

Table of Contents

<p>Chapter 1 Notices / News Releases1</p> <p>1.1 Notices1</p> <p>1.1.1 Current Proceedings Before The Ontario Securities Commission.....1</p> <p>1.1.2 Securities Advisory Committee OSC Policy 1.7 - Vacancies.....4</p> <p>1.1.3 Approval for J.C. Clark Ltd. to act as Trustee5</p> <p>Chapter 2 Decisions, Orders and Rulings7</p> <p>2.1 Decisions7</p> <p>2.1.1 Darier Hentsch (Canada) Inc. - Exemption s. 4.1 of OSC Rule 31-5077</p> <p>2.1.2 Great Lakes Hydro Income Fund - MRRS Decision8</p> <p>2.1.3 The Vengrowth Advanced Life Sciences Fund Inc. - Exemption s. 9.110</p> <p>2.1.4 Frank Russell Canada Limited - MRRS Decision12</p> <p>2.1.5 E2 Venture Fund Inc. - Exemption s. 9.113</p> <p>2.1.6 Azonic Networks Inc. - MRRS Decision15</p> <p>2.1.7 Kingsway Financial Services Inc. - MRRS Decision19</p> <p>2.1.8 Tercyn Capital Inc. - Exemption s. 4.1 of OSC Rule 31-507.....20</p> <p>2.1.9 Dlouhy Merchant Group Inc. - Exemption s. 4.1 of OSC Rule 31-507...21</p> <p>2.1.10 Capital Canada Limited - Exemption s. 4.1 of OSC Rule 31-507.....22</p> <p>2.1.11 Davis + Henderson Income Fund - MRRS Decision23</p> <p>2.1.12 Maple Leaf Foods Inc. - MRRS Decision25</p> <p>2.1.13 Merrill Lynch Financial Assets Inc. et al. - MRRS Decision.....27</p> <p>2.1.14 Collectivebid Systems Inc. and CBID Securities Inc. - MRRS Decision29</p> <p>2.1.15 TradeWeb LLC - MRRS Decision30</p> <p>2.1.16 CMDF Venture Fund Inc. - c.S.5 of the Act31</p> <p>2.2 Orders35</p> <p>2.2.1 Autonation, Inc. - s. 8335</p> <p>2.2.2 Airline Training International Ltd. - ss. 83.1(1).....36</p> <p>2.2.3 Consolidated Care Point Medical Centres Ltd. - ss. 83.1(1)37</p> <p>2.2.4 McVicar Minerals Ltd. - ss. 83.1(1)39</p> <p>2.2.5 The Vengrowth II Investment Fund Inc. - s. 11.140</p>	<p>2.2.6 Washmax Corp. - ss. 83.1(1)41</p> <p>2.2.7 Deer Valley Shopping Centre Limited Partnership - s. 144.....43</p> <p>2.3 Rulings.....44</p> <p>2.3.1 Renaissance Leisure Group Inc.....44</p> <p>Chapter 3 Reasons: Decisions, Orders and Rulings (nil)51</p> <p>Chapter 4 Cease Trading Orders53</p> <p>4.1.1 Temporary, Extending & Rescinding Cease Trading Orders53</p> <p>4.2.1 Management & Insider Cease Trading Orders.....53</p> <p>4.3.1 Lapsed Cease Trading Orders.....54</p> <p>Chapter 5 Rules and Policies (nil)55</p> <p>Chapter 6 Request for Comments (nil)57</p> <p>Chapter 7 Insider Reporting.....59</p> <p>Chapter 8 Notice of Exempt Financings85</p> <p>Reports of Trades Submitted on Form 45-501F185</p> <p>Notice of Intention to Distribute Securities And Accompanying Declaration Under Section 2.8 of Multilateral Instrument 45-102 Resale of Securities - Form 45-102F387</p> <p>Chapter 9 Legislation (nil).....89</p> <p>Chapter 11 IPOs, New Issues and Secondary Financings91</p> <p>Chapter 12 Registrations (nil).....101</p> <p>Chapter 13 SRO Notices and Disciplinary Proceedings103</p> <p>13.1.1 Approved Person Disciplined - TSE Regulation Services Bulletin 2001-329103</p> <p>Chapter 25 Other Information105</p> <p>25.1.1 Escrowed Securities105</p> <p>Index107</p>
--	--

Table of Contents (cont'd)

Chapter 1

Notices / News Releases

1.1 Notices

SCHEDULED OSC HEARINGS

1.1.1 Current Proceedings Before The Ontario Securities Commission

January 4, 2002

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

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

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

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

CDS

TDX 76

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

THE COMMISSIONERS

David A. Brown, Q.C., Chair	—	DAB
Paul M. Moore, Q.C., Vice-Chair	—	PMM
Howard I. Wetston, Q.C., Vice-Chair	—	HIW
Kerry D. Adams, FCA	—	KDA
Derek Brown	—	DB
Robert W. Davis, FCA	—	RWD
Robert W. Korthals	—	RWK
Mary Theresa McLeod	—	MTM
H. Lorne Morphy, Q. C.	—	HLM
R. Stephen Paddon, Q.C.	—	RSP

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.

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)

February 1, 5, 7
& 8/02
9:30 a.m.

March 5,7, 8,
19,21,22,28,
29/02
9:30 a.m.

s.127

April
2,4,5,11,12/02
9:30 a.m.

K. Daniels/M. Code/J. Naster/I. Smith in attendance for staff.

January 15 &
29/02
2:00 p.m.

Panel: HIW / DB / RWD

February 12/ 02
2:00 p.m.

March 12 &
26/02
2:00 p.m.

April 9/02
2:00 p.m.

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 **Arlington Securities Inc. and Samuel Arthur Brian Milne**

9:30 a.m. 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 **Sohan Singh Koonar**

s. 127

9:00 a.m.

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 Securities Advisory Committee OSC Policy
1.7 - Vacancies**

SECURITIES ADVISORY COMMITTEE - OSC POLICY 1.7

**OSC POLICY 1.7 -
SECURITIES ADVISORY COMMITTEE - VACANCIES**

The Commission formally established the Securities Advisory Committee to the Commission ("SAC") many years ago. SAC meets on a regular basis, at least monthly, and provides advice to the Commission and staff on a variety of legal matters, including amendments to the Act and Regulations, formulation of rules, Commission policies and staff notices, and other operational or transactional matters currently before the Commission and staff. SAC is also expected to provide general advisory services to the Commission and staff on an informal basis relating to emerging trends in the marketplace. SAC is asked to report to the Commission at least annually on its work over the previous year and identify issues that SAC considers should be addressed by the Commission.

SAC's membership currently consists of ten Ontario solicitors practising in the area of securities law plus one U.S. securities lawyer. The Commission is now looking for prospective candidates to serve on SAC. Prospective candidates are encouraged to review OSC Policy Statement No. 1.7 for further information about SAC.

Those who make a commitment to serve on SAC must be in a position to devote the time necessary to attend meetings, be an active participant, and undertake the work involved, which sometimes must be dealt with on an urgent basis. SAC members must have an excellent knowledge of the legislation and policies for which the Commission is responsible, and have significant practice experience in the securities area. Expertise in an area of special interest to the Commission at the time an appointment is made will also be a factor in selection. SAC members are expected to have excellent technical abilities and a strong interest in the development of securities regulatory policy. SAC members will be selected in part to ensure that SAC is reasonably representative of the full spectrum of securities law practice.

Individual practitioners, with the support of their firms, are invited to apply in writing for membership on SAC to the Office of the General Counsel of the Commission, indicating areas of practice and relevant experience.

The present members of SAC are:

J. Mark DesLauriers
Osler, Hoskin & Harcourt

Jeff Kerbel
Blake, Cassels & Graydon

Jay A. Lefton
Aird & Berlis

Neill May
Goodmans

David M. McIntyre
Osler, Hoskin & Harcourt

Paul A.D. Mingay
Borden Ladner Gervais

Patricia L. Olasker
Davies Ward Phillips & Vineberg

Simon Romano
Stikeman Elliott

Connie L. Sugiyama
Fasken, Martineau

D. Grant Vingoe
Dorsey & Whitney

Ava G. Yaskiel
Ogilvy Renault

The Commission is very grateful to SAC members for their able assistance and valuable input.

Applications for SAC membership will be considered if received on or before January 31st, 2002. Applications should be submitted in writing to:

Susan Wolburgh Jenah
General Counsel
Tel: (416) 593-8245
Fax: (416) 593-3681
swolburghjenah@osc.gov.on.ca

Ontario Securities Commission
20 Queen Street West
19th Floor
Toronto, Ontario
M5H 3S8

1.1.3 Approval for J.C. Clark Ltd. to act as Trustee

Headnote

Subsection 213(3)(b) of the Loan and Trust Corporations Act - application for approval to act as trustee

Statutes Cited

Loan and Trust Corporations Act, R.S.O. 1990, c.L.25, as am., ss.213(3)(b)

Rules Cited

National Instrument 81-102, Mutual Funds (1999) 22 OSCB (Supp.) 73

Ontario Securities Commission Approval 81-901, Approval of Trustees of Mutual Fund Trusts (1997), 20 OSCB 200.

December 28, 2001

Ogilvy Renault

Attention: Pierre L. Soulard

Dear Sirs/Mesdames:

Re: J.C. Clark Ltd. (the "Applicant") for approval for J.C. Clark Ltd. to act as trustee of the J.C. Clark Preservation Trust (the "Fund")

Further to the application dated December 4, 2001 and subsequent correspondence dated December 11, 2001 and December 21, 2001 (collectively, the "Application") filed on behalf of the Applicant and based on the facts set out in the Application, pursuant to the authority conferred on the Ontario Securities Commission (the "Commission") in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that J.C. Clark Ltd. act as trustee of the Fund which it manages.

"David Brown"

"R. Stephen Paddon"

This Page Intentionally left blank

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Darier Hentsch (Canada) 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
DARIER HENTSCH (CANADA) INC.**

EXEMPTION

(Section 4.1 of OSC Rule 31-507)

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

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

AND UPON Darier Hentsch having represented to the Director that:

1. Darier Hentsch is a corporation incorporated under the Canada Business Corporations Act

and is not a reporting issuer in any of the provinces or territories of Canada or in any other jurisdiction.

2. Darier Hentsch is registered under the Act as a dealer in the category of "broker" and as an adviser in the categories of "investment counsel" and "portfolio manager".
3. Darier Hentsch's registration under the Act as a dealer in the category of "broker" and as an adviser in the categories of "investment counsel" and "portfolio manager" is subject to renewal on December 31, 2001 (the "Renewal Date").
4. Darier Hentsch is a member of the Bourse de Montreal Inc. and a participating organization of 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, Darier Hentsch be a member of the Investment Dealers Association of Canada (the "IDA"), in order to be registered under the Act as a "broker".
6. Darier Hentsch filed a membership application with the IDA on October 16, 2000. Darier Hentsch has responded to the deficiencies and comments raised by the IDA and the only outstanding issue relates to the provision of new registration forms for certain salespeople. Darier Hentsch does not believe there are any material issues outstanding with respect to its IDA application.
7. It is unlikely that the IDA will be in a position to complete its review of Darier Hentsch's application for membership prior to the Renewal Date.

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 Darier Hentsch 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 Darier Hentsch's membership in a Recognized SRO is approved and June 1, 2002.

December 19, 2001.

"Robert F. Kohl"

2.1.2 Great Lakes Hydro Income Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Section 233 of Regulation. Issuer is a connected 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 SECURITIES LEGISLATION OF
ALBERTA, BRITISH COLUMBIA, NEWFOUNDLAND AND
LABRADOR, ONTARIO, AND QUÉBEC**

AND

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

AND

**IN THE MATTER OF
CIBC WORLD MARKETS INC.,
RBC DOMINION SECURITIES INC.,
NATIONAL BANK FINANCIAL INC., AND
TRILON SECURITIES CORP.**

AND

**GREAT LAKES HYDRO INCOME FUND
MRRS DECISION DOCUMENT**

WHEREAS the securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Newfoundland, Ontario and Québec (the "Jurisdictions") has received an application from CIBC World Markets Inc., RBC Dominion Securities Inc., National Bank Financial Inc. and Trilon Securities Corp. (collectively, the "Filers") for a decision, pursuant to the securities legislation of the Jurisdictions (the "Legislation"), that the requirement (the "Independent Underwriter Requirement") contained in the Legislation which restricts a registrant from acting as an underwriter in connection with a distribution of securities of an issuer made by means of prospectus, where the issuer is a related issuer (or the equivalent) or a connected issuer (or the equivalent) of the registrant unless a portion of the distribution at least equal to that portion underwritten by non-independent underwriters is underwritten by an independent underwriter,

shall not apply to the Filers in respect of a proposed distribution (the "Offering") of units (the "Units") of Great Lakes Hydro Income Fund (the "Issuer"), pursuant to a short form prospectus (the "Prospectus"); AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Commission des valeurs mobilières du Québec is the principal regulator for this application;

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

1. The Issuer is a reporting issuer under the Legislation of each Jurisdiction and is not in default of any requirements of the Legislation.
2. The Issuer currently has operations in Canada in the ownership of electricity generating facilities.
3. The units of the Issuer are listed on The Toronto Stock Exchange.
4. The head office of the lead underwriter for the Offering is in Toronto, Ontario.
5. The Issuer filed a preliminary short form prospectus dated December 5, 2001 (the "Preliminary Prospectus") in the Jurisdictions.
6. The Filers, along with Scotia Capital Inc., TD Securities Inc., BMO Nesbitt Burns Inc., Merrill Lynch Canada Inc., HSBC Securities Canada Inc. and FirstEnergy Capital Corp. are proposing to act as underwriters in connection with the Offering.
7. The proportionate share of the Offering underwritten by each of the Underwriters is as follows:

CIBC World Markets Inc.	25.0%
RBC Dominion Securities Inc.	15.0%
Scotia Capital Inc.	12.0%
TD Securities Inc.	12.0%
BMO Nesbitt Burns Inc.	10.0%
National Bank Financial Inc.	10.0%
HSBC Securities (Canada) Inc.	5.0%
Merrill Lynch Canada Inc.	5.0%
Trilon Securities Corporation	4.0%
FirstEnergy Capital Corp.	2.0%
8. Canadian Imperial Bank of Commerce ("CIBC") and Royal Bank of Canada ("Royal") have extended to Great Lakes Power Trust ("GLPT"), a trust wholly owned by the Issuer, a secured credit facility in the amount of \$50 million (the "CIBC/Royal Loan"). As of December 3, 2001, approximately \$14.3 million was outstanding under the CIBC/Royal Loan and GLPT is in compliance with the terms of such loan.
9. National Bank of Canada ("National"), CIBC and Canadian Western Bank have extended to Powell River Energy Inc. ("PREI"), an indirect subsidiary of the Issuer, a secured credit facility in the amount of \$70 million (the "National/CIBC/CW Loan"). As of December 3, 2001, approximately \$70 million was outstanding under the National/CIBC/CW Loan and

PREI is in compliance with the terms of such loan. (The CIBC/Royal Loan and the National/CIBC/CW Loan are hereinafter collectively referred to as the "Bank Loans" and CIBC, National and Royal are hereinafter collectively referred to as the "Banks").

10. Each of CIBCWM, RBC and NBF (the "Connected Registrants") is a direct subsidiary of one of the Banks.
11. Trilon Bancorp Inc. ("Trilon Bancorp") has extended to PREI a secured credit facility in the amount of \$35 million (the "Trilon PREI Loan"). As of December 3, 2001, approximately \$22 million was outstanding under the Trilon PREI Loan and PREI is in compliance with the terms of such loan.
12. In connection with a proposed acquisition by the Issuer of a hydroelectric generating system and related transmission facilities in Maine, USA (the "Acquisition"), Trilon Bancorp intends to extend to GNE, LLC, a limited liability corporation which the Issuer, through GLPT, intends to acquire as part of the Acquisition, a credit facility in the approximate amount of US\$80 million (the "Trilon Acquisition Loan"). (The Trilon PREI Loan and the Trilon Acquisition Loan are hereinafter collectively referred to as the "Trilon Loans").
13. Trilon Bancorp and Trilon are both subsidiaries of Trilon Financial Corporation, and both Trilon and the Issuer are indirect subsidiaries of Brascan Corporation ("Brascan").
14. The Issuer may use a portion of the proceeds of the Offering to reimburse certain of the Banks and/or Trilon Bancorp.
15. The Banks, Trilon Bancorp and Brascan did not and will not participate in the decision to make the Offering or in the determination of its terms.
16. The Filers will not benefit in any manner from the Offering other than the payment of their underwriting fees in connection with the Offering.
17. By virtue of the Bank Loans, the Issuer may, in connection with the Offering, be considered a connected issuer (or the equivalent) of the Connected Registrants.
18. By virtue of the common indirect ownership of the Issuer and Trilon by Brascan, and by virtue of the Trilon Loans, the Issuer may, in connection with the Offering, be considered a related issuer (or the equivalent) and a connected issuer (or the equivalent) of Trilon.
19. The Issuer is not a related issuer (or the equivalent) of any of the Filers except Trilon.
20. The Issuer is not a related issuer (or the equivalent) or a connected issuer (or the equivalent) of any of the other members of the underwriting syndicate.
21. The unrelated and unconnected registrants will underwrite 46% of the Offering.

22. The unrelated and unconnected registrants participated in the due diligence process in connection with the Offering.
23. The nature and details of the relationship among the Issuer and the Filers, and among the Issuer, Trilon and Brascan, has been described in the Preliminary Prospectus and will be described in the Prospectus. The Prospectus will contain the information specified in Appendix "C" of draft Multilateral Instrument 33-105 Underwriting Conflicts (the "Proposed Instrument").
24. The Issuer is not a "specified party" as defined in the Proposed Instrument.

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

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision 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 Filers in connection with the Offering provided the Issuer is not a related issuer, as defined in the Proposed Instrument, to any of the underwriters except Trilon at the time of the Offering and is not a specified party, as defined in the Proposed Instrument, at the time of the Offering.

December 14, 2001.

Le Directeur de la conformité et de l'application,
(s) "Me Jean Lorrain"

2.1.3 The Vengrowth Advanced Life Sciences Fund Inc. - Exemption s. 9.1

Headnote

Exemption granted to labour sponsored investment fund corporation to permit it to pay certain specified distribution costs out of fund assets contrary to section 2.1 of National Instrument 81-105 Mutual Fund Sales Practices. Exemption granted on the condition that the distribution costs so paid are permitted by, and otherwise paid in accordance with the National Instrument.

Statutes Cited

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

Rules Cited

National Instrument 81-105 Mutual Fund Sales Practices.

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

AND

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

AND

**IN THE MATTER OF
THE VENGROWTH ADVANCED LIFE
SCIENCES FUND INC.**

EXEMPTION

(Section 9.1)

WHEREAS The VenGrowth Advanced Life Sciences Fund Inc. (the "Fund") has made an application (the "Application") to the Ontario Securities Commission (the "Decision Maker") for an exemption pursuant to section 9.1 of National Instrument 81-105 Mutual Fund Sales Practices ("NI 81-105") from section 2.1 of NI 81-105 to permit the Fund to make certain payments to participating dealers;

AND WHEREAS considering the Application and the recommendation of staff of the Decision Maker;

AND WHEREAS the Fund has represented to the Decision Maker as follows:

1. The Fund is a corporation incorporated under the laws of Canada by Articles of Incorporation dated October 31, 2001. The Fund is applying for registration as a labour-sponsored investment fund corporation under the Community Small Business Investment Funds Act (Ontario).

2. The Fund is a mutual fund as defined in subsection 1(1) of the Act. The Fund has filed a preliminary prospectus dated October 31, 2001 (the "Preliminary Prospectus") in connection with the proposed offering to the public of Class A Shares in the capital of the Fund (the "Class A Shares").
3. The Fund will invest in small and medium-sized eligible Canadian businesses in the life sciences sector with the objective of achieving long-term capital appreciation.
4. The authorized capital of the Fund is an unlimited number of Class A Shares, 25,000 Class B Shares and 10,000 Class C Shares.
5. The Fund proposes to pay directly to participating dealers certain costs associated with the distribution of its Class A Shares. These costs are:
 - (i) a sales commission in an amount of up to 6% of the subscription price of Class A Shares (the "Sales Commission"), and
 - (ii) a monthly servicing commission (the "Servicing Commission") of up to 1/12 of 0.5% of the total net asset value of Class A Shares held by clients of participating dealers.
6. The Fund may also pay for reimbursement of co-operative marketing expenses (the "Co-op Expenses") from any co-operative marketing programs which the Fund may enter with participating dealers.
7. As is disclosed in the Preliminary Prospectus, and as will be disclosed in the Fund's final prospectus, the Fund proposes to pay the costs of distributing Class A Shares directly to participating dealers, including the Sales Commissions, the Servicing Commission and the Co-op Expenses (collectively, the "Distribution Costs").
8. For accounting purposes, the Fund will defer and amortize the amounts paid or payable in respect of the Sales Commission to retained earnings on a straight line basis over a period of eight years. The Sales Commission amounts are recoverable through redemption fees on a straight line basis at the rate of 0.75% per annum in the event that Class A Shares are redeemed by the holders thereof prior to the expiry of an eight-year period following the purchase thereof.
9. Gross investment amounts will be contributed to the Fund in respect of each subscription of Class A Shares. 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.
10. 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.
11. The manager, or an affiliate, 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 would be obliged to finance the obligation to pay the Distribution Costs through borrowings and would thereby incur borrowing costs.

12. In order for the Fund to comply with section 2.1 of NI 81-105, the Fund would have to increase the fees payable to the manager 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.

13. Requiring the manager to pay the Distribution Costs of the Fund while granting exemptions to other labour-sponsored investment funds permitting such funds to pay directly, similar distribution costs, would put the Fund at a permanent and serious competitive disadvantage with the exempted labour-sponsored investment funds.

AND WHEREAS the Decision Maker is satisfied that to do so would not be prejudicial to the public interest;

NOW THEREFORE pursuant to section 9.1 of the NI 81-105, the Decision Maker hereby exempts the Fund 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 Fund will in its financial statements
 - (i) defer and amortize the amount paid or payable in respect of the Sales Commission to retained earnings on a straight line basis over eight years;
 - (ii) expense the Servicing Commission and the Co-op Expenses in the fiscal period when incurred;
- (c) the summary section of the final prospectus has full, true and plain disclosure explaining to investors that
 - (i) they pay the Sales Commission indirectly, as the Fund pays the Sales Commission 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

this summary section must be placed within the first 10 pages of the final prospectus;

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

December 21, 2001

"Paul M. Moore"

"Robert W. Korthals"

2.1.4 Frank Russell Canada Limited - MRRS Decision

Headnote

Exemption from the reporting requirements of clause 117(1)(c) of the Securities Act (Ontario) provided that certain disclosure is made in the statement of portfolio transactions for each mutual fund.

Statutes Cited

Securities Act (Ontario), R.S.O. 1990 c.S.5, as am., 117(1)(c) and 117(2).

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
ONTARIO, 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
FRANK RUSSELL CANADA LIMITED**

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, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions") has received an application (the "Application") from Frank Russell Canada Limited ("FRC") for a decision (the "Decision") pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the provisions of the Legislation requiring a management company, or in British Columbia a mutual fund manager, to file a report, within thirty days after each month end and in respect of each mutual fund to which it provides services, relating to every purchase or sale effected by such mutual fund through any related person or company with respect to which the related person or company received a fee either from the mutual fund or from the other party to the transaction or both (the "Reporting Requirement") not apply to purchases and sales effected by the Funds (as defined below) through Frank Russell Securities, Inc. ("FRS") and each Current Dealer and Other Dealer (as defined below).

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

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

1. FRC is a corporation established under the laws of Canada with its head office in Toronto, Ontario. It acts as the manager of the Russell Canadian Fixed Income Fund, Russell Canadian Equity Pool, Russell US Equity Fund and Russell Overseas Equity Pool (such funds, together with such other funds managed by FRC from time to time, being herein referred to as the "Funds").
2. The Funds are open-ended investment trusts established under the laws of the Province of Ontario. Each Fund is a reporting issuer in each of the provinces and territories of Canada where units (the "Units") of the Fund are sold pursuant to a prospectus accepted by the decision maker in such jurisdictions.
3. FRS is a Washington corporation and is an affiliate of FRC. It is a member of the National Association of Securities Dealers and is registered as a broker-dealer with the SEC.
4. FRC has entered into distributorship agreements with RBC Dominion Securities Inc., Royal Mutual Funds Inc. and RBC Action Direct, as distributors (the "Current Dealers"). In addition to these distributorship agreements, FRC may enter into distributorship agreements with a limited number of other registered investment dealers (upon entering into such agreement with FRC, such dealer is referred to as an "Other Dealer").
5. The individual portfolio advisors of each of the Funds have discretion to allocate brokerage business in any manner that they believe to be in the Fund's best interests. The purchase or sale of securities effected through FRS, the Current Dealers or an Other Dealer (each a "Related Company") represents the business judgement of responsible persons uninfluenced by considerations other than the best interests of the Funds.
6. In allocating brokerage, consideration is given to commission rates and to research, execution and other services offered.
7. Portfolio transactions of the Funds may be executed by a Related Company, provided such transactions are made on terms and conditions comparable to those offered by unrelated brokers and dealers.
8. In respect of portfolio transactions, the annual information form of the Funds has disclosed and will continue to disclose that:
 - (a) the individual portfolio advisors of each of the Funds have discretion to allocate brokerage business in any manner that they believe to be in the Fund's best interests;
 - (b) in allocating brokerage, consideration is given to commission rates and to research, execution and other services offered; and
 - (c) portfolio transactions may be executed by a Related Company, provided such transactions

are made on terms and conditions comparable to those offered by unrelated brokers or dealers.

9. FRC has disclosed and will continue to disclose in the Funds' annual financial statements the amount of brokerage commissions paid by each Fund on trades with Related Companies.
10. In the absence of this Decision, the Legislation requires FRC to file a report on a monthly basis in respect of every purchase or sale of securities effected through a Related Company stating the issuer of the securities purchased or sold, the class or designation of the securities, the amount or number of securities, the consideration, the name of the related company receiving the fee, the name of the person that paid the fee to the related company and the amount of the fee received by the related company.
11. It would be costly and time consuming for FRC to provide the information required by the Legislation on a monthly and segregated basis.

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

AND UPON each of the Decision Makers being 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 Reporting Requirement shall not apply so as to require FRC to file a report on a monthly basis in respect of every purchase and sale of securities by a Fund which is effected through a Related Company and with respect to which a Related Company received a fee either from the Fund or from the other party to the transaction or both,

PROVIDED THAT the Decision shall only apply if the statement of portfolio transactions prepared and filed for each Fund in accordance with the Legislation discloses, in respect of every class or designation of securities of an issuer bought or sold during the period to which the statement of portfolio transactions relates,:

- (a) the name of the Related Company;
- (b) the amount of fees paid to the Related Company; and
- (c) the person or company that paid the fees.

December 31, 2001.

"Paul Moore"

"Robert Korthals"

2.1.5 E² Venture Fund Inc. - Exemption s. 9.1

Headnote

Exemption granted to labour sponsored investment fund corporation to permit it to pay certain specified distribution costs out of fund assets contrary to section 2.1 of National Instrument 81-105 Mutual Fund Sales Practices. Exemption granted on the condition that the distribution costs so paid are permitted by, and otherwise paid in accordance with the National Instrument.

Statutes Cited

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

Rules Cited

National Instrument 81-105 Mutual Fund Sales Practices.

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

AND

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

AND

**IN THE MATTER OF
E² VENTURE FUND INC.**

**EXEMPTION
(Section 9.1)**

WHEREAS the application (the "Application") of E² Venture Fund Inc. (the "Fund") filed with the Ontario Securities Commission (the "Decision Maker") for an exemption pursuant to section 9.1 of National Instrument 81-105 Mutual Fund Sales Practices ("NI 81-105") from section 2.1 of NI 81-105 to permit the Fund to make certain payments to participating dealers;

AND WHEREAS considering the Application and the recommendation of staff of the Decision Maker;

AND WHEREAS the Fund and Triax Management Services Inc. (the "Manager") have represented to the Decision Maker that:

1. The Fund is a corporation incorporated under the *Business Corporations Act* (Ontario) which is registered as a labour sponsored investment fund corporation under the *Community Small Business Investments Fund Act* (Ontario) and is a prescribed labour-sponsored venture capital corporation under the *Income Tax Act* (Canada).
2. The Fund is a mutual fund as defined in subsection 1(1) of the Act. The Fund has filed a preliminary prospectus

dated November 1, 2001 (the "Preliminary Prospectus") with the Decision Maker and intends to distribute Class A Shares (the "Class A Shares") once a receipt for a final prospectus has been issued by the Decision Maker.

3. The authorized capital of the Fund consists of an unlimited number of Class A Shares of which none are currently issued and outstanding as of the date hereof and an unlimited number of Class B Shares in the capital of the Fund, of which 100 shares are issued and outstanding as of the date hereof.
4. The Manager and the United Steelworkers of America, TC National Local 1976 formed and organized the Fund.
5. The Fund proposes to pay directly to participating dealers certain costs associated with the distribution of its Class A Shares. These costs are:
 - (i) the fee of the Agent, TD Securities Inc., for the public offering of the Class A Shares, on a best effort basis, equal to 0.5% of the aggregate gross proceeds of the offering as described in the final prospectus (the "Corporate Finance Fee"); and
 - (ii) a sales commissions of 6% of the selling price for each Class A Share subscribed for (the "Sales Commissions").
6. The Fund may also pay for the reimbursement of co-operative marketing expenses (the "Co-op Expenses") incurred by certain dealers in promoting sales of the Class A Shares pursuant to co-operative marketing agreements the Fund may enter into with such dealers.
7. All of the costs associated with the distribution of Class A Shares, including the Sales Commissions, the Corporate Finance Fee and the Co-op Expenses (collectively the "Distribution Costs") are fully disclosed in the Preliminary Prospectus. The fact that the Fund intends to pay these costs out of the assets of the Fund is also disclosed in the Preliminary Prospectus.
8. For accounting purposes, the Fund will:
 - (i) defer and amortize the amount paid or payable in respect of the 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 Corporate Finance Fee to income on a straight line basis over eight years; and
 - (iii) expense the Co-op Expenses in the fiscal period when incurred.
9. 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.

10. 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.
 11. The Manager, or an affiliate of the Manager are only members of the organization of the Fund, other than the Fund, available to pay the Distribution Costs. The Manager does not have sufficient cash resources to pay the Distribution Costs and, unless the requested discretionary relief is granted, would be obliged to finance these costs through borrowing.
 12. 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.
 13. 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.
 14. 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.
- AND WHEREAS** the Decision Maker being satisfied that to do so would not be prejudicial to the public interest;
- NOW THEREFORE** pursuant to section 9.1 of NI 81-105, the Decision Maker hereby exempt the Fund 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 8 above;
 - (c) the summary section of the final prospectus has full, true and plain disclosure explaining to investors that
 - (i) they pay the 6% Sales Commission indirectly, as the Fund pays the 6% Sales Commission 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

this summary section must be placed within the first 10 pages of the final prospectus;

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

December 21, 2001.

"Paul M. Moore"

"Robert W. Korthals"

2.1.6 Azonic Networks Inc. - MRRS Decision

Headnote

MRRS application for relief from registration and prospectus requirements in connection with issuance of common share purchase warrants, and common shares upon exercise of warrants, to certain building owners in Canada as part of an incentive program to permit installation and use of applicant's device in owner's buildings - building owners sophisticated and not in need of protections of registrant involvement or a prospectus - access warrant program not primarily a financing vehicle for the applicant - relief granted subject to conditions, including first trade restrictions in respect of warrants and common shares

Applicable Ontario Statutory Provisions

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

Applicable Rules

Multilateral Instrument 45-102: Resale of Securities

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

AND

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

AND

**IN THE MATTER OF
AZONIC NETWORKS INC.**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories, and Nunavut (the "Jurisdictions") has received an application from Azonic Networks Inc. (the "Applicant") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation that prohibits a person or company from:

- a) trading in a security unless the person or company is registered in the appropriate category of registration under the Legislation (the "Registration Requirement"); and

- b) distributing a security unless a preliminary prospectus and prospectus for the security have been filed and receipts therefor obtained (the "Prospectus Requirement");

shall not apply to the issuance of common share purchase warrants (the "Warrants"), and common shares (the "Common Shares") upon the exercise of the Warrants, to certain Building Owners (as defined below) situated in the Jurisdictions, subject to certain conditions;

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 Applicant has represented to the Decision Makers that:

1. The Applicant was incorporated on January 26, 2001 under the laws of Ontario.
2. The head office of the Applicant is in Markham, Ontario.
3. The Applicant carries on business as an in-building wireless network provider to certain "top tier" office buildings.
4. As part of its business, the Applicant installs a device that enhances wireless communications in top tier office buildings (the "Device") under licence from building owners. The Device is comprised of antennae and cables which receive and send signals to the transmission towers of service providers to enhance the use of wireless communications instruments such as cell phones, paging services, wireless e-mail and internet access from or to any location throughout a building. The principal benefits of the Device are twofold: (i) as more than one wireless service can be enhanced at the same time, the capital cost of installing the Device does not have to be borne by one carrier alone; and (ii) as there is limited space in large buildings for the installation of wireless enhancement equipment, the Device does not take-up nearly as much space as would normally be required for the separate equipment of each carrier.
5. The authorized capital of the Applicant consists of an unlimited number of Common Shares, 585 Class 'A' Special Shares, an unlimited number of Class 'B' Special Shares and an unlimited number of Class 'C' Special Shares of which 14,132,763 Common Shares, 585 Class 'A' Special Shares and 11,735,740 Class 'B' Special Shares are issued and outstanding.
6. The Applicant is not a reporting issuer (or the equivalent) in any of the Jurisdictions.
7. In connection with the proposed Access Warrant Program (as defined below), the Applicant will covenant to holders of the Warrants that it will take all commercially reasonable steps and proceedings as may be required to become a reporting issuer and obtain a listing or quotation of the Applicant's Common Shares on a recognized national stock exchange or quotation system in Canada or the United States or to provide liquidity for the Common Shares through other means. In this regard, the Applicant deleted its private company restrictions on May 31, 2001.
8. The Applicant desires to establish a warrant program (the "Access Warrant Program") whereby the owners of "top tier" office buildings who agree to install the Device in their buildings will be offered the opportunity to purchase Warrants as an incentive to such owners to permit and/or to continue to permit the installation and use of the Device in their buildings.
9. Under the Access Warrant Program, the Warrants will only be offered to owners of "top tier" office buildings (the "Building Owners"). The term "top tier office building" means a multi-tenant office building, the commercial market rent for which is near the top end of the range of rents for office buildings in the applicable market. In most cases, a top tier office building will be owned by multiple Building Owners, which may include pension funds, institutions and other sophisticated entities.
10. The maximum number of Warrants which may be issued pursuant to the Access Warrant Program is 2,500,000.
11. The Warrants will be issued to Building Owners upon payment of the subscription price of \$0.01 per Warrant. The Warrants will be exercisable into Common Shares of the Applicant, on the basis of one Common Share for each Warrant, upon payment of such additional consideration as may be agreed by the Applicant and each Building Owner.
12. Certain property management, development and ownership companies such as Oxford Development Group Inc. will enter into a master agreement (the "Master Agreement") with the Applicant. In connection with the Master Agreements such companies will conduct thorough due diligence on the Applicant and the Device prior to authorizing the installation of the Device in the buildings owned and/or managed by such companies. After the installation of the Device, Building Owners will be permitted to participate in the Access Warrant Program and purchase Warrants based on the number of square feet in the building where the Device is installed.
13. The Warrants to be issued to the Building Owners of the top tier office buildings managed by Oxford Development Group Inc. may be exercised at no additional cost.
14. The exercise price for Warrants to be issued to other Building Owners will be negotiated as each new Master Agreement is negotiated. The exercise price for the Warrants will be negotiated based on the current value of the underlying Common Shares at the time of the grant of Warrants. It is not anticipated that the agreement with Oxford Development Group will be typical of the agreements with the other Building Owners in this regard.

15. The Warrants will expire, and all rights of the holder thereunder will terminate, if not exercised on or before 4:00 p.m, Toronto time on expiry dates ranging from three to five years from the date of issue.
16. The Warrants are intended to run with the property in the event the property is sold. Accordingly, pursuant to the terms of the Access Warrant Program, Warrants may be transferred by a Building Owner or Building Owners, as the case may be, upon the sale of the whole or partial interest in the real property on which a subject building is situated to the purchaser(s) of such real property without restriction.
17. In all other cases, Warrants may only be transferred with the prior written consent of the Applicant, which consent may not be unreasonably withheld.
18. Each Building Owner operates independently from the Applicant and will have a continuing general knowledge of the nature and evolution of the Applicant's business through their business relationship with the Applicant. As part of the Access Warrant Program, Warranholders will be given the right to convene meetings. At these meetings, Warranholders will have the power to: (i) agree with the Applicant to any modification, alteration, compromise or arrangement of the rights of Warranholders; (ii) amend or repeal any extraordinary resolution previously passed or sanctioned by the Warranholders; (iii) enforce any of the rights of the Warranholders in any manner specified in such extraordinary resolution or to refrain from enforcing any such covenant or right.
19. Each Building Owner will have the benefit of the due diligence conducted by the property management / ownership company pursuant to the Master Agreement prior to agreeing to participate in the Access Warrant Program.
20. Under the Access Warrant Program, the holders of the Warrants will be provided with annual financial statements of the Applicant.
21. For the purposes of Quebec only, the term "Securities" refers to the Warrants and the Common Shares.
- a) prior to the initial trade of any Warrants to a Building Owner pursuant to this Decision, the Applicant delivers to the Building Owner a copy of:
- i) the Articles of Incorporation of the Applicant,
 - ii) the most recent annual audited financial statements of the Applicant, if such have been prepared,
 - iii) this Decision,
 - iv) the Access Warrant Program, and
 - v) A statement that, as a consequence of this Decision, certain protections, rights and remedies provided by the Legislation, including statutory rights of rescission or damages, will not be available to Building Owners acquiring Warrants pursuant to this Decision;
- b) the first trade in a Warrant acquired pursuant to this Decision, other than the exercise thereof for a Common Share, to a person or company who is not a Building Owner, shall be deemed to be a distribution or a primary distribution to the public;
- c) except in Quebec, the first trade in a Common Share acquired upon the exercise of a Warrant acquired pursuant to this Decision shall be deemed to be a distribution or a primary distribution to the public unless
- i) the conditions in subsections (2) or (3) of section 2.5 of Multilateral Instrument 45-102 ("MI 45-102") are satisfied;
 - ii) if the Applicant is a "qualifying issuer" (as that term is defined in MI 45-102) as at the date the Common Share is acquired, at least four months have elapsed from the date the Common Share is acquired; and
 - iii) if the Applicant is not a "qualifying issuer" as at the date the Common Share is acquired, at least twelve months have elapsed from the date the Common Share is acquired; and
- d) in Quebec, the alienation of the Securities cannot take place without a prospectus or a prospectus exemption prior to the expiry of:
- i) a 12-month period following the issuance of the Warrants, except between a Building Owner and another Building Owner, provided, in the latter case, that the Commission des valeurs mobilières du Québec is advised five days prior to the distribution. After the 12-month period, the alienation may take place without a prospectus or prospectus exemption, provided that the issuer is a reporting issuer in Quebec. Furthermore, if the seller is an insider of the issuer, the issuer must have complied with the applicable disclosure requirements during the 12 months preceding the alienation; or

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

AND WHEREAS each Decision Maker is satisfied that the tests contained in the Legislation that provide such Decision Maker with the jurisdiction to make the Decision have been met;

THE DECISION of the Decision Makers under the Legislation is that the Registration Requirement and the Prospectus Requirement shall not apply to a trade of Warrants, and Common Shares upon the exercise of the Warrants, made to Building Owners in accordance with the Warrant Access Program, provided that:

- ii) a 4-month period, provided the following conditions are satisfied:
- 1) at the time of the issuance of the Warrants:
- the issuer of the Securities is a reporting issuer in Quebec;
 - the issuer is not a capital pool company as defined in Policy 2.4 of the Canadian Venture Exchange Inc.;
 - the issuer has a class of equity securities listed on a qualifying market, was not informed that it did not meet the listing requirements and is not designated inactive; or has a class of securities outstanding that has received an approved rating from an approved rating organization;
 - for the purposes of this Decision, a qualifying market is the Toronto Stock Exchange Inc., Tier 1 or Tier 2 of the Canadian Venture Exchange Inc., the American Stock Exchange, the Nasdaq National Market, the Nasdaq SmallCap Market, the New York Stock Exchange, the London Stock Exchange Limited;
 - the issuer has filed the annual information form required under section 159 of the *Regulation Concerning Securities* (R.S.Q. Chap. V-1.1, r.1) within the time limit provided for in this section or, if the issuer is not required to file an annual information form, the issuer has filed a prospectus that includes the most recent annual financial statements;
- and
- 2) at the time of the alienation of the Securities
- the issuer was a reporting issuer in Quebec for the four months immediately preceding the alienation;
 - the initial purchaser and subsequent purchasers have held the Securities for at least four months;
 - no extraordinary commission or other consideration is paid in respect of the alienation;
 - no effort is made to prepare the market or to create a demand for the Securities that are the subject of the alienation;
- if the seller of the Securities is an insider of the issuer, the seller has no reasonable grounds to believe that the issuer is in default of any requirement of securities legislation.
- December 31, 2001.
- "Paul M. Moore" "H. Lorne Morphy"

2.1.7 Kingsway Financial Services Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemption Relief Applications - issuer is a connected user, but not a related issuer, in respect of registrants participating in proposed distribution of common shares - underwriters exempt from independent underwriter requirements provided that disclosure of relationship is outlined in the prospectus.

Ontario Regulations

Regulation made under the Securities Act, R.R.O., Reg. 1015, as am., ss. 219(1), 224(1) and 223.

Applicable Instruments

Proposed National Instrument 33-105 Underwriting Conflicts (2001) 24 OSCB 6451.

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

AND

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

AND

**IN THE MATTER OF
CIBC WORLD MARKETS INC.,
SCOTIA CAPITAL INC. AND
KINGSWAY FINANCIAL SERVICES INC.**

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of Ontario, Québec and Newfoundland and Labrador (the "Jurisdictions") has received an application from CIBC World Markets Inc. ("CIBC") and Scotia Capital Inc. ("Scotia" and collectively with CIBC, the "Applicants") for a decision, pursuant to the securities legislation and securities directions of the Jurisdictions (the "Legislation"), that the requirement (the "Independent Underwriter Requirement") contained in the Legislation which prohibits a registrant from acting as underwriter in connection with a distribution of securities of an issuer made by means of prospectus, where the issuer is a "connected issuer" (or the equivalent) of the registrant, without certain required participation in the distribution by one or more other registrants, in respect of which the issuer is neither a related issuer (or the equivalent) or a connected issuer (or the equivalent) of the registrant, shall not apply to the Applicants in respect of a proposed offering (the "Offering") of common shares (the "Securities") by Kingsway Financial Services Inc. (the "Corporation"), to be made by means of a short form PREP prospectus (the "Prospectus") expected to be filed with

the securities regulatory authority or regulator in each of the provinces of Canada;

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

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

1. The Applicants are each registered under the Securities Act (Ontario) (the "Act") in the categories of "investment dealer" and "broker" as well as under the equivalent sections of the Legislation of the other Jurisdictions. Neither is in default of any of its terms of registration.
2. The Corporation is a corporation existing under the Business Corporations Act (Ontario). The Corporation maintains its registered office at 5310 Explorer Drive, Suite 200, Mississauga, Ontario L4W 5H8.
3. The Corporation is a specialty provider of personal and commercial lines of property and casualty insurance in the United States and Canada. For the year ended December 31, 2000, the Corporation had total revenues of approximately \$595 million and net income of approximately \$27.5 million. As at September 30, 2001, the Corporation and its subsidiaries had total assets of approximately \$1.54 billion.
4. The Corporation's common shares are listed on The Toronto Stock Exchange and the New York Stock Exchange.
5. As at November 27, 2001, the Corporation had a market capitalization of approximately \$659 million.
6. The Corporation is a reporting issuer under the Legislation and is not in default of any requirements of the Legislation.
7. The Applicants, together with HSBC Securities (Canada) Inc., RBC Dominion Securities Inc. and National Bank Financial Inc. (collectively, the "Underwriters"), are proposing to act as underwriters in connection with the Offering.
8. The Corporation expects to raise approximately \$125 million in the Offering.
9. The Corporation was indebted to Canadian Imperial Bank of Commerce and The Bank of Nova Scotia (collectively, the "Lenders") in the aggregate principal amount of approximately \$146.8 million as at November 1, 2001 pursuant to credit facilities with the Lenders and other banks. The Corporation is not in default under its credit facilities with the Lenders.
10. CIBC is a wholly-owned subsidiary of Canadian Imperial Bank of Commerce and Scotia is a wholly-owned subsidiary of The Bank of Nova Scotia.

11. The nature of the relationship among the Corporation, the Lenders, and Underwriters and the details of the Credit Facility will be described in the Prospectus.
12. The Lenders did not participate in the decision to make the Offering and will not participate in the determination of the terms of the distribution.
13. In connection with the Offering and by virtue of the indebtedness to the Lenders, the Corporation may be a "connected issuer" (or the equivalent) of CIBC and Scotia. However, the Corporation is not a "connected issuer" of any other Underwriter.
14. As no one registrant is expected to underwrite a portion of the offering equal to or greater than the aggregate of the portion underwritten by each of CIBC and Scotia, neither CIBC nor Scotia would comply with the Independent Underwriter Requirement.
15. The Prospectus will contain the information required by Appendix C to Multilateral Instrument 33-105 Underwriting Conflicts (the "Proposed Instrument").
16. The Corporation is not a "related issuer" (as defined in the Proposed Instrument) of the Applicants or of any other Underwriter.
17. Neither of the Applicants will benefit in any manner from the Offering other than by the payment of their fees in connection with the distribution of the Securities.

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, under the Legislation, is that the Independent Underwriter Requirement shall not apply to the Applicants in connection with the Offering, provided that the Corporation is not a "related issuer", as defined in the Proposed Instrument, to the Applicants at the time of the Offering.

December 11, 2001.

"Paul Moore"

"Howard I. Wetston"

2.1.8 Tercyn Capital 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, CHAPTER 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
TERCYN CAPITAL INC.**

**EXEMPTION
(Section 4.1 of OSC Rule 31-507)**

UPON the Director having received an application (the "Application") from Tercyn Capital Inc. ("Tercyn") seeking a decision pursuant to section 4.1 of the Rule to exempt, until June 1, 2002, Tercyn from the application of subsection 2.2 of the Rule, which would require that Tercyn be, by December 31, 2001, a member of a self-regulatory organization ("SRO") recognized by the Ontario Securities Commission (the "Commission") under section 21.1 of the Act (a "Recognized SRO");

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

AND UPON Tercyn having represented to the Director as follows:

1. Tercyn is a corporation incorporated under the *Business Corporations Act* (Ontario) and is not a reporting issuer in any of the provinces or territories of Canada or in any other jurisdiction.
2. Tercyn is registered under the Act as a dealer in the category of "securities dealer".
3. Tercyn's registration under the Act as a dealer in the category of securities dealer must be renewed by December 31, 2001 (the "Renewal Date").
4. In the absence of this Exemption, subsection 1.1(1) and section 2.2 of the Rule would have the effect of

requiring that, on or before the Renewal Date, Tercyn be a member of the Investment Dealers Association of Canada (the "IDA") or the Mutual Fund Dealers Association of Canada (the "MFDA"), in order to be registered under the Act.

5. Tercyn submitted an application for membership to the IDA on October 30, 2001 and met with the IDA on November 8, 2001 to discuss the application. Tercyn will work diligently with the IDA to resolve any deficiencies raised by the IDA during its review of its IDA membership application and will use its best efforts to become a member of the IDA by June 1, 2002.

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

THE DECISION of the Director under section 4.1 of the Rule is that Tercyn shall be exempted from the requirement set forth in section 2.2 of the Rule requiring Tercyn, by the Renewal Date, to be a member of a Recognized SRO, provided that this exemption will terminate on the earlier of the date that Tercyn becomes a member of a Recognized SRO and June 1, 2002.

December 24, 2001.

"Robert F. Kohl"

2.1.9 Dlouhy Merchant Group 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
DLOUHY MERCHANT GROUP INC./GROUPE
DLOUHY MERCHANT INC.**

**EXEMPTION
(Section 4.1 of OSC Rule 31-507)**

UPON the Director having received an application (the "Application") from Dlouhy Merchant Group Inc./Groupe Dlouhy Merchant Inc. ("Dlouhy") seeking a decision pursuant to section 4.1 of the Rule to exempt, until March 31, 2002, Dlouhy from the application of subsection 2.3 of the Rule, which would require that Dlouhy 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 Dlouhy having represented to the Director that:

1. Dlouhy is registered under the Act as a dealer in the category of "broker".
2. Dlouhy's registration under the Act as a dealer in the category of "broker" is subject to renewal on December 31, 2001 (the "Renewal Date").
3. Dlouhy is a member in good standing of the Bourse de Montreal Inc. ("Bourse").
4. 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, Dlouhy be a member of a Recognized SRO.

5. The Bourse is a recognized as a self regulatory organization by the securities regulatory in the Province of Quebec. The Bourse is currently engaged in discussions with the Commission concerning, among other things, recognition by the Commission as a Recognized SRO but it is unlikely these discussions will be concluded prior to the Renewal Date.

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 Dlouhy 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 Dlouhy's membership in a Recognized SRO is approved and March 31, 2002.

December 24, 2001.

"Robert F. Kohl"

2.1.10 Capital Canada Limited - 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, CHAPTER 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
CAPITAL CANADA LIMITED**

**EXEMPTION
(Section 4.1 of OSC Rule 31-507)**

UPON the Director having received an application (the "Application") from Capital Canada Limited ("Capital Canada") seeking a decision pursuant to section 4.1 of the Rule to exempt, until March 31, 2002, Capital Canada from the application of subsection 2.2 of the Rule, which would require that Capital Canada be, by December 31, 2001, a member of a self-regulatory organization ("SRO") recognized by the Ontario Securities Commission (the "Commission") under section 21.1 of the Act (a "Recognized SRO");

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

AND UPON Capital Canada having represented to the Director as follows:

1. Capital Canada is a corporation incorporated under the *Business Corporations Act* (Ontario) and is not a reporting issuer in any of the provinces or territories of Canada or in any other jurisdiction.
2. Capital Canada is registered under the Act as a dealer in the category of "securities dealer".
3. Capital Canada's registration under the Act as a dealer in the category of securities dealer is renewable on December 31, 2001 (the "Renewal Date").

4. In the absence of this Exemption, subsection 1.1(1) and section 2.2 of the Rule would have the effect of requiring that, on or before the Renewal Date, Capital Canada be a member of the Investment Dealers Association of Canada (the "IDA") or the Mutual Fund Dealers Association of Canada (the "MFDA"), in order to be registered under the Act.
5. Capital Canada has entered into an agreement with the controlling shareholders of a public company (the "Offeror") in respect of their offer (the "Offer") to acquire all of the outstanding shares of the company not currently owned or controlled by the Offeror or its associates. Capital Canada will be providing financial advice to the Offeror and acting as soliciting dealer in respect of the Offer. Capital Canada expects the Offer will be made mid-January, 2002.
6. Capital Canada is required to be registered under the Act in order to carry on the proposed activities for the Offeror in connection with the Offer.
7. Capital Canada will not be carrying on any registrable activities other than as referred to in representation 5 above and has no current intention of becoming a member of a Recognized SRO or of seeking a renewal of its registration as a securities dealer beyond March 31, 2002.
8. Capital Canada has agreed to have a term and condition on its registration which restricts Capital Canada from carrying on any registrable activities after the Renewal Date other than as set out in representation 5 above.

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

THE DECISION of the Director under section 4.1 of the Rule is that Capital Canada shall be exempted from the requirement set forth in section 2.2 of the Rule requiring Capital Canada, by the Renewal Date, to be a member of a Recognized SRO, provided that this exemption will terminate on March 31, 2002.

December 27, 2001.

"Robert F. Kohl"

2.1.11 Davis + Henderson Income Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemption Relief Applications - issuer is a connected user, but not a related issuer, in respect of registrants participating in proposed distribution of trust units - underwriters exempt from independent underwriter requirements provided that disclosure of relationship is outlined in the prospectus.

Ontario Regulations

Regulation made under the Securities Act, R.R.O., Reg. 1015, as am., ss. 219(1), 224(1) and 223.

Applicable Instruments

Proposed National Instrument 33-105 Underwriting Conflicts (2001) 24 OSCB 6451.

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

AND

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

AND

IN THE MATTER OF DAVIS + HENDERSON INCOME FUND

AND

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

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Ontario, Alberta, Quebec and Newfoundland (the "Jurisdictions") has received an application from CIBC World Markets Inc. ("CIBC"), Scotia Capital Inc. ("Scotia"), BMO Nesbitt Burns Inc. ("Nesbitt"), RBC Dominion Securities Inc. ("RBC DS") and TD Securities Inc. ("TD" and, collectively with CIBC, Scotia, Nesbitt and RBC DS, the "Filers"), for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirement (the "Independent Underwriter Requirement") contained in the Legislation which restricts a registrant from acting as an underwriter in connection with a distribution of securities of an issuer by means of a prospectus, where the issuer is, in connection with the distribution, a "connected issuer" (or the equivalent) of the registrant, unless a portion of the distribution at least equal to that portion underwritten by non-independent

underwriters is underwritten by at least one independent underwriter, shall not apply to the Filers in respect of a proposed distribution (the "Offering") of units (the "Units") of Davis + Henderson Income Fund (the "Fund").

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

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

1. Each of the Filers is registered under the Legislation as a dealer in the categories of "broker" and "investment dealer" or equivalent categories and is not in default in respect of any of the requirements thereunder.
2. The head offices of each of CIBC and Scotia, who are the co-lead underwriters for the Offering, are in Toronto, Ontario.
3. The Fund is a limited purpose trust established under the laws of the Province of Ontario pursuant to a declaration of trust dated November 6, 2001, formed to indirectly acquire partnership units of Davis + Henderson, Limited Partnership ("Davis + Henderson L.P."), which in turn, was formed to acquire the Canadian cheque outsourcing business currently carried on by the Davis + Henderson division of MDC Corporation Inc. ("MDC").
4. The Fund's head office is located at 939 Eglinton Avenue East, Suite 201, Toronto, Ontario, M4G 4H7.
5. Until immediately prior to the closing of the Offering, Davis + Henderson will continue to be operated as a division of MDC. At the time the Offering is completed, MDC will transfer the Davis + Henderson business (the "Business") to Davis + Henderson L.P.
6. Immediately prior to the closing of the Offering, the Business will be reorganized and transferred from MDC to Davis + Henderson L.P. in exchange for partnership units of Davis + Henderson L.P. (which will then constitute 100% of all outstanding partnership units) and a promissory note (the "Reorganization Note") issued by Davis + Henderson L.P. to MDC.
7. In conjunction with the closing of the Offering, the Fund will subscribe for common shares and notes of D + H Holdings Corp. ("D + H Holdings"). D + H Holdings will, in turn, subscribe for partnership units of Davis + Henderson L.P. The Fund will also, for nominal consideration, subscribe for common shares of Davis + Henderson G.P. Inc., the general partner of Davis + Henderson L.P.
8. On closing of the Offering, Davis + Henderson L.P., MDC and a group of financial institutions will enter into arrangements which provide Davis + Henderson L.P. with a senior secured credit facility in the total amount of \$108 million, which will provide Davis + Henderson with (i) a \$80 million term facility to be used in the acquisition of the Business from MDC, (ii) a \$10 million revolving facility for operating purposes and (iii) a \$18 million capital expenditure facility.
9. On closing of the acquisition of the Business, the term facility will be drawn in full and the revolving and capital expenditure facilities will be undrawn. Davis + Henderson L.P. will use amounts received from D + H Holdings' subscription and from its drawdown under the term loan portion of credit facility to repay the Reorganization Note.
10. Immediately following the closing of the Offering, (i) the Fund will hold all of the common shares of D + H Holdings, all of the notes issued by D + H Holdings and common shares of Davis + Henderson G.P., (ii) D + H Holdings will hold partnership units of Davis + Henderson L.P., and (iii) the remaining partnership units representing a majority interest will be held by MDC. Davis + Henderson L.P. will have drawn down \$80 million under the term loan portion of its credit facility.
11. MDC is a reporting issuer under the Legislation and is not in default of any requirements of the Legislation.
12. CIBC and Scotia are proposing to act as co-lead underwriters in connection with the Offering. Nesbitt, Merrill Lynch Canada Inc., RBC DS, TD and Griffiths McBurney & Partners will constitute the remaining members of the underwriting syndicate (collectively the "Underwriters"). The proportionate share of the Offering to be underwritten by each underwriter is currently expected to be as follows:

CIBC	30%
Scotia	20%
Nesbitt	15%
Merrill Lynch Canada Inc.	10%
RBC DS	10%
TD	10%
Griffiths McBurney & Partners	5%
13. MDC is party to a credit facility provided by a syndicate of lenders which includes the parent banks of the Applicants. As at October 31, 2001, a total of approximately \$250 million was outstanding under that credit facility. As of the date hereof, MDC is in compliance with the terms and conditions of the credit facility. MDC will use substantially all of the net proceeds it receives under the acquisition to repay all or most of the amounts owing under the credit facility.
14. In connection with the Offering, the Fund may be a "connected issuer" (or the equivalent) of the Filers (as defined in the Legislation). However, the Fund is not, and will not be, a "related issuer" of the Filers, as defined in the proposed National Instrument 33-105 Underwriting Conflicts (the "Proposed Instrument").
15. The terms, structuring and pricing of the Offering were determined solely by negotiation between the Fund, MDC and the Underwriters. None of MDC's lenders played any role in those determinations or decisions. None of the proceeds of the Offering, except for that portion of the proceeds payable to the Underwriters for

their fees and expenses, will be applied for the benefit of the Applicants.

16. The prospectus contains the information required by Appendix C to the Proposed Instrument.

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 Independent Underwriter Requirement shall not apply to the Filers in connection with the Offering provided that:

- A. at the time of the Offering, the Corporation is not a "related issuer" (or the equivalent) of the Filers as defined in the Proposed Instrument; and
- B. the prospectus contains the disclosure stated in paragraphs 13, 15 and 16 above.

November 28, 2001.

"Howard I. Wetston"

"K. D. Adams"

2.1.12 Maple Leaf Foods Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Issuer is a connected issuer, but not a related issuer, in respect of registrants that are underwriters in proposed distribution of common shares by the issuer - Underwriters exempt from the independent underwriter requirement in the legislation subject to certain conditions.

Applicable Ontario Regulations

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

Applicable Ontario Rules

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

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO, ALBERTA, QUEBEC 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.
TD SECURITIES INC.
BMO NESBITT BURNS INC.
NATIONAL BANK FINANCIAL INC.**

AND

MAPLE LEAF FOODS INC.

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of Ontario, Alberta, Québec and Newfoundland (the "Jurisdictions") has received an application from RBC Dominion Securities Inc. ("RBC Dominion") (the "Applicant") on its own behalf and on behalf of TD Securities Inc., ("TD Securities"), BMO Nesbitt Burns Inc. ("BMO Nesbitt") and National Bank Financial Inc. ("NBF") (collectively with the Applicant, the "Underwriters") for a decision, pursuant to the securities legislation and securities directions of the Jurisdictions (the "Legislation"), that the requirement (the "Independent Underwriter Requirement") contained in the Legislation which prohibits a registrant from acting as underwriter in connection with a distribution of securities of an issuer made by means of prospectus, where the issuer is a "connected issuer" (or the equivalent) of the registrant, without certain required participation in the distribution by one or more other registrants, in respect of which the issuer is neither a related issuer (or the equivalent)

or a connected issuer (or the equivalent) of the registrant, shall not apply to the Underwriters in respect of a proposed offering (the "Offering") of common shares (the "Securities") by Maple Leaf Foods Inc. (the "Corporation"), to be made by means of a short form prospectus (the "Prospectus") expected to be filed with the securities regulatory authority or regulator (the "Securities Regulators") in each of the provinces of Canada;

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

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

1. The Applicant is registered under the *Securities Act* (Ontario) (the "Act") in the categories of "investment dealer" and "broker" and is not in default of any of its terms of registration.
2. The Corporation is a corporation amalgamated under the *Canada Business Corporations Act* pursuant to a plan of arrangement effective April 24, 1995. The Corporation maintains its registered office at 30 St. Clair Avenue West, Suite 1500, Toronto, Ontario M4V 3A2.
3. The Corporation is the largest food processing company in Canada, with approximately, 13,000 hourly and salaried employees. For the year ended December 31, 2000, the Corporation had operating revenues of approximately \$3.9 billion and net income of approximately \$37 million. As at December 31, 2000, the Corporation and its subsidiaries had net assets employed of approximately \$1.3 billion.
4. The Corporation's common shares are listed on The Toronto Stock Exchange.
5. As at November 1, 2001, the Corporation had a market capitalization of approximately \$1.0 billion.
6. The Corporation is a reporting issuer under the Legislation and is not in default of any requirements of the Legislation.
7. The Applicant is proposing to act as lead underwriter in connection with the Offering and in such capacity is acting as representative of the Underwriters.
8. It is anticipated that McCain Capital Corporation ("MCC"), which exercises control or direction over 33.1% of the Company's outstanding shares, and the Ontario Teachers' Pension Plan Board ("OTPPB"), which exercises control or direction over 39.8% of the Company's outstanding shares, will each purchase Common Shares in the Offering for consideration of \$50 million.
9. The Corporation expects to raise approximately \$150 million in the Offering.
10. The Corporation was indebted to Royal Bank of Canada, The Toronto-Dominion Bank, Bank of Montreal

and National Bank Financial (collectively, the "Lenders") in the aggregate principal amount of approximately \$543 million as at November 1, 2001 pursuant to credit facilities with the Lenders and other banks. In addition, Canada Bread Company, Limited ("Canada Bread") the Corporation 68% owned subsidiary, had aggregate principal indebtedness to the Lenders of approximately \$65 million as at November 1, 2001. Neither the Corporation nor Canada Bread is in default under its credit facilities with the Lenders.

11. The Applicant is a wholly-owned subsidiary of Royal Bank of Canada, TD Securities is a wholly-owned subsidiary of The Toronto-Dominion Bank, BMO Nesbitt is a wholly-owned subsidiary of BMO Nesbitt Burns Corporation Limited, an indirect majority-owned subsidiary of Bank of Montreal, and NBF is a wholly-owned subsidiary of the National Bank of Canada.
12. The nature of the relationship among the Corporation, the Lenders, and Underwriters will be described in the Prospectus.
13. The Lenders did not participate in the decision to make the Offering and will not participate in the determination of the terms of the distribution.
14. In connection with the Offering and by virtue of the indebtedness to the Lenders (i) the Corporation may be a "connected issuer" (or the equivalent) of each of the Underwriters (although it is not a "related issuer" (or the equivalent) of the Underwriters), or (ii) the Underwriters, may not be considered to be "independent underwriters" or "independent registrants", as such terms are defined in the Legislation.
15. Since the Corporation may be considered a connected issuer of the Underwriters, the Offering would not comply with the Independent Underwriter Requirement.
16. The Prospectus would contain the information required by Appendix C to Multilateral Instrument 33-105 Underwriting Conflicts (the "Proposed Instrument").

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, under the Legislation, is that, the Independent Underwriter Requirement shall not apply to the Underwriters in connection with the Offering, provided that the Corporation is not a "related issuer", as defined in the Proposed Instrument, to the Underwriters at the time of the Offering.

December 6, 2001.

"Paul M. Moore"

"Howard I. Weston"

**2.1.13 Merrill Lynch Financial Assets Inc. et al. -
MRRS Decision**

Headnote

MRRS - Mutual Reliance Review System for Exemptive Relief Applications -- issuer is a related issuer and connected issuer of applicant underwriter -- issuer administered by the underwriter, and both issuer and underwriter are subsidiaries of common parent -- issuer proposing distribution by prospectus of tranche of asset-backed securities -- complete relief from the independent underwriter requirement in the Legislation granted since over 90% of the offering is expected to be sold to institutional investors and no purchase under the prospectus shall be for less than \$500,000.

Applicable Ontario Statutes

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

Applicable Ontario Regulations

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

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

AND

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

AND

**IN THE MATTER OF
MERRILL LYNCH FINANCIAL ASSETS INC.
(formerly MERRILL LYNCH MORTGAGE LOANS INC.)
AND MERRILL LYNCH CANADA INC.**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Ontario, British Columbia, Alberta, Québec and Newfoundland (the "Jurisdictions") has received an application from Merrill Lynch Financial Assets Inc. (formerly Merrill Lynch Mortgage Loans Inc.) (the "Issuer") and Merrill Lynch Canada Inc. ("ML Canada") (the Issuer and ML Canada are collectively referred to herein as the "Filer") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the provision contained in the Legislation mandating independent underwriter involvement shall not apply to ML Canada and the Issuer in respect of the proposed offering of BC2P Pass-Through Certificates (as defined below);

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 it has been represented by the Filer to the Decision Makers that:

1. the Issuer was incorporated under the laws of Canada on March 13, 1995; effective March 15, 2001, the Issuer changed its name from Merrill Lynch Mortgage Loans Inc. to Merrill Lynch Financial Assets Inc.; the head office of the Issuer is located in Toronto, Ontario;
2. the authorized share capital of the Issuer consists of an unlimited number of common shares, of which 1,000 common shares are issued and outstanding, all of which are held by Merrill Lynch & Co., Canada Ltd. ("ML & Co.");
3. to date the Issuer has issued 600,000,000 S&P BULLS (the "S&P 500 Bulls"), \$182,083,237 (initial certificate balance) of pass-through certificates of which \$163,874,000 (initial certificate balance) were designated as Exchangeable Commercial Mortgage Pass-Through Certificates, Series 1998-Canada 1, \$163,874,000 (initial certificate balance) Commercial Mortgage Pass-Through Certificates, Series 1998-Canada 1 (the "C-1 Certificates"), \$193,741,000 (initial certificate balance) of Commercial Mortgage Pass-Through Certificates, Series 1999-Canada 2 (the "C-2 Certificates"), \$220,000,000 (initial certificate balance) of 1st Street Tower Pass-Through Certificates (the "Tower Certificates"), approximately \$227,324,000 (initial certificate balance) of Commercial Mortgage Pass-Through Certificates, Series 2000-Canada 3 (the "C-3 Certificates"), approximately \$115,500,000 (initial certificate balance) of BMCC Corporate Centre Pass-Through Certificates, Series 2000-BMCC (the "BMCC Certificates"), approximately \$255,981,000 (initial certificate balance) of Commercial Mortgage Pass-Through Certificates, Series 2000-Canada 4 (the "C-4 Certificates"), approximately \$187,680,000 (initial certificate balance) of Commercial Mortgage Pass-Through Certificates, Series 2001-LBC (the "LBC Certificates") and approximately \$221,990,000 (initial certificate balance) of Commercial Mortgage Pass-Through Certificates, Series 2001-Canada 5 (the "C-5 Certificates");
4. on May 18, 2001, the Issuer filed a renewal annual information form;
5. the Issuer has been a "reporting issuer" pursuant to the securities legislation in certain of the provinces of Canada for over 12 calendar months. Pursuant to a decision dated November 30, 2000 of the Decision Makers of Ontario, British Columbia, Alberta, Newfoundland, Nova Scotia and Saskatchewan (the "November 30, 2000 Decision"), the Issuer has been granted certain relief in connection with the requirement in the securities legislation of such jurisdictions to make continuous disclosure of its financial results, and from all other forms of continuous disclosure required under such legislation, provided that the Issuer complies with the conditions set out in the November 30, 2000 Decision.
6. the Issuer currently has no assets or liabilities other than its rights and obligations under certain of the

- material contracts related to the S&P 500 BULLS, the C-1 Certificates, the C-2 Certificates, the C-3 Certificates, the C-4 Certificates, the LBC Certificates, the Tower Certificates, the BMCC Certificates and the C-5 Certificates transactions and does not presently carry on any activities except in relation to the S&P 500 Bulls, the C-1 Certificates, the C-2 Certificates, the C-3 Certificates, the C-4 Certificates, the LBC Certificates, the Tower Certificates, the BMCC Certificates and the C-5 Certificates;
7. the officers and directors of the Issuer are employees of ML Canada;
 8. ML Canada was continued and amalgamated under the laws of Canada on August 26, 1998; the authorized share capital of ML Canada consists of an unlimited number of common shares; the common shares of ML Canada are owned by ML & Co. and Midland Walwyn Inc.; the head office of ML Canada is located in Toronto, Ontario;
 9. ML Canada is not a reporting issuer in any Canadian province;
 10. ML Canada is registered as a dealer in the categories of "broker" and "investment dealer" and is a member of the Investment Dealers Association of Canada;
 11. the Issuer proposes to offer Commercial Mortgage Pass-Through Certificates, Series 2001-BC2P (the "BC2P Pass-Through Certificates"), issuable in classes, with an Approved Rating by an Approved Rating Organization, as those terms are defined in the Legislation with respect to short form prospectus distributions, to the public in Canada (the "Offering"), to finance the purchase by the Issuer from Merrill Lynch Capital Canada Inc. of mortgage loans of ownership interests in particular mortgage loans deposited with Computershare Trust Company of Canada or another trust company as custodian; each BC2P Pass-Through Certificate of a particular class will represent an undivided co-ownership interest in a pool consisting of two mortgage loans;
 12. ML Canada proposes to act as the underwriter in connection with the distribution of 100% of the dollar value of the distribution for the proposed Offering;
 13. the Filers expect that approximately 90% of the Offering, in which the minimum subscription will be \$500,000, will be made to Canadian institutions, pension funds, endowment funds or mutual funds based upon the experience of the Canada 1, Canada 2, Canada 3, Canada 4, Canada 5, LBC, Tower and BMCC offerings and ML & Co.'s U.S. experience;
 14. the only financial benefits which ML Canada will receive as a result of the proposed Offering are the normal arm's length underwriting commission and reimbursement of expenses associated with a public offering in Canada, which commissions and reimbursements shall for purposes of this Decision be deemed to include the increases or decreases contemplated by Item 1.5(a) of Form 44-101F3 to National Instrument 44-101 and by the applicable securities legislation in Québec;
15. ML Canada administers the ongoing operations and pays the ongoing operating expenses of the Issuer, for which ML Canada receives no additional compensation;
 16. the Issuer may be considered to be a related issuer (as defined in the Legislation) and a connected (or equivalent) issuer (as defined in the Legislation) of ML Canada for the purposes of the proposed Offering because:
 - (a) both ML Canada and the Issuer are subsidiaries of ML & Co.;
 - (b) the officers of the Issuer are employees of ML Canada;
 - (c) ML Canada administers the ongoing operations of the Issuer;
 17. in connection with the proposed distribution by ML Canada of 100% of the BC2P Pass-Through Certificates of the Issuer, the preliminary and final prospectus of the Issuer shall contain the following information:
 - (a) on the front page of each such document,
 - (i) a statement, naming ML Canada, in bold type which states that the Issuer is a related or connected issuer of ML Canada in connection with the distribution,
 - (ii) a summary, naming ML Canada, stating that the Issuer is a related or connected issuer of ML Canada based on, among other things, the common ownership of ML Canada and the Issuer,
 - (iii) a cross-reference to the applicable section in the body of the document where further information concerning the relationship between the Issuer and ML Canada is provided, and
 - (iv) a statement that the minimum subscription amount is \$500,000;
 - (b) in the body of each such document,
 - (i) a statement, naming ML Canada, that the Issuer is a related or connected issuer of ML Canada in connection with the distribution,
 - (ii) the basis on which the Issuer is a related or connected issuer to ML Canada, including details of the common ownership by ML & Co. of ML Canada and the Issuer, and other aspects of the relationship between ML Canada and the Issuer,

- (iii) disclosure regarding the involvement of ML Canada in the decision to distribute the BC2P Pass-Through Certificates being offered and the determination of the terms of the distribution, and
- (iv) details of the financial benefits described in paragraph 14 of this Decision Document which ML Canada will receive from the proposed Offering;

AND WHEREAS the Filer has requested that the Decision of the Decision Makers (as defined below) and the application dated August 31, 2001 filed in connection with the Decision (collectively, the "Confidential Materials") be held in confidence for up to 60 days from the date of the Decision by the Decision Makers subject to certain conditions;

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;

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

- (a) the requirement contained in the Legislation mandating independent underwriter involvement shall not apply to ML Canada and the Issuer in connection with the Offering provided that the Issuer complies with Paragraph 17 hereof; and
- (b) the Confidential Materials will be held in confidence by the Decision Makers until the occurrence of the earliest of the following:
 - (i) the date on which a preliminary prospectus is filed with the Decision Makers in connection with the Offering or a press release or other public announcement in respect of the Offering is made by the Filer;
 - (ii) the date the Filer advises the Decision Makers that there is no longer any need to hold the Confidential Materials in confidence; and
 - (iii) the date that is sixty (60) calendar days from the date of the Decision.

September 27, 2001.

"Paul M. Moore"

"R. Stephen Paddon"

2.1.14 Collectivebid Systems Inc. and CBID Securities Inc. - MRRS Decision

Headnote

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

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

AND

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

AND

**IN THE MATTER OF
COLLECTIVEBID SYSTEMS INC. AND
CBID SECURITIES INC.**

MRRS DECISION DOCUMENT

WHEREAS the securities regulatory authority or regulator in each of the provinces of Ontario, British Columbia and Quebec (each, a "Decision Maker") has received an application (the "Application") from Collectivebid Systems Inc. ("CB") and CBID Securities Inc. ("CBID" and, with CB, the "Filers"), for a decision under section 15.1 of National Instrument 21-101 Marketplace Operation and section 12.1 of National Instrument 23-101 Trading Rules that the requirement to comply with National Instrument 21-101 Marketplace Operation and National Instrument 23-101 Trading Rules (the "ATS Rules") shall not apply to the Filers until April 1, 2002;

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 Filers have represented to the Decision Makers that:

1. CB is a corporation amalgamated under the Canada Business Corporations Act ("CBCA") on October 1, 2001.
2. CBID is a wholly-owned subsidiary of CB that was incorporated under the CBCA on October 18, 2001.
3. The business of CB is to provide electronic marketplace solutions for the execution of fixed income products via the Internet using proprietary electronic technology. CB has established and operates a web-based communication and fixed income execution system via

a website (the "Marketplace"). CB has created the Marketplace to effect the execution of fixed income securities over the Internet, connecting investors (currently through their brokers) and brokers to the Marketplace to offer them access to wholesale market makers' prices and access to direct electronic execution of bonds and other fixed income securities.

4. CB receives firm two-sided bid/ask quotes on a number of fixed income securities from other entities, who to date are all registered dealers. On the other side, CB receives orders from counterparties, who currently also consist solely of registered dealers. An execution engine uses an algorithm to match buy and sell orders and advises the matched buyer and seller that the order has been executed. By their agreements, they are bound by the result. They are then responsible for contacting each other to arrange for clearing and settlement.
5. CB is operating as a marketplace; however it is not currently registered with any securities regulatory authority and is not a member of the IDA. It may transfer its Marketplace operations to CBID.
6. CBID is not currently carrying on business and has applied for registration with the Ontario Securities Commission as an investment dealer and membership in the IDA.

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 ATS Rules that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers is that the Filers are exempted from the requirements of the ATS Rules until April 1, 2002.

December 19, 2001.

"Rande B. Pavalow"

2.1.15 TradeWeb LLC - MRRS Decision

Headnote

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

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

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW
SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS
("MRRS")**

AND

**IN THE MATTER OF
TRADEWEB LLC**

MRRS DECISION DOCUMENT

WHEREAS the securities regulatory authority or regulator in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Newfoundland, Prince Edward Island, Yukon, Northwest Territories and Nunavut (each, a "Decision Maker") has received an application from TradeWeb LLC ("TradeWeb") for a decision under section 15.1 of National Instrument 21-101 Marketplace Operation and section 12.1 of National Instrument 23-101 Trading Rules that the requirement to comply with National Instrument 21-101 Marketplace Operation and National Instrument 23-101 Trading Rules (together, the "ATS Rules") does not apply to TradeWeb until the earlier of April 1, 2002 and the date on which TradeWeb Canada is in a position to comply with all of the requirements of the ATS Rules.

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

AND WHEREAS TradeWeb has represented to the Decision Makers as follows.

1. TradeWeb is a limited liability company formed under the laws of the State of Delaware.
2. TradeWeb is registered as a broker-dealer and alternative trading system ("ATS") under the United States Securities Exchange Act of 1934.
3. TradeWeb is registered as an international dealer under the Securities Act (Ontario) and is operating or

will operate under registration exemptions in the other jurisdictions.

4. TradeWeb is a member of the National Association of Securities Dealers Inc.
5. TradeWeb operates a proprietary electronic trading system (the "TradeWeb ETS") which permits users to simultaneously access information, and request bids and offers, respecting foreign debt securities from United States broker-dealers via the Internet.
6. TradeWeb proposes to establish a wholly-owned subsidiary under the laws of Canada ("TradeWeb Canada") and to cause TradeWeb Canada to become registered as an investment dealer or its equivalent in each of the jurisdictions where TradeWeb Canada will carry on the business of an ATS by providing and maintaining the TradeWeb ETS in Canada.
7. Following TradeWeb Canada's registration as an investment dealer or its equivalent in a jurisdiction, TradeWeb US will cease to carry on the business of an ATS in the jurisdiction.

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

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

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

December 21, 2002.

"Randee B. Pavalow"

2.1.16 CMDF Venture Fund Inc. - c.S.5 of the Act

Headnote

Exemption granted to labour sponsored investment fund corporation to permit it to pay certain specified distribution costs out of fund assets contrary to section 2.1 of National Instrument 81-105 Mutual Fund Sales Practices.

Statutes Cited

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

Rules Cited

National Instrument 81-105 Mutual Fund Sales Practices.

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

AND

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

AND

**IN THE MATTER OF
CMDF VENTURE FUND INC.**

DECISION DOCUMENT

WHEREAS the Ontario Securities Commission (the "Decision Maker") has received an application (the "Application") from CMDF Venture Fund Inc. (the "Fund") and Medical Discovery Management Corporation (the "Manager") for a decision pursuant to section 9.1 of National Instrument 81-105 Mutual Funds Sales Practices (the "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, the Decision Maker has considered the Application and the recommendation of staff of the Decision Maker;

AND WHEREAS the Fund and the Manager have represented to the Decision Maker as follows:

1. The Fund is a corporation formed under the laws of Canada on October 31, 2001. The head and registered office of the Fund is at 100 International Blvd., Toronto, Ontario, M9W 6J6.
2. The Manager is a corporation incorporated under the laws of Ontario on August 26, 1994 and acts as the manager of the Fund.
3. The Fund has applied to be registered as a labour sponsored investment fund corporation under the

Community Small Business Investment Funds Act (Ontario) (the "Ontario Act") and, once registered, will be a prescribed labour sponsored venture capital corporation under the Income Tax Act (Canada), (collectively the "Tax Legislation").

4. The Fund is a mutual fund as defined in subsection 1(1) of the Act and will distribute securities in Ontario under a prospectus. The Fund filed a preliminary prospectus dated November 1, 2001 (the "Preliminary Prospectus").
5. The authorized capital of the Fund consists of an unlimited number of Class A Shares, 25,000 Class B Shares and an unlimited number of Class C Shares issuable in series. As at November 1, 2001, the Fund had no Class A Shares or Class C Shares and 10 Class B Shares issued and outstanding.
6. The Fund proposes to pay directly to participating dealers certain costs associated with the distribution of its Class A Shares. These costs are:
 - (i) a sales commission of 6% of the subscription price for each Class A Share subscribed for (the "6% Sales Commission"),
 - (ii) an annual service or trailer fee equal to 0.5% of the average daily net asset value of the Class A Shares held by customers of the sales representatives of the dealers, such fee to be paid quarterly (the "Trailing Commission"). This fee is paid to compensate dealers for mailing and other expenses incurred by such dealers in communicating on an ongoing basis with respect to the Fund with their clients who are Class A shareholders of the Fund.
7. The Fund may also, from time to time, enter into co-operative advertising programs with dealers distributing Class A Shares which provides for the reimbursement by the Fund of advertising, mailing and other expenses incurred by such dealers in the promotion of Class A Shares (the "Co-op Expenses").
8. For accounting purposes, the Fund will
 - (i) amortize the 6% Sales Commission paid or payable by the Fund on a straight line basis to retained earnings over eight years. The 6% Sales Commission is recoverable on a declining basis at the rate of 0.75% per annum, in the event Class A Shares of the Fund are redeemed by the holders thereof prior to the expiry of an eight year period following the purchase thereof.
 - (ii) expense the Trailing Commission and the Co-op Expenses in the fiscal period when incurred.
9. The structural aspects of the Fund relating to the payment of commissions are consistent with the requirements of the Tax Legislation and such payment of commissions is an event contemplated under the Tax Legislation. Gross investment amounts will be contributed to the Fund in respect of each subscription.

This is to ensure that the entire subscription amount is 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.

10. The Preliminary Prospectus discloses, and the Fund's final prospectus will disclose, that the Fund will pay directly and is responsible for payment of the costs of distributing its shares, including the 6% Commission, the Trailing Commission and the Co-op Expenses (collectively, the "Distribution Costs").
11. The Manager is capitalized only to the extent necessary for its operations, and is dependent on management fee revenue derived from the Fund and the two other labour sponsored investments funds managed by it for the purpose of satisfying its ongoing obligations. As a result, 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.
12. Any loans obtained by the Manager to finance the Distribution Costs would result in the Manager needing to renegotiate its management fee to increase 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.
13. 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.
14. The Fund and the Manager undertake 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 otherwise permitted to be paid to participating dealers under NI 81-105.

AND WHEREAS the Decision Maker is satisfied that to do so would not be prejudicial to the public interest;

THE DECISION of the Decision Maker under section 9.1 of the NI 81-105 is that the Fund shall be exempt from section 2.1 of the NI 81-105 to permit the Fund to pay directly 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 8 above;
- (c) the summary section of the final prospectus includes full, true and plain disclosure explaining to investors that

- (i) they pay the 6% Sales Commission indirectly, as the Fund pays the 6% Sales Commission using investors' subscription proceeds, and
- (ii) the services and value that the participating dealers would provide to their clients who are Class A shareholders of the Fund in return for the Trailing Commission payable by the Fund to the dealers, and
- (iii) a portion of the net asset value of the Fund is comprised of a deferred commission, rather than an investment asset; and

this summary section must be placed within the first 10 pages of the final prospectus.

- (d) 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 21, 2001.

"Paul M. Moore"

"Robert W. Korthals"

December 18, 2001

MEMORANDUM

TO: The Commission

FROM: Raymond Chan, Accountant, Investment Funds

RE: CMDF Venture Fund Inc. (the "Fund") –Application under National Instrument ("NI") 81-105. Application # 1160/01

Application

The Fund is a new labour sponsored investment fund ("LSIF"). Pursuant to an application dated November 1, 2001 (the "Application"), the Fund applied to the securities regulatory in Ontario (the "Decision Maker") for an exemption, pursuant to section 9.1 of NI 81-105, from subsection 2.1 of NI 81-105. The exemption is necessary to permit the Fund to make the following payments to participating dealers, in connection with the distribution to the public of Class A shares of the Fund:

- The *Fund* proposes to pay the 6% Sales Commission for every Class A share purchased by investors in the Fund.
- The *Fund* proposes to pay the Trailing Commission equal to 0.5% of the average daily net asset value of the Class A Shares held by customers of the sales representatives of the dealers.
- The *Fund* proposes to reimburse certain participating dealers' Co-op Expenses arising from co-operative marketing and educational activities, in connection with the distribution of the Fund's Class A shares.

All of the above-described costs are collectively referred to as the "Distribution Costs"

In connection with the proposed public offering of the Fund's Class A shares, a preliminary prospectus was filed under SEDAR project number 398518 and is presently under review by staff.

Recommendation

Staff recommends the relief requested in the form of the attached Decision Document (the "Decision Document").

Facts and Discussion

The relevant facts are described in the Decision Document. All capitalized terms used in this memorandum have the same meaning set out for them in the Decision Document, unless otherwise defined herein.

In connection with the public offering of the Fund's Class A Shares, no investor will pay direct sales charges for the purchase of Class A shares because the Fund itself will pay for all of the Distribution Costs.

Subsection 2.1(1) of NI 81-105 prohibits a mutual fund, in connection with the distribution of its securities, from

Decisions, Orders and Rulings

- (a) paying money to a participating dealer or a representative of a participating dealer,
- (b) providing a non-monetary benefit to a participating dealer or a representative of a participating dealer, or
- (c) paying for or reimbursing the cost or expense incurred or to be incurred by a participating dealer or a representative of a participating dealer.

However, a member of the organization of the mutual fund may make certain payments to participating dealers only (not to any representative of a participating dealer) in accordance with Part 3 and Part 5 of NI 8-105.

Distribution Costs

No novel issue is identified in this Application. The exemption sought regarding the Distribution Costs is substantively similar to exemptions previously granted in respect of other LSIFs. For example, see, *In the Matter of Venturelink Fund Inc.* (December 29, 2000), *In the Matter of New Generation Biotech (Balanced) Fund Inc.* (December 22, 2000) and *In the Matter of Covington Fund II Inc.* (November 30, 1999), copies of which are in the file.

Staff proposes to recommend that the relief be subject to the conditions described in the Decision Document. These conditions are consistent to the recent Commission's decision in the matter of VentureLink Brighter Future (Equity) Fund Inc., copies of which are in the file.

After considering the precedents and counsel's submissions, staff determined to recommend relief with respect to the Distribution Costs on the same basis that similar relief has been previously granted to other LSIF's.

2.2 Orders

2.2.1 Autonation, Inc. - s. 83

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., ss. 1(1), 6(3) and 83.

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

AND

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

**ORDER
(Section 83 of the Act)**

UPON the application of AutoNation, Inc., a Delaware corporation (formerly Republic Industries, Inc., "AutoNation"), to the Ontario Securities Commission (the "Commission") for an order, pursuant to section 83 of the Act, deeming AutoNation to have ceased to be a reporting issuer under the Act;

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

AND UPON it being represented by AutoNation to the Commission that:

1. AutoNation was incorporated under the laws of the State of Oklahoma in 1980 and was re-incorporated in the State of Delaware in 1991.
2. AutoNation became a reporting issuer under the Act on November 21, 1991 when its common shares were listed on The Toronto Stock Exchange (the "TSE").
3. The authorized capital stock of AutoNation consists of 1,500,000,000 common shares (the "Shares"), par value \$0.01 per share, and 5,000,000 preferred shares, par value \$0.01 per share, of which there were 324,719,803 Shares outstanding as of October 31, 2001.
4. AutoNation voluntarily delisted its Shares from the TSE on February 16, 1996. None of AutoNation's securities are listed or quoted on any exchange or market in Canada.
5. According to a list of registered shareholders of AutoNation dated September 3, 2001, there are 49 registered shareholders of AutoNation resident in Canada holding, in the aggregate, approximately

23,909 AutoNation Shares, representing less than .01% of AutoNation's issued and outstanding Shares. Of these shareholders resident in Canada, 38 registered shareholders are resident in Ontario, holding in the aggregate approximately 15,705 Shares, representing less than .01% of AutoNation's issued and outstanding Shares.

6. AutoNation is currently listed on the New York Stock Exchange under the stock symbol "AN" and is subject to U.S. federal securities legislation and to the oversight of the U.S. Securities and Exchange Commission and is in compliance in all material respects with its obligations under U.S. federal and Delaware state securities legislation.
7. AutoNation will send to each holder of Shares, whose last address shown on the books of AutoNation is in Ontario, all materials required to be distributed to U.S. resident shareholders, in the manner and at the time required to be sent to security holders under U.S. federal securities laws.
8. AutoNation does not intend to seek public financing by way of an offering of its securities in Canada.

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

IT IS ORDERED pursuant to section 83 of the Act, that AutoNation is deemed to have ceased to be a reporting issuer under the Act effective as of the date of this order;

December 4, 2001.

"Paul Moore"

"R. Stephen Paddon"

**2.2.2 Airline Training International Ltd. - ss.
83.1(1)**

Headnote

Subsection 83.1(1) - issuer deemed to be a reporting issuer in Ontario - issuer has been a reporting issuer in Alberta since March 2, 1999 and in British Columbia since November 26, 1999 - issuer listed and posted for trading on the Canadian Venture Exchange - continuous disclosure requirements of British Columbia and Alberta substantially similar to those of Ontario

Applicable Ontario Statutory Provisions

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

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

AND

**IN THE MATTER OF
AIRLINE TRAINING INTERNATIONAL LTD.**

**ORDER
(Subsection 83.1(1))**

UPON the application of Airline Training International Ltd. ("ATI") for an order pursuant to subsection 83.1(1) deeming ATI to be a reporting issuer for the purposes of Ontario securities law;

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

AND UPON ATI representing to the Commission as follows:

1. ATI is a Corporation incorporated pursuant to the provisions of the *Business Corporations Act* (Alberta). The head office of ATI is Toronto City Centre Airport, Aerocentre East Building, Toronto, Ontario, M5V 1A1, and the registered office of ATI is c/o McLeod & Company, 3rd Floor, 14505 Bannister Road S.E., Calgary, Alberta, T2X 3J3.
2. ATI became a reporting issuer under the *Securities Act* (Alberta) (the "Alberta Act") on March 2, 1999, the date on which ATI received a receipt from the Alberta Securities Commission for a final prospectus in connection with an initial public offering of ATI.
3. ATI became a reporting issuer under the *Securities Act* (British Columbia) (the "British Columbia Act") on November 26, 1999, as a result of the merger of the Vancouver Stock Exchange and the Alberta Stock Exchange to form the Canadian Venture Exchange Inc. ("CDNX").

4. ATI is not currently a reporting issuer in Ontario or in any other jurisdiction, other than Alberta and British Columbia.
5. The authorized share capital of ATI consists of an unlimited number of Common Shares, an unlimited number of first preferred shares, an unlimited number of second preferred shares and 2,000,000 Special Warrants, of which a total of 17,328,000 Common Shares and 1,500,000 Special Warrants are issued and outstanding as of November 22, 2001.
6. The shares of ATI were listed and posted for trading on January 10, 2000 on the Canadian Venture Exchange ("CDNX") and have remained listed since that date. ATI is not in default of any of the rules or regulations of CDNX.
7. ATI is not in default of any of the requirements of the British Columbia Act or the Alberta Act.
8. The continuous disclosure requirements of the British Columbia Act and the Alberta Act are substantially the same as the requirements under the Act.
9. The continuous disclosure materials filed by ATI under the British Columbia Act since November 26, 1999 and under the Alberta Act since March 2, 1999, are available on the System for Electronic Document Analysis and Retrieval.
10. ATI has not been subject to any penalties or sanctions imposed against ATI by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority, and has not entered into any settlement agreement in connection therewith.
11. Neither any officer or director of ATI, nor, to the knowledge of ATI, its officers and directors, any shareholder of ATI holding sufficient securities of ATI to affect materially the control of ATI, has:
 - (i) been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or entered into a settlement agreement with a Canadian securities regulatory authority; or
 - (ii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.
12. None of ATI, any officer or director of ATI, nor, to the knowledge of ATI, its officers and directors, any shareholder of ATI holding sufficient securities of ATI to affect materially the control of ATI, has been subject to:
 - (i) any known ongoing or concluded investigations by: (a) a Canadian securities regulatory authority; or (b) a court or regulatory body, other than a Canadian securities regulatory authority, that would be likely to be considered important

to a reasonable investor making an investment decision; or

- (ii) any bankruptcy or insolvency proceedings, or other proceedings arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding ten (10) years.

13. No other reporting issuer, or equivalent, of which any director or officer of ATI or, to the knowledge of ATI, its officers and directors, a shareholder holding sufficient securities of ATI to affect materially the control of ATI, was a director or officer of at the time of such event have been the subject of:

- (i) any cease trade or similar orders, or orders that denied access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days, within the preceding ten (10) years; or
- (ii) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or been the subject of the appointment of a receiver, receiver-manager or trustee, within the preceding ten (10) years.

14. ATI seeks to become a reporting issuer in Ontario because it has a significant connection to Ontario since ATI's head office is located in Ontario and greater than 60% of ATI's equity securities are beneficially owned by residents of Ontario.

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

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

December 20, 2001

"John Hughes"

2.2.3 Consolidated Care Point Medical Centres Ltd. - ss. 83.1(1)

Headnote

Subsection 83.1(1) - Issuer deemed a reporting issuer in Ontario - Issuer has been a reporting issuer in British Columbia since June 14, 1983 and in Alberta since November 26, 1999 - Issuer listed and posted for trading on the Canadian Venture Exchange - Issuer not designated as a capital pool company by CDNX - Continuous disclosure requirements of British Columbia and Alberta substantially the same as those of Ontario.

Statutes Cited

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

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

AND

**IN THE MATTER OF
CONSOLIDATED CARE POINT MEDICAL CENTRES LTD.**

**ORDER
(Subsection 83.1(1))**

UPON the application (the "Application") of Consolidated Care Point Medical Centres Ltd. (the "Issuer") for an order pursuant to subsection 83.1(1) of the Act deeming the Issuer to be a reporting issuer for the purposes of Ontario securities laws;

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

AND UPON the Issuer representing to the Commission that:

1. The Issuer was incorporated under the *Company Act* (British Columbia) on September 14, 1982.
2. The head office of the Issuer is located at 3195 Granville Street, Suite 15, Vancouver, British Columbia, V6H 3K2.
3. The Issuer is authorized to issue 20,000,000 shares without par value.
4. As at December 11, 2001, 4,855,774 shares of the Issuer are issued and outstanding.
5. The Issuer has been a reporting issuer under the *Securities Act* (British Columbia) (the "B.C. Act") since June 14, 1983 and a reporting issuer under the *Securities Act* (Alberta) (the "Alberta Act") since the listing of the Issuer's common shares on the Canadian Venture Exchange on November 26, 1999. The Issuer is not in default of any requirements of the B.C. Act or the Alberta Act, or the regulations thereunder.

6. The common shares of the Issuer are listed on the Canadian Venture Exchange (the "CDNX") and the Issuer is in compliance with all of the requirements of the CDNX.
7. The Issuer is not designated as a capital pool company by CDNX.
8. The Issuer has a significant connection to Ontario in that (i) the Issuer's President and Chief Executive Officer is resident in Ontario, and (ii) more than 10% of the Issuer's outstanding shares are held by beneficial owners who are residents of Ontario, and more than 10% of the Issuer's shares are held by non-objecting beneficial owners (as defined in proposed National Instrument 54-101) who are residents of Ontario.
9. The Issuer is not a reporting issuer in Ontario and is not a reporting issuer, or equivalent, in any jurisdiction other than British Columbia and Alberta.
10. The continuous disclosure requirements of the B.C. Act and the Alberta Act are substantially the same as the requirements under the Act.
11. The continuous disclosure materials filed by the Issuer under the B.C. Act and the Alberta Act are available on the System for Electronic Document Analysis and Retrieval.
12. There have been no penalties or sanctions imposed against the Issuer by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority, and the Issuer has not entered into any settlement agreement with any Canadian securities regulatory authority.
13. Neither the Issuer nor any of its directors, officers nor, to the knowledge of the Issuer, its directors and officers, or any of its controlling shareholders has: (i) been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority, (ii) entered into a settlement agreement with a Canadian securities regulatory authority, or (iii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.
14. Neither the Issuer nor any of its directors, officers nor, to the knowledge of the Issuer, its directors and officers, or any of its controlling shareholders, is or has been subject to: (i) any known ongoing or concluded investigations by: (a) a Canadian securities regulatory authority, or (b) a court or regulatory body, other than a Canadian securities regulatory authority, that would be likely to be considered important to a reasonable investor making an investment decision; or (ii) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years.
15. None of the directors or officers of the Issuer, nor to the knowledge of the Issuer, its directors and officers, or

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

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

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

December 20, 2001.

"Iva Vranic"

2.2.4 McVicar Minerals Ltd. - ss. 83.1(1)

Headnote

Subsection 83.1(1) - issuer deemed to be a reporting issuer in Ontario - issuer has been a reporting issuer in British Columbia since November 29, 1999 and in Alberta since May 2, 1997 - issuer listed and posted for trading on the Canadian Venture Exchange - continuous disclosure requirements of British Columbia and Alberta substantially identical to those of Ontario.

Statutes Cited

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

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

AND

**IN THE MATTER OF
McVICAR MINERALS LTD.**

**ORDER
(Subsection 83.1(1))**

UPON the application of McVicar Minerals Ltd. (the "Company") for an order pursuant to subsection 83.1(1) of the Act deeming the Company to be a reporting issuer for the purposes of Ontario securities law;

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

AND UPON the Company representing to the Commission as follows:

1. The Company was incorporated pursuant to the *Canada Business Corporations Act* on December 6, 1996.
2. The head office of the Company is located at 56 Temperance Street, Suite 501, Toronto, Ontario, M5H 3V5.
3. The authorized capital of the Company consists of an unlimited number of common shares and an unlimited number of preferred shares issuable in series. As at October 23, 2001, 4,765,000 common shares had been issued and 465,000 common shares had been reserved for stock options. No preferred shares had been issued as at October 23, 2001.
4. The Company has been a reporting issuer under the Securities Act (British Columbia) (the "B.C. Act") since November 29, 1999 and a reporting issuer under the Securities Act (Alberta) (the "Alberta Act") since May 2, 1997.
5. The Company is not in default of any requirements of the B.C. Act or the Alberta Act.

6. The common shares of the Company are listed on the Canadian Venture Exchange ("CDNX"), and the Company is in compliance with all requirements of the CDNX.
7. The Company is not a reporting issuer in Ontario, and is not a reporting issuer, or equivalent, in any other jurisdiction, except British Columbia and Alberta.
8. The Company has a significant connection to Ontario for the reasons that the Company had, as at October 23, 2001, non-objecting beneficial owners ("NOBOs") resident in Ontario who beneficially own more than 20% of the number of equity securities beneficially owned by the NOBOs of the Company, and the mind and management of the Company are located in Ontario.
9. The continuous disclosure requirements of the B.C. Act and the Alberta Act are substantially the same as the requirements under the Act.
10. The continuous disclosure materials filed by the Company under the B.C. Act since November 29, 1999 and under the Alberta Act since May 2, 1997 are available on the System for Electronic Document Analysis and Retrieval.
11. The Company has not been subject to any penalties or sanctions imposed against the Company by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority, and has not entered into any settlement agreement with any Canadian securities regulatory authority.
12. Neither the Company nor any of its officers, directors nor, to the knowledge of the Company, its officers and directors, any of its controlling shareholders, has: (i) been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority, (ii) entered into a settlement agreement with a Canadian securities regulatory authority, or (iii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.
13. Neither the Company nor any of its officers, directors, nor to the knowledge of the Company, its officers and directors, any of its controlling shareholders, is or has been subject to: (i) any known ongoing or concluded investigations by: (a) a Canadian securities regulatory authority, or (b) a court or regulatory body, other than a Canadian securities regulatory authority, that would be likely to be considered important to a reasonable investor making an investment decision; or (ii) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years.
14. None of the officers or directors of the Company, nor to the knowledge of the Company, its officers and directors, any of its controlling shareholders, is or has

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

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

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

December 21, 2001.

"Margo Paul"

2.2.5 The Vengrowth II Investment Fund Inc. - s. 11.1

**IN THE MATTER OF
ONTARIO SECURITIES COMMISSION RULE 41-502
PROSPECTUS REQUIREMENTS FOR MUTUAL FUNDS
THE SECURITIES ACT, R.S.O. 1990, c. S.5**

AND

**IN THE MATTER OF
THE VENGROWTH II INVESTMENT FUND INC.**

ORDER
(Section 11.1)

WHEREAS The VenGrowth II Investment Fund Inc. ("VenGrowth II") has made an application to the Ontario Securities Commission (the "Commission") for an order pursuant to section 11.1 of Ontario Securities Commission Rule 41-502 Prospectus Requirements for Mutual Funds (the "Rule") under the *Securities Act* (Ontario) (the "Act");

AND WHEREAS it was represented by VenGrowth II to the Commission that:

1. VenGrowth II is a corporation incorporated under the laws of Canada by Articles of Incorporation dated October 18, 1999.
2. The Fund is registered as a labour sponsored investment fund corporation under the *Community Small Business Investment Funds Act* (Ontario).
3. The Fund is a mutual fund as defined in subsection 1(1) of the Act and distributes securities in Ontario under a prospectus. The Fund filed a pro forma prospectus with the OSC on and dated November 27, 2001.
4. The Fund's financial year end is August 31 and its most recent audited comparative financial statements are for the year ended August 31, 2001 (the "Financial Statements").
5. The Fund is required to file the Financial Statements on or before January 18, 2002 and the Fund intends to file the Financial Statements and distribute them to its shareholders together with annual general meeting materials on or before that date.
6. The Fund desires to include the Financial Statements in its prospectus (the "Prospectus") which must be filed on or before January 7, 2002 to provide current information to potential investors.

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

IT IS ORDERED pursuant to section 11.1 of the Rule that VenGrowth II is exempted from the requirement of section 5.2(1)(a) that the Prospectus contain financial statements which have been, or were required under the Act to have been, filed subject to the following condition:

- (i) the Financial Statements are included in the Prospectus.

December 21, 2001.

“Paul Dempsey”

2.2.6 Washmax Corp. - ss. 83.1(1)

Headnote

Subsection 83.1(1) - issuer deemed to be a reporting issuer in Ontario - issuer has been a reporting issuer in Alberta since February 16, 1999 and in British Columbia since November 26, 1999 - issuer listed and posted for trading on the Canadian Venture Exchange - continuous disclosure requirements of British Columbia and Alberta substantially identical to those of Ontario.

Statutes Cited

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

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

AND

**IN THE MATTER OF
WASHMAX CORP.**

**ORDER
(Subsection 83.1(1))**

UPON the application of Washmax Corp. (“Washmax”) for an order pursuant to subsection 83.1(1) deeming Washmax to be a reporting issuer for the purposes of Ontario securities law;

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

AND UPON Washmax representing to the Commission as follows:

1. Washmax is a corporation existing under and governed by the *Business Corporations Act* (Alberta). Its head office is located in Toronto, Ontario.
2. Washmax has been a reporting issuer under the *Securities Act* (Alberta) (the “Alberta Act”) since February 16, 1999, the date on which Washmax received a final receipt for its initial public offering prospectus.
3. Washmax has been a reporting issuer under the *Securities Act* (British Columbia) (the “BC Act”) since November 26, 1999 as a result of the merger of the Alberta Stock Exchange (“ASE”) and the Vancouver Stock Exchange.
4. Washmax is not currently a reporting issuer or the equivalent in any jurisdiction other than Alberta and British Columbia.
5. The common shares of Washmax currently trade on the Canadian Venture Exchange (“CDNX”), the successor to the ASE, under the trading symbol “WMC”.

6. The materials filed by Washmax as a reporting issuer in the Provinces of Alberta and British Columbia are available on the System for Electronic Document Analysis and Retrieval (SEDAR).
7. The authorized share capital of the Corporation consists of an unlimited number of common shares of which 10,100,000 common shares were issued and outstanding as at November 5, 2001 and an unlimited number of First Preferred Shares and Second Preferred Shares of which none were issued or outstanding as at November 5, 2001. Washmax has granted options to purchase 680,000 common shares to the directors and officers of Washmax.
8. Washmax is not in default of any of the requirements of the Alberta Act or the BC Act.
9. The continuous disclosure requirements of the Alberta Act and the BC Act are substantially the same as the requirements under the Act.
10. Washmax has a significant connection to Ontario in that: (i) greater than 25% of Washmax's common shares are beneficially held by residents of Ontario; and (ii) Washmax's head office is located in Ontario.
11. Washmax has not been subject to any penalties or sanctions imposed against Washmax by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority, and has not entered into any settlement agreement in connection therewith.
12. Neither any officer or director of Washmax, nor, to the knowledge of Washmax, its officers and directors, any shareholder of Washmax holding sufficient securities of Washmax to affect materially the control of Washmax, has:
 - (i) been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or entered into a settlement agreement with a Canadian securities regulatory authority; or
 - (ii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.
13. None of Washmax, any officer or director of Washmax, nor, to the knowledge of Washmax, its officers and directors, any shareholder of Washmax holding sufficient securities of Washmax to affect materially the control of Washmax, has been subject to:
 - (i) any known ongoing or concluded investigations by: (a) a Canadian securities regulatory authority; or (b) a court or regulatory body, other than a Canadian securities regulatory authority, that would be likely to be considered important to a reasonable investor making an investment decision; or
 - (ii) any bankruptcy or insolvency proceedings, or other proceedings arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding ten (10) years.
14. No other reporting issuer, or equivalent, of which any director or officer of Washmax or, to the knowledge of Washmax, its officers and directors, a shareholder holding sufficient securities of Washmax to affect materially the control of Washmax, was a director or officer of at the time of such event have been the subject of:
 - (i) any cease trade or similar orders, or orders that denied access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days, within the preceding ten (10) years; or
 - (ii) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or been the subject of the appointment of a receiver, receiver-manager or trustee, within the preceding ten (10) years.

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

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

December 28, 2001.

"John Hughes"

2.2.7 Deer Valley Shopping Centre Limited Partnership - s. 144

Headnote

Section 144 - revocation of cease trade order upon remedying of default by filing annual financial statements with the Commission via SEDAR.

Statutes Cited

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

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

AND

**IN THE MATTER OF
DEER VALLEY SHOPPING CENTRE LIMITED
PARTNERSHIP**

**ORDER
(Section 144)**

WHEREAS the securities of Deer Valley Shopping Centre Limited Partnership (the "Reporting Issuer") are currently subject to a temporary order of the Director on behalf of the Ontario Securities Commission (the "Commission") pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act dated May 25, 1998, and extended by an order of the Director on behalf of the Commission pursuant to subsection 127(8) of the Act dated June 5, 1998, (collectively, the "Cease Trade Order"), directing that trading in the securities of the Reporting Issuer cease until the Cease Trade Order is revoked by a further order of revocation;

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

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

AND UPON the Reporting Issuer having represented to the Director that:

1. the Reporting Issuer is an existing limited partnership formed under the Partnership Act of Alberta;
2. the Reporting Issuer became a reporting issuer in Ontario on May 31, 1983;
3. the authorized share capital of the Reporting Issuer consists of 2,500 limited partnership units (the "Units") which are issued and outstanding as of the date hereof;
4. the Units are not traded on any exchange;

5. the Cease Trade Order was issued due to a failure of the Reporting Issuer to file with the Commission audited annual financial statements for the year ended December 31, 1997, as required by the Act;
6. the audited annual financial statements of the Reporting Issuer for the fiscal years ended December 31, 1997, 1998, 1999 and 2000 were mailed to the Unitholders of the Reporting Issuer within 90 days of the each respective year-end, but were not filed with the Commission via SEDAR;
7. the audited annual financial statements of the Reporting Issuer for the fiscal years ended December 31, 1997, 1998, 1999 and 2000 were filed with the Commission via SEDAR on June 20, 2001, and the semi-annual financial statements of the Reporting Issuer for the six months ended June 30, 2001 were filed with the Commission via SEDAR on December 21, 2001;
8. except for the Cease Trade Order, the Reporting Issuer has not been subject to any previous cease trade orders issued by the Commission;
9. except for the Cease Trade Order, the Reporting Issuer is not in default of any requirements of the Act or the regulations made thereunder;
10. the reporting issuer is not considering, nor is it involved in any discussion relating to a reverse take-over or similar transaction;

AND UPON the Director being satisfied that the Reporting Issuer has now remedied its default in respect of the filing requirements of the Act;

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

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

December 21, 2001.

"Ralph Shay"

2.3 Rulings

2.3.1 Renaissance Leisure Group Inc.

Headnote

Trades by developer or licensed real estate agents in condominium units which have right, but not the obligation, to participate in rental pooling agreement not subject to section 25 or 53, subject to certain conditions.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., 25, 53, 74(1)
Condominium Act, 1998 S.O. 1998 c. 19, as am.
Real Estate and Business Brokers Act, R.S.O. 1990, c.R.4, as am.
Securities Act, R.S.B.C. 1996, c.418, as am.

Rules Cited

Commission Rule 14-501 Definitions

National Policies Cited

National Policy Statement 48 Future Oriented Financial Information

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

AND

**IN THE MATTER OF
RENAISSANCE LEISURE GROUP INC.**

**RULING
(Subsection 74(1))**

UPON the application of Renaissance Leisure Group Inc. (the "Applicant") to the Ontario Securities Commission (the "Commission") for a ruling pursuant to subsection 74(1) of the Act (the "Application") that the sale by the Applicant of Unit Intervals (defined below) of undivided beneficial ownership interests in certain condominium townhouse units (collectively, the "Condo Units") governed by three separate condominium corporations (collectively, the "Condo Corps") that will be established by the Applicant on the registration of each of the three condominium plans currently in process located in close proximity to the resort hotel and conference centre known as the 'Muskoka Sands Inn' (the "Hotel") on the west side of Muskoka Beach Road in Gravenhurst, Ontario, will not be subject to sections 25 and 53 of the Act;

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

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

1. The Applicant owns and operates the Hotel.

2. The Applicant is selling the Condo Units on a fractional ownership basis, such that those persons that have entered or hereafter enter into an agreement of purchase and sale with the Applicant (collectively, the "Initial Purchasers") will acquire from the Applicant thereunder either a one-quarter or a one-fifth undivided beneficial ownership interest in a specified Condo Unit that includes the right of such owner to occupy the Condo Unit during predetermined periods of time in each calendar year (collectively, the "Unit Intervals"). The said agreement of purchase and sale is referred to below as the "Purchase Agreement".

3. Initially, the project is comprised of 42 Condo Units. Of the 42 Condo Units, 18 were previously constructed and have been used by the Hotel. 11 of the remaining 24 of such Condo Units are in the course of construction. Construction of the balance will occur on such units being sold. The Applicant has the right to increase or decrease the number of Condo Units included in the project.

4. The Condo Units (in which the Unit Intervals are being sold) are traditional single-family, residential condominium townhouse dwellings that will be contained in 8 buildings, each building variously having 6, 5 or 4 of such Condo Units. Each of the Condo Units:

(a) includes a proportionate share of the relevant Condo Corp's common elements and other assets of such Condo Corp that are available for use by the owners of the Unit Intervals, respectively (herein referred to individually as an "Owner" and collectively as the "Owners");

(b) is being sold by the Applicant, together with certain furniture, equipment and supplies; and

(c) includes on the part of its Owners a proportionate liability for expenses directly attributable to the Condo Unit (such as electrical power supply, cable television, telephone line charges and realty taxes).

Each of the Condo Corps will pay certain utilities and other expenses relating to the common elements of such Condo Corp, the amount of which will be pro rated among the Condo Units in accordance with the Condominium Act, 1998 S.O. 1998 c. 19, as amended, and the regulations made thereunder (collectively, the "Condominium Act"). Each Owner of a Unit Interval will be liable to pay such Owner's proportionate share of those Condo Corp expenses.

5. Two separate condominium corporations (the "Existing Condo Corps") were previously established on the registration of Muskoka Condominium Plan No. 26 (contains 42 townhouse dwelling units) and Muskoka Condominium Plan No. 27 (contains 18 townhouse dwelling units). Owners of Unit Intervals and owners of units governed by the Existing Condo Corps are each entitled to use certain facilities owned by the Hotel (the "Shared Facilities"). The costs of maintaining and repairing the Shared Facilities will be apportioned

equally between the Hotel, on the one hand, and the Existing Condo Corps and the Condo Corps, on the other hand. The 50% of such costs for which the Existing Condo Corps and the Condo Corps will be responsible will be apportioned among the Existing Condo Corps and the Condo Corps in proportion to the number of condominium units governed by the Existing Condo Corps and the Condo Corps.

6. The Applicant and the Condo Corps will enter into a property management agreement (the "Property Management Agreement") pursuant to which the Applicant, as manager, will perform many of the responsibilities that otherwise would be performed by the Board of Directors of each Condo Corp. The Property Management Agreement has a term of two years following registration of the declaration and description for each Condo Corp, respectively. The Applicant will be entitled to the management fee provided for in the budget statement included in the Disclosure Statement (defined below).
7. In accordance with the Condominium Act, the owners of the Condo Units will have the right to terminate the Property Management Agreement prior to the end of its initial two-year term.
8. Legal and registered title to all Condo Units in the Condo Corps will be held by and in the name of Muskoka Sands Administration Corporation (the "Administrator") who will act as trustee for all Owners of Unit Intervals. The Administrator will not carry on any business or activity other than (a) holding title to the Unit Interval, and (b) causing the Owner (being the beneficial owner of such Unit Interval) to be provided with all substantive information or communications respecting the Condo Corp and the Condo Unit in which such Unit Interval is owned (e.g. notices from the governing local municipality respecting realty taxes, notices of meetings of unit owners of the applicable Condo Corp, all financial information delivered by such Condo Corp pursuant to the requirements of the Condominium Act, and the like). The Administrator will not be involved in any other aspect of the use by the Owners of the Unit Intervals, all such aspects being involved in the relationship between such Owners and the Applicant.
9. Each Owner will enter into a use agreement (a "Use Agreement") with the Applicant and the Administrator which provides for and governs the rights of an Owner of a Unit Interval to use the Condo Unit during the time periods in each calendar year such Owner is entitled to such use.
10. The Applicant will offer to each Initial Purchaser (other than the Excluded Owners, defined below) at the time of entering into a Purchase Agreement an option (an "Option") to participate in a rental pooling arrangement (the "Rental Pooling Program"). The Rental Pooling Program will be operated by either the Applicant or a qualified third party (the "Rental Pool Manager") on an on-going basis. The significant attributes of the Rental Pooling Program are as follows:

- (a) The Applicant will offer each Initial Purchaser the Option pursuant to an option agreement (an "Option Agreement"), which will include provisions for the matters set out in paragraphs 22 and 23, below.
- (b) Initial Purchasers who entered into a Purchase Agreement prior to the date of this Ruling (collectively, the "Existing Purchasers") and who do not enter into an Option Agreement with the Applicant will not have the right, and the Applicant will not permit any such Existing Purchasers and Subsequent Purchasers (defined in paragraph 20-II, below) who purchase a Unit Interval from such Existing Purchasers (collectively, the "Excluded Owners"), to participate in the Rental Pooling Program unless and until the applicable requirements set out in the Commission's rulings hereunder are fulfilled.
- (c) Each Initial Purchaser who is not an Existing Purchaser will be required to enter into an Option Agreement with the Applicant prior to acceptance by the Applicant of such Initial Purchaser's Purchase Agreement;
- (d) Notwithstanding that an Owner becomes a party to an Option Agreement, such Owner is not and will not be required to participate in the Rental Pooling Program; rather, any such participation is completely voluntary. Pursuant to the Option Agreement, each Owner who is not an Excluded Owner shall have the right but not the obligation to have such Owner's Unit Interval participate in the Rental Pooling Program.
- (e) If such an Owner chooses to exercise his or her Option, the Owner (herein called a "Participating Owner") will enter into a rental pooling agreement (a "Rental Pooling Agreement"). The Participating Owner will have the right to terminate the Rental Pooling Agreement on 14 days notice to the Applicant. The Applicant will have the same right of termination pursuant to the Rental Pooling Agreement.
- (f) Notwithstanding that a Participating Owner decides to become a party to a Rental Pooling Agreement, such Owner's Unit Interval is only subject to being rented if such Owner notifies the Applicant that such Owner is submitting the Unit Interval for rent within the Rental Pooling Program for a specified time period that is included within the time periods during which such Owner is entitled to the use of the Unit Interval. A Participating Owner is not required to submit the Unit Interval for any or all such time periods.
- (g) On a Participating Owner submitting such Owner's Unit Interval for rent within the Rental Pooling Program for a particular time period specified by such Owner in accordance with the provisions of the Rental Pooling Agreement,

- such Owner may, as stated above, terminate the Rental Pooling Agreement but will not have the right to withdraw the Unit Interval from the Rental Pooling Program for the specified time period for which it has been submitted for rent within the Program without the Applicant's consent, which consent the Applicant is not obligated to give. The Hotel will be relying on the availability of the Participating Owner's Unit Interval for the specified time period (once submitted to the Program) in offering and committing the Hotel to bookings by guests of the Hotel (including for conferences and conventions) such that the Hotel could default to a guest or convention customer if a Unit Interval was subject to being withdrawn by its Participating Owner from the Rental Pooling Program once it was submitted for rent within the Program.
- (h) The Rental Pooling Program permits the Applicant to generate revenue by renting Unit Intervals of Participating Owners to third parties throughout the specified time periods during which such Unit Intervals have, respectively, been submitted for rent within the Rental Pooling Program.
- (i) The Rental Pooling Agreement provides for a Participating Owner to participate in the revenues (net of the expenses) derived from the rental by the Applicant of all Participating Owners' Unit Intervals. Such revenues would be pooled with revenues derived from, and expenses relating to, the rental of all other Unit Intervals of Participating Owners during the specified time period(s) in which a Participating Owner's Unit Interval has been submitted for rent within the Rental Pooling Program. The net amount of all such pooled revenues and expenses constitute the Rental Pooling Proceeds under the Rental Pooling Agreement.
- (j) The Rental Pooling Proceeds will be calculated on a daily basis, with Participating Owners receiving 70% of the Rental Pooling Proceeds and the Applicant receiving the remaining 30% thereof. Participating Owners receive their share of Rental Pooling Proceeds whether or not the Unit Interval of any particular Participating Owner is rented by the Applicant during the applicable time period.
- (k) The 70% portion of the Rental Pooling Proceeds allocable to Participating Owners is to be paid in equal amounts to each Participating Owner regardless of the value of the Condo Unit in which such Owner's Unit Interval is held and regardless of that Condo Unit's size or location or the amount of revenue, if any, generated on the rental of such Owner's Unit Interval.
- (l) The Applicant will be entitled to receive a fee for managing the Rental Pooling Program in an amount that is currently equal to 5% of the rental revenue generated by the Program.
11. Currently, the Applicant is offering the Unit Intervals for sale at prices that range from \$110,000.00 up to \$137,500.00 for each Unit Interval.
12. The purchase prices for which the Applicant offers Unit Intervals for sale to Initial Purchasers will not change as a result of the Rental Pooling Program such that there will be no premium or discount to such sale prices for Initial Purchasers who participate in the Rental Pooling Program.
13. The economic value of a Unit Interval is attributable primarily to its real estate component because the Unit Intervals are, and will continue to be, marketed and otherwise offered for sale as resort properties without an emphasis on the expected economic benefits of the Rental Pooling Program.
14. The Applicant has actively marketed and is continuing to actively market the Unit Intervals for sale, including by advertisements published in the print media. None of the advertisements or other marketing materials for the sale of the Unit Intervals has made reference to the Rental Pooling Program save for the references made in the Disclosure Statement and as otherwise disclosed in the Application.
15. The Unit Intervals have been and will continue to be offered for sale in Ontario:
- (a) through the Applicant and/or agents of the Applicant licensed under the *Real Estate and Business Brokers Act*, R.S.O. 1990, Chapter R.4, as amended (collectively, the "Licensed Agents"), and
- (b) in compliance with the Condominium Act.
16. To date, several Purchase Agreements have been entered into with the Applicant. No closings have been completed under any of the Purchase Agreements that have been entered into.
17. The Applicant has caused a disclosure statement (the "Disclosure Statement") to be delivered to each Existing Purchaser and will cause the Disclosure Statement to be delivered to each person who enters into a Purchase Agreement. The Disclosure Statement complies with the requirements of the Condominium Act.
18. Each Initial Purchaser of a Unit Interval has the statutory right under the Condominium Act to rescind such Initial Purchaser's Purchase Agreement within 10 days of receiving both a fully executed Purchase Agreement and the Disclosure Statement, or a material amendment to the Disclosure Statement, if any.
19. Prospective purchasers of Unit Intervals have not been and will not be provided with any form of rental, cash flow or deficiency guarantees or any other form of financial commitment or projection by or on the part of the Applicant respecting the Rental Pooling Program, other than:

- (a) examples of financial calculations solely for the purpose of better explaining to such purchasers how the Rental Pooling Proceeds are calculated, which sample calculations would be included in the Rental Pooling Disclosure Memorandum (defined and provided for below), and
- (b) certain future oriented financial information based on assumed rental revenues to be prepared in accordance with the provisions of National Policy Statement 48 and included in the Rental Pooling Disclosure Memorandum.

In addition, prospective purchasers will be provided with the budget required to be delivered to an Initial Purchaser of a Unit Interval pursuant to the Condominium Act.

20. In addition to delivery of the Disclosure Statement pursuant to the Condominium Act, the Applicant shall deliver:

- (a) on or before the 30th day next following the date of this Ruling and, in any event, before an Option Agreement and a Rental Pooling Agreement is entered into, to each Existing Purchaser; or
- (b) prior to entering into a Purchase Agreement with any Initial Purchaser subsequent to the date of this Ruling, to each such prospective Initial Purchaser;

a disclosure memorandum (the "Rental Pooling Disclosure Memorandum") that includes the following information relating to the Rental Pooling Program prepared substantially in accordance with the form and content requirements of the following sections of BC Form 45-906F of the *Securities Act*, R.S.B.C. 1996, c.418, as amended ("Form 45-906F"):

- (i) items 1, 3(1), 7, 9(1), (2), (3) and (4); 10(b) and 16 (including the reporting obligations of the Applicant to Owners as more particularly described in paragraphs 22(b)(ii), 23 and 24 below) of Form 45-906F, modified as necessary to reflect the operation of the Rental Pooling Program;
- (ii) items 12(2), (3) and (4) of Form 45-906F with respect to the Applicant and the Rental Pool Manager, as applicable, under the Rental Pooling Agreement modified so that the period of disclosure runs from the date of the certificate attached to the Rental Pooling Disclosure Memorandum.

In addition, the Rental Pooling Disclosure Memorandum will:

- I. include the financial calculations or information that the Applicant determines to provide, if any, prepared as stipulated in paragraphs 19 (a) and (b) above;

- II. provide the name, municipality of residence and principal occupation for the last 5 years of the directors and officers of the Applicant and of any person managing the Rental Pooling Program where that person is an individual and is not the Applicant, or of the directors and officers of that person where the person is not an individual;
- III. contain a description of the contractual right of action available to each Initial Purchaser or to each purchaser of a Unit Interval from an Owner (a "Subsequent Purchaser") as more particularly described in paragraph 21 below; and
- III. be certified by the Applicant and Rental Pool Manager, as applicable, in the form of the certificate required pursuant to item 19 of Form 45-906F, which will be signed by the president or chief executive officer and chief financial officer of the Applicant and Rental Pool Manager, as applicable (or by a director other than such president or chief executive officer if no chief financial officer has been designated by the Applicant or Rental Pool Manager).

21. Initial Purchasers and Subsequent Purchasers will be provided with a contractual right of action as defined in Commission Rule 14-501 - "Definitions" save and except only that such right of action shall:

- (a) be for damages and not include a right of action for rescission;
- (b) be available to an Owner to whom a Rental Pooling Disclosure Memorandum containing a misrepresentation is delivered or ought to have been delivered as provided for in paragraphs 20 and 24 hereof; and
- (c) be exercisable on notice against the Applicant not later than 180 days after the Initial Purchaser or Subsequent Purchaser, as applicable, receives a Rental Pooling Disclosure Memorandum.

The Rental Pooling Disclosure Memorandum will describe the contractual right of action, including any defences available to the Applicant, the limitation periods applicable to the exercise of the contractual right of action, and will indicate that the rights are in addition to any other right or remedy available to the Initial Purchaser or Subsequent Purchaser.

22. The Option Agreement will contain provisions that:

- (a) include a negative covenant by the Owner that, in connection with any sale of such Owner's Unit Interval, such Owner will not, and will not permit any agent acting on behalf of such Owner to, advertise, promise or otherwise represent any expected economic benefits of the Rental Pooling Program or the Rental Pooling Agreement to any Subsequent Purchaser or to any prospective Subsequent Purchaser; and

- (b) irrevocably obligate the Owner to:
- (i) provide the Applicant with reasonable notice of a proposed sale of the Unit Interval of such Owner;
 - (ii) provide a prospective Subsequent Purchaser of such Owner's Unit Interval with notice of such prospective Subsequent Purchaser's right to obtain from the Applicant the Rental Pooling Disclosure Memorandum and Financial Statements (provided for in paragraph 24, below);
 - (iii) obtain a written acknowledgement addressed to the Applicant and signed by a Subsequent Purchaser stating that the Subsequent Purchaser has:
 - (I) received, reviewed and agrees to be bound by the terms and conditions of the Option Agreement and any Rental Pooling Agreement then in effect to which such Owner is a party, and
 - (II) received and reviewed the Rental Pooling Disclosure Memorandum and Financial Statements; and
 - (iv) deliver such written acknowledgement to the Applicant prior to the completion of the sale of such Owner's Unit Interval to the Subsequent Purchaser.
23. In addition, the Option Agreement will obligate the Applicant or the Rental Pool Manager, as applicable, to send to each Owner:
- (a) comparative financial statements for the Rental Pooling Program accompanied by the report of its auditor in respect of each calendar year within which such Owner beneficially owns a Unit Interval, prepared in accordance with generally accepted accounting principles and otherwise made up, certified and delivered in accordance with the applicable provisions of the Act (currently sections 78 and 79) as if the Rental Pooling Program was a reporting issuer for the purposes of the Act; and
 - (b) interim unaudited financial statements for the Rental Pooling Program in respect of each calendar quarter within which such Owner is at any time a beneficial owner of a Unit Interval, prepared in accordance with generally accepted accounting principles and otherwise made up, certified and delivered in accordance with the applicable provision of the Act (currently sections 77 and 79) as if the Rental Pooling Program was a reporting issuer for the purposes of the Act.
24. The Applicant or the Rental Pool Manager, as applicable, will deliver as soon as reasonably practicable following receipt from an Owner of a notice of a proposed sale of such Owner's Unit Interval, to the proposed Subsequent Purchaser named in such notice, the following:
- (a) a copy of the Disclosure Statement prepared in accordance with the Condominium Act, together with the Rental Pooling Disclosure Memorandum, if the proposed sale of the Unit Interval is to take place either prior to, or within 12 months of, the date on which permission to occupy the Unit is issued (if required by law) or the date on which the closing of the of the Unit Interval by the Initial Purchaser is completed, whichever is the later; or
 - (b) the Rental Pooling Disclosure Memorandum, if the proposed sale of the Unit Interval is to take place following the expiration of a period of 12 months from the date on which permission to occupy the Unit is issued (if required by law) or the purchase of the Unit Interval by the Initial Purchaser is completed, whichever is the later, and
 - (c) the then most recent audited annual financial statements (which include financial statements for the prior comparative year, if applicable) and, if applicable, the then most recent interim unaudited financial statements for the Rental Pooling Program, each of which statements shall be prepared in accordance with paragraph 23 above (collectively, the "Financial Statements").
25. Neither the Option Agreement nor a Rental Pooling Agreement will require Owners to give any person any assignment of their right to vote in accordance with the Condominium Act or condominium bylaws, or to waive notice of meetings of the condominium corporation in respect of the Condo Corps.
26. An Option may not be transferred except to a Subsequent Purchaser who purchases, contemporaneously with such transfer, the related Unit Interval.
27. Because the Unit Intervals will be marketed together with the Options, the sale of such Unit Intervals may constitute a trade in a security that would be a "distribution" within the meaning of the Act.
- AND UPON** the Commission being satisfied that to do so would not be prejudicial to the public interest;
- IT IS RULED**, pursuant to subsection 74(1) of the Act, that a trade by the Applicant or a Licensed Agent of Unit Intervals is exempt from sections 25 and 53 of the Act, provided that:
- (a) every Initial Purchaser receives all of the documents and information referred to in paragraphs 17 and 20, above, and a copy of this

Ruling, within the time periods set out in paragraphs 17 and 20; and

information referred to in paragraph 24, above; and

- (b) any subsequent trade of such Unit Interval shall be a distribution unless:
 - (i) the seller of the Unit Interval is not a developer or an agent acting on a developer's behalf;
 - (ii) notice is given by the seller of such Unit Interval to the Applicant or the Rental Pool Manager, as the case may be, of such seller's intent to sell such Unit Interval;
 - (iii) the prospective Subsequent Purchaser receives all of the then applicable documents and information referred to in paragraph 24 above; and
 - (iv) the selling Owner, or an agent acting on the selling Owner's behalf, does not advertise, promise or otherwise represent any expected economic benefits of the Rental Pooling Program or the Rental Pooling Agreement to the prospective Subsequent Purchaser;

- (v) the selling Owner, or an agent acting on the selling Owner's behalf, does not advertise, promise or otherwise represent any expected economic benefits of the Rental Pooling Program or the Rental Pooling Agreement to the prospective Subsequent Purchaser.

November 30, 2001.

"Paul Moore"

"H.Lorne Murphy"

AND IT IS FURTHER RULED, pursuant to subsection 74(1) of the Act, that a trade of an Option by the Applicant to an Excluded Owner is exempt from sections 25 and 53 of the Act, provided that:

- (a) such Excluded Owner who is also a Subsequent Purchaser receives all of the documents and information referred to in paragraph 24, above, and a copy of this Ruling, within the time periods set out in paragraph 24;
- (b) such Excluded Owner has executed an Option Agreement; and
- (c) any subsequent trade of an Option acquired pursuant to this Ruling shall be a distribution unless:
 - (i) the Subsequent Purchaser purchases from the selling Owner, contemporaneously with such subsequent trade of the Option, the Unit Interval to which the Option relates;
 - (ii) the selling Owner is not a developer or an agent acting on a developer's behalf;
 - (iii) notice is given by the selling Owner to the Applicant or the Rental Pool Manager, as the case may be, of such seller's intent to sell such Option and Unit Interval;
 - (iv) the prospective Subsequent Purchaser of the Option and Unit Interval receives all of the then applicable documents and

This Page Intentionally left blank

Chapter 3

Reasons: Decisions, Orders and Rulings

THERE IS NO MATERIAL FOR THIS CHAPTER
IN THIS ISSUE

This Page Intentionally left blank

Chapter 4

Cease Trading Orders

4.1.1 Temporary, Extending & Rescinding Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Rescinding Order
Java Joe's International Corporation	14 Aug 01	24 Aug 01	27 Aug 01	28 Dec 01
ATC Technologies Corporation	30 Nov 01	12 Dec 01	12 Dec 01	
Dynasty Motorcar Corporation	30 Nov 01	12 Dec 01	12 Dec 01	
Rodin Communications Corporation	3 Dec 01	14 Dec 01	14 Dec 01	
Marketvision Direct, Inc.	5 Dec 01	17 Dec 01	17 Dec 01	
Glimmer Resources Inc.	6 Dec 01	18 Dec 01	18 Dec 01	
MTW Solutions Online Inc.	7 Dec 01	19 Dec 01	19 Dec 01	
Big Hammer Group Inc.	7 Dec 01	19 Dec 01	21 Dec 01	
Atapa Minerals Limited	11 Dec 01	21 Dec 01	21 Dec 01	
Gearunlimited.com Inc.	14 Dec	24 Dec 01	28 Dec 01	
Cambium Limited Partnership No. Two	2 Jan 02	14 Jan 02		

4.2.1 Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Dotcom 2000 Inc.	29 May 01	11 Jun 01	11 Jun 01	-	23 Jul 01
St. Anthony Resources Inc.	29 May 01	11 Jun 01	11 Jun 01	23 Jun 01	-
Galaxy OnLine Inc. Melanesian Minerals Corporation	29 May 01	11 Jun 01	11 Jun 01	24 Jul 01	-
Brazilian Resources, Inc. Link Mineral Ventures Ltd. Nord Pacific Limited	30 May 01	12 Jun 01	12 Jun 01	-	23 Jul 01
Landmark Global Financial Corp.	30 May 01	12 Jun 01	12 Jun 01	28 Jun 01	-
Dominion International Investments Inc.	12 Jun 01	25 Jun 01	25 Jun 01	-	23 Jul 01
Zamora Gold Corp.	13 Jun 01	26 Jun 01	26 Jun 01	18 Jul 01	-

Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Consumers Packaging Inc.	20 Jun 01	03 Jul 01	-	05 Jul 01	-
Systech Retail Systems Inc.	27 Jun 01	10 Jul 01	10 Jul 01	23 Aug 01	-
United Trans-Western, Inc.	05 Jul 01	18 Jul 01	19 Jul 01	-	23 Jun 01
Digital Duplication Inc.	10 Jul 01	23 Jul 01	23 Jul 01	23 Aug 01	-
Online Direct Inc.	22 Aug 01	04 Sep 01	04 Sep 01	-	18 Oct 01
Aquarius Coatings Inc.	23 Aug 01	05 Sep 01	06 Sep 01	9 Oct 01	-
Primenet Communications Inc.	29 Aug 01	11 Sep 01	11 Sep 01	-	26 Oct 01
Unirom Technologies Inc.	30 Aug 01	12 Sep 01	12 Sep 01	-	19 Oct 01
Zaurak Capital Corporation	30 Aug 01	12 Sep 01	12 Sep 01	28 Sep 01	-
Galaxy Online Inc.	14 Sep 01	27 Sep 01	-	27 Sep 01	27 Sep 01
Consumers Packaging Inc.	19 Sep 01	25 Sep 01	25 Sep 01	31 Oct 01	-
Diadem Resources Ltd.	23 Oct 01	5 Nov 01	5 Nov 01	17 Dec 01	-
Armistice Resources Limited	21 Nov 01	04 Dec 01	4 Dec 01	-	-
CTM Cafes Inc.	23 Nov 01	06 Dec 01	6 Dec 01	-	-
Titan Employment Services Ltd.	27 Nov 01	10 Dec 01	-	10 Dec 01	-
RX Nutraceuticals Corp.	29 Nov 01	12 Dec 01	-	12 Dec 01	-
Explorers Alliance Corporation	7 Dec 01	20 Dec 01	20 Dec 01	-	-
World Sales & Merchandising Inc.	27 Dec 01	9 Jan 02			

4.3.1 Lapsed Cease Trading Orders

Company Name	Date of Lapse/Expire
Image Sculpting International Inc.	20 Dec 01
Marine Mining Corp.	21 Dec 01

Chapter 5
Rules and Policies

THERE IS NO MATERIAL FOR THIS CHAPTER
IN THIS ISSUE

This Page Intentionally left blank

Chapter 6
Request for Comments

THERE IS NO MATERIAL FOR THIS CHAPTER
IN THIS ISSUE

This Page Intentionally left blank

Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesSource (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

<u>Trans. Date</u>	<u>Purchaser</u>	<u>Security</u>	<u>Price (\$)</u>	<u>Amount</u>
30Nov01	3 Purchasers	1444932 Ontario Limited - Limited Partnership Units	4,227,300	25
23Nov01 to 30Nov01		AIC American Focused Fund - Class O Units	330,115	64,637
26Nov01 to 29Nov01		AIC Diversified Canada Fund - Class O Units	56,726	10,200
26Nov01 to 30Nov01		AIC World Equity Fund - Class O Units	21,586	3,766
12Nov01		AMN Healthcare Services, Inc. - Common Stock	637,962	24,400
10Dec01	9 Purchasers	Ashton Mining of Canada Inc. - Units	1,394,870	1,268,064
12Dec01	Altamira Management Ltd.	# Cablevision System Corporation - Class A Tracking Stock	710,000	20,000
10Dec01	Norman Moffat, Sullivan GM & P Holding Corporation	Case Resources Inc. - Common shares	190,000	950,000
03Dec01		CC&L American Equity Fund -	12,146	1,409
03Dec01		CC&L American Equity Fund -	53,698	6,231
03Dec01		CC&L Private Client Bond Fund -	13,140	1,236
03Dec01		CC&L Private Client PCJ Canadian Small Capitalization Fund -	300	32
03Dec01		CC&L Private Client Canadian Equity Fund -	16,779	1,729
03Dec01		CC&L Private Client Canadian Equity Fund -	23,494	2,421
03Dec01		CC&L WorldInvest EAFE Fund -	22,808	2,792
07Dec01	3 Purchasers	CCG Commercial Pool I, Inc. - Notes Class AAA, Class AA and Class C	\$135,510,486, \$3,939,000, \$1,600	\$135,510,486, \$3,939,000, \$1,600 Resp.
05Dec01	BMO Nesbitt Burns, Inc.	Cephalon, Inc. - 2½% Convertible Subordinated Notes due December 15, 2006	\$787,050	\$787,050
05Dec01	Proxima Holdings Limited	Cephalon, Inc. - Convertible Subordinate Notes	\$291,208	291,208
01Nov01 to 30Nov01		CGO&V Balanced Fund - Units of Trust	575,653	47,364
01Nov01 to 30Nov01		CGO&V Enhanced Yield Fund - Units of Trust	100,020	9,590
01Nov01 to 30Nov01		CGO&V Hazelton Fund - Units of Trust	445,251	34,944

Notice of Exempt Financings

<u>Trans. Date</u>	<u>Purchaser</u>	<u>Security</u>	<u>Price (\$)</u>	<u>Amount</u>
01Nov01 to 30Nov01		CGO&V International Fund - Units of Trust	291,085	20,467
30Nov01	ACF Equity Atlantic Inc. and Bank of Montreal Capital Corporation	Clear Picture Corporation Limited - Class B Preference Shares	500,000	50,000
07Dec01	Bank of Montreal and Elliot & Page	CSK Auto, Inc. - 12% Senior Notes	\$4,646,587	\$4,646,587
29Nov01		DC DiagnostiCare Inc. - Warrants to Purchase Common Shares	1,000,000	53,620,217
28Nov01		Digital Fairway Corporation - Class A Preferred Shares	800,000	5,002,569
13Dec01		East West Resources Corporation - Common Shares	2,500	12,500
30Nov01		Equity International Investment Trust - Units in a Trust Unit	5,000,008	3,570
10Dec01	CMP 2001 Resource Limited	Freewest Resources Canada Inc. - Units	500,100	1,667,000
11Dec01	Covington Fund II Inc.	Funder On-Line Corp. - Cumulative Convertible Preferred Shares, Series A	3,500,000	3,595,262
31Oct01		Genetic Diagnostics Inc. -	3,850,000	1,925,000
29Nov01		Grosvenor Services 2001 Limited Partnership - Limited Partnership Units	85,387,500	517
14Dec01	Lawrence Asset Management Inc.	High Income Principal Assured Yield Securities Corporation - Class A Shares	1,000	1,000
12Dec01	Sprott Securities Inc. (6 Purchasers)	High River Gold Mines Ltd. - 4% Non- Redeemable Convertible Debentures due December 12, 2004	\$5,000,000	\$5,000,000
05Dec01	BMO Nesbitt Burns, Inc.	Invitrogen Corporation - 2.25% Convertible Subordinated Notes due December 15, 2006	\$787,050	\$787,050
05Dec01	Silvercreek Mgmt Inc.	Invitrogen Corporation - 2.25% Convertible Subordinated Notes due December 15, 2006	\$3,148,200	\$3,148,200
07Dec01	Sprott Securities Inc. (8 Purchasers)	Jipangu Inc. - 7% Redeemable Convertible Debentures due December 7, 2004	\$10,000,000	\$10,000,000
17Dec01	VenutreLink Fund Inc.	Kaval Wireless Technologies Inc. - Series I Special Warrants	2,000,002	524,935
11Dec01	KBSH Capital Management Inc.	KBSH Goodwood Canadian Long/Short Fund - Units	2,000,000	200,000
11Dec01		Ketch Energy Ltd. - Common Shares	1,200,000	240,000
29Nov01		Kicking Horse Resources Ltd. - Flow-Through Common Shares	2,360,000	3,371,427
06Dec01	24 Purchasers	Kicking Horses Resources Ltd. - Flow- Through Common Shares	1,757,477	2,510,685
10Dec01	4 Purchasers	Kinross Gold Corporation - Flow-Through Common Shares	4,050,000	2,250,000
16Nov01		Landmark Global Opportunities Fund - Units	150,000	1,402
23Nov01		Landmark Global Opportunities Fund - Units	250,000	3,750
15Nov01		MHD Holdings L.L.C. - Units	US\$9,500,000	16
07Dec01	Canadian Pacific North America Pension Trust	MITEC TELECOM INC. - Common Shares, Warrants and Anti-Dilution Warrants	801,584	227,273
03Dec01	AGF Management Limited	Neurocrine Biosciences - Common Stock	448,800	9,600
03Dec01	De Novo Capital	Neurocrine Biosciences - Shares of Common Stock	737,200	10,000
07Dec01	3 Purchasers	OM Group, Inc. - 9.25% Senior Subordinated Notes	\$7,088,400	\$7,088,400
19Sep01		Polaris Minerals Corporation - Units	150,000	187,500
15Nov01		Rally Energy Corp. - Flow-Through Special Warrants - Amended	550,000	1,100,000

Notice of Exempt Financings

<u>Trans. Date</u>	<u>Purchaser</u>	<u>Security</u>	<u>Price (\$)</u>	<u>Amount</u>
07Dec01	MRF 2001 Limited Partnership and CMP 2001 Resource Limited Partnership	Ravenwood Resources Inc. - Flow-Through Shares	750,000	937,500
		RC Oakville Homes Limited Partnership - Limited Partnership Units	1,200,000	240
		RC Markham Homes Limited Partnership - S210 Technologies Corp. - Class A Preferred Shares	2,275,000	455
30Nov01 to 12Dec01	4 Purchasers	Teekay Shipping Corporation - 8.85% Senior Notes due July 15, 2011	14,071,500	6,000,000
29Nov01		Terex Corporation - 9.25% Senior Subordinated Notes	\$813,092	\$500,000
10Dec01	Bank of Montreal and Royal Bank of Canada (RBC Investments)	Triax Media Ventures No. 2 Limited Partnership - Limited Partnership Units	\$3,946,000	\$3,946,000
30Nov01		Trident Global Opportunities Fund - Units	31,267,540	29,222
23Nov01		Trident Global Opportunities Fund - Units	50,000	468
16Nov01		Trident Global Opportunities Fund - Units	159,013	1,489
15Nov01		Twenty-First Century American Equity Fund - Units	7,382,313	1,345,664
14Dec01	Bank of Montreal, Elliot & Page	United Surgical Partners -10% Senior Subordinated Notes	\$10,844,800	\$10,844,800
20Nov01		Vicar Operating, Inc. - 9.875% Senior Subordinated Notes due 2009	\$400,975	\$250,000
03Dec01		Welton Energy Limited - Flow-Through Shares	200,000	200,000
05Dec01	Robert Lilley, Raymond Pierce	Xenex Innovations Ltd. - Common Shares	156,000	600,000
03Dec01	9 Purchasers	ZTEST Electronics Inc. - Convertible Debentures	574,750	574,750

Notice of Intention to Distribute Securities And Accompanying Declaration Under Section 2.8 of Multilateral Instrument 45-102 Resale of Securities - Form 45-102F3

<u>Seller</u>	<u>Security</u>	<u>Amount</u>
Bolger, Aidian S.	Asset Management Software Systems Corp. - Common Shares	5,000,000
Sickinger, Ralph	Carma Financial Services Corporation - Common Shares	250,000
Melnick, Larry	Champion Natural Health.com Inc. - Subordinate Voting Shares	29,900
Black, Conrad M.	Hollinger Inc. - Series II Preference Shares	1,611,039
The Steven Hulaj Family Business Trust	Nextair Inc. - Common Shares	184,100
SGF Tech Inc.	NSI Global Inc. - Common Shares	18,571,429
Mourin, Stanley	Western Troy Capital Resources Inc. - Common Shares	60,000

This Page Intentionally left blank

Chapter 9
Legislation

THERE IS NO MATERIAL FOR THIS CHAPTER
IN THIS ISSUE

This Page Intentionally left blank

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

Advantage Advisers Multi-Sector Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated December 20th, 2001
Mutual Reliance Review System Receipt dated December 24th, 2001

Offering Price and Description:

Minimum \$ * - * Units @ US\$25.00 per Unit

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
TD Securities Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.
Yorkton Securities Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Dundee Securities Corporation
Raymond James Ltd.
Trilon Securities Corporation

Promoter(s):

Advantage Advisers, L.L.C.

Project #411957

Issuer Name:

All - Canadian Resources Corporation
All - Canadian ConsumerFund
All - Canadian CapitalFund

Type and Date:

Preliminary Simplified Prospectuses dated December 27th, 2001
Receipt dated December 28th, 2001

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s) or Distributor(s):

All-Canadian Management Inc.

Promoter(s):

-

Project #411253

Issuer Name:

A&W Revenue Royalties Income Fund
Principal Regulator - British Columbia

Type and Date:

Preliminary Prospectus dated December 21st, 2001
Mutual Reliance Review System Receipt dated December 24th, 2001

Offering Price and Description:

\$ * - * Units @ \$10.00 per Unit

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.

Promoter(s):

A&W Food Services of Canada Inc.

Project #412147

Issuer Name:

Boralex Power Income Fund
Principal Regulator - Quebec

Type and Date:

Preliminary Prospectus dated December 21st, 2001
Mutual Reliance Review System Receipt dated December 21st, 2001

Offering Price and Description:

\$ * - * Trust Units

Underwriter(s) or Distributor(s):

National Bank Financial Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
Desjardins Securities Inc.
FirstEnergy Capital Corp.

Promoter(s):

Boralex Inc.
RSP Hydro Trust

Project #411791

Issuer Name:

Canadian Utilities Limited
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Shelf Prospectus dated December 18th, 2001
Mutual Reliance Review System Receipt dated December 18th, 2001

Offering Price and Description:

\$750,000 Debentures (Unsecured)

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.

Promoter(s):

-

Project #410842

Issuer Name:

Congress Financial Capital Company
Principal Regulator - Nova Scotia

Type and Date:

Preliminary Short Form Prospectus dated December 19th, 2001

Mutual Reliance Review System Receipt dated December 19th, 2001

Offering Price and Description:

\$300,000,000 - * % Medium Term Notes (unsecured)
Unconditionally guaranteed as to principal ,
premium (if any), interest and certain other amounts by
WACHOVIA CORPORATION

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
TD Securities Inc.

Promoter(s):

WACHOVIA CORPORATION

Project #411007

Issuer Name:

Elliott & Page Total Equity Fund
Elliott & Page International Equity Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectuses dated December 18th, 2001

Mutual Reliance Review System Receipt dated December 19th, 2001

Offering Price and Description:

ADVISOR CLASS AND CLASS F UNITS

Underwriter(s) or Distributor(s):

Promoter(s):

Elliott & Page Limited

Project #410793

Issuer Name:

Global Financial Services Trust, 2002 Portfolio
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated December 14th, 2001

Mutual Reliance Review System Receipt dated December 19th, 2001

Offering Price and Description:

Series A and Series F Units

Underwriter(s) or Distributor(s):

First Defined Portfolio Management Co.

Promoter(s):

First Defined Portfolio Management Co.

Project #410813

Issuer Name:

Hi Alta Capital Inc.
Principal Regulator - Alberta

Type and Date:

Preliminary Prospectus dated December 27th, 2001

Mutual Reliance Review System Receipt dated December 28th, 2001

Offering Price and Description:

\$* - 9% Convertible Unsecured Subordinated Debentures
@\$100.00 per Debenture

Underwriter(s) or Distributor(s):

Raymond James Ltd.
Jennings Capital Inc.

Promoter(s):

-

Project #412489

Issuer Name:

High Income Principal Assured Yield Securities Corporation
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated December 20th, 2001

Mutual Reliance Review System Receipt dated December 21st, 2001

Offering Price and Description:

\$* (Maximum) * Preferred Shares and * Equity Shares

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
HSBC Securities (Canada) Inc.
Yorkton Securities Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Dundee Securities Corporation
Raymond James Ltd.

Promoter(s):

Lawrence Asset Management Inc.

Project #411240

Issuer Name:

Income Financial Plus Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated December 20th, 2001
Mutual Reliance Review System Receipt dated December 20th, 2001

Offering Price and Description:

\$ * - * Units

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
National Bank Financial Inc.
Yorkton Securities Inc.
Bieber Securities Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Dundee Securities Corporation
Raymond James Ltd.

Promoter(s):

Quadravest Capital Management Inc.

Project #411289

Issuer Name:

Livingston International Income Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated December 21st, 2001
Mutual Reliance Review System Receipt dated December 21st, 2001

Offering Price and Description:

\$ * - * Units @ \$* per Unit

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
TD Securities Inc.

Promoter(s):

-

Project #411655

Issuer Name:

MKS Inc.

Type and Date:

Preliminary Prospectus dated December 21st, 2001
Receipt dated December 24th, 2001

Offering Price and Description:

\$10,000,000 - 6,666,667 Common Shares issuable upon the exercise of 6,666,667 Special Warrants

Underwriter(s) or Distributor(s):

Yorkton Securities Inc.
Octagon Capital Corp.
TD Securities Inc.

Promoter(s):

-

Project #412008

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:

MYDAS Fund
Principal Regulator - Alberta

Type and Date:

Preliminary Prospectus dated December 18th, 2001
Mutual Reliance Review System Receipt dated December 20th, 2001

Offering Price and Description:

\$50,000,000 to \$200,000,000 - 2,000,000 to 8,000,000 Trust Units @ \$25.00 per Trust Unit.

Minimum purchase: 100 Trust Unit

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
TD securities Inc.
National Bank Financial Inc.
Scotia Capital Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Bieber Securities Inc.
Raymond James Ltd.

Promoter(s):

Mydas Management Inc.
Canadian Income Fund Group Inc.

Project #411220

Issuer Name:

Pinnacle American Core-Plus Income Fund
Pinnacle RSP American Core-Plus Income Fund
Pinnacle Global Real Estate Securities Fund
Pinnacle RSP Global Real Estate Securities Fund
Pinnacle Canadian Mid Cap Value Equity Fund
Pinnacle American Mid Cap Value Equity Fund
Pinnacle RSP American Mid Cap Value Equity Fund
Pinnacle International Small to Mid Cap Value Equity Fund
Pinnacle RSP International Small to Mid Cap Value Equity Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectuses dated December 18th, 2001
Mutual Reliance Review System Receipt dated December 19th, 2001

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s) or Distributor(s):

Promoter(s):

Scotia Capital Inc.
Project #410800

Issuer Name:

Stelco Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Shelf Prospectus dated December 27th, 2001
Mutual Reliance Review System Receipt dated December 28th, 2001

Offering Price and Description:

\$300,000,000 - Debt Securities (unsecured) Subordinated Debt Securities (unsecured)
Series A Convertible Common Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #412490

Issuer Name:

Suncor Energy Inc.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Shelf Prospectus dated December 28th, 2001
Mutual Reliance Review System Receipt dated December 28th, 2001

Offering Price and Description:

US\$1,000,000 - Debt Securities Common Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #412593

Issuer Name:

Venstone One Capital Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary Prospectus dated December 19th, 2001
Mutual Reliance Review System Receipt dated December 21st, 2001

Offering Price and Description:

\$2,500,000 - Common Shares @ Estimated price \$* per Common Share

Underwriter(s) or Distributor(s):

Yorkton Securities Inc.

Promoter(s):

H. Rolf Paterson
Project #411624

Issuer Name:

Versacold Income Fund
Principal Regulator - British Columbia

Type and Date:

Preliminary Prospectus dated December 24th, 2001
Mutual Reliance Review System Receipt dated December 28th, 2001

Offering Price and Description:

\$* - * Units @ \$* per Unit

Underwriter(s) or Distributor(s):

Scotia Capital Inc.

Promoter(s):

Versacold Corporation
Project #412259

Issuer Name:

World Heart Corporation
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated December 21st, 2001
Mutual Reliance Review System Receipt dated December 24th, 2001

Offering Price and Description:

\$16,648,500 - 3,027,000 Common Shares and 3,207,000 Warrants Issuable Upon the Exercise of 3,027,000 Special Warrants @ \$5.50 per Special Warrants

Underwriter(s) or Distributor(s):

Yorkton Securities Inc.
First Associates Investments Inc.

Promoter(s):

-

Project #412152

Issuer Name:

Burgundy Partners' Fund
Burgundy Foundation Trust Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated December 17th, 2001 to Simplified Prospectus and Annual Information Form dated June 28th, 2001
Mutual Reliance Review System Receipt dated 27th day of December, 2001

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Burgundy Asset Management Ltd.

Promoter(s):

-

Project #359179

Issuer Name:

Clarica US Growth Equity Fund
Clarica US Small Cap Fund
Clarica Canadian Growth Equity Fund
Clarica European Equity Fund
Clarica Income Fund
Clarica Global Bond Fund
Clarica Short Term Bond Fund
Clarica Summit Growth and Income Fund
Clarica Summit Foreign Equity Fund
Clarica Summit Canadian Equity Fund
Clarica Summit Dividend Growth Fund
Clarica Alpine Growth Equity Fund
Clarica Alpine Canadian Resources Fund
Clarica Alpine Asian Fund
Clarica Premier Mortgage Fund
Clarica Premier International Fund
Clarica Premier Growth Fund
Clarica Premier Emerging Markets Fund
Clarica Premier Diversified Fund
Clarica Premier Bond Fund
Clarica Premier Blue Chip Fund
Clarica Premier American Fund
Clarica Money Market Fund
Clarica Equifund
Clarica Diversifund 40
Clarica Bond Fund
Clarica Amerifund
Principal Regulator - Ontario

Type and Date:

Amended and Restated Simplified Prospectus and Annual Information Form dated December 18th, 2001, amending and restating the Simplified Prospectus and Annual Information Form dated August 29th, 2001
Mutual Reliance Review System Receipt dated 21st day of December, 2001

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s) or Distributor(s):

Clarica Investco Inc.

Promoter(s):

Clarica Diversico Ltd.

Project #376683

Issuer Name:

General Motors Acceptance Corporation of Canada, Limited
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated December 19th, 2001 to Prospectus dated June 29th, 2001
Mutual Reliance Review System Receipt dated 24th day of December, 2001

Offering Price and Description:

Underwriter(s) or Distributor(s):

Promoter(s):

-

Project #273994

Issuer Name:

MD US Tax Managed Pool
MD Canadian Tax Managed Pool
MD International Growth RSP Fund
MD US Large Cap Value RSP Fund
MD International Growth Fund
MD US Large Cap Value Fund
MD US Small Cap Growth Fund
MD Select Fund
MD US Large Cap Growth RSP Fund
MD Growth RSP Fund
MD Equity Fund
MD Growth Investments Limited
MD Bond and Mortgage Fund
MD Bond Fund
MD US Large Cap Growth Fund
MD Money Fund
MD Dividend Fund
MD Balanced Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated December 6th, 2001 to Simplified Prospectus and Annual Information Form dated July 31st, 2001
Mutual Reliance Review System Receipt dated 20th day of December, 2001

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

Underwriter(s) or Distributor(s):

MD Management Limited

Promoter(s):

MD Private Trust Company

Project #371879

Issuer Name:

RBC Advisor Global High Yield Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated December 13th, 2001 to Simplified Prospectus and Annual Information Form dated October 15th, 2001
Mutual Reliance Review System Receipt dated 27th day of December, 2001

Offering Price and Description:

Series A and Series F Units

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.

Promoter(s):

-

Project #381599

Issuer Name:

The Newport Fixed Income Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated December 13th, 2001 to Simplified Prospectus and Annual Information Form dated July 19th, 2001
Mutual Reliance Review System Receipt dated 19th day of December, 2001

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

Underwriter(s) or Distributor(s):

Newport Partners Inc.

Promoter(s):

-

Project #354808

Issuer Name:

3D Visit Inc.
Principal Regulator - Quebec

Type and Date:

Final Prospectus dated December 21st, 2001
Mutual Reliance Review System Receipt dated 21st day of December, 2001

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

Jean-Pierre Poulin

Project #397900

Issuer Name:

5Banc Split Inc.
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated December 19th, 2001
Mutual Reliance Review System Receipt dated 19th day of December, 2001

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

TD Securities Inc.

Scotia Capital Inc.

Promoter(s):

TD Securities Inc.

Project #400433

Issuer Name:

Canadian Science and Technology Growth Fund Inc.
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated December 18th, 2001
Mutual Reliance Review System Receipt dated 20th day of December, 2001

Offering Price and Description:

(Class A Shares)

Underwriter(s) or Distributor(s):

RBC Dominion Securities

Promoter(s):

-

Project #400034

Issuer Name:

CMDF Early Stage Fund Inc.

Type and Date:

Final Prospectus dated December 27th, 2001
Receipt dated December 28th, 2001

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #398505

Issuer Name:

CMDF Venture Fund Inc.

Type and Date:

Final Prospectus dated December 27th, 2001
Receipt dated 28th day of December, 2001

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #398518

Issuer Name:

COGIENT CORP.

Type and Date:

Final Prospectus dated December 20th, 2001

Receipt dated 21st day of December, 2001

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Standard Securities Capital Corporation

Renaissance Securities Inc.

Promoter(s):

-

Project #401612

Issuer Name:

JML Resources Ltd.

Principal Regulator - Ontario

Type and Date:

Final Prospectus dated December 21st, 2001

Mutual Reliance Review System Receipt dated 24th day of December, 2001

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Jennings Capital Inc.

Promoter(s):

Mustang Minerals Corp.

Project #398058

Issuer Name:

Gammon Lake Resources Inc.

Principal Regulator - Quebec

Type and Date:

Final Prospectus dated December 20th, 2001

Mutual Reliance Review System Receipt dated 20th day of December, 2001

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Northern Securities Inc.

Promoter(s):

Bradley H. Langille

Fred George

Project #399096

Issuer Name:

Pacific Ranger Petroleum Inc.

Principal Regulator - Alberta

Type and Date:

Final Prospectus dated December 21st, 2001

Mutual Reliance Review System Receipt dated 31st day of December, 2001

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #404402

Issuer Name:

Sentry Select Focused Growth & Income Trust

Principal Regulator - Ontario

Type and Date:

Final Prospectus dated December 20th, 2001

Mutual Reliance Review System Receipt dated 20th day of December, 2001

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

National Bank Financial Inc.

BMO Nesbitt Burns Inc.

CIBC World Markets Inc.

TD Securities Inc.

Desjardins Securities Inc.

HSBC Securities (Canada) Inc.

Raymond James Ltd.

Canaccord Capital Corporation

Dundee Securities Corporation

Yorkton Securities Inc.

Research Capital Corporation

Trilon Capital Corporation

Promoter(s):

Sentry Select Capital Corp.

Project #400101

Issuer Name:

The VenGrowth Advanced Life Sciences Fund Inc.

Type and Date:

Final Prospectus dated January 2nd, 2002

Receipt dated 2nd day of January, 2002

Offering Price and Description:

Class A Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #398356

Issuer Name:

Credit Union Central of British Columbia

Principal Regulator - British Columbia

Type and Date:

Final Short Form Shelf Prospectus dated December 20th, 2001

Mutual Reliance Review System Receipt dated 20th day of December, 2001

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

TD Securities Inc.

CIBC World Markets Inc.

Promoter(s):

-

Project #408762

Issuer Name:

Greater Toronto Airports Authority
Principal Regulator - Ontario

Type and Date:

Final Short Form Shelf Prospectus dated December 19th, 2001

Mutual Reliance Review System Receipt dated 19th day of December, 2001

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Merrill Lynch Canada Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Salomon Smith Barney Canada Inc.
Scotia Capital Inc.
TD Securities Inc.

Promoter(s):

-

Project #388836

Issuer Name:

Shell Canada Limited
Principal Regulator - Alberta

Type and Date:

Final Short Form Shelf Prospectus dated December 18th, 2001

Mutual Reliance Review System Receipt dated 18th day of December, 2001

Offering Price and Description:

Underwriter(s) or Distributor(s):

Promoter(s):

-

Project #408960

Issuer Name:

Clarica High Yield Bond Fund
Clarica Global Science & Technology Fund
Clarica Global Large Cap Value Fund
Clarica Conservative Balanced Fund
Clarica Canadian Large Cap Value Fund
Clarica Balanced Fund
Clarica Asia and Pacific Rim Equity Fund
Clarica Growth Fund
Clarica RSP U.S. Technology Index Fund
Clarica RSP U.S. Equity Index Fund
Clarica RSP Japanese Index Fund
Clarica RSP International Index Fund
Clarica RSP European Index Fund
Clarica Canadian Equity Index Fund
Clarica Bond Index Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus and Annual Information Form dated December 18th, 2001

Mutual Reliance Review System Receipt dated 20th day of December, 2001

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s) or Distributor(s):

Clarica Investco Inc.

Promoter(s):

-

Project #398929

Issuer Name:

GGOF Guardian Dividend Growth Fund
GGOF Centurion Global Value Fund
GGOF Alexandria American Growth Fund
GGOF Alexandria Canadian Growth Fund
GGOF Centurion Canadian Value Fund
GGOF Alexandria RSP Global Growth Fund
GGOF Centurion RSP American Value Fund
GGOF Guardian Canadian Bond Fund
GGOF Guardian Monthly High Income Fund
GGOF Alexandria Global Growth Fund
GGOF Centurion American Value Fund Ltd.
GGOF Guardian RSP International Income Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus and Annual Information Form dated December 12th, 2001

Mutual Reliance Review System Receipt dated 20th day of December, 2001

Offering Price and Description:

(Class F Units)

Underwriter(s) or Distributor(s):

Guardian Group of Funds Ltd.

Promoter(s):

Guardian Group of Funds Ltd.

Project #402625

Issuer Name:

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 Japan Fund
HSBC Emerging Markets Fund
HSBC Global Healthcare Fund
HSBC Global Financial Services Fund
HSBC Global Resources Fund
HSBC Global Technology Fund
Principal Regulator - British Columbia

Type and Date:

Final Simplified Prospectus and Annual Information Form dated December 17th, 2001
Mutual Reliance Review System Receipt dated 17th day of December, 2001

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s) or Distributor(s):

Promoter(s):

-

Project #378050

Issuer Name:

Legend U.S. Growth Equity Pool
Legend Money Market Pool
Legend Global Income Pool
Legend Global Equity Pool
Legend G7 Equity Pool
Legend European Equity Pool
Legend Canadian Equity Pool
Legend Canadian Dividend Pool
Legend Bond Pool
Legend U.S. Equity Pool
Principal Regulator - Quebec

Type and Date:

Final Simplified Prospectus and Annual Information Form dated December 17th, 2001
Mutual Reliance Review System Receipt dated 19th day of December, 2001

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

Standard Life Mutual Funds Ltd.

Project #402130

Issuer Name:

Mackenzie Universal RSP U.S. Emerging Growth Fund
Mackenzie Universal RSP U.S. Blue Chip Fund
Mackenzie Universal Select Managers Canada Fund
Mackenzie Universal RSP Select Managers USA Fund
Mackenzie Universal U.S. Blue Chip Fund
Mackenzie Yield Advantage Fund
Mackenzie Universal Canadian Growth Fund
MAXXUM Dividend Growth Fund
Mackenzie Universal Canadian Balanced Fund
Mackenzie Universal U.S. Emerging Growth Fund
MAXXUM Canadian Value Fund
Mackenzie Growth Fund
Mackenzie Universal Future Fund
MAXXUM Pension Fund
Mackenzie Bond Fund
Mackenzie Balanced Fund
Mackenzie Mortgage Fund
Mackenzie Ivy Growth and Income Fund
Mackenzie Ivy Enterprise Fund
Mackenzie Ivy Canadian Fund (Series A, F, I and O Units)
Mackenzie Cundill Canadian Security Fund
Mackenzie Cundill Canadian Balanced Fund (Series C, F, I and O Units)
Mackenzie Income Fund (Series B, F, I and O Units)
Mackenzie Cash Management Fund (Series A and O Units)
Mackenzie Money Market Fund (Series A, B and I Units)
Mackenzie U.S. Money Market Fund (Series A Units)

Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus and Annual Information Form dated December 18th, 2001
Mutual Reliance Review System Receipt dated 21st day of December, 2001

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Mackenzie Financial Corporation
Peter Cundill & Associates Ltd.

Promoter(s):

Mackenzie Financial Corporation

Project #400669

Issuer Name:

National Bank High Yield Bond Fund
Principal Regulator - Quebec

Type and Date:

Final Simplified Prospectus and Annual Information Form dated December 19th, 2001
Mutual Reliance Review System Receipt dated 21st day of December, 2001

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s) or Distributor(s):

National Bank Securities Inc.

Promoter(s):

National Bank Securities Inc.

Project #400208

Issuer Name:

Sentry Select Canadian Energy Growth Fund
Sentry Select Reit Fund
Sentry Select Precious Metals Growth Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus and Annual Information Form dated December 19th, 2001
Mutual Reliance Review System Receipt dated 21st day of December, 2001

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s) or Distributor(s):

Select Capital Corp.
NCE Financial Corporation

Promoter(s):

Select Capital Corp.

Project #403233

Issuer Name:

Sovereign Money Market Pool
Sovereign Global Equity RSP Pool
Sovereign Emerging Markets Equity Pool
Sovereign Overseas Equity Pool
Sovereign US Equity Pool
Sovereign Canadian Fixed Income Pool
Sovereign Canadian Equity Pool
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus and Annual Information Form dated December 12th, 2001
Mutual Reliance Review System Receipt dated 18th day of December, 2001

Offering Price and Description:

(Class A, B and F Units)

Underwriter(s) or Distributor(s):

Promoter(s):

-

Project #399424

Issuer Name:

TDK Resource Fund Inc.

Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus and Annual Information Form dated December 20th, 2001
Mutual Reliance Review System Receipt dated 21st, day of December, 2001

Offering Price and Description:

(Class A Shares, Series 1)

Underwriter(s) or Distributor(s):

TDK Management Fund Inc.

Promoter(s):

-

Project #379149

Issuer Name:

Fincentric Corporation
Principal Jurisdiction - British Columbia

Type and Date:

Preliminary Prospectus dated May 31st, 2001
Closed on 2nd day of January, 2002

Offering Price and Description:

\$ * - * Common Shares @ \$ * per Common Share

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Yorkton Securities Inc.

Promoter(s):

-

Project #365026

Chapter 12
Registrations

This Page Intentionally left blank

Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 Approved Person Disciplined - TSE Regulation Services Bulletin 2001-329

APPROVED PERSON DISCIPLINED

Person Disciplined

On December 20, 2001, a Hearing Committee Panel of the Toronto Stock Exchange Inc. (the "Exchange") approved an Offer of Settlement made between Toronto Stock Exchange Regulation Services ("Regulation Services") and Michael Gallo, Jr. Mr. Gallo is an Approved Person who was at all material times employed by Yorkton Capital Inc. ("Yorkton Capital"), a wholly-owned subsidiary of Yorkton Securities Inc. ("Yorkton"), a Participating Organization of the Exchange.

Rule Violated

Under the terms of the Offer of Settlement, Mr. Gallo admits that he committed the following violation:

On May 22, 2001, Mr. Gallo engaged in conduct that was inconsistent with just and equitable principles of trade, and detrimental to the interests of the Exchange and the public, when he executed a prohibited trade in a stock at a time when Yorkton was involved in a distribution of the stock and had restricted trading in the stock.

Penalty Assessed

Pursuant to the terms of the Offer of Settlement, Mr. Gallo will pay a fine of \$10,000 and pay \$1,000 towards the cost of the Regulation Services' investigation.

Summary of Facts

During the first four months of 2000, Mr. Gallo conducted three trades that were contrary to Rule 4-303(5). This provision restricts trading by a firm in securities that are the subject of a distribution by the firm. On June 4, 2001, a hearing panel of the Exchange approved an offer of settlement (the "June Settlement") between Yorkton and Regulation Services, in which Yorkton was fined \$300,000 for failing to ensure that its employees complied with Exchange requirements, and for engaging in conduct unbecoming. The June Settlement related to a number of matters, including two of the above-noted trades executed by Mr. Gallo. Mr. Gallo received warning letters from Market Surveillance. As part of the investigation into Yorkton, which included an investigation into Mr. Gallo's conduct, Regulation Services interviewed Mr. Gallo in late 2000 in relation to all three of the restricted trades. In two of the three instances, there were mitigating factors that lessened Mr. Gallo's personal responsibility for the two trades.

Between May 14 and 24, 2001, Yorkton was involved in a distribution of 3,000,000 common shares of AXP at \$17.00 per share. Yorkton circulated a restricted list to its traders,

including the Chicago office where Mr. Gallo was employed, notifying them that AXP was restricted from inventory buying from May 14-31, 2001. On May 22, 2001 Mr. Gallo executed an NX order to buy 200 shares of AXP for a Yorkton proprietary inventory account. The independent board lot trade immediately preceding Mr. Gallo's buy was executed at a \$0.05 uptick at \$16.95. Mr. Gallo's trade was also filled at \$16.95. As Mr. Gallo's trade was filled on a "zero plus" tick, it did not fall within any enumerated exceptions which permit trading by a firm while involved in a distribution. As such, the trade executed by Mr. Gallo on May 22, 2001 was in violation of Rule 4-303(5). Mr. Gallo was fined \$10,000 by Yorkton in relation to the May 22, 2001 trade.

By executing the trade on May 22, 2001, in circumstances where Mr. Gallo had previously conducted trades in violation of Rule 4-303(5) and had received warning letters from Regulation Services, and where Mr. Gallo knew that his own conduct was being scrutinized by Regulation Services and that the June Settlement had not yet been approved by a hearing panel, Mr. Gallo engaged in conduct that is inconsistent with just and equitable principles of trade, and detrimental to the interests of the Exchange and the public.

Supervision by Yorkton

Under the terms of the June Settlement, Yorkton admitted that between February 1998 and July 2000, Yorkton failed to ensure that its employees, directors and officers complied with Exchange requirements, and between March 1998 and July 2000, Yorkton engaged in conduct, business or affairs that were unbecoming. The violations related to failures to make customer-principal trade disclosures, restricted trading while involved in a distribution, failure to respond to directions of Regulation Services and systemic general supervisory failures. Pursuant to the terms of the June Settlement, Yorkton was required to pay a fine of \$300,000 and pay \$60,000 towards the cost of Regulation Services' investigation.

The restricted trading by Mr. Gallo on May 22, 2001, at a time when Regulation Services was finalizing the June Settlement with Yorkton, has prompted Regulation Services to have further concerns in relation to the supervision of trading at Yorkton. As a result of these concerns, Regulation Services requested that Yorkton hire an independent third party to conduct a comprehensive review of the trade desk compliance and supervision functions of the firm and to make recommendations to Yorkton in this regard. Such review was conducted and recommendations made to Yorkton. Upon receipt of the review, Regulation Services provided additional comments to Yorkton. Yorkton responded with an acceptable plan of action and timetable for the plan's implementation. The plan of action has been endorsed and adopted by the Board of Directors of Yorkton. The independent third party will revisit Yorkton within three months to ensure satisfactory implementation of the plan. In addition, the independent third party will advise Yorkton in relation to an internal trade desk audit to be conducted in early 2002.

SRO Notices and Disciplinary Decisions

Regulation Services is satisfied that the level of compliance at Yorkton has increased substantially since the initial enforcement action. Regulation Services will continue to closely monitor Yorkton's progress in this regard, and will conduct a detailed trade desk review of the firm during the first half of 2002 to confirm that required compliance policies and procedures are in place and effective.

Participating Organizations which require additional information should direct their questions to Marie Oswald, Director, Investigations and Enforcement, Regulation Services at 416-947-4376.

LEONARD PETRILLO
VICE PRESIDENT
GENERAL COUNSEL & SECRETARY
THE TORONTO STOCK EXCHANGE

Chapter 25

Other Information

25.1.1 Escrowed Securities

TRANSFER WITHIN ESCROW

<u>COMPANY NAME</u>	<u>DATE</u>	<u>FROM</u>	<u>TO</u>	<u>NO. AND TYPE OF SHARES</u>
DXStorm.Com Inc.	December 20, 2001	Guy Russel	Zoran Popovic	900,000 Common Shares

This Page Intentionally left blank