter(s):
-
Project #408645

Issuer Name:
Bank of Montreal
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated December 13th, 2001
Mutual Reliance Review System Receipt dated 14th day of December, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Merrill Lynch Canada Inc.
National Bank Financial Inc.
Trilon Securities Corporation

Promoter(s):
-
Project #407109

Issuer Name:
Basis100 Inc.
Type and Date:
Final Short Form Prospectus dated December 17th, 2001
Receipt dated 18th day of December, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Griffiths McBurney & Partners
Paradigm Capital Inc.
Promoter(s):
-
Project #409423

Issuer Name:
Bema Gold Corporation
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated December 14th, 2001
Mutual Reliance Review System Receipt dated 17th day of December, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Haywood Securities Inc.
Promoter(s):
-
Project #403283

Issuer Name:
Brascan Corporation
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated December 13th, 2001
Mutual Reliance Review System Receipt dated 13th day of December, 2001
Offering Price and Description:
-
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:
Final Short Form Prospectus dated December 13th, 2001
Mutual Reliance Review System Receipt dated 13th day of December, 2001
Offering Price and Description:
-
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:
Cognicase Inc.
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated December 14th, 2001
Mutual Reliance Review System Receipt dated 14th day of December, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
CIBC World Markets Inc
National Bank Financial Inc.
Yorkton Securities Inc.
RBC Dominion Securities Inc.
Promoter(s):
-
Project #408912

Issuer Name:
Great Lakes Hydro Income Fund
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated December 14th, 2001.
Mutual Reliance Review System Receipt dated 14th day of December, 2001
Offering Price and Description:
-
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:
Dynamic American Value Class (formerly Dynamic U.S. Value Class)
Dynamic Power American Growth Class (formerly Dynamic Power U.S. Growth Class)
Dynamic Power International Growth Class
Dynamic Power European Growth Class
Dynamic International Value Class
Dynamic Global Technology Class
Dynamic Global Real Estate Class
Dynamic Focus + Global Financial Services Class (formerly Dynamic Global Financial Services Class)
Dynamic Focus + American Class (formerly Dynamic Focus Plus U.S. Class)
Dynamic Focus + Canadian Class (formerly Dynamic Focus Plus Canadian Class)
Dynamic Power Canadian Growth Class
Dynamic Far East Value Class
Dynamic European Value Class
Dynamic Global Health Sciences Class
Dynamic Money Market Class
Dynamic Canadian Value Class (Mutual Fund Series and Series F Securities of the above classes of Dynamic Global Fund Corporation)
Dynamic RSP Global Health Sciences Fund (formerly Dynamic RSP Health Sciences Fund) (Mutual Fund Series)
Dynamic RSP Global Technology Fund (Mutual Fund Series)
Dynamic Global Technology Fund (Mutual Fund Series)
Dynamic RSP Power American Growth Fund (formerly Dynamic RSP Power American Fund)
Dynamic RSP International Value Fund (formerly Dynamic RSP International Fund)
Dynamic RSP Far East Value Fund (formerly Dynamic RSP Far East Fund)
Dynamic RSP European Value Fund (formerly Dynamic RSP Europe Fund)
Dynamic RSP American Value Fund (formerly Dynamic RSP Americas Fund)
Dynamic Canadian Resource Fund (Mutual Fund Series)
Dynamic Power Bond Fund (Mutual Fund Series)
Dynamic Power Balanced Fund
Dynamic Power American Growth Fund (formerly Dynamic Power American Fund
Dynamic Global Health Sciences Fund (formerly Dynamic Health Sciences Fund) (Mutual Fund Series)
Dynamic Dollar-Cost Averaging Fund (Mutual Fund Series)
Dynamic Focus + Wealth Management Fund
Dynamic Focus + Balanced Fund (Mutual Fund Series)
Dynamic Canadian Real Estate Fund (Mutual Fund Series)
Dynamic Focus + Diversified Income Trust Fund (formerly Dynamic Diversified Income Trust Fund)
Dynamic Focus + American Fund (Mutual Fund Series)
Dynamic Focus + Canadian Fund
Dynamic Fund of Funds (Mutual Fund Series)
Dynamic Global Real Estate Fund (formerly Dynamic Real Estate Equity Fund) (Mutual Fund Series)
Dynamic Canadian Precious Metals Fund (formerly Dynamic Precious Metals Fund) (Mutual Fund Series)
Dynamic Partners Fund (Mutual Fund Series)
Dynamic Money Market Fund (Mutual Fund Series)
Dynamic International Value Fund (formerly Dynamic International Fund)
Dynamic Income Fund (Mutual Fund Series)
Dynamic Global Resource Fund (Mutual Fund Series)
Dynamic Global Precious Metals Fund (Mutual Fund Series)

Dynamic Global Partners Fund (Mutual Fund Series)
Dynamic Global Bond Fund (Mutual Fund Series)
Dynamic Value Fund of Canada (formerly Dynamic Fund of Canada)
Dynamic Far East Value Fund (formerly Dynamic Far East Fund)
Dynamic European Value Fund (formerly Dynamic Europe Fund)
Dynamic Dividend Growth Fund
Dynamic Dividend Fund
Dynamic Power Canadian Growth Fund
Dynamic American Value Fund (formerly Dynamic Americas Fund)
(Mutual Fund Series and Series F Securities of the above funds (unless otherwise indicated))
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated December 11th, 2001
Mutual Reliance Review System Receipt dated 13th day of December, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Dynamic Mutual Funds Ltd.

Promoter(s):
Dynamic Mutual Funds Ltd.
Project #399710

Issuer Name:
CI Maximum Growth RSP Portfolio (formerly, CI Aggressive Growth RSP Portfolio)
CI Maximum Growth Portfolio (formerly, CI Aggressive Growth Portfolio)
CI Growth RSP Portfolio
CI Growth Portfolio
CI Balanced RSP Portfolio (formerly, CI Moderate Growth RSP Portfolio)
CI Balanced Portfolio (formerly, CI Moderate Growth Portfolio)
CI Conservative RSP Portfolio
CI Conservative Portfolio
(Class A Units and Class F Units)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated December 17th, 2001
Mutual Reliance Review System Receipt dated 18th day of December, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #394838

Issuer Name:
Scotia Money Market Fund
Scotia CanAm U.S. $ Money Market Fund
Scotia Canadian Income Fund
Scotia CanGlobal Income Fund
Scotia Canadian Balanced Fund
Scotia Canadian Dividend Fund
Scotia Canadian Blue Chip Fund
Scotia American Growth Fund
Scotia European Growth Fund
Scotia Pacific Rim Growth Fund
Scotia Latin American Growth Fund
(Scotia Private Client Units)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated December 3rd , 2001
Mutual Reliance Review System Receipt dated 13th day of December, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Scotia Securities Inc.
Promoter(s):
-
Project #398359

Issuer Name:
Capital U.S. Small Companies RSP Fund
Capital U.S. Small Companies Fund
Capital U.S. Large Companies RSP Fund
Capital U.S. Large Companies Fund
Scotia Nasdaq Index Fund
Capital International Large Companies RSP Fund
Capital International Large Companies Fund
Capital Global Small Companies RSP Fund
Capital Global Small Companies Fund
Capital Global Discovery RSP Fund
Capital Global Discovery Fund
Scotia International Stock Index Fund
Scotia Canadian Bond Index Fund
Scotia Global Growth Fund
Scotia American Growth Fund
Scotia Canadian Balanced Fund
Scotia Canadian Dividend Fund
Scotia Canadian Income Fund
Scotia Mortgage Income Fund
Scotia American Stock Index Fund
Scotia Canadian Stock Index Fund
Scotia Total Return Fund
Scotia Resource Fund
Scotia Pacific Rim Growth Fund
Scotia Latin American Growth Fund
Scotia European Growth Fund
Scotia Canadian Growth Fund
Scotia Canadian Blue Chip Fund
Scotia CanAm U.S. $ Income Fund
Scotia CanAm Stock Index Fund
Scotia Canadian Small Cap Fund
Scotia CanGlobal Income Fund
(Class A and F Units)
Scotia Young Investors Fund
Scotia Money Market Fund
Scotia T-Bill Fund
Scotia Premium T-Bill Fund
Scotia CanAm U.S. $ Money Market Fund
(Class A Units)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated December 3rd, 2001

Mutual Reliance Review System Receipt dated 13th day of December 13, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Scotia Securities Inc.
Promoter(s):
-
Project #398319

Issuer Name:
U.S. Large Company Equity Fund
U.S. Small Company Equity Fund
U.S. Large Cap Synthetic Fund
International Synthetic Fund
Money Market Fund
Enhanced Global Bond Fund
Emerging Markets Equity Fund
EAFE Equity Fund
Canadian Fixed Income Fund
Canadian Equity Fund
(Class O, I and P Units)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated November 30th, 2001
Mutual Reliance Review System Receipt dated 13th day of December, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #396848

Issuer Name:
Monentum Healthware, Inc.
Type and Date:
Rights Offering dated December 14th, 2001
Accepted December 17th, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #401343

Issuer Name:
Paytel Canada Inc.
Type and Date:
Rights Offering dated December 7th, 2001
Accepted December 7th, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #396968

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Chapter 12

Registrations

12.1.1 Registrations

Type	Company	Category of Registration	Effective Date
New Registration	Absolute Private Counsel Limited Attention: John Michael Anthony Richardson 65 Queen Street West Suite 501 Toronto ON M5H 2M5	Investment Counsel & Portfolio Manager	Dec 12/01
New Registration	Kernaghan Securities Ltd. Attention: Edward James Kernaghan 200 Bay Street Suite 2925, PO Box 97 Toronto ON M5J 2J2	Investment Dealer Equities Managed Accounts	Dec 13/01
New Registration	Montrusco Bolton Investments Inc. Attention: Nathan Bossen 1250 Rene-Levesque Boulevard West Suite 4600 Montreal QC H3B 5J5	Limited Market Dealer (Conditional) Investment Counsel & Portfolio Manager	Dec 17/01
Change of Name	Aegon Capital Management Inc. Attention: Mark E. Jackson 300 Consilium Place Scarborough ON M1H 3G2	From: Transamerica Capital Management Inc. To: Aegon Capital Management Inc.	Nov 06/01

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 IDA Discipline - Northern Securities Inc.

BULLETIN #2932
December 18, 2001

DISCIPLINE

**DISCIPLINE PENALTIES IMPOSED ON NORTHERN SECURITIES INC.
- VIOLATION OF BY-LAW 17.1**

Person Disciplined

The Ontario District Council of the Investment Dealers Association of Canada has imposed discipline penalties on Northern Securities Inc. ("Northern"), a Member of the Association.

By-laws, Regulations, Policies Violated

On December 12, 2001, the Ontario District Council considered, reviewed and accepted a Settlement Agreement negotiated between Northern and Staff of the Association's Enforcement Department. Pursuant to the Settlement Agreement, Northern admitted that on February 28, 2001, March 29, 2001 and April 16, 2001, it failed to maintain its risk adjusted capital at a level greater than zero in accordance with Association Form 1, contrary to Association By-law 17.1.

Penalty Assessed

The discipline penalty assessed against Northern was a fine in the amount of $10,000. As well, Northern was ordered to pay $5,000.00 toward the Association's costs of the investigation and prosecution of this matter.

In addition, beginning December 31, 2001, Northern is to maintain a positive risk adjusted capital ("RAC") in the amount of $150,000. If at any time thereafter its RAC falls below $150,000, Northern will maintain RAC in the amount of $200,000 for a subsequent three month period. This condition will remain in force so long as Northern remains designated in Early Warning Level 2 by the Association.

Summary of Facts

Northern is a Type II Introducing Broker. All of its clients' accounts are held elsewhere by a carrying broker. On March 13, 2001, Northern reported a capital deficiency of $147,000 as of February 8, 2001. Upon investigation by Association staff, this deficiency was revised to $149,000. On March 14, 2001, Northern Financial Corporation ("NFC"), the parent company of Northern, injected $270,000 into Northern by a subordinated loan to rectify the deficiency. On March 30, 2001, Northern reported a capital deficiency in the amount $188,000 as at March 29, 2001. On the same day, NFC rectified the deficiency by extending its subordinated loan to Northern by $211,000. This deficiency was revised by Northern on April 12, 2001 to $50,000. The revised figure was accepted by Association staff. On April 19, 2001, Northern reported a RAC deficiency of $27,000 as of April 16, 2001. This deficiency was rectified by an additional subordinated loan from NFC to Northern in the amount of $134,000 on April 17, 2001.

No client funds were placed in jeopardy as a result of the deficiencies.

At all material times, Northern acted responsibly in correcting its errors and injected the required capital immediately to address the deficiencies and co-operated fully with the Association in its investigation.

Kenneth A. Nason
Association Secretary

13.1.2 IDA Settlement Agreement - Northern Securities Inc.

IN THE MATTER OF
DISCIPLINE PURSUANT TO BY-LAW 20
OF THE INVESTMENT DEALERS ASSOCIATION
OF CANADA

Re: Northern Securities Inc.

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 Northern Securities Inc. ("the Respondent").

2. The Investigation discloses matters for which the District Council of the Association ("the District Council") may penalize the Respondent by imposing discipline penalties.

II. JOINT SETTLEMENT RECOMMENDATION

3. Staff and the Respondent consent and agree to the settlement of these matters by way of this Settlement Agreement in accordance with By-law 20.25.

4. This Settlement Agreement is subject to its acceptance, or the imposition of a lesser penalty or less onerous terms, or the imposition, with the consent of the Respondent, of a penalty or terms more onerous, by the District Council in accordance with By-law 20.26.

5. Staff and the Respondent jointly recommend that the District Council accept this Settlement Agreement.

6. If at any time prior to the acceptance of this Settlement Agreement, or the imposition of a lesser penalty or less onerous terms, or the imposition, with the consent of the Respondent, of a penalty or terms more onerous, by the District Council, there are new facts or issues of substantial concern in the view of Staff regarding the facts or issues set out in Section III of this Settlement Agreement, Staff will be entitled to withdraw this Settlement Agreement from consideration by the District Council.

III. STATEMENT OF FACTS

(i) Acknowledgement

7. Staff and the Respondent agree with the facts set out in this Section III and acknowledge that the terms of the settlement contained in this Settlement Agreement are based upon those specific facts.

(ii) Factual Background

8. The Respondent ("Northern") is and was at all material times a Member of the Association.

9. On March 13, 2001, Northern reported a RAC deficiency of $147,000 as of February 28, 2001. Upon investigation by Association staff, this RAC deficiency was later revised to $149,000.

10. The following day (March 14, 2001), Northern Financial Corporation (NFC), the parent company of Northern, injected $270,000 into Northern via a subordinated loan to rectify the deficiency.

11. On March 30, 2001, Northern reported a RAC deficiency in the amount of $188,000 as at March 29, 2001. On the same day, NFC rectified the deficiency by extending its subordinated loan to Northern by $211,000. This RAC deficiency was revised by Northern on April 12, 2001 to $50,000. Association staff accepted the revised figure.

12. On April 19, 2001, Northern reported a RAC deficiency of $27,000 as at April 16, 2001. The deficiency had been rectified on April 17, 2001 by an additional subordinated loan from NFC to Northern in the amount of $134,000.

13. At all material times, Northern acted responsibly in injecting the required capital immediately to address the deficiencies, which were caused by inadvertent errors, and cooperated fully with the Association in its investigation.

IV. CONTRAVENTIONS

14. On February 28, 2001, March 29, 2001 and April 16, 2001, Northern Securities Inc., a Member of the Association, failed to maintain its risk adjusted capital at a level greater than zero calculated in accordance with Association Form 1, contrary to By-law 17.1;

V. ADMISSION OF CONTRAVENTIONS AND FUTURE COMPLIANCE

15. The Respondent admits the contravention of the Statutes or Regulations t hereto, By-laws, Regulations, Rulings or Policies of the Association noted in Section IV of this Settlement Agreement. In the future, the Respondent shall comply with these and all By-laws, Regulations, Rulings and Policies of the Association.

VI. DISCIPLINE PENALTIES

16. The Respondent accepts the imposition of discipline penalties by the Association pursuant to this Settlement Agreement as follows:
    a) a fine in the amount of $10,000, payable to the Association within 60 days of the

effective date of this Settlement Agreement;

b) the Respondent will maintain a positive risk adjusted capital ("RAC") in the amount of $150,000 as at December 31, 2001. If at any time thereafter its RAC falls below $150,000 (hereinafter referred to as "breaking of the RAC threshold"), the Respondent will maintain RAC in the amount of $200,000 for a subsequent three (3) month period. At the end of the three-month period, the Respondent will again maintain positive RAC in the amount of $150,000. If at any subsequent time the Respondent reports a breaking of the RAC threshold, it will maintain RAC of $200,000 for a further 3-month period; and this condition will remain in force so long as Northern remains designated in Early Warning Level 2.

VII. ASSOCIATION COSTS

17. The Respondent shall pay the Association's costs of this proceeding in the amount of $5,000.00 payable to the Association within one (1) month of the effective date of this Settlement Agreement.

VIII. EFFECTIVE DATE

18. 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

19. 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

20. 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

21. 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 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. ACCEPTANCE OR REJECTION OF SETTLEMENT AGREEMENT

22. 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 Staff at the City of Toronto, in the Province of Ontario, this 7th day of December 2001.

Sharon Lane Witness

Kenneth J. Kelertas
Enforcement Counsel,
on behalf of the Staff of the Investment Dealers Association of Canada

AGREED TO by the Respondent at the City of Toronto, in the Province of Ontario, this 10th day of December 2001.

Witness

"Victor Alboini"
NORTHERN SECURITIES INC.
Respondent

ACCEPTED BY the Ontario District Council of the Investment Dealers Association of Canada, at the City of Toronto, in the Province of Ontario, this "12th"day of December, 2001.

INVESTMENT DEALERS ASSOCIATION OF CANADA
(ONTARIO DISTRICT COUNCIL)

Per: Hon. Fred Kaufman, Chairperson

Per: Michael D. Sharpe, Industry member

Per: Bob Guilday, Industry member

13.1.3 IDA Discipline - Ellis Sven Gareth

BULLETIN #2917
December 4, 2001

DISCIPLINE

DISCIPLINE PENALTY IMPOSED ON ELLIS SVEN GARETH - VIOLATION OF BY-LAW 29.1

Person Disciplined

The Ontario District Council of the Investment Dealers Association of Canada (the "Association") has imposed a discipline penalty on Ellis Sven Gareth, formerly and most recently an approved person with Dundee Securities Corporation, a Member of the Association.

Mr. Gareth has not been approved for employment by a Member of the Association since November 1999.

By-laws, Regulations, Policies Violated

On November 22, 2001, a discipline hearing was convened before the District Council pursuant to a Notice of Hearing and Particulars.

In the Notice of Hearing and Particulars, the staff of the Enforcement Department of the Association alleged that, from 1980 to 1999 Mr. Gareth engaged in conduct that is unbecoming or contrary to the public interest by opening and operating a bank account and securities accounts using a pseudonym.

Although duly notified of the proceeding, Mr. Gareth did not attend the hearing or dispute the allegation. The District Council concluded that Mr. Gareth had violated By-law 29.1.

Penalty Assessed

The discipline penalty assessed against Mr. Gareth is a permanent prohibition on his approval in any capacity with any Member of the Association. In addition, Mr. Gareth is required to pay $2,500.00 towards the Association's costs of investigation of this matter.

Summary of Facts

Mr. Gareth was employed by Dundee Securities Corporation, or predecessor Members ("Dundee"), from December 1993 to November 1999. Prior to such employment, the Respondent was employed by RBC Dominion Securities Inc., or predecessor Members ("RBC-DS"), from August 1976 to November 1993.

In approximately 1980, the Respondent began to use a pseudonym. He intended to invest under the pseudonym and thereby be assessed less income tax on any investment income.

Without the knowledge or consent of DWS, a resident of Etobicoke, the Respondent obtained the name and date of birth of DWS, and thereafter represented himself to be DWS in applying for and obtaining a social insurance number and driver's license in the name of DWS. For an address and telephone number, the Respondent used his own or else that of an unsuspecting acquaintance.

Without the knowledge or consent of DWS, the Respondent then opened a bank account in the name of DWS. The Respondent funded the DWS bank account with personal cheques and drafts.

Without the knowledge or consent of DWS, the Respondent then opened a securities account in the name of DWS: first, in 1980, at RBC-DS; then, in 1996, at Dundee. The Respondent funded investment activity in the name of DWS through cheques drawn on the above-noted bank account. The Respondent traded in securities in the name of DWS from 1980 to 1999.

The Respondent's conduct went undetected until 1999. The Respondent's conduct was discovered when the Canadian Customs and Revenue Agency contacted DWS in regards to undeclared investment income in the years 1996 and 1998. Such income had been generated by trades and holdings in the account in the name of DWS opened by Respondent at Dundee.

DWS contacted Dundee, and Dundee pursued the matter with the Respondent. Dundee discovered what the Respondent had done, and the Respondent resigned.

The Respondent has been the subject of a past Association discipline action (see IDA Bulletin No. 2050, dated February 16, 1994).

Kenneth A. Nason
Association Secretary

13.1.4 IDA Discipline - William Gerard Armstrong

BULLETIN #2903
November 9, 2001

DISCIPLINE

DISCIPLINE PENALTIES IMPOSED ON WILLIAM GERARD ARMSTRONG - VIOLATION OF REGULATION 1300.1 (C)

Person Disciplined

The Ontario District Council of the Investment Dealers Association of Canada has imposed discipline penalties on William Gerard Armstrong, at the relevant time a Registered Representative of C.M. Oliver & Company Limited, (now Canaccord Capital Corporation), a Member of the Association.

By-laws, Regulations, Policies Violated

By oral decision dated October 31, 2001, the Ontario District Council found Mr. Armstrong to have failed to use due diligence to ensure that the recommendations made for a client account were appropriate for the client and in keeping with the client's stated investment objectives, contrary to IDA Regulation 1300.1(c).

Penalty Assessed

The discipline penalties assessed against Mr. Armstrong were

- a fine in the amount of $8,000:
- disgorgement of net commissions earned in the amount of $834.74; and
- costs in the amount of $6,500, plus disbursement in the amount of $557.01

The above amounts are payable to the Association within one (1) month of the date of the District Council's decision.

In addition, the following conditions of re-approval/registration in any capacity will apply to Mr. Armstrong:

- that he file with the Association monthly supervision reports for a period of six (6) months following any such re-approval; and
- that there be a prohibition on Mr. Armstrong's re-approval in any capacity until such time as the fine, disgorgement and the Association's costs of investigation and prosecution of this matter are paid in full.

Summary of Facts

The client, a construction company, opened an account at C.M. Oliver & Company Limited in February 1997. The client's investment objectives were recorded as being 70% capital preservation and 30% moderate growth. The purpose of the account was to provide security for the client company's performance bond and for some of its day-to-day operating expenses. At the time that the account was opened, investments in the account were composed of treasury bills ("T-bills"), bankers acceptances, and commercial paper. The maturity dates of the treasury bills were generally staggered so that at all times there would be T-bills close to maturity in the event funds were required by the client.

In June 1997, Mr. Armstrong recommended that the client invest in an energy income trust in order to get a better rate of return than T-bills. Based on Mr. Armstrong's advice, the client believed that the amount of "interest" that the company would receive from the energy income trust would fluctuate based on how well the underlying commodities did, but that the principal would be secure.

The units in the energy income trust were bought by way of instalment receipt. The game plan developed by Mr. Armstrong was to sell units (at least enough to pay for the second instalment) in the energy income trust before the second instalment came due. The value of the units in the income trust dropped after the client purchased it, and the client was not able to sell its units at an attractive price prior to the second instalment coming due. As a result, the second instalment was removed from the client's account on March 13, 1998. Later in March 1998, the client required funds to cover operating expenses in the business. After selling some of its treasury bills, the client was required to sell units of the energy income trust. After the distributions received on the units were added back in, the client realized a loss of $22,070 on the units it sold.

The investment in the energy income trust units was not suitable for the client, as it put its capital at risk. Consequently, it was found by the District Council that Mr. Armstrong had violated IDA Regulation 1300.1(c) by recommending the investment.

In determining the appropriate penalty, the District Council took into account Mr. Armstrong's previous record of regulatory misconduct for which he was disciplined in April 1999. In addition, District Council took into consideration that Mr. Armstrong did not respond to the Notice of Hearing and Particulars and did not attend the hearing.

Mr. Armstrong left the industry in September 1999 and has not been registered in any capacity since.

"Kenneth A. Nason"

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Chapter 25

Other Information

25.1.1 Securities

RELEASE FROM ESCROW

COMPANY NAME	DATE	NUMBER AND TYPE OF SHARES	ADDITIONAL INFORMATION
BelAir Energy Corporation	Dec. 13, 2001	137,500 Common Shares	---------------

TRANSFER WITHIN ESCROW

COMPANY NAME	DATE	FROM	TO	NO. AND TYPE OF SHARES
BacTech Enviromet Corp.	Dec. 19, 2001	Investor Company ITF Ellen J. Oosterhuis RRSP 8S4511S	Raymond James Ltd. ITF Ellen J. Oosterhuis RRSP #5R887S0	3,000 common shares

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