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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

January 11, 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

SCHEDULED OSC HEARINGS

Date to be announced	**Mark Bonham and Bonham & Co. Inc.** s. 127 M. Kennedy in attendance for staff Panel: TBA
January 8,10,11, 17,18,22,24,25, 31/02 9:30 a.m. February 1, 5, 7 & 8/02 9:30 a.m. March 5,7, 8, 19,21,22,28, 29/02 9:30 a.m. April 2,4,5,11,12/02 9:30 a.m. January 15 & 29/02 2:00 p.m. February 12/ 02 2:00 p.m. March 12 & 26/02 2:00 p.m. April 9/02 2:00 p.m.	**YBM Magnex International Inc., Harry W. Antes, Jacob G. Bogatin, Kenneth E. Davies, Igor Fisherman, Daniel E. Gatti, Frank S. Greenwald, R. Owen Mitchell, David R. Peterson, Michael D. Schmidt, Lawrence D. Wilder, Griffiths McBurney & Partners, National Bank Financial Corp., (formerly known as First Marathon Securities Limited)** s.127 K. Daniels/M. Code/J. Naster/I. Smith in attendance for staff. Panel: HIW / DB / RWD
January 24, 2002 10:00 a.m.	Yorkton Securities Inc., Gordon Scott Paterson, Piergiorgio Donnini, Roger Arnold Dent, Nelson Charles Smith and Alkarim Jivraj **(Piergiorgio Donnini)** s. 127(1) and s. 127.1 J. Superina in attendance for Staff Panel: TBA

January 30, 2002 9:30 a.m.	**Michael Goselin, Irvine Dyck, Donald McCrory, Roger Chiasson** s.127 T. Pratt in attendance for staff Panel: TBA
February 4, 13, 14, 15, 28, 2002 9:30 a.m.	**Arlington Securities Inc. and Samuel Arthur Brian Milne** J. Superina in attendance for Staff s. 127 Panel: PMM
February 15, 2002 9:30 a.m.	**Livent Inc., Garth H. Drabinsky, Myron I. Gottlieb, Gordon Eckstein and Robert Topol** J. Superina in attendance for Staff s. 127 Panel: TBA
February 27, 2002 10:00 a.m.	**Rampart Securities Inc.** T. Pratt in attendance for Staff s. 127 Panel: PMM
April 15 - 19, 2002 9:00 a.m.	**Sohan Singh Koonar** s. 127 J. Superina in attendance for Staff Panel: PMM
May 1, 2 & 3, 2002 10:00 a.m.	**James Frederick Pincock** s. 127 J. Superina in attendance for Staff Panel: TBA
May 6, 2002 10:00 a.m.	**Teodosio Vincent Pangia, Agostino Capista and Dallas/North Group Inc.** S. 127 Y. Chisholm in attendance for Staff Panel: PMM

ADJOURNED SINE DIE

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

Michael Bourgon

DJL Capital Corp. and Dennis John Little

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

First Federal Capital (Canada) Corporation and Monter Morris Friesner

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

Global Privacy Management Trust and Robert Cranston

Irvine James Dyck

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

Offshore Marketing Alliance and Warren English

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

S. B. McLaughlin

Southwest Securities

Terry G. Dodsley

PROVINCIAL COURT PROCEEDINGS

May 27 - July 5, 2002 **Michael Cowpland and M.C.J.C. Holdings Inc.**

s. 122

M. Kennedy and M.Britton in attendance for staff.

161 Elgin Street,
Ottawa

1.1.2 Notice of Proposed Rule 62-501and OSC Policy 62-601 - Prohibited Stock Market Purchases -- CORRECTION

NOTICE OF PROPOSED RULE 62-501
UNDER THE SECURITIES ACT AND AMENDMENT TO
ONTARIO SECURITIES COMMISSION POLICY 62-601

PROHIBITED STOCK MARKET PURCHASES
OF THE OFFEREE'S SECURITIES BY THE OFFEROR
DURING A TAKE-OVER BID

NOTE: In Chapter 6 of OSC Bulletin Issue 50 of December 14, 2001, the date on page 7565 for submission of comments on Proposed Rule 62-501 and Amendment to Policy 62-601 should read March 15, 2002 and not March 15, 2001.

"Ralph Shay"

1.1.3 CSA Staff Notice - Re Non-GAAP Earnings

STAFF NOTICE 52-303

NON-GAAP EARNINGS MEASURES

Purpose

This notice provides guidance to issuers who publish earnings measures other than those prescribed by Generally Accepted Accounting Principles ("GAAP").

Problem Identified

It has become common practice for many issuers to publish measures of earnings other than those prescribed by GAAP ("non-GAAP earnings measures"). Issuers commonly include such measures in press releases but may also include them in Management's Discussion and Analysis ("MD&A"), prospectus filings and occasionally financial statements. Most non-GAAP earnings measures are derived from net income determined in accordance with GAAP and, by omission of selected items, present a more positive picture of financial performance. Terms by which non-GAAP earnings measures are identified include "pro forma earnings", "operating earnings", "cash earnings", "EBITDA", "adjusted earnings", and "earnings before one-time charges". These terms lack standard, agreed upon meanings and each may be used differently by different companies and even by the same company from period to period.

Staff are concerned that investors may be confused or even misled by non-GAAP earnings measures, particularly when they are not accompanied by adequate disclosure. Often such measures are not clearly defined, requiring readers to make assumptions as to their composition and how they reconcile to the GAAP financial statements. Further the terminology used to describe non-GAAP earnings measures may lead a reader to infer that they are standardized measures required to be disclosed.

Staff have observed instances of issuers reporting non-GAAP earnings measures that appear to be defined differently from quarter to quarter or from year to year. For example, "one-time losses" may be excluded in one quarter but "one-time gains" may be included in a subsequent quarter.

Frequently, issuers give greater prominence to one or more non-GAAP earnings measures than to net income determined in accordance with GAAP. Non-GAAP measures are often the primary focus of earnings releases. Such releases commonly include comparisons of non-GAAP measures to the previous quarter and to previously published guidance, both in aggregate and on a per share basis, together with absolute and percentage changes. GAAP net income is often presented as secondary to the non-GAAP measure and commonly lacks a similar level of analysis and comparative information. In some instances, issuers omit GAAP net income from earnings releases.

In many instances, issuers include in a single earnings release or corporate filing several similar non-GAAP measures that each differ slightly from the other (eg. "EBITDA" and "adjusted EBITDA"). This increases the potential for confusion among readers.

When an issuer considers certain items to be "non-recurring" or "one-time charges", and therefore removes them from GAAP net income or loss in arriving at an alternative measure of earnings, the issuer rarely discusses the nature of these charges and why they are not expected to recur in the future.

Staff have observed instances of issuers presenting non-GAAP earnings measures on the face of the income statement and elsewhere in the financial statements. Inclusion in financial statements of non-GAAP earnings measures is likely to be confusing to a reader who may legitimately expect the entire content of the financial statements to be in accordance with GAAP. The risk of confusion is greatest when the additional information is included on the face of the income statement where it may appear to compete with prescribed measures of earnings per share.

Staff's Expectations

Reliable and consistent financial statements prepared in accordance with GAAP provide investors with a clearly defined basis for financial analysis and comparison among companies. Staff recognize that non-GAAP earnings measures may be a useful means of providing investors with additional information to assist them in understanding critical components of an issuer's financial results. It is important, however, that such measures not be presented in a way that confuses or obscures the GAAP measures.

Staff remind issuers of their obligation to discuss in MD&A management's perspective on the critical components of the results of operations. Issuers should consider whether the separate presentation of non-GAAP earnings measures provides added benefit to readers given that the MD&A should highlight the relevant aspects of an issuer's operations.

Staff remind issuers of their responsibility to ensure that information they provide to the public is not misleading. Selective editing of financial information may be misleading if it results in the omission of material information. Staff caution issuers that regulatory action may be taken if issuers disclose information in a manner considered misleading and therefore potentially harmful to the public interest.

Staff expect issuers who choose to publish non-GAAP earnings measures to define the measures clearly, to demonstrate their relevance and to ensure that they do not have the potential to mislead investors. Specifically, issuers should:

1) state explicitly that the non-GAAP earnings measures do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers;

2) present prominently with the non-GAAP earnings measures the earnings measures for the period determined in accordance with GAAP;

3) describe the objectives of the non-GAAP earnings measures and discuss the reasons for excluding individual items required by GAAP to be included in determining net income or loss;

4) provide a clear quantitative reconciliation from the non-GAAP earnings measures to the GAAP financial statements, referencing the reconciliation when the non-GAAP earnings measures first appear in the disclosure document;

5) limit the number of non-GAAP earnings measures provided and avoid using multiple similar non-GAAP earnings measures that differ from each other only slightly;

6) present the non-GAAP earnings measures on a basis that is consistent from period to period and explain any changes in the composition of the measures when compared to previously published measures.

In staff's view, it is not appropriate to present non-GAAP earnings measures in the GAAP financial statements.

For more information, contact:

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Research and Market Development
Commission des valeurs mobilieres du Quebec
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Fred Snell, Chief Accountant
Alberta Securities Commission
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Carla-Marie Hait, Chief Accountant
British Columbia Securities Commission
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Fax: (604) 899-6760
E-mail: **chait@bcsc.bc.ca**

January 7, 2002.

1.2 News Releases

1.2.1 OSC Hearing Regarding Second Cup Shareholder Rights Plan

FOR IMMEDIATE RELEASE
January 7, 2002

**OSC TO HOLD HEARING REGARDING
THE SECOND CUP LTD. SHAREHOLDER RIGHTS PLAN**

Toronto - The Ontario Securities Commission will hold a hearing to consider the request by Cara Operations Limited that the Commission cease-trade the shareholder rights plan adopted by The Second Cup Ltd. The hearing will be held on the 22nd floor of the Commission's offices (20 Queen Street West, Toronto) on January 8, 2002 commencing at 10:00 a.m.

For Media Inquiries:

Frank Switzer
Director, Communications
(416) 593-8120

For Public Inquiries:

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

1.2.2 OSC Rules on Application to Cease Trade Second Cup's Shareholder Rights Plan

NEWS RELEASE
January 9, 2002

**OSC RULES ON APPLICATION TO CEASE TRADE
SECOND CUP'S
SHAREHOLDER RIGHTS PLAN**

TORONTO – The Ontario Securities Commission has ruled on an application by Cara Operations Limited to cease trade the shareholder rights plan of The Second Cup Ltd., following a hearing held on January 8, 2002. The Commission decided that it is in the public interest to issue a cease-trade order, effective immediately, with respect to the shareholder rights plan.

The Commission will issue written reasons for its decision in due course.

For Media Inquiries:

Frank Switzer
Director, Communications
416-593-8120

For Investor Inquiries:

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

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 3932290 Canada Inc. and 3946061 Canada Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - insiders of target issuer acting jointly and in concert with offeror and offeror's parent in connection with cash take-over bid for all of the outstanding shares of target issuer - offeror to indirectly acquire target shares from insiders in exchange for shares of offeror's parent - share purchase agreements and loan commitments to be entered into between offeror's parent and the insiders for purposes related to the structuring and making of the offer - agreements not being entered into for the purposes of providing insiders with consideration of greater value than that to be paid to other target shareholders - exemptions granted from identical consideration requirement, prohibition on purchases during a bid, pre-bid integration requirements, prohibition on post-bid purchases and prohibition on sales during a bid - relief granted from take-over bid requirements in connection with the purchase of target shares by the offeror's parent and their subsequent transfer to the offeror - fee relief granted as there was no change in beneficial ownership of target securities under reorganization.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., sections 94(2), 94(5), 94(8), 95, 96, 97, 98, 100, 104(2)(a) and (c).

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

AND

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

AND

IN THE MATTER OF
CONSOLIDATED HCI HOLDINGS CORPORATION

AND

3932290 CANADA INC. AND 3946061 CANADA INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "**Decision Maker**") in each of the provinces of Alberta, British Columbia, Manitoba, Newfoundland, Nova Scotia, Ontario, Quebec and Saskatchewan (collectively, the "**Jurisdictions**") has received an application (the "**Application**") from 3932290 Canada Inc. (the "**Offeror**"), and its parent corporation 3946061 Canada Inc. ("**Acquisitionco**" and, together with the Offeror, the "**Applicants**"), in connection with a proposed cash offer (the **"Offer"**) to purchase, by way of a formal take-over bid by the Offeror, all of the Class A non-voting shares (the "**Class A Shares**") and Class B voting shares (the "**Class B Shares**" and, together with Class A Shares, the "**Shares**") of Consolidated HCI Holdings Corporation (**"Consolidated"**) not owned by the Offeror or on its behalf at the commencement of the Offer:

1. for a decision pursuant to the securities legislation of the Jurisdictions (the "**Legislation**") that the Applicants be exempt from the following requirements and prohibitions contained in the Legislation:

   (i) the requirement that, where a take-over bid is made, all holders of the same class of securities shall be offered identical consideration (the **"Identical Consideration Requirement"**);

   (ii) the prohibition that, where an offeror intends to make a take-over bid, neither the offeror nor any person acting jointly or in concert with the offeror shall enter into any collateral agreement, commitment or understanding with any securityholder of the offeree issuer that has the effect of providing to that securityholder a consideration of greater value than that offered to other holders of the same class of securities (the **"Prohibition on Collateral Agreements"**);

   (iii) the prohibition that an offeror shall not offer to acquire, or make or enter into, an agreement, commitment or understanding to acquire shares that are subject to a take-over bid otherwise than pursuant to the take-over bid on and from the date that the offeror announces its intention to make the take-over bid until its expiry (the **"Prohibition on Purchases During a Bid"**);

   (iv) the requirement that if, within the period of 90 days preceding the bid, an offeror making a formal bid acquires beneficial ownership of target securities pursuant to a transaction not generally available on identical terms to other holders of target securities, the offeror must offer:

(a) consideration for securities deposited under the bid at least equal to the highest consideration paid on a per security basis under the prior transaction or the offeror must offer at least the cash equivalent thereof;

(b) consideration for the securities deposited under the bid in the same form as under the prior transactions; and

(c) acquire under the bid that percentage of target securities that is at least equal to the highest percentage so acquired from the seller under the prior transaction;

(the **"Pre-Bid Integration Requirements**")

(v) the prohibition that an offeror shall not acquire beneficial ownership of securities of the class subject to the bid by way of a transaction not generally available on identical terms to holders of that class during the period beginning with the expiry of the bid and ending at the end of the twentieth business day thereafter (the **"Prohibition on Post-Bid Purchases**");

(vi) the prohibition that an offeror (including its joint actors) may not, except pursuant to the bid, sell or make or enter into any agreement, commitment or understanding to sell any target securities from the date of the announcement of the offeror's intention to make the bid until its expiry (the **"Prohibition on Sales During a Bid"**);

2. for an order of the Ontario Securities Commission (the "**OSC**") pursuant to subsection 104(2)(c) of the *Securities Act* (Ontario) (the **"Act"**) that the acquisition of the Offeror Shares (as hereinafter defined) by Acquisitionco and subsequently by the Offeror be exempt from the take-over bid requirements contained in sections 95, 96, 97, 98 and 100 of the Act (the **"Take-Over Bid Requirements"**); and

3. for a ruling of the OSC pursuant to subsection 59(1) of schedule 1 (the "**Fee Schedule**") of the regulation under the Act that Acquisitionco and the Offeror be exempt from the requirement to pay the fee (the **"Fee Requirement"**) calculated pursuant to subsection 32(1)(b) of the Fee Schedule in connection with the Offeror Roll-Over Transactions (as defined below), provided that the minimum fee of $800.00 is paid.

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "**System**"), the OSC is the principal regulator for the Application;

AND WHEREAS the Applicants have represented to the Decision Makers as follows:

1. Consolidated is incorporated under the *Canada Business Corporations Act* (the "**CBCA**") and is a reporting issuer in each of the provinces of Ontario, Quebec, British Columbia and Alberta and is not in default of any requirement of the Legislation.

2. The Shares are listed on The Toronto Stock Exchange. As at October 4, 2001 there were 19,25,875 Class A Shares and 2,115,567 Class B Shares issued and outstanding.

3. Rudolph Bratty, Stanley Goldfarb, Marco Muzzo and Emilio Gambin, each of whom is a director and/or senior officer of Consolidated, and Alfredo DeGasperis (collectively, the **"Principal Offeror Shareholders"**)), together with members of each of their families and certain related parties, directly or indirectly through corporations or partnerships beneficially owned or controlled by them (collectively, the "**Offeror Shareholders**") beneficially own and control 12,786,523 (representing approximately 66.4%) of the outstanding Class A Shares and 1,362,710 (representing approximately 64.4%) of the outstanding Class B Shares (representing approximately 66.2% of the outstanding Shares in the aggregate).

4. The Offeror is incorporated under the CBCA for the sole purpose of making the Offer. The head office of the Offeror is in Toronto, Ontario. The Offeror is not a reporting issuer in any jurisdiction in Canada.

5. The authorized share capital of the Offeror is comprised of an unlimited number of common shares. All of the issued and outstanding common shares of the Offeror are owned by Acquisitionco.

6. Each of the Principal Offeror Shareholders is a director and senior officer of the Offeror.

7. Acquisitionco is also incorporated under the CBCA for the sole purpose of facilitating the Offer. Acquisitionco is not a reporting issuer in any jurisdiction in Canada.

8. The authorized share capital of Acquisitionco is comprised of an unlimited number of common shares (the **"Acquisitionco Shares"**). All of the issued and outstanding Acquisitionco Shares are beneficially owned by each of the Offeror Shareholders in the same proportion as each Offeror Shareholder's current ownership in Consolidated.

9. Each of the Principal Offeror Shareholders is a director and senior officer of Acquisitionco.

10. The Offeror is proposing to make the Offer for all of the outstanding Shares other than those Shares which are owned by or on behalf of the Offeror on the date of the Offer (the **"Non-Offeror Shares"**).

11. Following the announcement of the Offeror's intention to make the Offer, but prior to the making of the Offer: (i) Acquisitionco and the Offeror will enter into a share purchase agreement with each of the Offeror Shareholders (collectively, the "**Share Purchase Agreements**") and (ii) Acquisitionco will transfer the single Share which it holds to the Offeror in

consideration for a common share of the Offeror (the "Single Share Transfer").

12. Pursuant to the Share Purchase Agreements, among other things, each of the Offeror Shareholders will irrevocably agree (i) to sell contemporaneously with the first take-up of the Shares under the Offer, all of his, her or its Shares (collectively, the "**Offeror Shares**") to Acquisitionco (which will in turn immediately resell such Offeror Shares to the Offeror) in exchange for common shares of Acquisitionco (on a tax-deferred basis, if the sale of such Shares would trigger a capital gain), and (ii) that pending take-up of the Shares under the Offer such Offeror Shares will be held by the Offeror Shareholders on behalf of Acquisitionco and the Offeror.

13. Structurally, the purchase price for the Offeror Shares under the Share Purchase Agreements can considered to be equivalent to the consideration to be offered under the Offer for the Non-Offeror Shares.

14. The Share Purchase Agreements will require each of the Offeror Shareholders to exchange his, her or its proportionate holding of Offeror Shares for an equivalent proportion of Acquisitionco Shares.

15. The closing of the transactions contemplated by the Share Purchase Agreements will be conditional upon and occur as nearly as practicable contemporaneously with the Offeror first taking up and paying for Shares under the Offer.

16. Immediately following the acquisition by Acquisitionco of the Offeror Shares, Acquisitionco will transfer the Offeror Shares (on a tax-deferred basis) to the Offeror in exchange for shares in the capital of the Offeror, all of which may occur subsequent to the expiry of the Offer but prior to the expiry of the twenty business day period following such expiry (collectively, the Single Share Transfer and the transactions described in paragraph 12 and in this paragraph are referred to as the **"Offeror Roll-Over Transactions"**).

17. Each of the Principal Offeror Shareholders has irrevocably committed to fund his proportionate share of the cash consideration payable under the Offer and the expenses of the Offer (collectively, the **"Loan Commitments"**). The Loan Commitment made by each of the Principal Offeror Shareholders is based upon the proportion of Offeror Shares held by such Principal Offeror Shareholder and the parties related to him.

18. Other than the Share Purchase Agreements and the Loan Commitments (the **"Related Agreements"**), no other arrangements, understandings or agreements have been entered into or are contemplated between or among Consolidated, the Offeror, Acquisitionco and any or all of the Offeror Shareholders or any or all of the holders of Non-Offeror Shares.

19. None of the Offeror Shareholders will receive any payments, including change of control payments, in connection with the Offer.

20. The Offeror Roll-Over Transactions and the Related Agreements will be fully described in the take-over bid circular (the "**Circular**") accompanying the Offer.

21. The Offer will be conditional upon, among other things, sufficient Non-Offering Shares being tendered to the Offer to assure successful authorization of a going-private transaction following the Offer if the statutory right of compulsory acquisition pursuant to section 206 of the CBCA is unavailable. The intent to effect such a going-private transaction will be disclosed in the Circular.

22. The Offer will constitute an insider bid as defined in the Legislation, including pursuant to Rule 61-501 of the OSC and Policy Q-27 of the Quebec Securities Commission, and will be made in compliance with the Legislation and the CBCA (and regulations thereunder).

23. The purpose of the Offeror Roll-Over Transactions and the Related Agreements is to facilitate the organization of Acquisitionco and the Offeror and the structuring and making of the Offer by the Offeror (effectively on behalf of the Offeror Shareholders, who are the "beneficial offerors"), accommodate the tax planning objectives of the Offeror Shareholders and reduce the amount of cash required by the Offeror to complete the Offer. As a result, for the purposes of making the Offer, the Offeror Shareholders can be considered to be acting jointly or in concert with the Offeror.

24. The Related Agreements are necessary for business purposes relating to the structuring and the making of the Offer and are not being implemented or entered into for the purpose of providing any of the Offeror Shareholders with greater consideration for the Offeror Shares than that paid for the Non-Offeror Shares.

25. As the consideration to be received by the Offeror Shareholders for their Offeror Shares is not identical to the consideration to be paid for the Non-Offeror Shares to be purchased under the Offer and as the Related Agreements are to be entered into following the initial public announcement of the Offeror's intention to make the Offer, the Offeror Roll-Over Transactions and the Related Agreements would, in the absence of the Decision, result in the Applicants violating the Identical Consideration Requirement, the Prohibition on Collateral Agreements, the Pre-Bid Integration Requirement, the Prohibition on Post-Bid Purchases, the Prohibition on Purchases During a Bid and the Prohibition on Sales During a Bid.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that (i) the Related Agreements are made for purposes other than to increase the value of the consideration

paid to the Offeror Shareholders, and may be entered into notwithstanding the Prohibition on Collateral Agreements and (ii) the Applicants are exempt from the Identical Consideration Requirement, the Pre-Bid Integration Requirement, the Prohibition on Post-Bid Purchases, the Prohibition on Purchases During a Bid and the Prohibition on Sales During a Bid with respect to the Offeror Roll-Over Transactions.

AND WHEREAS the OSC is satisfied that to do so would not be prejudicial to the public interest:

IT IS RULED, pursuant to subsection 104(2)(c) of the Act, that the acquisition of the Offeror Shares by Acquisitionco and subsequently by the Offeror pursuant to the Offeror Roll-Over Transaction be exempt from the Take-Over Bid Requirements;

AND IT IS RULED, pursuant to subsection 59(1) of the Fee Schedule, that the Applicants be exempt from the Fee Requirement in connection with the Offeror Roll-Over Transactions, provided that the minimum fee of $800.00 is paid.

December 21, 2001.

"Paul Moore" "Lorne Morphy"

2.1.2 First Republic Securities Corporation - 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
FIRST REPUBLIC SECURITIES CORPORATION

EXEMPTION
(Section 4.1 of OSC Rule 31-507)

UPON the Director having received an application (the "Application") from First Republic Securities Corporation ("First Republic") seeking a decision pursuant to section 4.1 of the Rule to exempt, until September 1, 2002, First Republic from the application of subsection 2.2 of the Rule, which would require that First Republic 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 First Republic having represented to the Director as follows:

1. First Republic 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. First Republic is registered under the Act as a dealer in the category of "securities dealer".

3. First Republic'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. First Republic is a small dealer with one officer and one employee.

5. 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, First Republic 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.

6. First Republic has prepared and submitted a partial application for membership to the IDA. First Republic will complete its application to the IDA by April 30, 2002. First Republic 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 September 1, 2002.

7. First Republic has agreed to the imposition of the terms and conditions on its registration as a "securities dealer" set out in the attached Schedule "A", which terms and conditions will be effective as of the date of this Exemption.

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

THE DECISION of the Director under section 4.1 of the Rule is that First Republic shall be exempted from the requirement set forth in section 2.2 of the Rule requiring First Republic, 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 First Republic becomes a member of a Recognized SRO and September 1, 2002.

December 27, 2001.

"Robert F. Kohl"

SCHEDULE "A"

TERMS AND CONDITIONS ON REGISTRATION OF FIRST REPUBLIC SECURITIES CORPORATION

1. On or before April 30, 2002, First Republic Securities Corporation shall have submitted an application for membership to the IDA that is complete in all material respects.

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

2.1.3 Venturelink Brighter Future (Equity) Fund Inc. - MRRS Decision

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 LEGISLATION OF
ALBERTA, BRITISH COLUMBIA, MANITOBA,
NEW BRUNSWICK, NEWFOUNDLAND AND LABRADOR,
NOVA SCOTIA, PRINCE EDWARD ISLAND,
SASKATCHEWAN AND ONTARIO

AND

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

AND

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

AND

IN THE MATTER OF
VENTURELINK BRIGHTER FUTURE (EQUITY) FUND INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island, Saskatchewan and Ontario (the "Jurisdictions") has received an application from VentureLink Brighter Future (Equity) Fund Inc. (the "Fund") for a decision pursuant to section 9.1 of National Instrument 81-105 ("NI 81-105") that the prohibition contained in section 2.1 of NI 81-105 against the making of certain payments by the Fund to participating dealers shall not apply to the Fund;

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

AND WHEREAS the Ontario Securities Commission issued a decision document on December 4, 2001 (the "December 4th Decision");

AND WHEREAS counsel for the Fund requested changes to be made to the December 4th Decision after it was issued;

AND WHEREAS the Fund and Skylon Funds Management Inc. (the "Manager"), the manager of the Fund, have represented to the Decision Makers as follows:

1. The Fund is a corporation incorporated under the Canada Business Corporations Act. It is registered as a labour-sponsored venture capital corporation under the Income Tax Act (Canada) and the Equity Tax Credit Act (Nova Scotia), and is registered as a labour sponsored investment fund corporation under the Community Small Business Investments Fund Act (Ontario).

2. The Fund is a mutual fund as defined in the legislation of each of the Jurisdictions. The Fund has filed a preliminary prospectus dated September 28, 2001 (the "Preliminary Prospectus") in each of the Jurisdictions in connection with the proposed offering to the public of Class A Shares, Series I and Series II in the capital of the Fund (collectively, the "Class A Shares").

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, TCU National Local 1976 (the "Sponsor") 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) with respect to the distribution of both series of Class A Shares,

      a. the fee of the Agent, CIBC World Markets Inc., for the public offering of its Class A Shares, on a best effort basis, equal to 0.50% of the aggregate gross proceeds of the offering as described in the final prospectus as well as the Agent's out-of-pocket expenses incurred on or before March 1, 2002 for advisory services rendered to the Fund (collectively, the "Corporate Finance Fee"),

      b. a sales commission of 6% of the selling price for each Class A Share, Series I or Series II subscribed for (the "6% Sales Commission"), and

   (ii) with respect to the holding by investors of Class A Shares, Series I, a commission of 4% of the selling price of each Series I share held, in lieu of service fees payable before the eighth anniversary of the date of issue of such Series I shares (the "4% Trailing Commission").

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, among other things, the Corporate Finance Fee, the 6% Sales Commission and the 4% Trailing Commission (together, the "Sales Commissions"), and the Co-op Expenses (collectively, the "Distribution Costs") are fully disclosed in the Preliminary Prospectus. The fact that the Fund intends to pay the Distribution 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 6% Sales Commission to retained earnings on a straight line basis over eight years,

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

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

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

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

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

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

(b) the Distribution Costs are accounted for in the Fund's financial statements in the manner described in paragraph 8 above;

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

(d) the final prospectus has full, true and plain disclosure explaining the services and value that the participating dealers would provide to investors in return for the service fees payable to them;

(e) the Summary Section of the final prospectus has full, true and plain disclosure explaining to investors that

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

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

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

THIS DECISION DOCUMENT contains the changes to the December 4th Decision and hereby supersedes the December 4th Decision.

December 17, 2001.

"Paul Moore" "Lorne Morphy"

2.1.4 Venturelink Financial Services Innovation Fund Inc. - MRRS Decision

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 LEGISLATION OF
ALBERTA, BRITISH COLUMBIA, MANITOBA,
NEW BRUNSWICK, NEWFOUNDLAND AND LABRADOR,
NOVA SCOTIA, PRINCE EDWARD ISLAND,
SASKATCHEWAN AND ONTARIO

AND

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

AND

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

AND

IN THE MATTER OF
VENTURELINK FINANCIAL SERVICES INNOVATION FUND INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island, Saskatchewan and Ontario (the "Jurisdictions") has received an application from VentureLink Financial Services Innovation Fund Inc. (the "Fund") for a decision pursuant to section 9.1 of National Instrument 81-105 ("NI 81-105") that the prohibition contained in section 2.1 of NI 81-105 against the making of certain payments by the Fund to participating dealers shall not apply to the Fund;

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

AND WHEREAS the Ontario Securities Commission issued a decision document on December 4, 2001 (the "December 4th Decision");

AND WHEREAS counsel for the Fund requested changes to be made to the December 4th Decision after it was issued;

AND WHEREAS the Fund and Skylon Funds Management Inc. (the "Manager"), the manager of the Fund, have represented to the Decision Makers as follows:

1. The Fund is a corporation incorporated under the Canada Business Corporations Act. It is registered as a labour-sponsored venture capital corporation under the Income Tax Act (Canada) and the Equity Tax Credit Act (Nova Scotia) and is registered as a labour sponsored investment fund corporation under the Community Small Business Investments Fund Act (Ontario).

2. The Fund is a mutual fund as defined in the legislation of each of the Jurisdictions. The Fund has filed a preliminary prospectus dated September 27, 2001 (the "Preliminary Prospectus") in each of the Jurisdictions in connection with the proposed offering to the public of Class A Shares, Series I and Class A Shares, Series II in the capital of the Fund (collectively, the "Class A Shares").

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, TCU National Local 1976 (the "Sponsor") 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) with respect to the distribution of both series of Class A Shares,

      a. the fee of the Agent, National Bank Financial Inc., for the public offering of its Class A Shares, on a best effort basis, equal to 0.50% of the aggregate gross proceeds of the offering as described in the final prospectus as well as the Agent's out-of-pocket expenses incurred on or before March 1, 2002 for advisory services rendered to the Fund (collectively, the "Corporate Finance Fee"),

      b. a sales commission of 6% of the selling price for each Class A Share, Series I or Series II subscribed for (the "6% Sales Commission"), and

(ii) with respect to the holding by investors of Class A Shares, Series I , a commission of 4% of the selling price of each Series I share held, in lieu of service fees payable before the eighth anniversary of the date of issue of such Series I shares (the "4% Trailing Commission").

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 among other things, the Corporate Finance Fee, the 6% Commission and the 4% Trailing Commission (together, the "Sales Commissions"), 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 6% Sales Commission to retained earnings on a straight line basis over eight years,

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

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

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

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

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

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

(b) the Distribution Costs are accounted for in the Fund's financial statements in the manner described in paragraph 8 above;

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

(d) the final prospectus includes full, true and plain disclosure explaining the services and value that the participating dealers would provide to investors in return for the service fees payable to them;

(e) the Summary Section of the final prospectus includes full, true and plain disclosure explaining to investors that

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

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

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

THIS DECISION DOCUMENT contains the changes to the December 4th Decision and hereby supersedes the December 4th Decision.

December 17, 2001.

"Paul M. Moore" "H. Lorne Morphy"

2.1.5 RCOC Wealth Management Inc. - s. 4.1 of 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 ("RULE 31-507")
SRO MEMBERSHIP – SECURITIES DEALERS AND BROKERS

AND

IN THE MATTER OF
RCOC WEALTH MANAGEMENT INC.

DECISION
(Section 4.1 of Rule 31-507)

UPON RCOC Wealth Management Inc. (the "Applicant") having made an application (the "Application") to the Director of the Ontario Securities Commission (the "Commission") for a decision pursuant to section 4.1 of Rule 31-507 to exempt the Applicant from the application of sections 1.1(1) and 2.2 of Rule 31-507 which would require the Applicant to be a member of a self-regulatory organization ("SRO") recognized by the Commission under section 21.1 of the Act on or before December 31, 2001;

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

AND UPON the Applicant having represented to the Director that:

1. The Applicant 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. The Applicant is registered under the Act as a dealer in the category of "securities dealer".

3. The Applicant's registration under the Act as a dealer in the category of "securities dealer" is subject to renewal on December 31, 2001 (the "Renewal Date").

4. In compliance with section 3.1 of Rule 31-507, the Applicant provided notice to the Investment Dealers Association of Canada (the "IDA") by letter dated December 27, 2000 of the Applicant's intention to seek membership in the IDA.

5. Completion of the Applicant's application for IDA membership (the "IDA Application") was delayed during the period while the Applicant considered its alternatives, including surrendering its registration, re-registering in another registration category and the feasibility of IDA membership.

6. Completion of the IDA Application was further delayed when the Applicant's Vice-President, Operations left the Applicant's employ soon after the Applicant decided to pursue IDA membership.

7. To date, the Applicant has been unable to fulfil the capital requirements of IDA membership.

8. After discussions with Berkshire Securities Inc. ("BSI"), a registered dealer that is a member in good standing with the IDA, the Applicant has decided to discontinue its pursuit of IDA membership and to instead surrender its registration after the wind down of its securities dealer activities, including the transfer of the Applicant's client accounts to BSI.

9. In the absence of the Decision, sections 1.1(1) and 2.2 of Rule 31-507 would have the effect of requiring the Applicant, on or before the Renewal Date, to be a member of the IDA or the Mutual Fund Dealers Association of Canada, and to change its registration category to that of investment dealer or mutual fund dealer, as applicable.

10. The Applicant is diligently negotiating with BSI to ensure the orderly wind down of the Applicant's securities dealer activities, including the transfer of the Applicant's client accounts to BSI.

11. The Applicant has advised its clients that it is winding down its business and that each client has the option of transferring his or her accounts to BSI or to any other dealer as requested by the client.

12. The wind down of the Applicant's securities dealer activities, including the transfer of the Applicant's client accounts to BSI will not be completed prior to the Renewal Date.

13. The Applicant requires its registration as a "securities dealer" under the Act to continue until the completion of the wind down of the Applicant's securities dealer activities, including the transfer of the Applicant's client accounts to BSI.

14. The Applicant has agreed to the terms and conditions on its registration set out in Schedule "A" effective as of the date of this Exemption.

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

IT IS THE DECISION OF THE DIRECTOR, pursuant to section 4.1 of Rule 31-507, that, the Applicant is hereby exempt from the requirements of sections 1.1(1) and 2.2 of Rule 31-507 that it be a member of a SRO recognized by the Commission under section 21.1 of the Act on or before the Renewal Date, provided that this exemption shall terminate on the date that is the earlier of:

(1) the date on which the wind down of the Applicant's securities dealer activities has been completed, including the transfer of all the Applicant's client accounts to BSI; and

(2) April 1, 2002.

December 28, 2001.

"Robert F. Kohl"

SCHEDULE "A"

TERMS AND CONDITIONS ON THE REGISTRATION OF RCOC WEALTH MANAGEMENT INC.

1. RCOC Wealth Management Inc. will not open a new account for any person or company that did not already have one or more active accounts at RCOC Wealth Management Inc. on December 31, 2001.

2.1.6 CMDF Early Stage Fund Inc. - s. 2.1 of NI 81-105

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 EARLY STAGE FUND INC.

DECISION DOCUMENT

WHEREAS the Ontario Securities Commission (the "Decision Maker") has received an application (the "Application") from CMDF Early Stage 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 Commission 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 the 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 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% Sales 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 itself has no resources from which 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"

2.1.7 Prada Holdings Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - issuer deemed to have ceased being a reporting issuer;

Applicable Ontario Statutory Provisions

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

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

AND

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

AND

IN THE MATTER OF
PRADA HOLDINGS LTD.

MRRS DECISION DOCUMENT

1. **WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Saskatchewan, Ontario and Quebec (the "Jurisdictions") has received an application from Prada Holdings Ltd. ("Prada") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that Prada cease to be a reporting issuer or the equivalent thereof under the Legislation;

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

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

   3.1 Prada is a corporation amalgamated under the *Business Corporations Act* (Yukon), as amended;

   3.2 Prada is a reporting issuer or the equivalent under the Legislation;

   3.3 Prada is not in default of any requirement under the Legislation;

   3.4 Prada is authorized to issue an unlimited number of common shares and an unlimited number of class A redeemable preferred shares. There are 79,500,001 common shares currently issued and outstanding, all of which are held by MFC Bancorp Ltd. ("MFC"), and no class A redeemable preferred shares are outstanding;

   3.5 Prada was formed by the amalgamation (the "Amalgamation") on October 23, 2001 of Prada Holdings Ltd. ("Old Prada") and a wholly-owned subsidiary of MFC;

   3.6 under the Amalgamation, each holder of common shares of Old Prada received one class A redeemable preferred share of Prada for each common share of Old Prada held, following which all such common shares of Old Prada were canceled. Each of the outstanding class A redeemable preferred shares of Old Prada was redeemed immediately following the Amalgamation for $0.05 per class A redeemable preferred share;

   3.7 in 1987, Old Prada issued certain debentures (the "Debentures") by private placement in 1987, which Debentures are currently outstanding in the aggregate principal amount of approximately $27.6 million. MFC beneficially owns 75% of the issued and outstanding Debentures. The remaining 25% of the issued and outstanding Debentures are beneficially owned by a resident of Hong Kong. Other than MFC, there are no Debenture holders in the Jurisdictions or in any province or territory of Canada;

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

   3.9 Prada does not intend to make an offering of its securities to the public and none of its securities are listed or quoted on any exchange or quotation system in Canada or elsewhere;

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

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

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

December 18, 2001.

"Patricia Johnston"

2.1.8 ABN Amro Bank N.V. - MRRS Decision

Headnote

MRRS - Underwriter and advisor registration relief for Schedule III Bank - prospectus and registration relief for trades where Schedule III Bank purchasing as principal and first trade relief for Schedule III Bank - prospectus and registration relief for trades of bonds, debentures and other evidences of indebtedness of or guaranteed by Schedule III Bank provided trades involve only specified purchasers - prospectus and registration relief for evidences of deposits by Schedule III Bank to specified purchasers - fee relief for trades made in reliance on Decision.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am. ss. 25(1)(a)&(c), 34(a), 35(1)(3)(i), 35(2)1(c), 53(i), 72(1)(a)(i), 73(1)(a), 74(1), 147.

Regulations Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am. ss. 151, 206, 218, Schedule 1 s. 28.

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

AND

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

AND

IN THE MATTER OF
ABN AMRO BANK N.V.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "**Decision Maker**") in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador and in each of the territories of Nunavut, the Northwest Territories and Yukon Territory (the "**Jurisdictions**") has received an application (the "**Application**") from ABN AMRO BANK N.V. ("**ABN AMRO**"), for a decision (the "**Decision**") pursuant to the securities legislation of the Jurisdictions (the "**Legislation**") that ABN AMRO is exempt from various registration, prospectus and filing requirements of the Legislation in connection with the banking activities to be carried on by ABN AMRO in the Jurisdictions;

AND WHEREAS under 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 ABN AMRO has represented to the Decision Makers that:

1. ABN AMRO is organized under the laws of the Netherlands. The principal office of ABN AMRO is located in the Netherlands.

2. ABN AMRO is the fifth largest European banking group and, together with its subsidiaries, provides a comprehensive range of financial services including corporate and investment banking, lease and trade financing, venture capital and asset management and investment management services.

3. ABN AMRO has approximately 1,000 branches in the Netherlands. ABN AMRO also operates branches in 60 countries outside the Netherlands. In Canada, ABN AMRO has a wholly-owned subsidiary, ABN AMRO Bank Canada, which is a Schedule II chartered bank under the *Bank Act* (Canada) (the "**Bank Act**").

4. As at December 31, 2000, ABN AMRO had total assets of €543.2 billion (approximately Cdn.$751.11 billion).

5. ABN AMRO is not, and has no current intention of becoming, a reporting issuer in any province of Canada, nor are any of its securities listed on any stock exchange in Canada.

6. In 1999, amendments to the Bank Act were made to permit foreign banks to operate directly in Canada through branches, rather than through separate subsidiary Schedule II banks.

7. On October 5, 2000, ABN AMRO submitted an application (the "**Bank Act Application**") to the Office of the Superintendent of Financial Institutions Canada ("**OSFI**") for an order establishing a full service foreign bank branch in Canada and for an order approving the commencement and carrying on of business in Canada pursuant to sections 524 and 534 of the Bank Act.

8. Upon approval of the Bank Act Application, ABN AMRO will establish and commence business as a foreign bank branch under the Bank Act. ABN AMRO expects to receive all OSFI approvals by the end of 2001.

9. The operations of ABN AMRO's foreign bank branch will be primarily comprised of wholesale deposit-taking, commercial lending and related treasury functions.

10. ABN AMRO intends to provide deposit-taking, commercial lending and related treasury functions primarily to the following investors:

    (a) Her Majesty in right of Canada or in right of a province or a territory, an agent of Her Majesty in either of those rights and includes a municipal or public body empowered to perform a function of

government in Canada, or an entity controlled by Her Majesty in either of those rights;

(b) the government of a foreign country or any political subdivision thereof, an agency of the government of a foreign country or any political subdivision thereof, or an entity that is controlled by the government of a foreign country or any political subdivision thereof;

(c) an international agency of which Canada is a member, including an international agency that is a member of the World Bank Group, the Inter-American Development Bank, the Asian Development Bank, the Caribbean Development Bank and the European Bank for Reconstruction and Development and any other international regional bank;

(d) a financial institution (i.e.: (a) a bank or an authorized foreign bank under the Bank Act; (b) a body corporate to which the *Trust and Loan Companies Act* (Canada) applies; (c) an association to which the *Cooperative Credit Association Act* (Canada) applies; (d) an insurance company or fraternal benefit society to which the *Insurance Companies Act* (Canada) applies; (e) a trust, loan or insurance corporation incorporated by or under an Act of the legislature of a province or territory in Canada; (f) a cooperative credit society incorporated and regulated by or under an Act of the legislature of a province or territory in Canada; (g) an entity that is incorporated or formed by or under an Act of Parliament or of the legislature of a province or territory in Canada that is primarily engaged in dealing in securities, including portfolio management and investment counselling and is registered to act in such capacity under the applicable Legislation; and (h) a foreign institution that is (i) engaged in the banking, trust, loan or insurance business, the business of a cooperative credit society or the business of dealing in securities or is otherwise engaged primarily in the business of providing financial services, and (ii) is incorporated or formed otherwise than by or under an Act of Parliament or of the legislature of a province or territory in Canada);

(e) a pension fund sponsored by an employer for the benefit of its employees or employees of an affiliate that is registered and has total plan assets under administration of greater than $100 million;

(f) a mutual fund corporation that is regulated under an Act of the legislature of a province or territory in Canada or under the laws of any other jurisdiction and has total assets under administration of greater than $10 million;

(g) an entity (other than an individual) that has gross revenues on its own books and records of greater than $5 million as of the date of its most recent annual financial statements; or

(h) any other person, if the transaction is in an aggregate amount of greater than $150,000.

collectively referred to for purposes of this Decision as "**Authorized Customers**".

11. The only advising activities which ABN AMRO intends to undertake will be incidental to its primary banking business and it will not advertise itself as an adviser or allow itself to be advertised as an adviser in the Jurisdictions.

12. Under the current Legislation, banks chartered under Schedules I and II of the Bank Act have numerous exemptions from various aspects of the Legislation. Since ABN AMRO's foreign bank branch will not be chartered under Schedule I or II of the Bank Act, the existing exemptions relating to the registration, prospectus and filing requirements will not be available to it.

13. In order to ensure that ABN AMRO, as an entity listed on Schedule III to the Bank Act, will be able to provide banking services to businesses in the Jurisdictions, it requires similar exemptions enjoyed by banking institutions incorporated under the Bank Act to the extent that the current exemptions applicable to such banking institutions are relevant to the banking business to be undertaken by ABN AMRO in the Jurisdictions.

AND WHEREAS under the System, this MRRS Decision Document evidences the Decision of each of the Decision Makers;

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

THE DECISION of the Decision Makers under the Legislation is that:

1. ABN AMRO is exempt from the requirement under the Legislation, where applicable, to be registered as an underwriter with respect to trading in the same types of securities that an entity listed on Schedule I or II to the Bank Act may act as an underwriter in respect of without being required to be registered under the Legislation as an underwriter.

2. ABN AMRO is exempt from the requirement under the Legislation to be registered as an adviser where the performance of the services as an adviser is solely incidental to its primary banking business.

3. A trade of a security to ABN AMRO, where ABN AMRO purchases the security as principal, shall be exempt from the registration and prospectus requirements of the Legislation of the Jurisdiction in which the trade takes place (the "**Applicable Legislation**") provided that:

(i) the forms that would have been filed and the fees that would have been paid under the Applicable Legislation if the trade had been made, on an exempt basis, by an entity listed on Schedule I or II to the Bank Act (referred to in this Decision as a "**Schedule I or II Bank Exempt Trade**") are filed and paid in respect of the trade to ABN AMRO;

(ii) except in Quebec, the first trade in a security acquired by ABN AMRO pursuant to this Decision is deemed a distribution or primary distribution to the public under the Applicable Legislation unless the conditions in subsections 2 or 3, as applicable, of section 2.5 of Multilateral Instrument 45-102 - *Resale of Securities* are satisfied;

(iii) in Quebec, the first trade in a security acquired by ABN AMRO pursuant to this Decision will be a distribution unless,

(a) at the time ABM AMRO acquired the security: (i) the issuer of the security is a reporting issuer in Quebec; (ii) the issuer is not a Capital Pool Company as defined in Policy 2.4 of The Canadian Venture Exchange Inc.; (iii) the issuer has a class of securities listed on an acceptable exchange, has not been advised that it does not meet the requirements to maintain that listing and is not designated inactive, or the issuer has a class of securities that has an approved rating from an approved rating organization; for purposes of this Decision, the acceptable exchanges include the Toronto Stock Exchange, tier 1 and 2 of The Canadian Venture Exchange Inc., the American Stock Exchange, Nasdaq National Market, Nasdaq SmallCap Market, the New York Stock Exchange and the London Stock Exchange Limited; and (iv) the issuer has filed an annual information required under section 159 of the Regulation made under the *Securities Act* (Quebec), as amended from time to time, (the "Quebec Act") within the time period contemplated by that section, or, if not required to file an annual information, has filed a prospectus that contains the most recent financial statements;

(b) the issuer has been a reporting issuer in Quebec for 4 months immediately preceding the trade;

(c) ABN AMRO has held the securities for at least 4 months;

(d) no extraordinary commission or other consideration is paid;

(e) no effort is made to prepare the market or to create a demand for the securities;

(f) if ABN AMRO is an insider of the issuer, ABN AMRO has no reasonable grounds to believe that the issuer is in default under the Quebec Act; and

(g) ABN AMRO files a report within 10 days of the trade prepared and executed in accordance with the requirements of the Quebec Act that would apply to a trade made in reliance on section 43 or 51 of the Quebec Act.

4. ABN AMRO is exempt from the registration and prospectus requirements of the Legislation for trades by ABN AMRO of bonds, debentures or other evidences of indebtedness of or guaranteed by ABN AMRO with Authorized Customers.

5. Evidences of deposit issued by ABN AMRO to Authorized Customers shall be exempt from the registration and prospectus requirements of the Legislation.

THE FURTHER DECISION of the Decision Maker in Ontario is that:

A. Subsection 25(1)(a) of the *Securities Act* (Ontario) R.S.O. 1990 c. S.5, as amended, (the "**Ontario Act**") does not apply to a trade by ABN AMRO:

(i) of a type described in subsection 35(1) of the Ontario Act or section 151 of the Regulation made under the Ontario Act; or

(ii) subject to paragraph 4 above, the securities described in subsection 35(2) of the Ontario Act.

B. Subsection 25(1)(a) and section 53 of the Ontario Act do not apply to a trade by ABN AMRO in:

(i) a security of a mutual fund, if the security is sold to a pension plan, deferred profit sharing plan, retirement savings plan or other similar capital accumulation plan maintained by the sponsor of the plan for its employees, and

(a) the employees deal only with the sponsor in respect of their participation in the plan and the purchase of the security by the plan, or

(b) the decision to purchase the security is not made by or at the direction of the employee; or

(ii) in a security of a mutual fund that:

(a) is administered by a body corporate to which the *Trust and Loan Companies Act* (Canada) applies or a trust, loan or insurance corporation incorporated by or under an Act of the legislature of a province or territory in Canada;

(b) consists of a pool of funds that:

(A) results from, and is limited to, the combination or commingling of funds of pension or other superannuation plans registered under the *Income Tax Act* (Canada), and

(B) is established by or related to persons or companies that are associates or affiliates of or that otherwise do not deal at arms length with the promoters of the mutual fund, except the trust, loan or insurance corporation that administers the fund; and

(c) is managed, in whole or in part, by a person who is registered or who is exempt from registration under the Ontario Act.

C. Except as provided for in paragraph 3 of this Decision, section 28 of Schedule I to the Regulation made under the Ontario Act shall not apply to trades made by ABN AMRO in reliance on this Decision.

December 28, 2001.

"Paul M. Moore" "H. Lorne Morphy"

2.1.9 Command Drilling Corporation - MRRS Decision

Headnote

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

Applicable Ontario Statutory Provisions

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

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ALBERTA AND ONTARIO

AND

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

AND

IN THE MATTER OF
COMMAND DRILLING CORPORATION

MRRS DECISION DOCUMENT

1. **WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta and Ontario (the "Jurisdictions") has received an application from Command Drilling Corporation ("Command") for a decision pursuant to the securities legislation (the "Legislation") of the Jurisdictions deeming Command to have ceased to be a reporting issuer under the Legislation;

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

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

   3.1 Command is a corporation governed by the *Business Corporations Act* (Alberta) ("ABCA");

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

   3.3 Command is a reporting issuer, or the equivalent, in each of the Jurisdictions by virtue of obtaining a final receipt for its prospectus in the Jurisdictions on May 29, 2000;

   3.4 Command is not in default of any of its obligations as a reporting issuer under the Legislation;

3.5 Command's authorized capital consists of an unlimited number of common shares (the "Common Shares") of which 30,574,309 Common Shares are issued and outstanding;

3.6 On November 9, 2001, 19552 Yukon Inc. ("Yukon") acquired approximately 97.34% of the outstanding Common Shares (excluding shares held at the date of the bid by or on behalf of Yukon) pursuant to Yukon's take-over bid offer of September 26, 2001 to purchase all of the Common Shares;

3.7 Yukon acquired the remaining outstanding Common Shares pursuant to the compulsory acquisition procedures of the ABCA;

3.8 the Common Shares were delisted from the Toronto Stock Exchange on November 14, 2001 and no securities of Command are listed or quoted on any exchange or market;

3.9 Command has no securities, including debt securities, outstanding other than the Common Shares; and

4.0 Command does not intend to seek public financing by way of an offering of securities;

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

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

6. **THE DECISION** of the Decision Makers pursuant to the Legislation is that Command is deemed to have ceased to be a reporting issuer under the Legislation effective as of the date of this Decision

December 5, 2001.

"Patricia M. Johnston"

2.1.10 Wired Mercantile Capital Corp. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - corporation not issuing any securities under a prospectus deemed to have ceased to be a reporting issuer.

Applicable Ontario Statutory Provisions
Securities Act, R.S.O. 1990, c.S.5, as am. S.83

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ALBERTA AND ONTARIO

AND

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

AND

IN THE MATTER OF
WIRED MERCANTILE CAPITAL CORP.

MRRS DECISION DOCUMENT

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

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

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

3.1 Wired was incorporated under the *Business Corporations Act* (Canada) on January 28, 2000 and has its head office in Calgary, Alberta;

3.2 Wired is a reporting issuer in the Jurisdictions and became a reporting issuer in the Jurisdictions on August 15, 2001 when it received a receipt for a prospectus (the "Prospectus") dated August 14, 2001;

3.3 Wired is not in default of any of the requirements of the Legislation;

3.4 the authorized capital of Wired consists of an unlimited number of common shares (the "Common Shares") and an unlimited number of first preferred shares and second preferred

shares of which there are 6,526,000 Common Shares outstanding;

3.5 the Common Shares were conditionally accepted for listing on the Canadian Venture Exchange Inc. (the "CDNX") by letter dated August 13, 2001;

3.6 after receiving the receipt for the Prospectus, Wired was unable to raise sufficient funds to complete its initial public offering and the offering was withdrawn by Wired without any Common Shares being issued under the Prospectus;

3.7 by letter dated November 14, 2001, Wired advised the CDNX of its decision to withdraw its listing application and no securities of Wired are listed or quoted on any exchange or market;

3.8 Wired has 47 security holders, all of whom became security holders before Wired removed its private company restrictions and before it became a reporting issuer in the Jurisdictions; and

3.9 no securities of Wired, including debt securities, are held by members of the public;

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

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

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

December 21, 2001

"Patricia M. Johnston"

2.1.11 UBS AG - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Canadian corporation related to the issuer not technically an "affiliate" of Swiss issuer - Distribution of shares and options in connection with Swiss issuer's stock purchase and stock option plans to employees of related Canadian corporation exempt from the prospectus and registration requirement - First trade in shares and options acquired by employees of related Canadian corporation deemed a distribution unless ss. 2.14(1) of MI 45-102 satisfied - Trade in shares of Swiss issuer acquired in connection with stock purchase and stock options plans by employees of related Canadian corporation and affiliates of Swiss issuer, and made through the agent, exempt from the registration requirement provided a *de minimis* Canadian market and trade executed outside of Canada.

Applicable Statutory Provisions

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

Applicable Rules

OSC Rule 45-503 - Trades to Employees, Executives and Consultants (1998) 22 OSCB 117.

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

AND

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

AND

IN THE MATTER OF
UBS AG ("UBS")

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Ontario and Nova Scotia (the "Jurisdictions") has received an application from UBS for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation to be registered to trade in a security (the "Registration Requirement") and to file and obtain a receipt for a preliminary prospectus and a prospectus in respect of such security (the "Prospectus Requirement") shall not apply to trades in certain securities of UBS under the UBS Equity Plus Plan for Employees, as amended from time to time (the "Plan") and the UBS Stock Option Plan, as amended from time to time (the "SOP") to employees of UBS Bunting Warburg Inc. ("Bunting Warburg");

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 UBS has represented to the Decision Makers as follows:

1. UBS is incorporated under the laws of Switzerland and is an investment services firm. Its head office is located at Bahnhofstrasse 45, Zurich, Switzerland.

2. The authorized capital of UBS consists of 1,281,052,743 UBS registered shares with a par value of CHF 2.80 each (the "UBS Shares") of which 1,256,024,442 UBS Shares were outstanding as at September 30, 2001.

3. As at September 30, 2001, the number of UBS Shares held by holders of record with addresses in Canada represented less than 1% of the number of outstanding UBS Shares, and the number of holders of record with addresses in Canada was less than 1% of the total number of holders of record.

4. The UBS Shares are listed on the virt-x European Exchange ("virt-x"), the New York Stock Exchange ("NYSE") and the Tokyo Stock Exchange.

5. UBS is not, and has no present intention of becoming, a reporting issuer or the equivalent under the Legislation of any of the Jurisdictions.

6. UBS has a representative office in certain of the Jurisdictions and, in addition to Bunting Warburg, four wholly owned operating subsidiaries that carry on the business of UBS in the Jurisdictions.

7. Bunting Warburg is 100% beneficially owned by UBS Bunting Warburg Limited ("Bunting Warburg Holdco"), a holding company, which in turn is 50% beneficially owned by a wholly-owned subsidiary of UBS. The remaining indirect 50% interest in Bunting Warburg Holdco is owned by the employees of Bunting Warburg. UBS therefore has an indirect 50% ownership interest in Bunting Warburg.

8. Bunting Warburg is not an "affiliate" of UBS within the meaning of the Legislation.

9. UBS has *de facto* control of Bunting Warburg pursuant to a shareholders agreement of Bunting Warburg Holdco which provides, among others, that a majority of the members of the board of directors of Bunting Warburg Holdco are representatives of UBS.

10. Bunting Warburg is a corporation existing under the laws of the Province of Ontario and its head office is located in Toronto. It is not, and has no present intention of becoming, a reporting issuer or the equivalent under the Legislation of any of the Jurisdictions.

11. The Plan will provide a convenient and economic way for employees in the Jurisdictions and elsewhere in the world to invest in UBS either directly or through regular payroll deductions and an opportunity to participate in the value they help create. The Plan will also allow UBS and its subsidiaries to encourage their employees to invest in UBS Shares through matching stock option incentives.

12. Any person who is an employee of UBS or any of its subsidiaries (including Bunting Warburg) may be invited by the managing board of UBS (the "Committee") to participate in the Plan (an "Eligible Employee").

13. The number of UBS Shares that will be purchased for an Eligible Employee and the price at which such UBS Shares will be issued by UBS and purchased for the Eligible Employee will be determined by reference to the average of the high and low sale prices of a UBS Share on the NYSE or the virt-x on the day of the purchase.

14. For each UBS Share purchased from UBS on behalf of an Eligible Employee, UBS will grant such employee, as at the date of such purchase, options to purchase (the "UBS Options") two additional UBS Shares. UBS Options will be granted under the SOP, a separate plan sponsored by UBS, and will have an exercise price equal to the purchase price of the corresponding UBS Shares purchased on the date of grant.

15. UBS, UBS Warburg LLC, UBS PaineWebber Inc. or another UBS subsidiary or related entity (hereinafter referred to as the "Agent") will open an account for each Eligible Employee who purchases shares under the Plan. The Agent will be registered under applicable securities legislation in Europe or the United States, but will not be registered under the Legislation.

16. Subject to certain vesting requirements, sales of UBS Shares, including UBS Shares issued upon exercise of UBS Options, made by Eligible Employees will be made on behalf of the Eligible Employees (including former employees) by or through the Agent pursuant to instructions given by the Eligible Employees through the facilities of, and in accordance with the rules of, the virt-x or the NYSE.

17. Participation in the Plan is voluntary and Eligible Employees will not be induced to participate in the Plan by expectation of employment or continued employment.

18. As at September 30, 2001, there were approximately 318 Eligible Employees resident in the Jurisdictions.

19. A copy of the Plan and of the SOP will be made available to each Eligible Employee in electronic form, through their personal page on the UBS Group Compensation internal website.

20. All information sent to security holders of UBS in general will be sent to Eligible Employees resident in Canada who acquire UBS Shares under the Plan and the SOP.

21. There is no market for the UBS Shares in Canada and UBS does not intend to list the UBS Shares on any stock market in Canada.

22. The Legislation of the Jurisdictions does not contain exemptions from the Registration Requirement and the Prospectus Requirement for distributions, from time to time, of UBS Shares or UBS Options under the Plan or the SOP to Eligible Employees of Bunting Warburg.

23. The Legislation of the Jurisdictions does not contain exemptions from the Registration Requirement for first trades in UBS Shares issued in connection with the Plan or the SOP, effected by or through the Agent on behalf of Eligible Employees (including former employees) of Bunting Warburg.

24. The Legislation of certain Jurisdictions does not contain an exemption from the Registration Requirement for first trades in UBS Shares issued in connection with the Plan or the SOP, effected by or through the Agent on behalf of Eligible Employees (including former employees) of UBS and its affiliates resident in those Jurisdictions.

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

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

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

(a) the Prospectus Requirement and the Registration Requirement shall not apply to the distribution, from time to time, of UBS Shares and UBS Options in connection with the Plan or the SOP to Eligible Employees of Bunting Warburg provided that the first trade in UBS Shares or UBS Options acquired pursuant to this Decision in a Jurisdiction shall be deemed to be a distribution to the public under the Legislation of such Jurisdiction unless the conditions in section 2.14(1) of Multilateral Instrument 45-102 *Resale of Securities* are satisfied; and

(b) the Registration Requirement shall not apply to a trade by an Eligible Employee (including a former employee) of Bunting Warburg, UBS or its affiliates (as applicable), in UBS Shares acquired in connection with the Plan or the SOP by or through the Agent if:

(i) at the time of the trade, UBS is not a reporting issuer under the Legislation in any of the Jurisdictions;

(ii) at the time of the distribution of the UBS Share to the Eligible Employee (including a former employee), or in the case of a UBS Share acquired on the exercise of a UBS Option, at the time of the distribution of the UBS Option to the Eligible Employee (including a former employee), after giving effect to the issue of such security, residents of Canada: (A) did not own directly or indirectly more than 10 percent of the outstanding UBS Shares, and (B) did not represent in number more than 10 percent of the total number of owners directly or indirectly of UBS Shares; and

(iii) the trade is executed through an exchange, or a market, outside of Canada.

January 4, 2002.

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

2.1.12 VentureLink Brighter Future (Balanced) Fund Inc. - Exemption s. 9.1 of NI 81-105

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
VENTURELINK BRIGHTER FUTURE (BALANCED)
FUND INC.

EXEMPTION
(Section 9.1)

WHEREAS the application (the "Application") of VentureLink Brighter Future (Balanced) 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 Skylon Funds Management Inc. (the "Manager"), the manager of the Fund, have represented to the Decision Maker as follows:

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) (the "Ontario Act") 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 September 28, 2001 (the "Preliminary Prospectus") with the Decision Maker and intends to distribute Class A Shares (the "Class A Shares") until March 1, 2002 at a price of $10 per share.

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, of which 100 shares are issued and outstanding as of the date hereof.

4. The Manager and the United Steelworkers of America, TCU National Local 1976 (the "Sponsor") 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, CIBC World Markets 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 as well as the Agent's out of pocket expenses incurred on or before March 1, 2002 for advisory services rendered to the Fund (collectively, the "Corporate Finance Fee"),

   (ii) a sales commission of 6% of the selling price for each Class A Share subscribed for (the "6% Sales Commission").

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 6% Sales Commission, 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 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 6% Sales Commission to retained earnings on a straight line basis over eight years;

   (ii) defer and amortize the amount paid or payable in respect of the 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 and the Fund will not defer and amortize any Co-op Expenses.

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 its 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 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 of the Fund while granting exemptions to other labour 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 funds.

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 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 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 14, 2001.

"Paul M. Moore" "H. Lorne Morphy"

2.1.13 SNP Health Split Corp. - MRRS Decision

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

AND

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

AND

IN THE MATTER OF
SNP HEALTH SPLIT CORP.

AND

IN THE MATTER OF
SCOTIA CAPITAL INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Nova Scotia, Newfoundland and Labrador, New Brunswick, and Prince Edward Island (the "Jurisdictions") has received an application from SNP Health Split Corp. (the "Company") and Scotia Capital Inc. ("Scotia Capital") for a decision under the securities legislation (the "Legislation") of the Jurisdictions that the requirements contained in the Legislation of each of the Jurisdictions to file and obtain a receipt for a preliminary prospectus and final prospectus (the "Prospectus Requirements") shall not apply to Market Making Trades (as hereinafter defined) by Scotia Capital in class A Preferred Shares (the "Preferred Shares") and class A Capital Shares (the "Capital Shares") of the Company, subject to certain restrictions;

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

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

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

2. The Company was incorporated on November 29, 2001 under the laws of the Province of Ontario and is authorized to issue an unlimited number of Class J Shares.

3. The Company has filed with the securities regulatory authorities of each province of Canada a preliminary prospectus dated November 29, 2001 (the "Preliminary Prospectus") in respect of the proposed offering (the "Offering") of Capital Shares and Preferred Shares to the public.

4. The Company intends to become a reporting issuer under the Legislation by filing a final prospectus (the "Final Prospectus") relating to the Offering. Prior to the filing of the Final Prospectus, the Articles of the Company will be amended so that the authorized capital of the Company will consist of an unlimited number of Capital Shares, an unlimited number of Preferred Shares, an unlimited number of Class B, Class C, Class D and Class E Capital Shares, issuable in series, an unlimited number of Class B, Class C, Class D and Class E Preferred Shares, issuable in series, and an unlimited number of Class J Shares, having the attributes set forth under the headings "Description of Share Capital" and "Details of the Offerings" in the Preliminary Prospectus.

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

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

7. The Class J Shares will be the only voting shares in the capital of the Company. There are currently, and will be at the time of filing the Final Prospectus, 100 Class J Shares issued and outstanding. Scotia Capital owns 50 of the issued and outstanding Class J Shares of the Company and SNP Health Split Holdings Corp. owns the remaining 50 issued and outstanding Class J Shares of the Company. Two employees of Scotia Capital each own 50% of the issued and outstanding common shares of SNP Health Split Holdings Corp.

8. The Company has a board of directors which currently consists of three directors. All of the directors are employees of Scotia Capital. Also, the offices of President/Chief Executive Officer and Chief Financial Officer/Secretary of the Company are held by employees of Scotia Capital. Prior to filing the Final Prospectus, it is contemplated that at least two additional directors, independent of Scotia Capital, will be appointed to the board of directors of the Company.

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

10. The Company is considered to be a mutual fund as defined in the Legislation. Since the Company does not operate as a conventional mutual fund, it has made

application for a waiver from certain requirements of National Instrument 81-102 Mutual Funds.

11. The Company is a passive investment company whose principal undertaking will be to invest the net proceeds of the Offering in a portfolio (the "Portfolio") of publicly listed common shares (the "Portfolio Shares") of the companies that make up the *S&P Health Care Sector* of the *S&P 500 Index* (the "Health Care Index") in order to generate dividend income for the holders of Preferred Shares and to enable the holders of Capital Shares to participate in any capital appreciation in the Portfolio Shares after payment of operating expenses and a portion of the fixed distribution on the Preferred Shares.

12. The fixed distributions on the Preferred Shares will be funded from the dividends received on the Portfolio Shares together with premiums earned from writing covered call options on a portion of the Portfolio Shares and where appropriate, cash covered put options. To the extent that premiums generated from option writing are in any quarter insufficient to pay the quarterly Preferred Share distributions, the Company may fund the payment of a portion of the fixed distributions on the Preferred Shares on a temporary basis from borrowings under the Company's revolving credit facility to be established with a Canadian chartered bank.

13. The Portfolio Shares are listed and traded on either the New York Stock Exchange or the Nasdaq Stock Market.

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

15. Scotia Capital's economic interest in the issuer and in the material transactions involving the Company are disclosed in the Preliminary Prospectus and will be disclosed in the Final Prospectus under the heading "Interest of Management and Others in Material Transactions".

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

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

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

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

18. Pursuant to a securities purchase agreement to be entered into between the Company and Scotia Capital, Scotia Capital will purchase, as agent for the benefit of the Company, Portfolio Shares in the market on commercial terms or from non-related parties with whom Scotia Capital and the Company deal at arm's length. The aggregate purchase price to be paid by the Company for the Portfolio Shares (together with carrying costs and other expenses incurred in connection with the purchase of Portfolio Shares) will not exceed the net proceeds from the Offering.

19. It will be the policy of the Company to hold the Portfolio Shares and to not engage in any trading of the Portfolio Shares, except for the purposes described in the Preliminary Prospectus, including:

    (a) to give effect to any change in the composition or weighting of the constituent companies in the Health Care Index;

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

    (c) upon the exercise of a call option written by the Company or to meet obligations of the Company in respect of liabilities.

20. Pursuant to an investment management agreement to be entered into, the Company will retain Connor, Clark & Lunn Capital Markets Inc. to manage the Portfolio so that the Portfolio tracks the weightings of the constituent companies of the Health Care Index and will write covered call options and where appropriate cash covered put options, on a portion of the Portfolio Shares.

21. Pursuant to an administration agreement (the "Administration Agreement") to be entered into, the Company will retain Scotia Capital to administer the ongoing operations of the Company and will pay Scotia Capital a fee equal to:

    (a) a monthly fee of 1/12 of 0.20 percent of the market value of the Portfolio Shares held in the Portfolio; and

    (b) any interest income earned by the Company during the term of the Administration Agreement (excluding interest earned on any investment of surplus dividends received on the Portfolio Shares and interest earned on any cash or cash equivalents held by the Company to cover put options written by the Company).

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

23. As Scotia Capital owns 50% of the Class J Shares of the Company, Scotia Capital will be deemed to be in a position to affect materially the control of the Company and consequently, each Market Making Trade will be a "distribution" or "distribution to the public" within the meaning of the Legislation.

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

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

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

January 4, 2002.

"Paul Moore" "Robert W. Korthals"

2.1.14 Loewen Group International - MRRS Decision

Headnote

Subsection 74(1) - Exemption from the registration and prospectus requirements with respect to distributions of various securities of a new issuer to creditors of old issuer in connection with a reorganization made under U.S. Bankruptcy Code and plan of arrangement under the Companies' Creditors Arrangement Act - first trades deemed to be a distribution unless made through an exchange or market outside of Canada.

Statutes Cited

Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36
Securities Act, R.S.O. 1990, c. S.5, ss. 25, 53, 74(1).

Rules Cited

Ontario Securities Commission Rule 45-501 - Exempt Distributions

Ontario Securities Commission Rule 61-501 - Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions

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

AND

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

AND

IN THE MATTER OF
LOEWEN GROUP INTERNATIONAL, INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker" and collectively, the "Decision Makers") in each of the provinces of British Columbia, Saskatchewan, Manitoba, Ontario, Quebec, Newfoundland, Nova Scotia, Prince Edward Island, New Brunswick, Northwest Territories, the Yukon Territory and the Territory of Nunavut (collectively, the "Jurisdictions") has received an application (the "Application") from Loewen Group International, Inc. (the "Applicant") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirements contained in the Legislation to be registered to trade in a security, to file a preliminary prospectus and a prospectus and to receive receipts therefor (the "Registration and Prospectus

Requirements") shall not apply to trades of certain securities pursuant to a plan of reorganization (the "Plan") made under the U.S. Bankruptcy Code (the "Bankruptcy Code");

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 Applicant has represented to the Decision Makers that:

1. The Loewen Group Inc. ("Loewen") is a corporation incorporated under the laws of the Province of British Columbia. Loewen and its subsidiaries are in the business of operating funeral homes and cemeteries throughout North America and the United Kingdom.

2. Loewen's principal and executive offices are located in Toronto, Ontario.

3. Loewen is a reporting issuer in each of the Jurisdictions where such concept exists and, to the best of the Applicant's knowledge, is not in default of any of the requirements of the Legislation.

4. The common shares of Loewen (the "Loewen Shares") were delisted from The New York Stock Exchange on April 13, 2000. The Loewen Shares (and the preferred shares of Loewen (the "Loewen Preferred Shares")) were delisted from the Toronto Stock Exchange (the "TSE") on November 21, 2001.

5. The Applicant was incorporated under the laws of the State of Delaware and is an indirect wholly-owned subsidiary of Loewen.

6. The Applicant's executive officers will be located in Toronto, Ontario as at the effective date (the "Effective Date") of the reorganization contemplated under the Plan.

7. The Applicant is not a reporting issuer in any of the Jurisdictions.

8. On June 1, 1999, Loewen and approximately 860 of its U.S. subsidiaries, including the Applicant (collectively, the "U.S. Debtors"), filed voluntary petitions for relief pursuant to Chapter 11 of the Bankruptcy Code.

9. After lengthy negotiations between Loewen and various stakeholders and their representatives whose claims will be impaired under the Plan, the Plan was created as a means to satisfy the rights of holders of claims against and certain limited equity interests in the U.S. Debtors (such holders, the "Creditors").

10. On June 1, 1999, Loewen and approximately 117 of its Canadian subsidiaries (the "CCAA Debtors") obtained a protective order of the Ontario Court of Justice (the "Ontario Court") pursuant to the *Companies' Creditors Arrangement Act* (the "CCAA").

11. Loewen and the CCAA Debtors are not required to file a separate plan of reorganization under the CCAA.

12. The Plan (and the CCAA proceedings) provide for a reorganization of the corporate structure of Loewen and its subsidiaries, including the Applicant (collectively, the "Debtors"), and a recapitalization of the Applicant, as a result of which the Applicant will become the successor to the business of Loewen and its subsidiaries and replace Loewen as the parent company in the corporate structure.

13. The implementation of the Plan is necessary for the business of the Loewen group of companies to continue as a going concern.

14. The reorganization pursuant to the Plan constitutes a related party transaction for the purposes of Ontario Securities Commission Rule 61-501 *Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions* and Quebec Securities Commission Local Policy Statement Q-27 *Requirements for Minority Security Holders Protection in Certain Transactions* but is exempt from the valuation and minority approval requirements of such rule and policy statement.

15. The Plan provides, among other things:

    (a) transactions that will result in the ultimate parent company in the corporate structure being the Applicant;

    (b) some combination of cash, secured and unsecured debt instruments, warrants, common stock and interests in a trust being given in satisfaction of certain indebtedness;

    (c) the assumption and assignment or rejection of executory contracts and unexpired leases to which any Debtor is a party;

    (d) the selection of the board of directors of the Applicant and the reorganized Loewen subsidiary debtors;

    (e) the corporate restructuring of the Loewen subsidiary debtors to simplify the Debtors' corporate structure and a similar restructuring of certain of the Canadian subsidiaries of Loewen; and

    (f) certain other transactions resulting in the transfer of substantially all of Loewen's assets to the Applicant or a wholly owned subsidiary of the Applicant.

16. As at the Effective Date of the reorganization contemplated under the Plan, the authorized capital of the Applicant will consist of 100,000,000 shares of common stock ("New Common Stock") and 10,000,000 shares of preferred stock.

17. It is intended that the New Common Stock will be traded on the Nasdaq National Market system ("NASDAQ") or a United States national securities exchange on the Effective Date.

18. The Applicant will not be, and does not intend to become, a reporting issuer in any of the Jurisdictions following the Effective Date, other than in the Province of Saskatchewan where it will be deemed to be a reporting issuer pursuant to the Legislation of such Jurisdiction as a result of the reorganization contemplated under the Plan but in respect of which exemptive relief has been requested from the Decision Maker in Saskatchewan.

19. Pursuant to the Bankruptcy Code, the Plan is subject to the approval (the "Creditor Approval") of the Creditors.

20. In connection with the Creditor Approval, a disclosure statement for the Plan (the "Disclosure Statement") was prepared in accordance with the requirements of the Bankruptcy Code and approved by the U.S. Court.

21. The Disclosure Statement provides a detailed description of the terms of the Plan, the background and events leading to the filing of the Plan and prospectus-level disclosure of the business of the Applicant, including pro forma financial statements.

22. The Disclosure Statement also indicates that the issuance and transfer of the Reorganization Securities (as defined in paragraph 28 below) may be made subject to relief granted by the applicable Decision Makers and that such relief may be subject to restrictions or conditions, including restrictions on the transferability of such securities.

23. The Disclosure Statement was distributed to the Creditors and shareholders of Loewen on or about September 14, 2001.

24. In addition to the Creditor Approval, the Plan was also confirmed by the U.S. Court at a confirmation hearing completed on December 4, 2001. Recognition of the confirmation by the Ontario Court was received at a hearing on December 7, 2001.

25. All distributions of securities to Creditors will be made pursuant to the Plan.

26. Substantially all Creditors are at arms length to the Applicant.

27. Holders of Loewen Shares and Loewen Preferred Shares will not receive any distributions under either of the Plans.

28. On the Effective Date, the Applicant will issue the following securities to Creditors (depending upon their claims) under the Plan (such issuances, collectively, the "Reorganization Trades"):

    (a) approximately 40,000,000 shares of New Common Stock;

    (b) warrants (the "Warrants") to acquire up to approximately 3,000,000 shares of New Common Stock;

    (c) an aggregate principal amount of US$250 million of five-year secured notes (the "Five-Year Secured Notes"), unless the Applicant and its subsidiaries obtain a US$250 million term loan to be funded on the Effective Date;

    (d) up to an aggregate principal amount of US$165 million (less the proceeds from the distribution of certain assets) two-year unsecured notes (the "Two-Year Unsecured Notes");

    (e) up to an aggregate principal amount of between US$325 million and US$330 million seven-year unsecured notes (the "Seven-Year Unsecured Notes"); and

    (f) an aggregate principal amount of US$24,679,000 subordinated convertible notes (the "Unsecured Subordinated Convertible Notes" and, together with the New Common Stock, the Warrants, the Five-Year Secured Notes, the Two-Year Unsecured Notes and the Seven-Year Unsecured Notes, the "Reorganization Securities") convertible initially into an aggregate of 1,437,332 shares of New Common Stock.

29. Also on the Effective Date and pursuant to the Plan, a trust (the "Liquidating Trust") will be established pursuant to the laws of the State of New York for the benefit of certain Creditors (the "Beneficiaries"), whereby the Applicant will transfer or cause to be transferred to the Liquidating Trust (i) warrants (the "Prime Warrants") previously issued by Prime Succession Holdings Inc. ("Prime") to Loewen and the Applicant which are exercisable for 500,000 shares of common stock of Prime, and (ii) an interest in proceeds, if any, in respect of a claim under NAFTA.

30. Prime is a Delaware corporation, the issued and outstanding capital of which consists of 5,000,000 shares of common stock. Prime is not a reporting issuer in any of the Jurisdictions. The common stock of Prime does not trade on any market or exchange.

31. A trustee (the "Liquidating Trustee") will hold legal title to the assets of the Liquidating Trust and will cause to be issued (such issuance, also a "Reorganization Trade") by the Liquidating Trust to the Beneficiaries certificates (the "Liquidating Trust Certificates" and such certificates, also "Reorganization Securities") evidencing their beneficial interests in the assets of the Liquidating Trust.

32. The Prime Warrants (also "Reorganization Securities") may be (i) distributed to the Beneficiaries (such trade, also a "Reorganization Trade"), (ii) sold, with the proceeds distributed to the Beneficiaries, or (iii) exercised by the Liquidating Trustee who will then sell the common stock acquired pursuant thereto and distribute the proceeds to the Beneficiaries.

33. The Applicant believes that, pursuant to the provisions of the Bankruptcy Code, the offer and distribution of the Reorganization Securities and the Liquidating Trust

Certificates under the Plan are exempt from registration under U.S. federal and state securities laws. Furthermore, the resale of such securities will also generally be exempt from registration under such laws.

34. Pursuant to the terms of the agreement which will establish the Liquidating Trust, the Liquidating Trustee and the Beneficiaries, among others, will be prohibited from taking any steps to facilitate the development of a secondary market in the Liquidating Trust Certificates. Furthermore, the Liquidating Trustee will only permit the transfer of Liquidating Trust Certificates in certain limited circumstances (e.g. upon death and between family members), as described in the Disclosure Statement.

35. Residents of Canada do not represent more than 10% of the total number of Creditors.

36. Immediately following the implementation of the Plan, residents of Canada will not hold, directly or indirectly, more than 10% of any class of the Reorganization Securities.

37. As at the Effective Date, residents of Canada would not hold, directly or indirectly, more than 10% of the New Common Stock if all of the Warrants and Unsecured Subordinated Convertible Notes were exercised or converted on the Effective Date. As at the Effective Date, residents of Canada also would not hold, directly or indirectly, more than 10% of Prime common stock if all of the Prime Warrants were exercised on the Effective Date.

38. The Applicant will be subject to the reporting requirements of section 13 of the Securities Exchange Act of 1934 pursuant to the registration of equity securities under section 12(g) of such Act.

39. Disclosure documents sent to holders of Reorganization Securities resident in the U.S. will also be provided to holders of Reorganization Securities resident in the Jurisdictions.

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

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

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

A. all approvals required by orders of the U.S. Court and the Ontario Court to implement the Plan have been obtained, and all conditions of such Plan have been satisfied or waived in accordance with such Plan; and

B. the first trade in a Jurisdiction of the Reorganization Securities shall be deemed to be a distribution or primary distribution to the public under the Legislation of such Jurisdiction unless such trade is made through an exchange or a market outside of Canada or to a person or company outside of Canada.

December 21, 2001.

"Paul Moore" "Lorne Morphy"

2.1.16 Hawker Siddeley Canada Inc. - MRRS Decision

Headnote

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

Applicable Ontario Statutory Provisions

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

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

AND

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

AND

IN THE MATTER OF
HAWKER SIDDELEY CANADA INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the Provinces of Alberta, Saskatchewan, Ontario, Québec, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions") has received an application from Hawker Siddeley Canada Inc. ("Hawker") for a decision under the securities legislation of of each of the Jurisdictions (the "Legislation") that Hawker be deemed to have ceased to be a reporting issuer under the Legislation;

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

AND WHEREAS Hawker has represented to the Decision Makers that:

1. Hawker was incorporated by letters patent under the laws of Canada on September 1, 1945 and was continued under the Canada Business Corporations Act (the "CBCA") on July 1, 1980.

2. Hawker's head office is located in Toronto, Ontario.

3. The authorized capital of Hawker consists of an unlimited number of common shares (the "Common Shares"), of which 8,091,479 Common Shares are issued and outstanding.

4. Hawker is a reporting issuer or its equivalent in each of the Jurisdictions. Other than its failure to file interim financial statements for the quarter ended September 30, 2001, Hawker is not in default of any of the requirements of the Legislation.

5. On July 15, 2001, Glacier Ventures International Corp. ("Glacier") made an offer, as amended on August 15, 2001 (the "Offer") to acquire all of the issued and outstanding Common Shares not already owned by Glacier. The offer expired on August 31, 2001, and approximately 92% of the outstanding Common Shares not already owned by Glacier or its affiliate were tendered to the Offer. By September 6, 2001, Glacier had took up and paid for all of the Common Shares tendered under the Offer.

6. On September 17, 2001, pursuant to the compulsory acquisition procedures under section 206 of the CBCA, Glacier acquired all of the remaining Common Shares not already owned by Glacier or its affiliate.

7. As a result of the Offer and the subsequent compulsory acquisition procedures, all of the issued and outstanding securities of Hawker are owned by Glacier and its affiliate.

8. At the time of the Offer, the Common Shares were listed and posted for trading on The Toronto Stock Exchange (the "TSE"). The Common Shares were delisted from the TSE effective September 18, 2001 and no securities of Hawker are listed or quoted on any stock exchange or market.

9. Other than the Common Shares, Hawker has no other securities, including debt securities, outstanding.

10. Hawker does not intend to seek public financing by way of an offering of its securities.

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

AND WHEREAS each 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 Hawker is deemed to have ceased to be a reporting issuer under the Legislation.

January 8, 2002.

"John Hughes"

2.1.17 TD Balanced Growth Fund et al. - MRRS Decision

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

AND

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

AND

IN THE MATTER OF

TD BALANCED GROWTH FUND, TD DIVIDEND INCOME FUND, TD DIVIDEND GROWTH FUND, TD CANADIAN EQUITY FUND, TD CANADIAN BLUE CHIP EQUITY FUND, TD CANADIAN VALUE FUND, TD CANADIAN STOCK FUND, TD NORTH AMERICAN EQUITY FUND, TD PRIVATE CANADIAN DIVIDEND FUND, TD PRIVATE CANADIAN EQUITY GROWTH FUND, TD PRIVATE CANADIAN EQUITY INCOME FUND, TD PRIVATE NORTH AMERICAN EQUITY GROWTH FUND AND TD PRIVATE NORTH AMERICAN EQUITY INCOME FUND (COLLECTIVELY, THE "FUNDS")

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, Quebec, Nova Scotia and Newfoundland and Labrador, (the "Jurisdictions") has received an application (the "Application") from TD Asset Management Inc. ("TDAM"), on behalf of the Funds, for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the provisions in the Legislation that prohibit a mutual fund from investing in or holding an investment in an issuer in which any person or company who is a substantial security holder of the management company or the distribution company of the mutual fund has a significant interest or, in Quebec, in securities a registered person or an affiliate of a registered person owns or is underwriting (the "Applicable Requirements") shall not apply in respect of an investment by the Funds in securities issued by TD Select Canadian Growth Index Fund and TD Select Canadian Value Index Fund (the "ETFs");

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

AND WHEREAS it has been represented to the Decision Maker that:

1. Each of the Funds is a mutual fund which is a "reporting issuer" in each of the Jurisdictions and which is subject to National Instrument 81-102 ("NI 81-102").

2. TDAM is the trustee of the Funds and as such is responsible for the day-to-day administration of each Fund. TDAM is also responsible for the management of the Funds' investment portfolios.

3. TD Securities Inc. (the "Dealer"), an affiliate of TDAM, acts as an underwriter and designated broker of the ETFs in respect of the distributions (the "Offerings") of securities of the ETFs.

4. The ETFs are mutual funds that are listed and posted for trading on the Toronto Stock Exchange and the Offerings by ETFs will be a continuous distribution of securities of the ETFs in the Jurisdictions.

5. Each of the ETFs is a mutual fund which is a "reporting issuer" in each of the Jurisdictions and which is subject to NI 81-102.

6. The Dealer, in acting as an underwriter and designated broker, will receive no compensation from the Funds, the ETFs or TDAM.

7. The investment by a Fund in an ETF will only be made if it is consistent with the investment objectives of the Fund and, in the view of TDAM, is in the best interests of the Fund.

8. It is anticipated by TDAM that an investment by a Fund in an ETF will be made with cash balances which the Fund holds either to fund redemptions or pending direct investment in other securities.

9. Pursuant to a prior MRRS decision document dated April 24, 2001, the Funds, other than the TD North American Equity Fund, are permitted to invest up to 5% of their net asset value in securities of the TD TSE 300 Index Fund and the TD TSE 300 Capped Index Fund (the "TSE ETFs").

10. It is anticipated by TDAM that a Fund will generally invest between 0.50% and 3.00% of its net asset value in an ETF, but in no event will a Fund invest a total greater than 5.00% of its net asset value at the time of the investment in securities of the ETFs and the TSE ETFs.

11. A Fund will not knowingly make or hold an investment in an ETF if, at the time of such investment the Fund, alone or together with other Funds, is a substantial security holder of the ETF.

12. The investment by a Fund in an ETF will be made in compliance with all of the requirements of NI 81-102 other than section 4.1(1) of NI 81-102, in respect of which relief has been received, and in compliance with all the requirements of the Legislation other than the Applicable Requirements.

13. The Dealer, in its capacity as underwriter and designated broker of an ETF may own, from time to

time, more than 10% of the outstanding units of the ETF.

14. The Toronto-Dominion Bank is a substantial securityholder of both the Dealer and TDAM and would be deemed to have a significant interest in an ETF at any time when the Dealer is holding more than 10% of the outstanding units of the ETF.

15. In the absence of this decision, pursuant to the Legislation the Funds are prohibited from investing in or holding the securities of an ETF at any time when the Dealer holds more than 10% or, in Quebec, any of the outstanding units of the ETF.

16. The investment by a Fund in securities of an ETF represents the business judgment of responsible persons uninfluenced by considerations other than the best interests of the Fund.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the Applicable Requirements shall not apply so as to prevent a Fund from investing in securities issued by an ETF in respect of which the Dealer has a significant interest or, in Quebec, is an owner or an underwriter;

PROVIDED IN EACH CASE THAT:

1. the Decision will terminate one year after the date hereof; and

2. the Decision shall only apply if at the time a Fund makes an investment in an ETF:

   (a) the investment in the ETF is consistent with the investment objective of the Fund;

   (b) the Dealer, in acting as underwriter and designated broker of the securities of the ETF, receives no compensation from the Fund, the ETF or TDAM; and

   (c) the investment by a Fund in the ETFs and TSE ETFs does not exceed 5.00% of the net asset value of the Fund.

January 8, 2002.

"Paul Moore" "Robert Korthals"

2.1.18 Textron Financial Canada Funding Corp. - MRRS Decision

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

AND

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

AND

IN THE MATTER OF
TEXTRON FINANCIAL CANADA FUNDING CORP.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, and Newfoundland and Labrador(the "Jurisdictions") has received an application from Textron Financial Corporation ("TFC") and its subsidiary Textron Financial Canada Funding Corp. (the "Issuer", and together with TFC, the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirements contained in the Legislation that:

(a) the Issuer file with the Decision Makers and send to its security holders audited annual financial statements and an annual report, where applicable;

(b) the Issuer file with the Decision Makers and send to its security holders unaudited interim financial statements;

(c) the Issuer issue and file with the Decision Makers press releases and file with the Decision Makers material change reports;

(d) the Issuer comply with the proxy and proxy solicitation requirements, including filing with the Decision Makers an information circular or report in lieu thereof and, if applicable, sending such documents to applicable securityholders of the Issuer;

(e) insiders of the Issuer file with the Decision Makers insider reports; and

(f) that, in Ontario, Quebec and Saskatchewan, the Issuer file with the applicable Decision Maker an annual information form, and, where applicable, interim and annual management discussion and analysis; (collectively the "Continuous Disclosure Requirements"), shall not apply;

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

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

1. TFC was incorporated under the laws of the State of Delaware on February 5, 1962 and is currently a reporting issuer or the equivalent in the Jurisdictions.

2. TFC has been a reporting company under the United States Securities Exchange Act of 1934, as amended (the "1934 Act") since 1999 with respect to its debt securities. TFC has filed with the United States Securities and Exchange Commission (the "SEC") all filings required to be made with the SEC under sections 13 and 15 (d) of the 1934 Act since it first became a reporting company.

3. As at December 30, 2000, TFC had approximately US$3.7 billion in long term debt and US$966 million in commercial paper and short term debt outstanding. All of TFC's outstanding long-term debt is rated "A-" by Standard & Poor's and "A2" by Moody's Investors Service.

4. The common stock in the capital of TFC is owned by Textron Inc. ("Textron"), a publicly owned Delaware corporation. TFC derives a portion of its business from financing the sale and lease of products manufactured and sold by Textron.

5. TFC is a diversified commercial finance company with operations in four core segments: small business, middle markets, specialty finance and structured capital.

6. TFC's total assets as at December 30, 2000 were approximately US$6.1 billion and its net profit for the year ended December 30, 2000 was US$118 million.

7. The Issuer was incorporated under the Companies Act (Nova Scotia) as an unlimited liability company on October 31, 2000, and is a wholly-owned subsidiary of TFC.

8. The registered and principal office of the Issuer is in Nova Scotia.

9. The Issuer is a financing subsidiary of TFC with no operations, revenues or cash flows other than those related to the issuance, administration and repayment of debt securities that are and will be fully and unconditionally guaranteed by TFC.

10. The Issuer's business activities are limited to financing the business activities of Textron Financial Canada Limited, TFC's Canadian based operating subsidiary and it will have no other operations.

11. TFC satisfies all the criteria set out in paragraph 3.1(a) of National Instrument 71-101 ("NI 71-101") (the "General Eligibility Criteria") and is eligible to use the multi-jurisdictional disclosure system ("MJDS") for the purpose of distributing investment grade rating (as defined in NI 71-101) non-convertible debt in Canada based on compliance with United States prospectus requirements with certain additional Canadian disclosure.

12. TFC may issue non-convertible debt securities on a continuous basis in the United States and Canada and the Issuer may issue non-convertible debt securities, which will be fully and unconditionally guaranteed by TFC (the "Notes"), on a continuous basis in Canada and in the United States. The Notes have an investment grade rating (as defined in N1 71-101).

13. The offering by the Issuer of the Notes in Canada (the " Canadian Offering") is to be effected under an MJDS prospectus and one or more prospectus supplements (collectively, the "Prospectus") of the Filers, prepared in accordance with U.S. securities laws and filed as part of a registration statement with the SEC under the United States Securities Act of 1933, as amended.

14. For the purposes of the Canadian Offering, a final version of the Prospectus has been filed with the Decision Makers in accordance with the provisions of NI 71-101, which are available for offerings which meet the alternative eligibility criteria for offerings of guaranteed non-convertible debt that have an investment grade rating as set out in paragraph 3.2 of NI 71-101 (the "Alternative Eligibility Criteria") and a decision document was issued on December 4, 2001.

15. The Issuer became a reporting issuer or its equivalent in all of the Jurisdictions and a reporting company under the 1934 Act as a result of filing and receiving a receipt for the Prospectus.

16. The Prospectus discloses that the Filer has filed an application with each of the Decision Makers for an exemption from the Continuous Disclosure Requirements and provides a description on how the Filer proposes to satisfy the Continuous Disclosure Requirements if the exemption is granted.

17. An MRRS Decision Document was issued on November 8, 2001 (the 71-101 Decision") by the Decision Makers providing that the requirement in section 3.2(b) of NI 71-101 that the Issuer be a "U.S. issuer" (as defined in NI 71-101) shall not apply to the Issuer in connection with the offering of the Notes under the Canadian Offering, provided that at the time of the Canadian Offering:

    (a) TFC satisfies the General Eligibility Criteria;

    (b) the Issuer complies with all of the filing requirements and procedures set out in NI 71-101, except as varied by the 71-101 Decision; and

    (c) TFC remains the direct or indirect beneficial owner of all the issued and outstanding voting securities of the Issuer.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the Continuous Disclosure Requirements shall not apply to the Issuer for so long as:

(a) TFC satisfies the Continuous Disclosure Requirements as a "U.S. issuer" in accordance with the provisions of Parts 14 through 18 of NI 71-101;

(b) TFC maintains a class of securities registered under section 12 of the 1934 Act;

(c) TFC maintains direct or indirect 100% beneficial ownership of the voting securities of the Issuer;

(d) TFC continues to fully and unconditionally guarantee the Notes (and any future issuances of debt securities by the Issuer under a prospectus offering) as to payments required to be made by the Issuer to holders of the Notes or such debt securities, as the case may be;

(e) the Issuer carries on no other business than that set out in paragraphs 9 and 10 of the Decision;

(f) the Issuer is in compliance with the requirements of the Legislation to issue a press release and file a report with the Decision Makers upon the occurrence of a material change in respect of the affairs of the Issuer that is not also a material change in the affairs of TFC;

(g) the Issuer does not issue additional securities other than the Notes (or any other series of notes which hereafter may be issued) or debt securities ranking pari passu with the Notes;

(h) if notes of another series or debt securities ranking pari passu with the Notes are hereinafter issued by the Issuer, TFC shall fully and unconditionally guarantee such notes or debt securities as to the payments required to be made by the Issuer to holders of such notes or debt securities; and

(i) all filing fees that would otherwise be payable by the Issuer in connection with the Continuous Disclosure Requirements are paid.

December 21, 2001.

"H. Leslie O'Brien"

2.1.19 Rider Resources and Circle Energy Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Relief from identical consideration requirement in connection with a take-over bid to permit the payment of sale proceeds in lieu of shares of the offeror to holders of offeree shareholders resident in the United States of America.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as amended, ss. 97(1) and 104(2)(c)

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

AND

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

AND

IN THE MATTER OF
RIDER RESOURCES INC.
AND CIRCLE ENERGY INC.

MRRS DECISION DOCUMENT

1. **WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Saskatchewan, Ontario and Québec (the "Jurisdictions") has received an application from Rider Resources Inc. ("Rider") for a decision under the securities legislation of the Jurisdictions (the "Legislation") exempting Rider from the requirement under the Legislation to offer all holders of a class of securities subject to a take-over bid identical consideration (the "Identical Consideration Requirement") in connection with an offer by Rider to purchase all of the outstanding common shares of Circle Energy Inc. ("Circle");

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

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

   3.1 Rider is a corporation incorporated under the *Business Corporations Act* (Alberta);

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

3.3 the authorized capital of Rider consists of an unlimited number of common shares ("Rider Shares");

3.4 there were 14,741,030 Rider Shares outstanding as at October 4, 2001;

3.5 the Rider Shares are listed and posted for trading on The Toronto Stock Exchange (the "TSE");

3.6 Rider is a reporting issuer or the equivalent in Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, Québec and Newfoundland;

3.7 Rider is not in default of any requirement of the Legislation;

3.8 Circle is a corporation incorporated under the *Business Corporations Act* (Alberta);

3.9 the head office of Circle is in Calgary, Alberta;

3.10 the authorized capital of Circle includes an unlimited number of common shares ("Circle Shares");

3.11 there were 18,059,211 Circle Shares outstanding as at September 26, 2001;

3.12 the Circle Shares are listed and posted for trading on the Canadian Venture Exchange;

3.13 Circle is a reporting issuer in Alberta and British Columbia;

3.14 Rider has made an offer to acquire all of the outstanding Circle Shares (the "Offer");

3.15 Rider is conducting the Offer by means of a formal take-over bid under the Legislation;

3.16 Rider announced the Offer on September 20, 2001 and mailed the required take-over bid circular on October 16, 2001;

3.17 under the terms of the Offer, the holders of Circle Shares are entitled to receive 0.42 of a Rider Share for each Circle Share, subject to the ability to elect, at their option, to receive cash for 20% of their Circle Shares in the amount of $0.48 per Circle Share;

3.18 as at September 26, 2001, there were six registered holders of Circle Shares resident in the United States of America (the "Registered U.S. Shareholders"), holding 362,000 Circle Shares;

3.19 as at September 27, 2001, there were eleven beneficial holders of Circle Shares resident in the United States of America (the "Beneficial U.S. Shareholders"), holding 176,300 Circle Shares;

3.20 the Registered U.S. Shareholders and the Beneficial U.S. Shareholders (together, the "U.S. Shareholders") held a combined total of 585,300 Circle Shares at the specified dates, representing approximately 2.9% of the Circle Shares outstanding as at September 26, 2001;

3.21 based on the shareholdings described above, the U.S. Shareholders may be entitled to receive up to 245,826 Rider Shares under the Offer;

3.22 the Rider Shares that may be issuable under the Offer to the U.S. Shareholders have not been, and will not be, registered under the *Securities Act of 1933* in the United States of America. Accordingly, the delivery of Rider Shares to the U.S. Shareholders without further action by Rider would constitute a violation of the laws of the United States of America;

3.23 to the extent that the U.S. Shareholders are entitled to receive Rider Shares under the Offer, Rider proposes to deliver them to CIBC Mellon Trust Company (the "Depositary") instead of to the U.S. Shareholders. The Depositary will, as soon as possible after such delivery, pool and sell the Rider Shares on behalf of the U.S. Shareholders. Such sale will be done through the facilities of the TSE in a manner that is intended to minimize any adverse effect on the market price of Rider Shares. As soon as possible after the completion of such sale, the Depositary will send to each U.S. Shareholder a cheque equal to such U.S. Shareholder's *pro rata* share of the proceeds of the sale of all Rider Shares by the Depositary, net of sales commissions and applicable withholding taxes;

3.24 the Offer complies with the Legislation, except to the extent that exemptive relief is granted herein with respect to the application of the Identical Consideration Requirement;

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

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

6. **THE DECISION** of the Decision Makers under the Legislation is that, in connection with the Offer, Rider is exempt from the Identical Consideration Requirement insofar as U.S. Shareholders who accept the Offer may receive cash proceeds from the Depositary's sale of Rider Shares in accordance with the procedure set out in paragraph 3.23 above instead of Rider Shares.

November 20, 2001.

"Glenda A. Campbell" "David W. Betts"

2.1.20 Cartier Mutual Funds Inc. and Cartier Multimanagement Portfolio - MRRS Decision

Headnote

Investment by mutual funds directly in securities of other mutual funds exempted from the reporting requirements and self-dealing prohibitions of s.113 and s.117

Statutes Cited

Securities Act (Ontario), R.S.O. 1990 c.S.5., as am., 111(2)(b), 11(3), 117(1)(a) and 117(1)(d).

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

AND

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

AND

IN THE MATTER OF
CARTIER MUTUAL FUNDS INC.
AND
CARTIER MULTIMANAGEMENT PORTFOLIO

MRRS DECISION DOCUMENT

WHEREAS the local regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia, and Newfoundland (the "Jurisdictions") has received an application from Cartier Mutual Funds Inc. ("Cartier"), as manager of the Cartier Multimanagement Portfolio (the "Existing Top Fund") and other mutual funds managed by Cartier after the date of this Decision (defined herein) having an investment objective that invests substantially all of its assets in other mutual funds (individually, a "Future Top Fund" and together with the Existing Top Fund, the "Top Funds") for a decision by each Decision Maker (collectively, the "Decision") pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the following provisions of the Legislation (the "Applicable Requirements") shall not apply to the Top Funds or Cartier, as the case may be, in respect of certain investments to be made by a Top Fund in an Underlying Fund (as hereinafter defined) from time to time:

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

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

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

AND WHEREAS Cartier has represented to the Decision Makers that:

1. Cartier is a corporation established under the laws of Canada and its head office is located in the Province of Quebec. Cartier is or will be the manager of the Top Funds and the Cartier Underlying Funds (collectively, the "Cartier Funds" and "Cartier Underlying Funds" being Underlying Funds that are managed by Cartier).

2. The Cartier Funds are or will be open-end mutual fund trusts or classes of shares of a mutual fund corporation, each established under the laws of a Province of Canada. Securities of the Cartier Funds are or will be qualified for distribution under a simplified prospectus and annual information form filed in each of the Jurisdictions.

3. Each of the Cartier Funds is or will be a reporting issuer in each of the Jurisdictions and not in default of any requirements of the Legislation.

4. Cartier is the manager of Cartier Money Market Fund, Cartier Bond Fund, Cartier Cdn. Equity Fund, Cartier Small Cap Cdn. Equity Fund, Cartier U.S. Equity Fund, Cartier Global Equity Fund and Cartier Global Leaders RSP Fund (the "Existing Underlying Funds").

5. The Top Funds may in the future invest their assets in mutual funds managed by Cartier or a person or company other than Cartier (each a "Future Underlying Fund" and together with the Existing Underlying Funds, the "Underlying Funds").

6. As part of its investment objective, each Top Fund will invest fixed percentages (the "Fixed Percentages") of its assets (excluding cash and cash equivalents) directly in securities of specified Underlying Funds, subject to a variation of 2.5% above or below the Fixed Percentages (the "Permitted Ranges") to account for market fluctuations. Investments by each of the Top Funds will be made in accordance with the fundamental investment objectives of the Top Funds.

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

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

the Underlying Funds, the Fixed Percentages and the Permitted Ranges.

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

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

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

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

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

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

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

PROVIDED THAT IN RESPECT OF the investments by the Top Funds in securities of the Underlying Funds:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

January 9, 2002.

“David Brown” “R. Stephen Paddon”

2.1.21 Global Election Systems Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Relief granted from the prospectus requirements for first trades in shares issued under an arrangement where prospectus relief unavailable for technical reasons.

Applicable Ontario Provisions

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

Applicable Instruments

Multilateral Instrument 45-102 Resale of Securities

National Instrument 14-101 Definitions

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

AND

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

AND

IN THE MATTER OF
DIEBOLD, INCORPORATED

AND

IN THE MATTER OF
GLOBAL ELECTION SYSTEMS INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia and Newfoundland (the "Jurisdictions") has received an application from Diebold, Incorporated ("Diebold") for a decision:

(a) under the securities legislation of the Jurisdictions (the "Legislation") that the prospectus requirement, as defined in National Instrument 14-101 Definitions (the "Prospectus Requirement") shall not apply to certain trades in securities of Diebold acquired in connection with an arrangement (the "Arrangement") among Diebold, Diebold Acquisition Ltd. ("Subco") and Global Election Systems Inc. ("Global"), and

(b) under the Legislation of British Columbia that Diebold be deemed to have ceased to be a reporting issuer in British Columbia immediately following the Arrangement;

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

AND WHEREAS Diebold has represented to the Decision Makers that:

1. Diebold was incorporated under the laws of the state of Ohio in August 1876; its corporate headquarters are located in Canton, Ohio and its management is also located in the United States;

2. Diebold is a global provider of integrated self-service delivery systems and services; it develops, implements and services advanced self-service and security delivery systems, traditionally for financial institutions and increasingly for retail and other applications; Diebold is a multinational corporation with representation in more than 80 countries and revenues for the financial year ended December 31, 2000 of approximately US$1.7 billion;

3. Diebold's authorized capital consists of 125,000,000 shares of Common stock, US$1.25 par value per share (the "Diebold Shares") and 1,000,000 shares of Preferred stock, without par value; as of August 9, 2001 there were 72,095,743 Diebold Shares and no shares of Preferred stock issued and outstanding;

4. as of August 30, 2001 there were approximately 27 registered holders of Diebold Shares in Canada holding an aggregate of 140,811 Diebold Shares, representing approximately 0.2% of the total number of issued and outstanding Diebold Shares;

5. as of August 9, 2001, there were 7,348,547 Diebold Shares reserved for issuance pursuant to outstanding incentive and stock options, none of which, to the knowledge of Diebold, are held by residents of Canada;

6. the Diebold Shares are listed on the New York Stock Exchange (the "NYSE") under the symbol "DBD";

7. Diebold is subject to the United States Securities Exchange Act of 1934, as amended (the "1934 Act"); to the best of its knowledge, Diebold is not in default of any requirements of the 1934 Act;

8. Diebold is not a reporting issuer or the equivalent under the securities legislation of any jurisdiction of Canada, but, because of the Arrangement, Diebold will become a reporting issuer under the Legislation of British Columbia as of the date of the Arrangement;

9. Subco was incorporated under the BCCA on August 29, 2001;

10. the authorized capital of Subco consists of 1,000,000 Common shares, of which 100 Common shares are currently issued and outstanding and held by Diebold;

11. Subco is a holding company and will not conduct any business; upon completion of the Arrangement, Subco or Diebold will hold all of the issued and outstanding common shares of Global;

12. Global was formed in November 1991 under the BCCA by way of amalgamation; Global's United States corporate headquarters are in McKinney, Texas and its Canadian office is in Vancouver, British Columbia;

13. Global, through its wholly-owned United States subsidiary Global Election Systems, Inc., a Delaware corporation, manufactures and distributes computerized electronic election management systems; over 850 jurisdictions in North America use its AccuVote optical scan voting system or its AccuVote-TS touch screen voting system; its revenues for the financial year ended June 30, 2001 were approximately US$12,163,886;

14. the authorized capital of Global consists of 100,000,000 common shares without par value (the "Global Shares") and 20,000,000 convertible preferred shares without par value; as of September 4, 2001, approximately 20,695,340 Global Shares and no preferred shares were issued and outstanding;

15. as of September 4, 2001, 1,355,000 Global Shares were reserved for issuance under outstanding stock options ("Global Options") and 950,000 Global Shares were reserved for issuance under outstanding warrants ("Global Warrants"); of these, residents of Canada held Global Options and Global Warrants entitling them to purchase, in the aggregate, 985,000 Global Shares;

16. the Global Shares are listed on The Toronto Stock Exchange (the "TSE") and the American Stock Exchange ("AMEX") under the symbols GSM and GLE, respectively;

17. Global is a reporting issuer under the Legislation of British Columbia and Ontario; it is also subject to the reporting requirements of the 1934 Act;

18. an extraordinary general meeting (the "Meeting") of the Global Shareholders was held on October 26, 2001, at which the Global Shareholders approved the Arrangement;

19. in connection with the Meeting, Global sent the Global Shareholders a management information circular containing prospectus level disclosure (except with respect to the requirement to reconcile certain financial information to Canadian generally accepted accounting principles, for which regulatory relief was granted) of the Arrangement and the business and affairs of each of Diebold and Global;

20. the Arrangement has been approved by the Supreme Court of British Columbia;

21. under the Arrangement, the following will be deemed to occur at the effective time of the Arrangement (the "Effective Time"):

    (a) the issued and outstanding Global Shares, other than those held directly or indirectly by Diebold or Global and those held by dissenting

shareholders, will be transferred to Subco or Diebold in exchange for cash and Diebold Shares, calculated based on the applicable exchange ratio, and holders of such Global Shares will cease to have any rights as Global Shareholders other than the right to be paid the exchange consideration; and

(b) the Global Shares held by dissenting shareholders who have validly exercised their dissent rights will be transferred to Global and cancelled and such dissenting shareholders will cease to have any rights as Global Shareholders other than the right to be paid the fair value of their Global Shares;

22. holders of Global Options are expected to be dealt with in accordance with agreements entered into prior to the completion of the Arrangement that either terminate the Global Options or entitle the holders to receive the same consideration paid to the Global Shareholders on exercise of the Global Options following the Arrangement;

23. any holders of Global Warrants following the Arrangement are expected to be entitled to receive the same consideration paid to the Global Shareholders on the exercise of the Global Warrants;

24. Diebold is making an application to the NYSE to have the Diebold Shares issued under the Arrangement listed for trading on the NYSE;

25. following the Effective Time, Diebold intends to have Global delisted from the TSE and AMEX, and intends to file an application with the applicable Canadian securities regulatory authorities to have Global cease to be a reporting issuer;

26. following the Arrangement, it is expected that holders of Diebold Shares resident in Canada will hold less than 1% of the issued and outstanding Diebold Shares; in addition, the number of holders of Diebold Shares resident in Canada will represent less than 10% of the total number of holders of Diebold Shares;

27. following the Arrangement, holders of Diebold Shares resident in Canada will be provided with the same continuous disclosure materials as are provided to holders of Diebold Shares resident in the United States; and

28. there is no market for the Diebold Shares in Canada and none is expected to develop; Diebold does not presently intend to access the public markets in Canada for financing;

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

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

THE DECISION of the Decision Makers under the Legislation is that the first trades of Diebold Shares acquired by Global Shareholders, the holders of Global Options and the holders of Global Warrants in connection with the Arrangement shall not be subject to the Prospectus Requirement of the Legislation, provided such first trades are made through an exchange or market outside of Canada or to a person or company outside of Canada;

THE FURTHER DECISION of the Decision Maker in British Columbia is that Diebold be deemed to have ceased to be a reporting issuer under the Legislation of British Columbia, immediately following the Effective Time.

November 30, 2001.

"Brenda Leong"

2.2 Orders

2.2.1 Avalon Ventures 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 July 24, 1991 and in Alberta since November 26, 1999 - Issuer listed and posted for trading on the Canadian Venture Exchange ("CDNX") - Issuer is not designated as a Capital Pool Company by CDNX - Continuous disclosure requirements of Alberta and British Columbia 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.0 1990, C.S.5 AS AMENDED (the "Act")

AND

IN THE MATTER OF
AVALON VENTURES LTD.

ORDER
(Subsection 83.1(1))

UPON the application (the "Application") of Avalon Ventures 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 by amalgamation under the *Company Act* (British Columbia) on July 24, 1991.

2. The head office of the Issuer is located at 111 Richmond Street West, Suite 1116, Toronto, Ontario, M5H 2G4.

3. The Issuer is authorized to issue 100,000,000 common shares and 25,000,000 preferred shares.

4. As at November 1, 2001, 23,355,248 common shares of the Issuer and no preferred shares of the Issuer were issued and outstanding. Incentive stock options and common share purchase warrants entitling the holders to purchase up to 6,158,578 additional common shares of the Issuer were also outstanding.

5. The Issuer has been a reporting issuer under the *Securities Act* (British Columbia) (the "B.C. Act") since July 24, 1991 and a reporting issuer under the *Securities Act* (Alberta) (the "Alberta Act") since November 26, 1999. The Company is not in default of any requirements of the B.C. Act or the Alberta Act.

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. The Issuer is not designated as a capital pool company by CDNX.

7. The Issuer has a significant connection to Ontario in that (i) three of its directors, four of its five officers and all of its salaried personnel are residents of Ontario, (ii) most of its active properties are located in Ontario, and (iii) 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.

8. 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.

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 Issuer under the B.C. Act and the Alberta Act are available on the System for Electronic Document Analysis and Retrieval.

11. 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.

12. 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, other than Lawrence Page in respect of whom the British Columbia Securities Commission ordered that the exemptions described in sections 30-32, 55, 58, 80 and 81 of the *Securities Act* (British Columbia) did not apply for a period of one year commencing July 18, 1994.

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, is or has been subject to: (i) any known ongoing or concluded investigations by: (a) a Canadian securities regulatory authority, or (b) a court of 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 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 law.

January 9, 2002.

"Iva Vranic"

2.2.2 Fidelity Investments Canada Limited et al. - ss. 59(1)

Headnote

Exemption from the fees otherwise due under subsection 14(1) of Schedule 1 of the Regulation to the Securities Act on a distribution of units made by an underlying fund (i) issued for hedging purposes to a special purpose trust under an RSP 'clone' fund structure and (ii) on the reinvestment of distributions on such units.

Regulations Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg, 1015, as am., Schedule 1, ss. 14(1), 14(4) and 59(1).

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

AND IN THE MATTER OF

FIDELITY INVESTMENTS CANADA LIMITED
FIDELITY AMERICAN OPPORTUNITIES FUND
FIDELITY GROWTH AMERICA FUND
FIDELITY EUROPEAN GROWTH FUND
FIDELITY FAR EAST FUND
FIDELITY INTERNATIONAL PORTFOLIO FUND
FIDELITY JAPANESE GROWTH FUND
FIDELITY OVERSEAS FUND
FIDELITY FOCUS FINANCIAL SERVICES FUND
FIDELITY FOCUS HEALTH CARE FUND
FIDELITY FOCUS TECHNOLOGY FUND
FIDELITY FOCUS TELECOMMUNICATIONS FUND
FIDELITY GLOBAL ASSET ALLOCATION FUND

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

UPON the application of Fidelity Investments Canada Limited ("Fidelity"), the manager of each of Fidelity American Opportunities Fund, Fidelity Growth America Fund, Fidelity European Growth Fund, Fidelity Far East Fund, Fidelity International Portfolio Fund, Fidelity Japanese Growth Fund, Fidelity Overseas Fund, Fidelity Focus Financial Services Fund, Fidelity Focus Health Care Fund, Fidelity Focus Technology Fund, Fidelity Focus Telecommunications Fund and Fidelity Global Asset Allocation Fund (the "Existing Underlying Funds") and of other similar funds established by Fidelity from time to time (collectively, the "Underlying Funds") and Fidelity RSP American Opportunities Fund, Fidelity RSP Growth America Fund, Fidelity RSP European Growth Fund, Fidelity RSP Far East Fund, Fidelity RSP International Portfolio Fund, Fidelity RSP Japanese Growth Fund, Fidelity RSP Overseas Fund, Fidelity RSP Focus Financial Services Fund, Fidelity RSP Focus Health Care Fund, Fidelity RSP Focus Technology Fund, Fidelity RSP Focus Telecommunications Fund and Fidelity RSP Global Asset Allocation Fund (the "Existing RSP Funds") and of other similar funds established by Fidelity from time to time (collectively, the "RSP Funds"), to the Ontario Securities Commission (the "Commission") for an order pursuant to subsection 59(1) of Schedule I of the

Regulation exempting the Underlying Funds from paying duplicate filing fees on an annual basis in respect of the distribution of units of the Underlying Funds to a special purpose trust and on the reinvestment of distributions on such units;

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

AND UPON Fidelity having represented to the Commission that:

1. Fidelity is or will be the manager of the RSP Funds and the Underlying Funds. Fidelity is a corporation continued under the laws of Ontario.

2. Each of the RSP Funds and the Underlying Funds is or will be an open-ended unincorporated mutual fund trust established under the laws of Ontario.

3. The units of the RSP Funds and the Underlying Funds are or will be qualified for distribution pursuant to simplified prospectuses and annual information forms filed across Canada.

4. Each of the RSP Funds and the Underlying Funds is or will be a reporting issuer and none of the Existing RSP Funds or the Existing Underlying Funds is in default of any requirements of the Act or the securities legislation applicable in each of the provinces and territories of Canada.

5. As part of their investment strategy, the RSP Funds may enter into deposit transactions with one or more financial institutions (the "Counterparties") that link the returns under the deposit to an equivalent investment in units of an Underlying Fund.

6. At the same time that the deposit is entered into, the Counterparty will enter into a note and a swap transaction with a special purpose trust (the "Special Purpose Trust") that is governed by the laws of Ontario. The combined economic effect of the note and the swap is the same as that of the deposit.

7. The Special Purpose Trust may hedge its obligations under the swap by investing in units (the "Hedge Units") of the applicable Underlying Fund.

8. Applicable securities regulatory approvals for this investment strategy have been obtained.

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

10. Annually, each of the Underlying Funds will be required to pay filing fees in respect of certain distributions of its units in Ontario, including the Hedge Units, pursuant to section 14 of Schedule I of the Regulation and will similarly be required to pay fees based on the distribution of its units in other relevant Canadian jurisdictions pursuant to the applicable securities legislation in each of those jurisdictions. Pursuant to an order of the Commission dated March 7, 2000, the Underlying Funds are exempt from the payment of filing fees in respect of the distribution of its units to the RSP Funds, the distribution of its units to Counterparties under forward contracts entered into by the RSP Funds and the distribution of reinvested units received on account of units held by the RSP Funds or the Counterparties.

11. A duplication of filing fees pursuant to section 14 of Schedule I of the Regulation may result when (a) Hedge Units are distributed and (b) a distribution is paid by an Underlying Fund on the Hedge Units which are reinvested in additional units of the Underlying Fund ("Reinvested Units").

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

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

January 4, 2002.

"Howard I. Wetston" "R. Stephen Paddon"

2.2.3 Cara Operations Limited and The Second Cup Ltd. - ss. 127(1)

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

AND

IN THE MATTER OF
CARA OPERATIONS LIMITED AND
THE SECOND CUP LTD.

ORDER
(Subsection 127(1))

UPON the application of Cara Operations Limited ("Cara") to the Ontario Securities Commission (the "Commission") for an order pursuant to clauses 2 and 3 of subsection 127(1) of the Act that trading cease and exemptions not apply in respect of any securities issued, or to be issued, under or in connection with the shareholder rights plan adopted November 29, 2001 (the "Rights Plan") by The Second Cup Ltd. ("Second Cup");

AND UPON considering the evidence and submissions of staff of the Commission and counsel for Cara and Second Cup presented at a hearing on January 8, 2002, called for that purpose;

AND UPON the Commission being of the opinion that it is in the public interest to make this order;

IT IS ORDERED pursuant to clause 2 of subsection 127(1) of the Act that trading cease in respect of any securities issued, or to be issued, under or in connection with the Rights Plan;

AND IT IS FURTHER ORDERED pursuant to clause 3 of subsection 127(1) of the Act that the exemptions from the prospectus and registration requirements contained in sections 35, 72 and 73 of the Act shall not apply to any trade in securities of Second Cup pursuant to or in connection with the Rights Plan.

January 9, 2002.

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

2.2.4 Canadian Golden Dragon Resources 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 September 29, 1982 and in Alberta 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
CANADIAN GOLDEN DRAGON RESOURCES LTD.

O R D E R
(Subsection 83.1(1))

UPON the application of Canadian Golden Dragon Resources Ltd. ("Dragon") for an order pursuant to subsection 83.1(1) of the Act deeming Dragon 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 Dragon having represented to the Commission as follows:

1. Dragon is a corporation existing under and governed by the *Company Act* (British Columbia).

2. Dragon has been a reporting issuer under the *Securities Act* (British Columbia) (the "BC Act") since September 29, 1982 (as Shoal Petroleum Ltd.), and became a reporting issuer under the *Securities Act* (Alberta) (the "Alberta 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 (the "CDNX").

3. Dragon is not a reporting issuer in Ontario, and is not a reporting issuer or equivalent, in any other jurisdiction, except British Columbia and Alberta.

4. The capital stock of Dragon consists of 100,000,000 common shares without par value. As at June 8, 2001, 19,654,813 common shares, options to purchase 1,720,000 common shares, and warrants to purchase 4,330,555 common shares were outstanding.

5. The common shares of Dragon are listed on the Canadian Venture Exchange (the "CDNX") and Dragon is in good standing under the rules, regulations and policies of the CDNX.

6. Dragon is not in default of any of the requirements of the BC Act or the Alberta Act.

7. The continuous disclosure requirements of the BC Act and the Alberta Act are substantially the same as the requirements under the Act.

8. The continuous disclosure materials filed by Dragon under the BC Act and under the Alberta Act are available on the System for Electronic Document Analysis and Retrieval.

9. Dragon has a significant connection to Ontario in that: (i) more than 20% of Dragon's common shares are beneficially held by residents of Ontario; and (ii) Dragon's head office is located in Ontario.

10. Dragon has not been subject to any penalties or sanctions imposed against Dragon 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 Dragon, nor, to the knowledge of Dragon, its officers and directors, any shareholder of Dragon holding sufficient securities of Dragon to affect materially the control of Dragon, 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 Dragon, any officer or director of Dragon, nor, to the knowledge of Dragon, its officers and directors, any shareholder of Dragon holding sufficient securities of Dragon to affect materially the control of Dragon, 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 Dragon or, to the knowledge of Dragon, its officers and directors, a shareholder holding sufficient securities of Dragon to affect materially the control of Dragon, 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;

    (ii) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors within the preceding ten (10) years; or

    (iii) 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 Dragon is deemed to be a reporting issuer for the purposes of the Act.

January 8, 2002.

"John Hughes"

2.2.5 Beta Brands Incorporated - ss. 83.1(1)

Headnote

Subsection 83.1(1) - issuer deemed to be a reporting issuer in Ontario - issuer has been a reporting issuer in Alberta and British Columbia for more than 12 months and its common shares are listed and posted for trading on the Canadian Venture Exchange - continuous disclosure requirements of British Columbia and Alberta substantially similar to those of Ontario.

Statutes Cited

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

Policies Cited

OSC Policy 12-602 (Deeming a Reporting Issuer in Certain other Canadian Jurisdictions to be a Reporting Issuer in Ontario).

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

AND

IN THE MATTER OF
BETA BRANDS INCORPORATED

ORDER
(Subsection 83.1(1))

UPON the application of Beta Brands Incorporated (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 law;

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

AND UPON the Issuer representing to the Commission as follows:

1. The Issuer is a corporation governed by the Business Corporations Act (Yukon).

2. The Issuer's head office is located in London, Ontario.

3. The authorized capital of the Issuer consists of an unlimited number of common shares ("Common Shares") and an unlimited number of preference shares issuable in series ("Preference Shares").

4. As at March 28, 2001, 41,267,358 Common Shares and no Preference Shares were issued and outstanding.

5. The Issuer has determined that it has a significant connection to Ontario in that (i) the location of its head office is in London, Ontario; and (ii) approximately 33% of its Common Shares are held by residents in Ontario.

6. The Common Shares are listed and posted for trading on the Canadian Venture Exchange ("CDNX") and the Issuer is not in default of any of the requirements of CDNX.

7. The Issuer has been a reporting issuer under the Securities Act (Alberta) (the "Alberta Act") since October 27, 1993 and became a reporting issuer under the Securities Act (British Columbia) (the "B.C. Act") on November 26, 1999 as a result of the merger of the Alberta Stock Exchange and the Vancouver Stock Exchange to form CDNX. The Issuer is not in default of any requirements of the Alberta Act or the B.C. Act.

8. The Issuer is not a reporting issuer (or the equivalent thereof) under the securities legislation of any other jurisdiction in Canada.

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

10. The continuous disclosure materials filed by the Issuer under the Alberta Act and the B.C. Act are available on the System for Electronic Document Analysis and Retrieval.

11. The Issuer has not been subject to any penalties or sanctions imposed against the Issuer 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 Issuer nor any of its officers, directors nor, to the knowledge of the Issuer, 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 Issuer nor any of its officers, directors, nor to the knowledge of the Issuer, 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 Issuer, nor to the knowledge of the Issuer, 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 Issuer be deemed a reporting issuer for purposes of Ontario securities law.

January 4th, 2002.

"Howard I. Weston" "R. Stephen Paddon"

Chapter 3

Reasons: Decisions, Orders and Rulings

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Chapter 4

Cease Trading Orders

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Chapter 5

Rules and Policies

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IN THIS ISSUE

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Chapter 6

Request for Comments

6.1 Request for Comments

6.1.1 OSC Staff Notice Regarding Appendix A to the Notice of Proposed Multilateral Instrument 33-109 - Comment Table

OSC STAFF NOTICE

On December 14, 2001, the Ontario Securities Commission published proposed Multilateral Instrument 33-109. As a result of an error, Appendix A to the Notice of proposed Multilateral Instrument 33-109 was not published at that time. Appendix A follows this Notice.

6.1.2 Appendix A to the Notice of Proposed Multilateral Instrument 33-109 - Comment Table

Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesScource (see www.carswell.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 8

Notice of Exempt Financings

Exempt Financings

The Ontario Securities Commission reminds issuers and other parties relying on exemptions that they are responsible for the completeness, accuracy, and timely filing of Forms 45-501F1 and 45-501F2, and any other relevant form, pursuant to section 72 of the *Securities Act* and OSC Rule 45-501 ("Exempt Distributions").

Reports of Trades Submitted on Form 45-501F1

Trans. Date	Purchaser	Security	Price ($)	Amount
11Dec01	Dynamic Venture Opportunities Fund Ltd.	1335716 Ontario Limited - Debentures and Common Shares	$1,750,000, 227,	$1,750,000, 227 Resp.
18Dec01	The Discovery District Biotechnology Fund Inc. and New Generation Biotech (Equity) Fund Inc.	1504607 Ontario Inc. - Convertible Promissory Notes	$5,000,000	$5,000,000
17Oct01		American Airlines - Class C Pass Through Certificates, Series 2001 - 2	1,340,790	1,340,790
26Jul01		Argosy Gaming Company - 9% Senior Subordinated Notes due 2011	$772,700	$772,700
07Dec01		Arrow North American MultiManager II Fund - Class I Trust Units	398,097	3,979
07Dec01		Arrow Global MultiManager II Fund - Class I Trust Units	600,000	6,029
16Nov01		Arrow Goodwood Fund - Class A Trust Units	191,781	18,092
20Dec01	CI Fund Management Inc. and 1503541 Ontario Limited	Assente Corporation - Special Warrants	51,117,500	8,050,000
21Dec01		Atlas Energy Ltd. - Flow-Through Common Shares and Common Shares	5,171,600	3,000,000, 935,000 Resp.
18May01		Atmel - Zero Coupon Convertible Subordinated Debentures due 2012	$3,030,519	$3,030,519
20Dec01	TVX Gold Inc.	Aurizon Mines Ltd. - Common Shares	1,320,907	1,320,907
03Dec01	Textron Canada Limited Master	Bank of Ireland Asset Management Limited - Units	3,603,000	29,329
20Dec01	10 Purchasers	BJK Associates - Special Warrants	1,651,000	260,000
21Dec01	The Vengrowth Investment Fund Inc. and The Vengrowth II Investment Fund Inc.	Blockade Systems Corp. - Convertible Secured Debenture	$5,434,000	$5,434,000
11Dec01	The VenGrowth II Investment Fund Inc. and Business Development Bank of Canada	Blueair Networks Inc. - Common Shares	4,000,000	4,000,000
01Aug01		Bunge Limited - Common Shares	2,472,640	2,472,640
03Dec01		Burgundy Small Cap Value Fund -	1,000,000	24,519
03Dec01		Burgundy Smaller Companies Fund -	785,900	36,475
03Dec01		Burgundy Smaller Companies Fund -	1,000,000	46,412

Trans. Date	Purchaser	Security	Price ($)	Amount
10Dec01		Burgundy Smaller Companies Fund - Units	455,996	20,553
06Dec01	Falconbridge Limited	Canabrava Diamond Corporation - Common Shares	2,200	10,000
21Dec01	5 Purchasers	Cavell Energy Corporation - Flow-Through Common Shares	2,754,243	2,899,204
07Dec01		CC&L American Equity Fund -	8,462	960
07Dec01		CC&L Global Futures Fund -	5,780	646
07Dec01		CC&L Global Growth Fund -	2,722	335
07Dec01		CC&L Private Client PCJ Canadian Small Capitalization Fund -	814	85
10Dec01		CC&L Private Client Diversified Fund -	2,795	298
13Dec01	Robert J. Moogk	COLT Telecom Group plc - New Ordinary Shares	91	65
22Nov01		Comnetix Capital Corporation - Debentures	$2,000,000	$2,000,000
06Dec01	11 Purchasers	Compton Petroleum Corporation - common Shares Issued on a Flow-Through basis	22,957,000	4,173,635
21Dec01	Royal Bank of Canada, Bank of Montreal	Cott Beverages Inc. - 8% Senior Subordinated Notes	$3,963,221	$3,963,221
17Dec01	Canada Pension Plan Investment Board and Ontario Municipal Employees Retirement Board	CSFB Global Opportunities Partners (Bermuda), L.P. - Limited Partnership Interests	181,056,000	2
11Dec01		Devlan Exploration Inc. - Common Shares	22,000	10,000
12Dec01		DR Residential Mortgage Trust - Series A2 Medium Term Secured Floating Rate Notes due December 15, 2003	$10,000,000	$10,000,000
06Dec01	3 Purchasers	DT Energy Ltd. - Common Shares	396,000	330,000
14Dec01	26 Purchasers	EBB Energy Inc. - Units	1,500,000	1,500,000
16Dec01	Blythe Ward	Esponsive Communications Corporation - Common Shares	25,000	59,666
20Jun01		Extended Stay America - 9¾% Senior Subordinated Notes deu 2011	$8,516,200	$8,516,200
14Dec01	CMP 2001 Resource Limited Partnership and CMP 2001 II Resource Limited Partnership	Foxpoint Resources Ltd. - Flow-Through Common Shares	519,999	400,000
19Dec01	Northern Securities Inc. and Dennis H. Peterson	Gammon Lake Resources Inc. - Special Warrants	233,662	519,250
19Dec01	8 Purchasers	Gentry Resources Ltd. - Common Shares	1,007,500	650,000
17Dec01	CMP 2001 II Resources Limited Partnership	Geodyne Energy Inc. - Common Shares Issued on a Flow-Through basis	250,000	781,250
19Dec01	4 Purchasers	Greystar Resources Ltd. - Units	397,000	2,481,250
05Dec01	Canada Pension Plan Investment Board	Heartland Industries Partners, L.P. - Limited Partnership Interests	117,855,000	117,855,000
17Dec01	5 Purchasers	Highpine Oil & Gas Limited - Class A Common Shares	126,345	23,785
14Dec01	CMP 2001 Resource Limited Partnership	Infiniti Resources International Ltd. - Flow-Through Common Shares	250,250	715,000
28Dec01		Innova LifeSciences Corporation - Common Shares	1,500,005	2,307,700
18Dec01	Augusta Realty Corp.	J.P. Morgan U.S. Real Estate Income and Growth Domestic, LP - Limited Partnership Interest	4,769,826	3,000
14Dec01	Thomas P. Dea	Kick Energy Corporation - Common Shares of a Flow-Through Basis	255,000	300,000
30Nov01		Kingwest Avenue Portfolio - Units	34,264	1,758
11Dec01	Lawrence & Company Inc.	Knightsbridge Human Capital Management Inc. - Common Shares	500,000	666,666

Trans. Date	Purchaser	Security	Price ($)	Amount
01Aug01		Lucent Technologies Inc. - 8.00% Redeemable Convertible Preferred Stock	2,318,100	1,500
11Dec01	Maple PPF Market Neutral Trust No. 1	Maple PPF Market Neutral Trust No. 1 - Trust Units	10,323,316	10,323,316
30Nov01	MAPLE KEY Market Neutral LP	MAPLE KEY Market Neutral LP - Limited Partnership Units	316,399	316,399
13Aug01		Max Re Capital Ltd. - Common Shares	1,794,404	72,500
05Dec01	Canada Pension Plan Investment Board	Metaldyne Corporation - Shares of Common Stock	29,768,290	1,120,935
26Nov01		Mobile Satellite Ventures GP Inc. - Shares of Common Stock	663	663
10Dec01		Murgor Resources Inc. - Common Shares	200,000	200,000
06Dec01	University of Toronto	Off Sands Point Ltd. - Shares	18,920,400	12,000
19Dec01	Ontario Power Generation Pension Plan	Ontario Power Generation Pension Plan - Special Warrants	255,000	150,000
20Dec01	3 Purchasers	Optiwave Corporation - Class A Preferred Shares	4,800,000	2,050,581
17Dec01	Gerald Harper and Graham Wilson	Pacific North West Capital Corp. -	10,600	20,000
19Jun01		Phoenix - Common Stock	$1,352,662	$1,352,662
14Dec01	Stephen Johnson and Nancy Hamm	Plazacorp Retail Properties Ltd. - Subordinated Debentures	$300,000	$300,000
12Nov01		Profico Energy Management Ltd.	200,200	18,200
03Dec01		Progress Energy Ltd. - Common Shares	4,473,000	4,473,000
20Dec01	6 Purchasers	Purcell Energy Ltd. - Common Shares	7,368,750	1,875,000
17Dec01	6 Purchasers	Pure Gold Minerals Inc. - Flow-Through Common Shares	167,000	1,670,000
19Dec01		Railpower Technologies Corp. - Units	1,000,000	1,000,000
20Dec01	TD Quantitative Capital, A Division of TD Asset Management	RAR Associates, LLC - Special Warrants	444,500	70,000
25Oct01		Raytheon Company - Common Shares	11,340,777	215,000
21Dec01	5 Purchasers	Real Resources Inc. - Common Shares issued on a Flow-Through basis	3,907,000	976,750
10Dec01	Royal Bank of Canada	Resolute Energy Corporation - Convertible Class B Equity Shares	2,400,000	250,000
19Dec01	Scotia Capital Inc. and Thomas V. Milroy	Resoulte Energy Corporation - Convertible Class B Equity Shares	400,000	100,000
12Dec01		Revolution Energy Inc. - Common Shares	480,000	400,000
14Dec01	CMP 2001 II Resource Limited Partnership and CMP 2001 Resource Limited Partnership	Royal Sovereign Exploration Inc. - Flow-Through Shares	500,000	833,334
20Dec01	TD Quantitative Capital, A Division of TD Asset Management	Samomi Partners, LLC - Special Warrants	445,500	70,000
14Dec01	3 Purchasers	Skypoint Telecom Fund II, L.P. - Units	280,435	750
18May01 to 10Aug01		Skypoint Telecom Fund II, L.P. - Units	4,008,225	17,600
18Dec01	428226 Ontario Limited and Brant Investments	Southern Cross Resources Inc. - Units	1,000,000	1,000,000
01Dec01	OMBA Warranty Program	Stacey Investment Limited Partnership - Limited Partnership Units	25,017	1,131
15Oct01 to 30Nov01		Stonestreet Limited Partnership - Limited Partnership Units	3,531,865	302,600
20Sep01		The Dominican Republic - 9½% Bonds due 2006	$1,581,900	$1,581,900
17Dec01	22 Purchasers	Tiomin Resources Inc. - Common Shares	729,200	10,417,143

Trans. Date	Purchaser	Security	Price ($)	Amount
17Dec01	19 Purchasers	Ultima Energy Trust - Trust Units	10,353,000	2,958,000
20Jul01		Vanguard Health Systems - 9¾% Senior Subordinated Notes due 2011	$186,288	$186,288
21Dec01		Ventus Energy Ltd. - Common Shares	5,276,250	1,575,000
12Dec01	Noranda Inc.	Virginia Gold Mines Inc. - Common Shares	500,000	333,333
21Dec01	Business Development Bank of Canada and Skypoint Telecom Fund, L.P.	Wavesat Wireless Inc. - Class D Preferred Shares	6,446,269	134,297,281
17Dec01	15 Purchasers	Wescam Inc. - Common Shares	6,754,720	1,178,765
18Dec01	RBC Dominion Securities Inc.	x.eye Inc. - Common Shares	11,931	11,931
19Dec01& 21Dec01	Creststreet 2001(II) Limited Partnership and MRF 2001 Limited Partnership	Zapata Energy Corporation - Common Shares	990,000	220,000
18Dec01	7 Purchasers	zed.i solution inc. - Common Shares	1,485,190	4,243,400

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

Seller	Security	Amount
Brompton Financial Limited	Acclaim Energy Trust - Trust Units	817,714
Paros Enterprises Limited	Acktion Corporation - Common Shares	2,000,000
Pieter E. Natte & 504004NB Inc.	Atlantic Systems Group Inc. -	1,200,000
Buhler, John	Buhler Industries Inc. - Common Shares	128,300
Buhler, John	Buhler Industries Inc. - Common Shares	116,500
The Catherine and Maxwell Meighen Foundation	Canadian General Investments, Limited - Common Shares	969,000
Golconda Inc.	CDI Education Corporation - Common Shares	58,801
Melnick, Larry	Champion Natural Health.com Inc. - Subordinate Voting Shares and Multiple Voting Shares	19,765, 100,000
Les investissements Maba Inc.	Cossette Communication Group Inc. - Subordinate Voting Shares	13,123
Lauren Communications Ltd.	Cossette Communication Group Inc. - Subordinate Voting Shares	39,359
Comunication Mens Sana Incorporee	Cossette Communication Group Inc. - Subordinate Voting Shares	5,177
Bradshaw, Peter	eDispatch.com Wireless data Inc. - Common Shares	100,000
Estill, Glen R.	EMJ Data Systems Ltd. - Common Shares	39,000
Estill, James A.	EMJ Data Systems Ltd. - Common Shares	21,800
Estill Holdings Limited	EMJ Data Systems Ltd. - Common Shares	1,244,500
783233 Alberta Ltd.	Epic Energy Inc. - Common Shares	3,000,000
Taronga Holdings Limited	Extendicare Inc. - Multiple Voting Shares	50,000
Kingfield Investments Limited	Extendicare Inc. - Multiple Voting Shares	50,000
Kingfield Holdings Limited	Extendicare Inc. - Multiple Voting Shares	64,000
Capina Inc.	G.T.C. Transcontinental Group Ltd. - Class B Shares	100,000
SLMsoft.com Inc.	Infocorp Computer Solutions Ltd. - Common Shares	6,811,052

Seller	Security	Amount
Xenolith Gold Limited	Kookaburra Resources Ltd. - Common Shares	1,893,700
Gastle, William J.	Microbix Biosystems Inc. - Common Shares	495,000
Gastle, Susan M. S.	Microbix Biosystems Inc. - Common Shares	215,000
Canaccord Capital Corporation	Mosaic Technologies Corporation - Common Shares	500,000
SGF Tech Inc.	NSI Global Inc. - Common Shares	18,571,429
Targa Group Inc.	Plaintree Systems Inc. - Common shares	8,010,165
Hawkins, Stanley G.	Tandem Resources Ltd. - Common Shares	2,000,000
The Catherine and Maxwell Meighen Foundation	Third Canadian General Investment Trust Limited - Common Shares	613,482
Benedek, Andrew	ZENON Environmental Inc. - Common Shares	300,000

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Chapter 9

Legislation

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Asia Pacific Resources Ltd.
Principal Regulator - British Columbia
Type and Date:
Preliminary Prospectus dated December 24th, 2001
Mutual Reliance Review System Receipt dated January 3rd, 2002
Offering Price and Description:
Rights to subscribe for up to 60,093,341 Units, at a price of $0.50 per Unit, each Unit to consist of two and half Common Shares and one Warrant
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #412654

Issuer Name:
BMO Harris Canadian Corporate Bond Portfolio
Monogram Canadian Income Equity Portfolio
Monogram Canadian Conservative Equity Portfolio
Monogram Canadian Growth Equity Portfolio
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated January 7th, 2002
Mutual Reliance Review System Receipt dated January 9th, 2002
Offering Price and Description:
Mutual Fund Securities - Net Asset Value
Underwriter(s) or Distributor(s):
BMO Investments Inc.

Promoter(s):
The Trust Company of Bank of Montreal

Project #413558

Issuer Name:
Mulvihill RSP Pro-AMS Split Share Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated January 8th, 2002
Mutual Reliance Review System Receipt dated January 9th, 2002
Offering Price and Description:
$ * (Maximum) * Class A Shares and * Class B Shares
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.
Desjardins Securities Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
Raymond James Ltd.
Yorkton Securities Inc.
Promoter(s):
Mulvihill Capital Management Inc.
Project #

Issuer Name:
Versacold Income Fund
Principal Regulator - British Columbia
Type and Date:
Amended Preliminary Prospectus dated January 4th, 2002
Mutual Reliance Review System Receipt dated January 4th, 2002
Offering Price and Description:
* Units @ $ * per Unit
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
National Bank Financial Inc.
Promoter(s):
Versacold Corporation
Project #412259

Issuer Name:
Clarington Canadian Micro-Cap Fund
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated December 20th, 2001 to Simplified Prospectus and Annual Information Form dated July 20th, 2001
Mutual Reliance Review System Receipt dated 3rd day of January, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
ClaringtonFunds Inc.
Promoter(s):
-
Project #366703, 359044

Issuer Name:
Global Equity Fund
Diversified Equity Fund
Balanced Income Fund
Balanced Growth Plus Fund
Balanced Growth Fund
Core Balanced Fund
Principal Regulator - Ontario
Type and Date:
Amended and Restated Simplified Prospectus and Annual Information dated December 27th, 2001
Mutual Reliance Review System Receipt dated 4th day of January, 2002
Offering Price and Description:
Class O, I and P Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #341277

Issuer Name:
Opus 2 Ambassador Conservative RSP Portfolio
Opus 2 Ambassador Balanced RSP Portfolio
Opus 2 Ambassador Growth RSP Portfolio
Opus 2 Canada Plus Balanced Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated December 24th, 2001 to Simplified Prospectus and Annual Information Form dated November 1st, 2001
Mutual Reliance Review System Receipt dated 4th day of January, 2002
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
Opus 2 Securities Inc.

Promoter(s):
-
Project #390281

Issuer Name:
Opus 2 Foreign Equity (RSP) Fund
Opus 2 Foreign Equity (E.A.F.E.) Fund
Opus 2 U.S. Value Equity Fund
Opus 2 U.S. Growth Equity Fund
Opus 2 Canadian Money Market Fund
Opus 2 Canadian Fixed Income Fund
Opus 2 Canadian Value Equity Fund
Opus 2 Canadian Growth Equity Fund
Type and Date:
Amendment #1 dated December 24th, 2001 to Simplified Prospectus and Annual Information Form dated November 1st, 2001
Receipt dated 3rd day of January, 2002
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
Opus 2 Securities Inc.
Promoter(s):
-
Project #390234

Issuer Name:
Triax Growth Fund Inc.
Principal Regulator - Ontario
Type and Date:
Amended and Restated Prospectus dated December 20th, 2001
Mutual Reliance Review System Receipt dated 8th day of January, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Triax Growth Fund Inc.
Promoter(s):
TCU Sponsor Inc.
Triax Capital Management Inc.
Project #403361

Issuer Name:
Arctic Star Diamond Corp.
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated December 24th, 2001
Mutual Reliance Review System Receipt dated 28th day of December, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Promoter(s):
-
Project #367060

Issuer Name:
E2 Venture Fund Inc.
Type and Date:
Final Prospectus dated January 3rd, 2002
Receipt dated 8th day of January, 2002
Offering Price and Description:
Class A Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #398569

Issuer Name:
New Generation Biotech (Equity) Fund Inc.
Type and Date:
Final Prospectus dated December 31st, 2001
Receipt dated 3rd day of January, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
TD Securities Inc.
Promoter(s):
-
Project #407482

Issuer Name:
StartingStartups Investment Fund Inc.
Type and Date:
Final Prospectus dated January 3rd, 2002
Receipt dated 4th day of January, 2002
Offering Price and Description:
Class A Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #398208

Issuer Name:
The Business, Engineering, Science & Technology Discoveries Fund Inc.
Type and Date:
Final Prospectus dated January 4th, 2002
Receipt dated 4th day of January, 2002
Offering Price and Description:
Class A Shares, Series I, Class A Shares, Series II and Class A Shares, Series III
Underwriter(s) or Distributor(s):
-
Promoter(s):
1208733 Ontario Inc.
B.E.S.T. Capital Management Ltd.
Project #404359

Issuer Name:
The VenGrowth II Investment Fund Inc.

Type and Date:
Final Prospectus dated January 4th, 2002
Receipt dated 8th day of January, 2002
Offering Price and Description:
Class A Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
APSFA/AGFFP Sponsor Corp.
Project #404517

Issuer Name:
Maritime Life Canadian Funding
Principal Regulator - Ontario
Type and Date:
Final Short Form Shelf Prospectus dated December 21st, 2001
Mutual Reliance Review System Receipt dated 7th day of January, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
RBC Dominion Securities Inc.
Project #407452

Issuer Name:
Stelco Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Shelf Prospectus dated January 8th, 2002
Mutual Reliance Review System Receipt dated 8th day of January, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #412490

Issuer Name:
CI American Sector Fund (formerly, CI Global Balanced Sector Fund)
CI Strategic Global Sector Fund
(Sector A Shares, Sector F Shares and Sector I Shares of CI Sector Fund Limited
CI American RSP Fund (formerly, CI Global Balanced RSP Fund)
CI Strategic Global RSP Fund
(Class A Units, Class F Units and Class I Units)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated December 31st, 2001
Mutual Reliance Review System Receipt dated 7th day of January, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
CI Mutual Funds Inc.
Project #405314

Issuer Name:
Croft Enhanced Income Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated December 20th, 2001
Mutual Reliance Review System Receipt dated 3rd day of January, 2002
Offering Price and Description:
(F Class Units)
Underwriter(s) or Distributor(s):
-
Promoter(s):
R.N. Croft Financial Group Inc.
Project #404083

Issuer Name:
Croft Enhanced Income Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated December 20th, 2001
Mutual Reliance Review System Receipt dated 3rd day of January, 2002
Offering Price and Description:
(Retail Class Units)
Underwriter(s) or Distributor(s):
-
Promoter(s):
R. N. Croft Financial Group Inc.
Project #404093

Issuer Name:
Harmony Money Market Pool
Harmony RSP Overseas Equity Pool
Harmony U.S. Active Equity Pool
Harmony Americas Small Cap Equity Pool
Harmony Overseas Equity Pool
Harmony Canadian Equity Pool
Harmony RSP U.S. Equity Pool
Harmony RSP North American Small Cap Pool
Harmony Canadian Fixed Income Pool
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated December 27th, 2001
Mutual Reliance Review System Receipt dated 3rd day of January, 2002
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
AGF Fund Inc.
Promoter(s):
-
Project #404692

Issuer Name:
Keystone Altamira E-Business Capital Class
Keystone Altamira Global Equity Capital Class
Keystone Altamira Science and Technology Capital Class
(Series A, F, I, O and R Securities of the above classes of Mackenzie Financial Capital Corporation)
Keystone Altamira RSP Science and Technology Fund
Keystone Altamira RSP Global Equity Fund
Keystone Altamira RSP e-business Fund
Keystone Altamira Equity Fund
Keystone Altamira Capital Growth Fund
Keystone Premier RSP Global Elite 100 Fund
Keystone Premier RSP Euro Elite 100 Fund
Keystone Premier Global Elite 100 Fund
Keystone Premier Euro Elite 100 Fund
Keystone Spectrum Equity Fund
Keystone Spectrum American Fund
Keystone AIM Trimark Global Equity Fund
Keystone AIM Trimark Canadian Equity Fund
Keystone Saxon Smaller Companies Fund
Keystone C.I. Signature High Income Fund
Keystone Beutel Goodman Bond Fund
Keystone AGF Equity Fund
Keystone AGF Bond Fund
Keystone AGF American Fund
(Series A, F, I and O Securities)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated December 21st, 2001
Mutual Reliance Review System Receipt dated 3rd day of January, 2002
Offering Price and Description:

Underwriter(s) or Distributor(s):
Mackenzie Financial Corporation
Promoter(s):
Mackenzie Financial Corporation
Project #403294

Issuer Name:
Mackenzie Cundill RSP Value Fund
Mackenzie Cundill Global Balanced Fund
Mackenzie Cundill Recovery Fund
Mackenzie Cundill Value Fund
(Series C, F, I and O Units)
Mackenzie Universal RSP Select Managers Japan Fund
Mackenzie Universal RSP Select Managers International Fund
Mackenzie Universal RSP Select Managers Far East Fund
Mackenzie Universal RSP Communications Fund
Mackenzie Universal RSP Internet Technologies Fund
Mackenzie Universal RSP Health Sciences Fund
Mackenzie Universal RSP Financial Services Fund
Mackenzie Universal RSP Global Ethics Fund
Mackenzie Universal Communications Fund
Mackenzie Universal Internet Technologies Fund
Mackenzie Universal Financial Services Fund
Mackenzie Universal Health Sciences Fund
Mackenzie Universal Global Ethics Fund
Mackenzie Universal RSP World Science & Technology Fund
Mackenzie Universal RSP International Stock Fund
Mackenzie Universal RSP European Opportunities Fund
Mackenzie Universal RSP Select Managers Fund
Mackenzie Ivy RSP Foreign Equity Fund
Mackenzie Universal World Resource Fund
Mackenzie Universal Select Managers Fund
Mackenzie Universal World Value Fund
Mackenzie Universal World Real Estate Fund
Mackenzie Universal World Tactical Bond Fund
Mackenzie Universal World Science & Technology Fund
Mackenzie Universal World Income RRSP Fund
Mackenzie Universal World Growth RRSP Fund
Mackenzie Universal International Stock Fund
Mackenzie Universal World Emerging Growth Fund
Mackenzie Universal World Balanced RRSP Fund
Mackenzie Ivy Global Balanced Fund
Mackenzie Universal Precious Metals Fund
Mackenzie Universal Japan Fund
Mackenzie Universal Far East Fund
Mackenzie Universal Canadian Resource Fund
Mackenzie Universal European Opportunities Fund
Mackenzie Universal Americas Fund
Mackenzie Ivy Foreign Equity Fund
(Series A, F, I and O Units)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated December 27th, 2001
Mutual Reliance Review System Receipt dated 3rd day of January, 2002
Offering Price and Description:

Underwriter(s) or Distributor(s):
Mackenzie Financial Corporation
Cundill Funds Inc.
Peter Cundill & Associates Ltd.
Promoter(s):
Mackenzie Financial Corporation
Project #403456

Issuer Name:
Wheaton River Minerals Ltd.
Principal Jurisdiction - Ontario
Type and Date:
Preliminary Prospectus dated August 17th, 2001
Withdrawn on 7th day of January , 2002
Offering Price and Description:
$5,507,000: 11,000,000 Common Shares and 11,000,000 Warrants issuable upon the exercise of 11,000,000 previously issued Special Warrants
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #381277

Issuer Name:
Sparta Water Corp.
Principal Jurisdiction - Alberta
Type and Date:
Preliminary Prospectus dated September 27th, 2001
Closed on 3rd day of January, 2002
Offering Price and Description:
(i) $650,000 - 1,300,000 Units at $0.50 per Unit and
(ii) A Maximum of 12,672,541 Common Shares at a Deemed Price of $1.00 Per Share and 163,410 Broker Warrants to Be Issued in Exchange for All of the Issued and Outstanding Common Shares and Broker Warrants of Ormed Information Systems Ltd.
Underwriter(s) or Distributor(s):
Roche Securities Limited
Promoter(s):
Robert Gillard
Project #391724

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Realty Investment Exchange Inc. Attention: Peter Freed 42 Dufflaw Road Unit #6 North York ON M6A 2W1	Limited Market Dealer (Conditional)	Dec 31/01
New Registration	Skylon Advisors Inc. Attention: Susan Elizabeth Coleman 181 Bay Street Suite 840, BCE Place Toronto ON M5J 2T3	Investment Counsel & Portfolio Manager	Dec 24/01
New Registration	Reel Capital Corporation Attention: Bernard Gordon Abrams 1200 Bay Street Suite 1100 Toronto ON M5R 2A5	Limited Market Dealer (Conditional)	Dec 31/01
New Registration	Legg Mason Wood Walker, Incorporated Attention: Margaret McNee Suite 3800, South Tower Royal Bank Plaza Toronto ON M5J 2J7	International Dealer	Dec 21/01
New Registration	K. J. Harrison & Partners Inc. Attention: Kenneth James Harrison 40 King Street West Suite 5012 Toronto ON M5H 3Y2	Investment Dealer Equities Managed Accounts	Jan 02/02
New Registration	Saxon Mutual Funds Limited Attention: Dale Powell 20 Queen Street West PO Box 95 Suite 1904 Toronto ON M5H 3R3	Mutual Fund Dealer	Jan 03/02
New Registration	Bank of Montreal Capital Corporation Attention: Daniel Grant Sinclair 302 Bay Street 7th Floor Toronto ON M5X 1A1	Limited Market Dealer (Conditional)	Jan 08/02
Amalgamation	Northwater Capital Management Inc. Attention: David George Patterson 40 King Street West Suite 3300, Scotia Plaza PO Box 1008 Toronto ON M5H 3Y2	Newcastle Capital Management Inc./Gestionnaires De Capitaux Neuchatel Ltee and NewQuant Capital Inc. TO FORM: Northwater Capital Management Inc.	Jul 31/01

Type	Company	Category of Registration	Effective Date
Change of Name	Credit Suisse First Boston Canada Inc. Attention: Thomas Kelly Barber 1 First Canadian Place Suite 3000 PO Box 301 Toronto ON M5X 1C9	From: Credit Suisse First Boston Securities Canada Inc. To: Credit Suisse First Boston Canada Inc.	Oct 31/01
Change of Name	Crosbie Securities Inc. Attention: Allan Hamilton Talbo Crosbie 1 First Canadian Place 9th Floor PO Box 116 Toronto ON M5X 1A4	From: Crosbie & Company Inc. To: Crosbie Securities Inc.	Oct 03/01
Change of Name	National Bank Trust Inc. Attention: Michele Jenneau 1100 University Street 12th Floor Montreal QC H3B 2G7	From: General Trust of Canada/ Trust General Du Canada To: National Bank Trust Inc./ Trust General Du Canada	Oct 31/01
Change of Name	First Defined Portfolio Management Co. Attention: Anthony James DiLeonardi 100 King Street West Suite 2650, Box 57 1 First Canadian Place Toronto ON M5X 1B1	From: First Defined Portfolio Management Inc. To: First Defined Portfolio Management Co.	Nov 29/01
Change of Name	International Structured Products Inc. Attention: Brian Keith McWilliams 195 The West Mall Suite 500 Etobicoke ON M9C 5K1	From: Affinity Capital Markets Inc. To: International Structured Products Inc.	Jan 08/02
Change of Name	Argosy Securities Inc. Attention: Dagmar Maria Mikkila 2441 Lakeshore Road West Bronte Village Mall Unit 28 Oakville ON L6L 1H6	From: Westminster Securities Inc. To: Argosy Securities Inc.	Jan 02/02
Change in Category (Categories)	Highstreet Asset Management Inc. Attention: Jeffrey Howard Brown 244 Pall Mall Street Suite 200 London ON N6A 5P6	From: Limited Market Dealer (Conditional) Investment Counsel & Portfolio Manager To: Limited Market Dealer (Conditional) Investment Counsel & Portfolio Manager Commodity Trading Manager	Dec 31/01
Change in Category (Categories)	Keybase Investments Inc. Attention: Stuart Douglas Beaudoin 100 York Blvd. Suite 600 Richmond Hill ON L4B 1J8	From: Mutual Fund Dealer Limited Market Dealer (Conditional) Scholarship Plan Dealer To: Mutual Fund Dealer Limited Market Dealer (Conditional)	Jan 08/02

Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 IDA Notice re First Delta Securities et al. - Disciplinary Hearing

INVESTMENT DEALERS ASSOCIATION OF CANADA

NOTICE TO PUBLIC
RE: DISCIPLINARY HEARING

January 3, 2002.

RE: First Delta Securities Inc., George (Geordie) Aubrey Trusler, Frederick Meredith Jr., Gordon Edward Baker and Gail Louise Stopforth

Toronto, Ontario – The Investment Dealers Association of Canada will schedule a hearing before the Ontario District Council of the Association concerning First Delta Securities Inc. *et. al.* on a date to be determined by the District Council.

The hearing date is expected to be scheduled by the District Council on January 18, 2002, at 9:30 a.m., at the offices of the Association, located at 121 King Street West, Suite 1600, in Toronto, Ontario.

The hearing will be open to the public except as may be required for the protection of confidential matters.

The hearing is in regard to the following allegations made by Staff of the Enforcement Department of the Association:

- First Delta Securities Inc. ("First Delta") has violated Association Regulation 1300.1(a) by failing to exercise due diligence in learning the essential facts relative to several of its clients, their accounts and the trade orders made for those accounts;

- First Delta has violated Association Regulation 100.2(f) by failing to maintain sufficient margin in an account;

- George (Geordie) Aubrey Trusler ("Trusler"), Frederick Meredith Jr. and Gail Louise Stopforth have violated Association Regulation 1300.2 by permitting new client accounts to be opened without approval and by failing to adequately supervise accounts for which Dimitrios Boulieris was the Registered Representative;

- Trusler violated Association Regulation 1300.2 by failing to establish and maintain effective account supervision procedures for First Delta; and

- First Delta and Gordon Edward Baker have violated Association By-law 29.1 by engaging in a business conduct or practice that is unbecoming and detrimental to the public interest by failing to report trading to Canadian Dealing Network Inc. ("CDN" formerly "COATS" and now Canadian Unlisted Board Inc.) as required by s. 154, Regulation 1015, Part VI, made under the Securities Act, R.S.O. 1990, c.S. 5, as amended.

Contact:

Ricardo Codina
Enforcement Counsel
Tel. (416) 943-6981

13.1.2 TSE Regulation Services Sets Hearing Date - RBC Dominion Securities Inc.

NOTICE TO PUBLIC

TORONTO STOCK EXCHANGE REGULATION SERVICES SETS HEARING DATE IN THE MATTER OF RBC DOMINION SECURITIES INC. TO CONSIDER AN OFFER OF SETTLEMENT

Toronto Stock Exchange Regulation Services ("Regulation Services") will convene a Hearing before a Panel of the Hearing Committee (the "Hearing Panel") of the Toronto Stock Exchange (the "Exchange") to consider an Offer of Settlement entered into between Regulation Services and RBC Dominion Securities Inc. ("RBC DS"), a Participating Organization of the Exchange.

Under the terms of the Offer of Settlement, RBC DS admits that it committed the following violation:
Between June 1998 and August 2000, RBC DS failed to report to the Exchange the total short positions in certain securities on RBC DS's books, contrary to Section 11.28 of the General By-law of the Exchange (the "General By-law") and Rule 4-302(2) of the Rules.

According to Rule 6.03 of the Rules Governing the Practice and Procedure of Hearings, the Hearing Panel may accept or reject an Offer of Settlement. In the event the Offer of Settlement is accepted, the matter becomes final and there can be no appeal of the matter. In the event the Offer of Settlement is rejected, Regulation Services may proceed with a hearing of the matter before a differently constituted Hearing Panel.

The Hearing will be held on January 23, 2002 commencing at 10:00 a.m., or as soon thereafter as the Hearing can be held, at the offices of the Toronto Stock Exchange, 130 King Street West, Toronto, Ontario. The Hearing is open to the public.

The decision of the Hearing Panel and the terms of any discipline imposed will be published by Regulation Services in a Notice to Participating Organizations.

Reference:

Jane P. Ratchford
Chief Counsel
Investigations and Enforcement Division
Toronto Stock Exchange Regulation Services
Telephone: 416-947-4317

Chapter 25

Other Information

THERE IS NO MATERIAL FOR THIS CHAPTER

IN THIS ISSUE

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