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Chapter 1

Notices / News Releases

1.1 Notices

SCHEDULED OSC HEARINGS

1.1.1 Current Proceedings Before The Ontario Securities Commission

February 1, 2002

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

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

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

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

CDS

TDX 76

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

THE COMMISSIONERS

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

Date to be announced **Mark Bonham and Bonham & Co. Inc.**
 s. 127

M. Kennedy in attendance for staff

Panel: TBA

January 8,10,11, 22,25, 31/02
 9:30 a.m. **YBM Magnex International Inc., Harry W. Antes, Jacob G. Bogatin, Kenneth E. Davies, Igor Fisherman, Daniel E. Gatti, Frank S. Greenwald, R. Owen Mitchell, David R. Peterson, Michael D. Schmidt, Lawrence D. Wilder, Griffiths McBurney & Partners, National Bank Financial Corp., (formerly known as First Marathon Securities Limited)**

February 1, 5, 7 & 8/02
 9:30 a.m. **Griffiths McBurney & Partners, National Bank Financial Corp., (formerly known as First Marathon Securities Limited)**
 s.127

March 5,7, 8, 19,21,22,28, 29/02
 9:30 a.m. K. Daniels/M. Code/J. Naster/I. Smith in attendance for staff.

April 2,4,5,11,12/02
 9:30 a.m. Panel: HIW / DB / RWD

January 15 & 29/02
 2:00 p.m. Panel: HIW / DB / RWD

February 12/ 02
 2:00 p.m. Panel: HIW / DB / RWD

March 12 & 26/02
 2:00 p.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

April 9/02
 2:00 p.m. J. Superina in attendance for Staff
 Panel: TBA

January 24, 2002
 10:00 a.m. J. Superina in attendance for Staff
 Panel: TBA

January 30, 2002 **Michael Goselin, Irvine Dyck, Donald McCrory, Roger Chiasson**

s.127

T. Pratt in attendance for staff

Panel: TBA

January 30, 2002 **Taylor Shambleau**
11:00 a.m.

s. 8(4)

Y. Chisholm in attendance for staff

Panel: TBA

January 31, 2002 **Brian K. Costello**
9:00 a.m.

s. 127(1) and 127.1

H. Corbett in attendance for staff

Panel: HIW

February 4, 13, **Arlington Securities Inc. and Samuel Arthur Brian Milne**
14, 15, 28, 2002

9:30 a.m. J. Superina in attendance for Staff

s. 127

Panel: PMM

February 15, **Livent Inc., Garth H. Drabinsky, Myron I. Gottlieb, Gordon Eckstein and Robert Topol**
2002
9:30 a.m.

J. Superina in attendance for Staff

s. 127

Panel: TBA

February 27, **Rampart Securities Inc.**
2002
10:00 a.m.

T. Pratt in attendance for Staff

s. 127

Panel: PMM

April 15 - 19, **Sohan Singh Koonar**
2002

s. 127

9:00 a.m.

J. Superina in attendance for Staff

Panel: PMM

May 1, 2 & 3, 2002
10:00 a.m.

James Frederick Pincock

s. 127

J. Superina in attendance for Staff

Panel: TBA

May 6, 2002
10:00 a.m.

Teodosio Vincent Pangia, Agostino Capista and Dallas/North Group Inc.

S. 127

Y. Chisholm in attendance for Staff

Panel: PMM

ADJOURNED SINE DIE

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

Michael Bourgon

DJL Capital Corp. and Dennis John Little

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

First Federal Capital (Canada) Corporation and Monter Morris Friesner

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

Global Privacy Management Trust and Robert Cranston

Irvine James Dyck

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

Offshore Marketing Alliance and Warren English

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

S. B. McLaughlin

Southwest Securities

Terry G. Dodsley

PROVINCIAL COURT PROCEEDINGS

May 27 -
July 5, 2002

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

s. 122

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

161 Elgin Street,
Ottawa

**1.1.2 Adoption of Amendments to OSC Policy 1.7
The Securities Advisory Committee to the
OSC**

NOTICE OF COMMISSION

**ADOPTION OF AMENDMENTS TO OSC POLICY 1.7
THE SECURITIES ADVISORY COMMITTEE TO THE OSC**

The Commission is publishing in today's Bulletin Notice of amendments to OSC Policy 1.7, which renumber the Policy in conformity with the numbering system used by the Canadian Securities Administrators and which update the Policy to reflect current practice with respect to the Securities Advisory Committee. The Commission adopted these amendments on January 28, 2002. The Notice and the amendments are published in Chapter 5 of the Bulletin.

Reference:

Susan Wolburgh Jenah
General Counsel
Ontario Securities Commission
416-593-8245
swolburghjenah@osc.gov.on.ca

1.2 Notices of Hearing

1.2.1 MacDonald Oil Exploration Ltd. et al. - s. 144

**IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c.S.5, as amended**

AND

**IN THE MATTER OF
MACDONALD OIL EXPLORATION LTD.,
MACDONALD MINES EXPLORATION LTD.,
MARIO MIRANDA AND FRANK SMEENK**

**NOTICE OF HEARING
(Section 144)**

TAKE NOTICE THAT the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 144 of the Securities Act, R.S.O. 1990, c.S.5, as amended (the "Act") at the Large Hearing Room on the 17th floor, 20 Queen Street West, Toronto, Ontario, commencing on the 29th day of January, 2002 at 9:15 a.m. or so soon thereafter as the hearing can be held:

TO CONSIDER:

- (a) **AN APPLICATION MADE BY FRANK SMEENK** to revoke or vary the Order of the Commission, made on January 12, 2001 in the matter of MacDonald Oil Exploration Ltd., MacDonald Mines Exploration Ltd., Mario Miranda, and Frank Smeenck (the "January 12, 2001 Order"); and
- (b) **WHETHER**, in the opinion of the Commission, revoking or varying the January 12, 2001 Order is not prejudicial to the public interest; and
- (c) **SUCH FURTHER ORDERS** as the Commission may deem appropriate.

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

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

January 28, 2002.

Secretary to the Commission

TO: MACDONALD OIL EXPLORATION LTD.
AND TO: MACDONALD MINES EXPLORATION LTD.
AND TO: MARIO MIRANDA
AND TO: FRANK SMEENK

1.3 News Releases

1.3.1 OSC Revises Time for Hearings for Michael Goselin et al and Taylor Shambleau

FOR IMMEDIATE RELEASE
January 29, 2002

**OSC REVISES TIME OF HEARINGS FOR
MICHAEL GOSELIN ET AL AND TAYLOR SHAMBLEAU**

Toronto - The Ontario Securities Commission has rescheduled the following hearings on January 30, 2002:

Michael Goselin, Irvine Dyck,
Donald McCrory and Roger Chiasson
-- changed from 9.30 am to 9.00 am

Taylor Shambleau
-- changed from 11.00 am to 9.30 am

Both hearings will be held in OSC's hearing room on the 17th Floor of the Commission's office, 20 Queen Street West, Toronto.

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)

1.3.2 Judge Imposes Jail Terms and Fines in TAC International Case

FOR IMMEDIATE RELEASE
January 30, 2002

**JUDGE IMPOSES JAIL TERMS AND FINES FOR
CONVICTIONS
IN TAC INTERNATIONAL CASE**

Toronto - Six individuals and two corporations have been sentenced in connection with what the presiding Justice of the Peace called a "giant scam" involving more than US\$2 million and 800 investors.

His Worship Justice of the Peace McNish issued the following sentences on January 25, 2002:

- Douglas C. Walker, 24 months in jail for nine convictions under the Securities Act;
- David C. Drennan, six months in jail for five convictions under the Securities Act;
- Steven Peck, 90 days in jail for three convictions under the Securities Act;
- Ray Ricks, 90 days in jail for three convictions under the Securities Act;
- Gerald McLeod, a \$12,000 fine for six convictions under the Securities Act;
- Al Johnson, a \$10,000 fine for five convictions under the Securities Act;
- 1173219 Ontario Limited c.o.b. as TAC (The Alternative Choice), a fine of \$1,000,000;
- TAC International Limited, a fine of \$1,000,000.

Walker, Drennan, Peck, Ricks, Johnson, McLeod, 1173219 Ontario Limited and TAC International Limited received the sentences after being convicted of a number of offences, including:

- trading in securities, namely shares issued by 1173219 Ontario Limited without being registered to trade in such securities contrary to section 25(1) of the Securities Act;
- trading in shares issued by 1173219 without having filed a prospectus contrary to section 53(1) of the Securities Act;
- giving undertakings to potential investors that the shares of 1173219 Ontario Limited would have a higher value in the future with the intention of effecting trades in such securities contrary to section 38(2) of the Securities Act;
- trading in securities, namely memberships of TAC International Limited, without being registered to trade in such securities contrary to section 25(1) of the Securities Act;
- trading in such securities without having filed a prospectus contrary to section 53(1) of the Securities Act;
- giving undertakings to potential investors that memberships at TAC International Limited would have a higher value in the future with the intention of effecting trades in such securities contrary to section 38(2) of the Securities Act.

Between May 15, 1996 and August 15, 1996, 1173219 Ontario Limited raised US\$1,338,322.19 from the sale of shares to approximately 500 investors.

Investors were told that the value of shares of 1173219 Ontario Limited would double every six to eight weeks less a 10 per cent commission. Investors were told that this high rate of return was due to the fact that by pooling their funds in 1173219 Ontario Limited, investors could access high yield roll programs which in the past were only available to large international banks. His Worship Justice of the Peace McNish referred to 1173219 Ontario Limited and TAC International Limited as a "giant scam".

Between August 1, 1996 and August 23, 1997, TAC International Limited raised in excess of US\$850,000 from at least 300 investors from the sale of memberships. Again, investors were told that investors in TAC International Limited could access high yield roll programs which the Court found did not exist.

For Media Inquiries:

Frank Switzer
Director, Communications
416-593-8120

Michael Watson
Director, Enforcement Branch
416-593-8156

For Investor Inquiries:

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

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Franco-Nevada Mining Corporation Limited

Headnote

Rule 54-501 - Relief from the requirement to reconcile to Canadian GAAP financial statements included in an information circular which are prepared in accordance with U.S. GAAP; relief from the requirement to include financial statements of Canadian Exchangeco in information circular; relief from the requirement to include financial statements in an information circular relating to certain significant acquisitions.

Relief from requirement of subsection 2.1(1) of Rule 54-501 to the extent that it requires target issuer in a plan of arrangement to disclose mineral resources and mineral reserves of U.S. acquiror that is not a reporting issuer in Ontario in accordance section 2.2 of National Instrument 43-101.

Rules Cited

Rule 54-501, Prospectus Disclosure in Certain Information Circulars, s.s.2.1(1), s.2.3, s.3.1.

Rule 41-501, General Prospectus Requirements, s.6.3, s.6.4(3)(b), s.9.1, s.9.4.

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

AND

**IN THE MATTER OF
RULE 54-501 - PROSPECTUS DISCLOSURE
IN CERTAIN INFORMATION CIRCULARS
("Rule 54-501")**

AND

**IN THE MATTER OF
FRANCO-NEVADA MINING CORPORATION LIMITED**

**DECISION
(Section 3.1 of Rule 54-501)**

WHEREAS Franco-Nevada Mining Corporation Limited ("**Franco-Nevada**") applied to the Director (the "**Director**") of the Ontario Securities Commission (the "**Commission**") for an exemption from subsection 2.1(1) and section 2.3 of Rule 54-501 to the extent that those sections would impose the

following requirements in connection with the information circular (the "**Franco Circular**") to be delivered by Franco-Nevada to its shareholders in connection with a combination of the businesses of Newmont Mining Corporation ("**Newmont**") and Franco-Nevada pursuant to the terms of an arrangement agreement (the "**Arrangement Agreement**") dated as of November 14, 2001 between Newmont and Franco-Nevada, to be effected by a plan of arrangement (the "**Arrangement**") pursuant to Section 192 of the *Canada Business Corporations Act* (the "**CBCA**"):

- (a) the requirement set forth in Section 9.1 of Rule 41-501 – *General Prospectus Requirements* ("**Rule 41-501**") and Item 8.4 of Form 41-501F1 that the historical and *pro forma* financial statements of Newmont which have been prepared in accordance with U.S. generally accepted accounting principals ("**GAAP**") be accompanied by a supplementary note to explain and quantify the effect of material differences between Canadian GAAP and U.S. GAAP that relate to measurements, provide a reconciliation of such financial statements to Canadian GAAP and provide disclosure consistent with Canadian GAAP requirements to the extent not already reflected in the financial statements;
- (b) the requirement set forth in Section 9.1 of Rule 41-501 and Item 8.4 of Form 41-501F1 that the historical and *pro forma* financial statements of Normandy Mining Ltd. ("**Normandy**") which have been prepared in accordance with Australian GAAP be accompanied by a supplementary note to explain and quantify the effect of material differences between Canadian GAAP and Australian GAAP that relate to measurements, provide a reconciliation of such financial statements to Canadian GAAP and provide disclosure consistent with Canadian GAAP requirements to the extent not already reflected in the financial statements;
- (c) the requirement set forth in Section 9.4 of Rule 41-501 that the auditor's report prepared in respect of the financial statements of Newmont included in the Franco Circular disclose any material differences in the form and content of such auditor's report as compared to a Canadian auditor's report and confirming that the auditing standards applied are substantially equivalent to Canadian generally accepted accounting standards ("**GAAS**");

- (d) the requirement set forth in Section 9.4 of Rule 41-501 that the auditor's report prepared in respect of the financial statements of Normandy included in the Franco Circular disclose any material differences in the form and content of such auditor's report as compared to a Canadian auditor's report and confirming that the auditing standards applied are substantially equivalent to Canadian GAAS;
- (e) the requirement of Section 8.5(2) of Form 41-501FI that the management discussion and analysis ("MD&A") prepared by Newmont provide a restatement of those parts of the Newmont MD&A that would read differently if the Newmont MD&A were based on statements prepared in accordance with Canadian GAAP and the requirement of Section 8.5(4) of Form 41-501FI that the MD&A prepared by Newmont provide a cross-reference to the notes in the financial statements that reconcile the differences between U.S. GAAP and Canadian GAAP;
- (f) the requirement of Section 6.3 of Rule 41-501 to provide separate annual financial statements, interim financial statements and pro forma financial statements in respect of the significant acquisition of Battle Mountain Gold Company ("**Battle Mountain**") by Newmont;
- (g) the requirement of Section 6.3 of Rule 41-501 to provide interim financial statements of Normandy as at March 31, 2001 and the comparable period as at March 31, 2000 and *pro forma* financial statements in respect of the significant acquisition of 19.99% of the issued and outstanding common shares of Normandy by Franco-Nevada;
- (h) the requirement of Section 6.4(3)(b) of Rule 41-501 to provide interim financial statements for Normandy for the comparable period ending September 30, 2000;
- (i) the requirement of Section 2.1(1) of Rule 54-501 that the Franco Circular include the financial statements of Exchangeco (as hereinafter defined) that would be required in a prospectus if the Franco Circular were a prospectus of Exchangeco (collectively (a) through (i), the "Financial Statement Requirements"); and
- (j) the requirements set forth in section 2.2 of National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101") in connection with disclosure of mineral resources and mineral reserves of Newmont and Normandy (the "Newmont/Normandy Resource and Reserve Requirements").

AND WHEREAS Franco-Nevada has represented to the Director that:

1. Summary of Transactions

- (a) The application is being made in connection with the proposed acquisition (the "**Acquisition**") by Newmont of all of the issued and outstanding common shares in the capital of Franco-Nevada pursuant to the Arrangement Agreement. In connection with the Acquisition, press releases were issued by Newmont and Franco-Nevada on November 14, 2001 and a material change report was filed by Franco-Nevada with the applicable securities regulatory authorities on November 19, 2001. Subject to satisfying all closing conditions and obtaining all applicable regulatory approvals, it is anticipated that the Acquisition will be completed in February 2002.
- (b) Concurrently with the announcement of the Acquisition, Newmont announced its intention to make an offer to acquire all of the issued and outstanding common shares of Normandy, a gold producer based in Australia. Newmont is to offer 0.0385 of a common share of Newmont (the "**Newmont Common Shares**") and A\$0.40 cash for each common share of Normandy tendered to such offer. The Acquisition is conditional, among other things, upon Newmont acquiring at least 50.1% of the issued and outstanding common shares of Normandy.
- (c) Pursuant to the Arrangement, Newmont and its affiliates, including a newly incorporated wholly-owned Canadian subsidiary of Newmont ("**Exchangeco**"), will become the owners of all of the issued and outstanding common shares of Franco-Nevada (the "**Franco-Nevada Common Shares**").
- (d) Under the Arrangement, each holder of Franco-Nevada Common Shares (other than Newmont and its affiliates and any holder who exercises the right to dissent) will be entitled to elect to receive, at the option of the holder, 0.8 exchangeable shares in the capital of Exchangeco (the "**Exchangeable Shares**") for each Franco-Nevada Common Share that Newmont acquires or 0.8 Newmont Common Shares for each Franco-Nevada Common Share that Newmont acquires. Holders of Franco-Nevada Common Shares will receive cash in lieu of fractional shares.
- (e) The Exchangeable Shares will possess economic attributes equivalent in all material respects to the economic attributes of the Newmont Common Shares.

- (f) It is anticipated that the Exchangeable Shares will be listed on The Toronto Stock Exchange (the "TSE") and that Exchangeco will become a reporting issuer under the Act.
 - (g) Subject to adjustments, each Exchangeable Share will be exchangeable by the holder at any time for one Newmont Common Share. Each Exchangeable Share will be redeemed for one Newmont Common Share on the seventh anniversary of the date on which Exchangeable Shares are first issued or earlier in certain circumstances.
 - (h) On December 27, 2001, application will be made to the Superior Court of Justice (Ontario) (the "Court") for an interim order requesting, among other things, that two-thirds of the votes cast at a special meeting (the "Franco-Nevada Meeting") by the holders of the Franco-Nevada Common Shares (the "Franco-Nevada Shareholders") be required to approve the Arrangement. Each holder of Franco-Nevada Common Shares will be entitled to one vote for each Franco-Nevada Common Share held. In connection with the Arrangement, Franco-Nevada will send the Franco Circular to the Franco-Nevada Shareholders.
- (c) As at November 14, 2001, Newmont had 196,087,962 shares of common stock outstanding and 2,299,980 shares of convertible preferred stock were outstanding. The shares of convertible preferred stock are convertible into shares of common stock on a two for one basis and are redeemable by Newmont at any time for shares of common stock.
 - (d) The Newmont Common Shares are listed and trade on the NYSE. The Newmont Common Shares are also listed on the Brussels Stock Exchange and the Swiss Stock Exchange. Applications will be made as required by Newmont to the NYSE to list the Newmont Common Shares issued pursuant to the Arrangement, or issuable from time to time in exchange for Exchangeable Shares.
 - (e) On January 10, 2001, Newmont acquired Battle Mountain pursuant to an agreement and plan of merger dated as of June 21, 2000, among Newmont, Bounty Merger Corp. and Battle Mountain. The acquisition of Battle Mountain qualifies as a "significant acquisition" for Newmont under Section 2.2 of Rule 41-501. The annual financial statements of Newmont in the Franco Circular for the years ended December 31, 2000, 1999 and 1998 have been restated to incorporate the acquisition of Battle Mountain and such restatement has been accounted for on a pooling of interests basis. The current financial statements of Newmont in the Franco Circular account for the acquisition of Battle Mountain on the same basis.
 - (f) The proposed Arrangement with Franco-Nevada and the offer to acquire all of the issued and outstanding common shares of Normandy each qualify as a "significant probable acquisition" of Newmont under Section 2.2 of Rule 41-501.

2. Background

Newmont Mining Corporation

- (a) Newmont was incorporated under the laws of the State of Delaware. Newmont is engaged in the production of gold, the exploration for gold and the acquisition and development of gold properties worldwide. Newmont has operations in Canada, the United States, Mexico, Peru, Bolivia, Australia and Uzbekistan. Newmont's corporate headquarters are located in Denver, Colorado.
 - (b) Newmont is currently subject to the reporting requirements of the New York Stock Exchange (the "NYSE"). Newmont's fiscal year end is December 31. Newmont is also subject to the reporting requirements under the United States Securities Exchange Act of 1934. Newmont is not a reporting issuer under the Act. To the knowledge of Franco-Nevada, Newmont does not intend to become a reporting issuer under the Act. Newmont is required to comply with the federal securities laws of the United States.
- ### Exchangeco
- (g) Exchangeco will be a wholly-owned subsidiary of Newmont incorporated under the laws of the Province of Nova Scotia for the purpose of implementing the Arrangement. Exchangeco's only material assets upon completion of the Arrangement will be Franco-Nevada Common Shares.
 - (h) Upon completion of the Arrangement, all of the outstanding common shares of Exchangeco will be held by Newmont and all of the outstanding Exchangeable Shares will be held by former Franco-

Nevada Shareholders who elect to receive Exchangeable Shares in exchange for their Franco-Nevada Common Shares under the Arrangement.

Franco-Nevada Mining Corporation Limited

- (i) Franco-Nevada was originally incorporated under the CBCA by articles of incorporation dated October 5, 1982. It amalgamated with Euro-Nevada Mining Corporation Limited effective September 20, 1999 pursuant to articles of arrangement dated September 20, 1999 to form the current Franco-Nevada.
- (j) The primary business of Franco-Nevada is the acquisition of (i) direct interests in mineral properties and, when appropriate, developing these properties; (ii) royalty interests in producing metals mines and precious metals properties in the development or advanced exploration stage; (iii) direct interests in mineral properties with a view to exploring and selling, leasing or joint venturing the properties to established mine operators and retaining royalty interests; and (iv) indirect interests in mineral deposits through equity interests in companies that own interests in mineral deposits. Franco-Nevada's registered and principal executive office is located at Suite 1900, 20 Eglinton Avenue West, Toronto, Ontario M4R 1K8.
- (k) Franco-Nevada's authorized capital consists of an unlimited number of Franco-Nevada Common Shares and an unlimited number of first preferred shares issuable in series. As at November 14, 2001, 158,920,430 Franco-Nevada Common Shares were issued and outstanding, stock options to acquire 5,124,356 Franco-Nevada Common Shares were granted and outstanding, class A warrants ("Class A Warrants") to acquire 8,985,344 Franco-Nevada Common Shares were issued and outstanding and class B warrants ("Class B Warrants") to acquire an aggregate of 6,571,953 Franco-Nevada Common Shares were issued and outstanding.
- (l) Franco-Nevada Common Shares have been listed on the TSE for many years. The Class A Warrants are listed on the TSE and the Class B Warrants, which do not meet the public distribution requirements of the TSE, are listed on the Canadian Venture Exchange. Franco-Nevada is a reporting issuer in all provinces of Canada and is not on the list of defaulting reporting issuers maintained by the Commission.

- (m) On May 30, 2001, Franco-Nevada acquired 19.99% of the issued and outstanding common shares of Normandy, which acquisition qualifies as a "significant acquisition" for Franco-Nevada under Section 2.2 of Rule 41-501.
- (n) Normandy is incorporated under the laws of Australia. Normandy is a major international mining company. Normandy is a reporting issuer in Ontario but is not a reporting issuer in any other province or territory of Canada. Normandy is also subject to the reporting requirements of the securities laws of the United States and Australia. The common shares and American depositary shares of Normandy (collectively, the "securities") are listed on the TSE. To the best of the knowledge of Franco-Nevada, there are less than 75 security holders resident in Ontario who hold in aggregate approximately 6% of the outstanding securities. Of these security holders, Franco-Nevada holds approximately 5% of the outstanding securities.

3. The Arrangement and the Franco Circular

- (a) The Arrangement will require:
 - (i) the approval of the Franco-Nevada Shareholders at the Franco-Nevada Meeting (scheduled to be held on January 30, 2002) for the purpose of approving the Arrangement; and
 - (ii) the final approval of the Court.
- (b) Each Franco-Nevada Shareholder will be entitled to one vote for each Franco-Nevada Common Share held.
- (c) In connection with the Franco-Nevada Meeting, Franco-Nevada will send the Franco Circular to the Franco-Nevada Shareholders. The Franco Circular will contain the information that would be included in a prospectus of Newmont (and Exchangeco), together with a detailed description of the Arrangement and the securities to be issued thereunder.
- (d) The Franco Circular will contain the following financial statements:
 - (i) With respect to Newmont:
 - (A) audited statements of consolidated operations and comprehensive income (loss), consolidated

- changes in stockholders' equity and consolidated cash flows for the years ended December 31, 2000, 1999 and 1998;
 - (B) audited consolidated balance sheets as at December 31, 2000 and 1999;
 - (C) unaudited interim statements of consolidated operations and comprehensive income (loss), consolidated changes in stockholders' equity and consolidated cash flows for the nine months ended September 30, 2001 and for the comparable period ended September 30, 2000; and
 - (D) unaudited consolidated balance sheet as at September 30, 2001.
- (ii) With respect to Franco-Nevada:
- (A) audited consolidated statements of earnings, retained earnings and cash flows for the years ended March 31, 2001, 2000 and 1999;
 - (B) audited consolidated balance sheets as at March 31, 2001 and 2000;
 - (C) unaudited interim statements of earnings, retained earnings and cash flows for the six months ended September 30, 2001 and for the comparable period ended September 30, 2000; and
 - (D) unaudited consolidated balance sheet as at September 30, 2001.
- (iii) With respect to Normandy:
- (A) audited statements of financial performance and cash flows for the years ended June 30, 2001 and 2000;
 - (B) audited statements of financial position as at June 30, 2001 and 2000;
- (C) unaudited simplified financial results and cash flows for the three months ended September 30, 2001; and
 - (D) unaudited simplified statement of financial position as at September 30, 2001.
- (iv) On a pro forma basis:
- (A) unaudited *pro forma* balance sheet as at September 30, 2001 to give effect to the acquisition of Normandy and Franco-Nevada; and
 - (B) unaudited pro forma income statements to give effect to the acquisition of Normandy and Franco-Nevada for the periods ended December 31, 2000 and September 30, 2001 as if they had taken place at the beginning of the most recently completed financial year of Newmont, January 1, 2000.
- The pro forma financial statements have been prepared on two bases: the acquisition of 50.1% of Normandy and the acquisition of 100% of Normandy. The pro forma financial statements also present, in separate columns, the conversion of the financial information for each of Normandy and Franco-Nevada to U.S. dollars and U.S. GAAP.
- (e) Apart from the relief requested herein, the Franco Circular will contain information with respect to the mineral resources and mineral reserves of Newmont and Normandy that would be included in a prospectus of Newmont.

AND WHEREAS the Director is satisfied that it would not be prejudicial to the public interest to grant the exemptive relief requested;

THE DECISION of the Director pursuant to Section 3.1 of Rule 54-501 is that Franco-Nevada shall be exempt from subsection 2.1(1) and section 2.3 of Rule 54-501 to the extent that those sections impose the Financial Statement Requirements and the Newmont/Normandy Resource and Reserve Requirements in connection with the Franco Circular, provided that:

- (a) the Franco Circular contains the financial statements referred to in representation 3(d) above; and
- (b) disclosure in the Franco Circular of mineral resources and mineral reserves of Newmont and Normandy complies with either the requirements of applicable United States federal securities laws or applicable Australian securities laws.

December 21, 2001.

"Ralph Shay"

2.1.2 Roxio, Inc. and MGI Software Corp. - MRRS Decision

Headnote

Rule 54-501 - Relief granted from the requirement to reconcile to Canadian GAAP certain financial statements included in an information circular that were prepared in accordance with U.S. GAAP

Ontario Rule Cited

Rule 54-501 Prospectus Disclosure in Certain Information Circulars (2000), 23 OSCB 8519, section 3.1

Rule 41-501 General Prospectus Requirements (2000), 23 OSCB 761, sections 9.1, 9.4; Form 41-501F1 section 8.4 and subsection 8.5(2)

**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
ROXIO, INC.**

AND

**IN THE MATTER OF
MGI SOFTWARE CORP.**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authorities or regulators (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Saskatchewan, Ontario Quebec, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions") have received an application by Roxio, Inc. ("Roxio") and MGI Software Corp. ("MGI") (collectively, the "Applicants") for an decision under the securities legislation of the Jurisdictions (the "Legislation") that the Applicants be exempt from the following requirements with respect to Roxio in the management information circular (the "Circular") to be sent to the shareholders of MGI in connection with a proposed plan of arrangement between Roxio and MGI (collectively, the "GAAP Reconciliation Requirements"):

- (a) the requirement that historical and *pro forma* financial statements of Roxio prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP") be accompanied by a note to explain and quantify the effect of material differences between Canadian generally accepted accounting principles ("Canadian GAAP") and U.S. GAAP that relate to measurements and provide a reconciliation of such financial statements to Canadian GAAP;
- (b) the requirement that the Roxio auditor's report disclose any material differences in the form and content of its

auditor's report as compared to a Canadian auditor's report and confirming that the auditing standards applied are substantially equivalent to Canadian generally accepted auditing standards; and

- (c) the requirement that Roxio's management's discussion and analysis of operating results and financial position (the "Roxio MD&A") provide a restatement of those parts of the Roxio MD&A that would read differently if the Roxio MD&A were based on statements prepared in accordance with Canadian GAAP and the requirement that the Roxio MD&A provide a cross-reference to the notes in the financial statements that reconcile the differences between U.S. GAAP and Canadian GAAP.

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

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

1. Pursuant to a combination agreement dated December 3, 2001 between Roxio and MGI, Roxio intends to acquire all of the outstanding common shares of MGI (the "MGI Common Shares") in a transaction (the "Transaction") to be effected pursuant to a plan of arrangement (the "Arrangement"). The Arrangement will be carried out under Section 182 of the *Business Corporations Act* (Ontario) (the "OBCA"). The effect of the Arrangement will be to provide holders (the "MGI Shareholders") of MGI Common Shares (other than MGI Common Shares held by dissenting shareholders or by Roxio or its affiliates) with shares of common stock of Roxio (the "Roxio Common Shares"), at a rate (subject to certain adjustments) equal to 0.05269 Roxio Common Shares for every one (1) MGI Common Share. Conditional upon the completion of the Transaction, all unvested stock options granted under MGI's employee stock option plan shall be deemed to have vested and become exercisable on the day immediately preceding the closing date of the Transaction and the expiry date under all stock options granted under such plan shall have been accelerated such that any options that remain unexercised immediately prior to the closing shall terminate as of the closing date of the Transaction. Upon completion of the Transaction, Roxio will own directly or indirectly all of the MGI Common Shares.
2. Roxio is incorporated under the laws of the State of Delaware. Roxio Common Shares are quoted on the Nasdaq National Market ("Nasdaq") under the symbol "ROXI". Roxio is currently subject to the United States *Securities Exchange Act* of 1934, as amended (the "1934 Act"). Roxio is not a "reporting issuer" or the equivalent in any province or territory of Canada.
3. As of December 6, 2001 there were 2 registered holders of Roxio Common Shares in Canada holding 16 Roxio Common Shares, representing approximately 0.0000009% of the total number of issued and outstanding Roxio Common Shares.
4. MGI is incorporated under the OBCA. The MGI Common Shares are listed on The Toronto Stock Exchange (the "TSE") under the symbol "MGI". MGI is a "reporting issuer" or the equivalent in all provinces of Canada. To the best of the knowledge of MGI, MGI is not in default of any of the requirements of the securities legislation of the Jurisdictions.
5. As of December 6, 2001, there were 85 registered MGI Shareholders in Canada holding 34,671,750 MGI Common Shares, representing approximately 81.7% of the total number of issued and outstanding MGI Common Shares. As of December 6, 2001, of all of the options outstanding under the MGI stock option plans ("MGI Options"), MGI Options representing the right to acquire 3,086,363 MGI Common Shares were held by residents in Canada, representing approximately 87.0% of the total number of MGI Common Shares which may be acquired pursuant to the exercise of MGI Options.
6. Prior to the Special Meeting (as defined below), MGI will apply under section 182 of the OBCA for an interim order (the "Interim Order") of the Superior Court of Justice (Ontario) which order will specify, among other things, certain procedures and requirements to be followed in connection with the calling and holding of the Special Meeting and the completion of the Arrangement.
7. A special meeting (the "Special Meeting") of the MGI Shareholders is anticipated to be held on January 28, 2002 at which MGI will, among other things, seek the requisite MGI Shareholder approval (which, pursuant to the Interim Order, is expected to be $66\frac{2}{3}\%$ of the votes attached to the MGI Common Shares represented by proxy or in person at the Special Meeting) for the special resolution approving the Arrangement.
8. In connection with the Special Meeting and pursuant to the Interim Order, MGI will mail on or about January 3, 2002 to each MGI Shareholder (i) a notice of special meeting, (ii) a form of proxy and (iii) the Circular. The Circular will be prepared in accordance with the Legislation, except with respect to any relief granted therefrom, and will contain disclosure of the Transaction and the business and affairs of each of Roxio and MGI.
9. The Circular will contain the following financial statements:
 - (a) unaudited *pro forma* consolidated balance sheet of Roxio as of September 30, 2001 as if the Arrangement had occurred on that date, and unaudited *pro forma* consolidated statements of income for the year ended March 31, 2001 and for the six months ended September 30, 2001 and the compilation reports thereon as if the Arrangement had occurred on April 1, 2000, and all in accordance with U.S. GAAP;
 - (b) audited annual financial statements of Roxio for each of the three fiscal years ended March 31, 1999, March 31, 2000 and March 31, 2001 together with balance sheets as at the end of such periods and the auditor's reports thereon,

and unaudited interim financial statements for the period ended September 30, 2001, all in accordance with U.S. GAAP; and

- (c) audited annual financial statements of MGI for the fiscal year ended January 31, 2001, together with the balance sheet as at the end of such period and the auditor's report thereon, and unaudited interim financial statements for the period ended October 31, 2001, all in accordance with Canadian GAAP.
10. It is expected that upon consummation of the Arrangement or shortly thereafter, the MGI Common Shares will be delisted from the TSE.
11. Roxio is taking all required steps to ensure that the Roxio Common Shares issued pursuant to the Arrangement shall be quoted for trading on Nasdaq.
12. Upon the completion of the Arrangement, assuming the maximum exchange ratio applicable to the exchange of MGI Common Shares for Roxio Common Shares, it is expected that the beneficial holders of Roxio Common Shares resident in Canada (calculated based upon the estimated number of registered MGI Shareholders and registered holders of Roxio Common Shares who are resident Canadians as of December 6, 2001) will hold approximately 11.1% of the issued and outstanding Roxio Common Shares and approximately 8.88% of the Roxio Common Shares on a fully diluted basis.
13. If Roxio becomes a reporting issuer in any of the Jurisdictions, it will be able to satisfy its continuous disclosure obligations using financial statements prepared in accordance with U.S. GAAP by relying upon Part 15 of National Instrument 71-101 The Multijurisdictional Disclosure System.

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 GAAP Reconciliation Requirements shall not apply in connection with the disclosure pertaining to Roxio in the Circular.

December 31, 2001.

"Margo Paul"

2.1.3 Canadian Tire Corporation Limited - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Employment agreements entered into between offeror and key executives of the offeree who are also selling securityholders of the offeree - executives holding less than five percent of offeree shares on a fully-diluted basis - agreements reflect commercially reasonable terms and negotiated at arm's length - Decision made that agreements being entered into for reasons other than to increase the value of the consideration paid to the selling securityholders for their shares and that such agreements may be entered into notwithstanding the prohibition on collateral benefits.

Applicable Statutory Provisions

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

**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
CANADIAN TIRE CORPORATION, LIMITED**

AND

CTC ACQUISITION LIMITED

AND

MARK'S WORK WEARHOUSE LTD.

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 and Labrador, Nova Scotia, Ontario, Quebec and Saskatchewan (collectively, the "Jurisdictions") has received an application (the "Application") from CTC Acquisition Limited (the "Offeror"), and its parent corporation Canadian Tire Corporation, Limited ("Canadian Tire" and, together with the Offeror, the "Applicants") for a decision under the securities legislation of the Jurisdictions (the "Legislation"), in connection with an offer dated December 27, 2001 (the "Offer") to purchase, by way of a formal take-over bid by the Offeror, all of the outstanding common shares (the "Common Shares") of Mark's Work

Wearhouse Ltd. ("Mark's"), that employment agreements (the "New Employment Agreements") between Canadian Tire and each of two of the senior officers of Mark's, who are also holders of Common Shares, have been made for reasons other than to increase the value of the consideration paid to such senior officers for their Common Shares and may be entered into notwithstanding the provision in the Legislation that prohibits an offeror who makes or intends to make a take-over bid or issuer bid and any person acting jointly or in concert with the offeror from entering into any collateral agreement, commitment or understanding with any holder or beneficial owner of securities of the offeree issuer that has the effect of providing to the holder or owner a consideration of greater value than that offered to other holders of the same class of securities (the "Prohibition on Collateral Benefits");

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 the Applicants have represented to the Decision Makers as follows:

1. Mark's was formed by amalgamation under the *Business Corporations Act* (Alberta) (the "ABCA") and is a reporting issuer in each of the provinces of Canada.
2. The authorized share capital of Mark's is comprised of an unlimited number of Common Shares and 100,000,000 first preferred shares, issuable in series (the "Preferred Shares"). Mark's has advised the Applicants that, as of December 17, 2001, there were 26,294,159 Common Shares and no Preferred Shares outstanding and, in addition, 2,252,850 options outstanding to acquire Common Shares (the "Options"). The Common Shares are listed and posted for trading on The Toronto Stock Exchange under the symbol "MWW".
3. Garth Mitchell ("Mitchell") and Michael Lambert ("Lambert") (collectively, the "Executives") are each directors and senior officers of Mark's, holding the positions of President & Chief Executive Officer and Chief Financial Officer, respectively. Mark's has advised the Applicants that, as of December 17, 2001, Mitchell beneficially owned 179,525 Common Shares and 590,600 Options and Lambert beneficially owned 86,585 Common Shares and 378,100 Options. The Common Shares owned by Mitchell and Lambert represent approximately 2.7% and 1.6% of the outstanding Common Shares, respectively (on a fully-diluted basis). Neither of the Executives is related to Canadian Tire or the Offeror.
4. The Offeror is incorporated under the *Business Corporations Act* (Ontario) and is a wholly-owned subsidiary of Canadian Tire. The Applicant has been incorporated for the sole purpose of making the Offer and has not carried on any prior business operations.
5. The intention of the Offeror to make the Offer was publicly announced on December 19, 2001. The Offer was mailed to holders of Common Shares (the

"Shareholders") on December 27, 2001 and, unless withdrawn or extended, will expire on February 1, 2002.

6. Under the Offer, \$4.10 has been offered for each Common Share.
7. The Offer is conditional upon, among other things, sufficient Common Shares being tendered to the Offer to assure that the Offeror is ultimately able to successfully acquire all of the outstanding Common Shares, either pursuant to the exercise of the statutory right of compulsory acquisition under Part 16 of the ABCA (a "Right of Compulsory Acquisition") or by way of an amalgamation, reclassification, statutory arrangement, consolidation or other combination of Mark's and the Offeror, or an affiliate of the Offeror (a "Subsequent Acquisition Transaction").
8. On December 18, 2001, Canadian Tire entered into the New Employment Agreements, conditional upon regulatory approval, with each of the Executives in respect of their continued employment with either Canadian Tire or Mark's following completion of the Offer.
9. The Offer is conditional upon the New Employment Agreements being in effect upon first take-up of Common Shares under the Offer. However, pursuant to an agreement among Canadian Tire, Mark's, Lambert and Mitchell dated December 18, 2001, it was agreed that, in the event that the relief sought in the Application which is the subject of this Decision Document is not obtained in respect of the New Employment Agreements, such failure shall not constitute a breach of the foregoing condition. In such event, Lambert and Mitchell agreed that their existing employment agreements (the "Existing Employment Agreements") with Mark's would continue in full force and effect following completion of the Offer, subject to a waiver by each of them of an entitlement to certain change of control payments, and Canadian Tire agreed to cause Mark's to honour such agreements. The parties also agreed to continue to negotiate in good faith new arrangements which would be as close as possible to the New Employment Agreements without constituting a collateral benefit under applicable securities law.
10. The Existing Employment Agreements provide for, among other things, the payment of varying amounts of compensation if either of the Executives is terminated without cause or voluntarily terminates his employment with Mark's at any time within 90 days following a change of control of Mark's. If the Offer is successful, a change of control will be considered to have occurred for the purposes of the Existing Employment Agreements.
11. Canadian Tire believes that each of the Executives has been instrumental in the growth of the business of Mark's and the success of Mark's during the Executives' respective tenures with the company and that the Executives also possess substantial invaluable experience, expertise and relationships in both the Mark's organization and the retail sector generally.

12. Canadian Tire believes that the role of each of the Executives following completion of the Offer is critical to the ability of Canadian Tire to ensure an effective transition and the continued success of Mark's. In addition, Canadian Tire believes that the continued services of the Executives will be fundamental to increasing the likelihood that other valuable members of the management team will remain with Mark's following completion of the Offer.
13. The Offeror would not have agreed to make the Offer unless satisfactory arrangements had been entered into in respect of the ongoing employment of the Executives with Canadian Tire or Mark's following completion of the Offer. The Offeror believes that, if it were to acquire all of the outstanding Common Shares but not the services of the key senior officers of Mark's, there would be a material reduction in the likelihood of a successful transition of Mark's following completion of the Offer and a corresponding reduction in the value of Mark's to Canadian Tire and its shareholders.
14. Canadian Tire believes that the terms of the New Employment Agreements are consistent with the those in respect of individuals occupying comparable positions within public companies in the retail sector generally, and more particularly with other senior officers of Canadian Tire.
15. The New Employment Agreements were negotiated on an arm's length basis, are on commercially reasonable terms, are consistent with current industry practice and Canadian Tire's compensation arrangements for new executives, and are intended to provide an incentive for the Executives to continue in the employment of Canadian Tire on an ongoing basis following completion of the Offer.
16. The New Employment Agreements were entered into for valid business reasons unrelated to the Executives' holdings of Common Shares and not for the purpose of providing the Executives with greater consideration for their Common Shares than the consideration that may be received under the Offer by Shareholders other than the Executives.
17. The Executives own approximately 1% of the outstanding Common Shares (less than 5% on a fully-diluted basis) and the acquisition of their Common Shares is almost (if not entirely) immaterial to the success of the Offer. The Executives are under no specific obligation to tender their Common Shares under the Offer.
18. In the context of the Offer, the availability to the Offeror of a Right of Compulsory Acquisition or the ability to effect a Subsequent Acquisition Transaction renders the Executives, in their capacities as Shareholders, of minimal relevance to the Offeror as a result of their *de minimis* holdings of Common Shares.

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

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

THE DECISION of the Decision Makers under the Legislation is that, in connection with the Offer, the New Employment Agreements are being entered into for reasons other than to increase the value of the consideration to be paid to the Executives for their Common Shares and may be entered into notwithstanding the Prohibition on Collateral Benefits.

January 25, 2002.

"Paul Moore"

"R. Stephen Paddon"

2.1.4 Canadian Oil Sands Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - open-end investment trust exempt from prospectus and registration requirements in connection with issuance of units to existing unitholders pursuant to a distribution reinvestment plan whereby distributions of income are reinvested in additional units of the trust, subject to certain conditions – first trade relief provided for additional units of trust, subject to certain conditions – issuer relieved of certain reporting requirements, subject to certain conditions.

Applicable Ontario Statutory Provisions

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

Rules Cited

Rule 45-502 Dividend or Interest Reinvestment and Stock Dividend Plans.

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

AND

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

AND

**IN THE MATTER OF
CANADIAN OIL SANDS TRUST
MRRS DECISION DOCUMENT**

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Yukon, Nunavut and Northwest Territories (the "Jurisdictions") has received an application from Canadian Oil Sands Trust ("Canadian Oil Sands") 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 and to file and obtain a receipt for a preliminary prospectus and a final prospectus (the "Registration and Prospectus Requirements") shall not apply to certain trades in units of Canadian Oil Sands issued pursuant to a distribution reinvestment plan;

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;

AND WHEREAS Canadian Oil Sands has represented to the Decision Makers that:

1. Canadian Oil Sands is an unincorporated open-ended investment trust formed under the laws of the Province of Alberta pursuant to a Trust Indenture dated October 5, 1995, as amended and restated as of July 5, 2001 (the "Trust Indenture");
2. the business of Canadian Oil Sands is to manage its 21.74% interest in the Syncrude oil sands development in Northern Alberta;
3. Canadian Oil Sands has been a reporting issuer, or the equivalent, in each of the Provinces of Canada since 1995, and to its knowledge is not in default of any requirements under the Legislation of any such Jurisdiction;
4. Canadian Oil Sands is a "qualifying issuer" within the meaning of Multilateral Instrument 45-102 *Resale of Securities*;
5. the trustee of Canadian Oil Sands is Computershare Trust Company of Canada. The entire beneficial interest in Canadian Oil Sands is held by the holders of trust units ("Units") issued by Canadian Oil Sands;
6. a maximum of 500,000,000 Units have been created and may be issued pursuant to the Trust Indenture. As of the close of business on January 17, 2002, 56,779,010 Units are issued and outstanding;
7. the Units are listed and posted for trading on The Toronto Stock Exchange (the "TSE");
8. pursuant to the terms of the Trust Indenture, Canadian Oil Sands will make quarterly distributions of distributable income, if any, to the holders of Units, and may make special distributions outside of the quarterly sequence. The distributable income of Canadian Oil Sands for any quarter is a function of the amounts received pursuant to certain royalties, other income, and certain expenses;
9. Canadian Oil Sands currently has a distribution reinvestment plan (the "Old Plan") which enables eligible Unitholders to direct that cash distributions paid on their existing Units ("Cash Distributions") be automatically applied to the purchase of Units in the secondary market;
10. Canadian Oil Sands is not a "mutual fund" under the Legislation as the holders of Units are not entitled to receive on demand an amount computed by reference to the value of a proportionate interest in the whole or in part of the net assets of Canadian Oil Sands, as contemplated by the definition of "mutual fund" in the Legislation;

11. Canadian Oil Sands intends to establish a new plan (the "Plan") pursuant to which eligible Unitholders may, at their option, purchase additional Units ("Additional Units") of Canadian Oil Sands by directing that Cash Distributions be applied to the purchase of Additional Units (the "Distribution Reinvestment Option") or by making optional cash payments (the "Cash Payment Option");
12. the Plan also enables eligible Unitholders who decide to reinvest Cash Distributions to authorize and direct Computershare Trust Company of Canada, in its capacity as agent under the Plan (in such capacity, the "Plan Agent"), to pre-sell through a designated broker (the "Plan Broker") that number of Units equal to the number of Additional Units to be acquired on such reinvestment and to settle such pre-sales with the Additional Units issued on the applicable distribution payment date (the "Premium Distribution Option"). The Plan Agent will receive, for the account of such Unitholders, a premium cash payment equal to 102% of the reinvested Cash Distributions;
13. the Plan will supercede the Old Plan. All Unitholders who are enrolled in the Old Plan at the time that the Plan becomes effective will, subject to any contrary elections made by such Unitholders, be automatically enrolled in the Distribution Reinvestment Option;
14. all activities of the Plan Broker on behalf of the Plan Agent for the account of Unitholders who elect the Premium Distribution Option which relate to the sale of Additional Units acquired on the reinvestment of Cash Distributions will be in compliance with applicable Legislation and the rules and policies of the TSE (subject to any exemptive relief granted). The Plan Broker will also be a member of the Investment Dealers Association of Canada, and will be registered under the Legislation of any Jurisdiction where the first trade in Additional Units pursuant to the Premium Distribution Option makes such registration necessary;
15. pending receipt of the appropriate regulatory determinations, the Plan will not be available to Unitholders who are residents of the United States. Canadian Oil Sands is currently seeking such determinations and expects to be able to make the Plan available to residents of the United States in early 2002;
16. Eligible Unitholders who choose to participate in the Plan ("Participants") may elect either the Distribution Reinvestment Option or the Premium Distribution Option in respect of their Cash Distributions. The Cash Payment Option is available to eligible Unitholders who elect to reinvest their Cash Distributions under either the Distribution Reinvestment Option or the Premium Distribution Option. Eligible Unitholders may elect to participate in the Premium Distribution Option at their sole option and are free to terminate their participation in the Premium Distribution Option in accordance with the terms of the Plan;
17. under the Distribution Reinvestment Option, Cash Distributions will be paid to the Plan Agent and applied by the Plan Agent to the purchase of Additional Units, which will be held under the Plan for the account of the appropriate Participants;
18. under the Premium Distribution Option, Cash Distributions will be paid to the Plan Agent and applied by the Plan Agent to the purchase of Additional Units for the account of the appropriate Participants, but the Additional Units purchased thereby will be used to settle pre-sales of Units made by the Plan Broker on behalf of the Plan Agent for the account of such Participants. The Plan Agent will receive, for the account of the Participants, a premium cash payment equal to 102% of the reinvested Cash Distributions;
19. under the Cash Payment Option, a Participant may, through the agency of the Plan Agent, purchase Additional Units up to a stipulated maximum dollar amount per quarter and subject to a minimum amount per remittance. The aggregate number of Additional Units that may be purchased under the Cash Payment Option by all Participants in any financial year of Canadian Oil Sands will be limited to a maximum of 2% of the number Units issued and outstanding at the start of the financial year;
20. all Additional Units purchased under the Plan will be purchased by the Plan Agent directly from Canadian Oil Sands on the relevant distribution payment date at a price determined by reference to the Average Market Price (defined in the Plan as the arithmetic average of the daily volume weighted average trading prices of the Units on the TSE for the trading days between the second business day following the distribution record date and the second business day immediately prior to the distribution payment date on which at least a board lot of Units was traded, such period not to exceed 20 trading days ending on the second last business day prior to the distribution payment date);
21. additional Units purchased under the Distribution Reinvestment Option or the Premium Distribution Option will be purchased at a 5% discount to the Average Market Price. Additional Units purchased under the Cash Payment Option will be purchased at the Average Market Price;
22. no brokerage fees or service charges will be payable by Participants in connection with the purchase of Additional Units under the Plan;
23. additional Units purchased and held under the Plan will be registered in the name of the Plan Agent or its nominee as agent for the Participants, and all cash distributions on Units so held for the account of a Participant will be automatically reinvested in Additional Units in accordance with the terms of the Plan and the election of the Participant;
24. the Plan permits full investment of reinvested Cash Distributions and optional cash payments because fractions of Units, as well as whole Units, may be credited to Participants' accounts with the Plan Agent;

25. Canadian Oil Sands Limited, Canadian Oil Sands Investments Inc. and Athabasca Oil Sands Investments Inc. (collectively, the "Manager"), in their capacity as the manager of Canadian Oil Sands, reserves the right to determine for any distribution payment date how many Additional Units will be available for purchase under the Plan;
26. if, in respect of any distribution payment date, fulfilling all of the elections under the Plan would result in Canadian Oil Sands exceeding either the limit on Additional Units set by the Manager or the aggregate annual limit on Additional Units issuable pursuant to the Cash Payment Option, then elections for the purchase of Additional Units on the next distribution payment date will be accepted: (i) first, from Participants electing the Distribution Reinvestment Option; (ii) second, from Participants electing the Cash Payment Option; and (iii) third, from Participants electing the Premium Distribution Option. If Canadian Oil Sands is not able to accept all elections in a particular category, then purchases of Additional Units on the next distribution payment date will be pro rated among all Participants in that category according to the number of Additional Units sought to be purchased;
27. if the Manager determines that no Additional Units will be available for purchase under the Plan for a particular distribution payment date, then all Participants will receive the cash distribution announced by Canadian Oil Sands for that distribution payment date;
28. a Participant may terminate its participation in the Plan at any time by submitting a termination form to the Plan Agent. A termination form received on a distribution record date or between a distribution record date and a distribution payment date will become effective after that distribution payment date;
29. Canadian Oil Sands reserves the right to amend, suspend or terminate the Plan at any time, provided that such action shall not have a retroactive effect which would prejudice the interests of the Participants. All Participants will be sent written notice of any such amendment, suspension or termination;
30. the distribution of Additional Units by Canadian Oil Sands pursuant to the Plan cannot be made in reliance on certain existing registration and prospectus exemptions contained in the Legislation as the Plan involves the reinvestment of distributions of distributable income of Canadian Oil Sands and not the reinvestment of dividends, interest or distributions of capital gains or out of earnings or surplus;
31. the distribution of Additional Units by Canadian Oil Sands pursuant to the Plan cannot be made in reliance on registration and prospectus exemptions contained in the Legislation for distribution reinvestment plans of mutual funds, as Canadian Oil Sands is not a "mutual fund" as defined in 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;

AND WHEREAS the Decision of the Decision Makers pursuant to the Legislation is that the trades of Additional Units by Canadian Oil Sands to the Plan Agent for the account of Participants pursuant to the Plan shall not be subject to the Registration and Prospectus Requirements of the Legislation provided that:

- (1) the time of the trade Canadian Oil Sands is a reporting issuer or the equivalent under the Legislation and is not in default of any requirements of the Legislation;
- (2) no sales charge is payable in respect of the trade;
- (3) Canadian Oil Sands has caused to be sent to the person or company to whom the Additional Units are traded, not more than 12 months before the trade, a statement describing:
 - (a) their right to withdraw from the Plan and to make an election to receive cash instead of Units on the making of a distribution of income by Canadian Oil Sands, and
 - (b) instructions on how to exercise the right referred to in paragraph 6.3.1 above;
- (4) the aggregate number of Additional Units issued under the Cash Payment Option of the Plan in any financial year of Canadian Oil Sands shall not exceed 2% of the aggregate number of Units outstanding at the start of that financial year;
- (5) except in Québec, the first trade in Additional Units acquired pursuant to this Decision will be a distribution or primary distribution to the public unless the conditions in subsections 2.6(3) or (4) of Multilateral Instrument 45-102 *Resale of Securities* are satisfied; and
- (6) in Québec, the first trade in Additional Units acquired pursuant to this Decision will be a distribution unless:
 - (i) the issuer is and has been a reporting issuer in Québec for the 12 months preceding the alienation;
 - (ii) no unusual effort is made to prepare the market or to create a demand for the securities that are the subject of the alienation;
 - (iii) no extraordinary commission or other consideration is paid in respect of the alienation;

- (iv) if the seller of the securities is an insider of the issuer, the seller has no reasonable grounds to believe that the issuer is in default of any requirement of securities legislation;
- (7) disclosure of the initial distribution of Additional Units pursuant to this Decision is made to the relevant Jurisdictions by providing particulars of the date of the distribution of such Additional Units, the number of such Additional Units and the purchase price paid or to be paid for such Additional Units in:
 - (a) an information circular or take-over bid circular filed in accordance with the Legislation; or
 - (b) a letter filed with the Decision Maker in the relevant Jurisdiction by a person or company certifying that the person or company has knowledge of the facts contained in the letter;
- (8) when Canadian Oil Sands distributes such Additional Units for the first time, and thereafter not less frequently than annually, unless the aggregate number of Additional Units so distributed in any month exceeds 1% of the aggregate number of Units outstanding at the beginning of the month in which the Additional Units were distributed, in which case the disclosure required under this paragraph shall be made in each relevant Jurisdiction (other than Québec) in respect of that month within ten days of the end of such month.

January 23, 2002.

"Glenda A. Campbell"

"Wendy E. Best"

2.1.5 TimberWest Forest Corp. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - exemption from eligibility requirements under National Instrument 44-101 and National Instrument 44-102- aggregate market value of "stapled units" cannot be calculated under National Instrument 44-101 due to the unique structure of the security.

Rules Cited

National Instrument 44-101 Short Form Prospectus distributions, ss. 2.2(3), 2.9 15.1
National Instrument 44-102 Shelf Distributions, ss. 2.1, 2.2(1), 2.2(3)(b)(ii), 11.1

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

AND

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

AND

**IN THE MATTER OF
TIMBERWEST FOREST CORP.**

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, Newfoundland and Labrador, New Brunswick and Prince Edward Island (the "Jurisdictions") has received an application from TimberWest Forest Corp. ("TimberWest") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that TimberWest is exempt from the requirements of:

- (a) subsection 2.2(3) of National Instrument 44-101 Short Form Prospectus Distributions ("44-101") that the aggregate market value of its equity securities be \$75,000,000 or more on certain dates;
- (b) section 2.1 of National Instrument 44-102 Shelf Distributions ("44-102") that it only file a short form prospectus that is a base shelf prospectus in certain circumstances; and
- (c) subsection 2.2(1) of 44-102 that it meet the qualification criteria under section 2.2 of 44-101 in order to qualify to file a preliminary short form prospectus that is a preliminary base shelf prospectus,

(collectively, the "Eligibility Requirements")

so that it may participate in the prompt offering qualification system (the "POP System") under 44-101;

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 TimberWest has represented to the Decision Makers that:

1. TimberWest was amalgamated under the Company Act (British Columbia);
 2. the authorized capital of TimberWest consists of 10,069,608,359 common shares (the "Common Shares"), 10,000,000,000 preferred shares (the "Preferred Shares"), 1,600,000 class A preferred shares and 5,000,000,000 class B preferred shares designated into series;
 3. all preferred shares, other than the Preferred Shares, are held by wholly-owned subsidiaries of TimberWest;
 4. TimberWest is a reporting issuer (or equivalent) in each of the Jurisdictions and is not in default of any requirement of the Legislation;
 5. TimberWest has issued subordinated notes (the "Subordinated Notes") which are direct, unsecured junior subordinated obligations of TimberWest;
 6. one Common Share, 100 Preferred Shares and one Subordinated Note receipt comprise a stapled unit of TimberWest (the "Stapled Unit");
 7. as at November 26, 2001, there were 65,167,002 Stapled Units issued and outstanding and there are no Common Shares or Preferred Shares outstanding, other than those which comprise part of the Stapled Units;
 8. the Stapled Units trade on The Toronto Stock Exchange and the closing price of the Stapled Units on November 26, 2001 was \$12.80;
 9. holders of Stapled Units, are entitled:
 - (a) as holders of Common Shares comprising part of the Stapled Units, to vote at all meetings of shareholders of TimberWest, to receive rateably any dividends declared and to participate rateably in any distribution on liquidation, dissolution or winding up;
 - (b) as holders of Preferred Shares comprising part of the Stapled Units, to receive *pari passu* with the holders of other classes of preferred shares of TimberWest, but in priority to the Common Shares, a return of capital on liquidation, dissolution or winding up; and
 - (c) as holders of Subordinated Note receipts to receive approximately \$8.98 in principal and \$1.08 of interest per annum per Subordinated Note receipt, except that no payment of principal may be made while senior indebtedness of TimberWest is outstanding;
10. it is also TimberWest's policy to make quarterly distributions to the holders of its Stapled Units in the form of interest on the Subordinated Note receipts, as a return of capital on the redemption of the Preferred Shares, or as dividends on the Common Shares or Preferred Shares;
 11. the Common Share, Preferred Shares and Subordinated Note receipt comprising a Stapled Unit are transferable only with each other as part of the Stapled Unit until the earliest of the:
 - (a) maturity date of the Subordinated Notes;
 - (b) accelerated payment of the Subordinated Notes principal following an event of default; or
 - (c) amendments to remove the restrictions on the transfer of the Common Shares, Preferred Shares or Subordinated Notes, except as part of a Stapled Unit;
 12. TimberWest has a current annual information form on file under 44-101 in each of the Jurisdictions;
 13. since TimberWest cannot calculate the market value of the Common Shares separate from the Stapled Units, it is unable to meet the Eligibility Requirements; and
 14. TimberWest would like to access the capital markets under the POP System.

AND WHEREAS under the System this MRRS Decision Document evidences the decision (the "Decision") of each Decision Maker (collectively, 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 TimberWest is exempt from the Eligibility Requirements in connection with the filing of a short form prospectus or a base shelf prospectus provided that:

1. the aggregate market value of TimberWest's Stapled Units, calculated in accordance with section 2.9 of 44-101, is at least \$75,000,000 on a date within 60 days before the date of the filing by TimberWest of a preliminary short form prospectus or preliminary base shelf prospectus;
2. TimberWest otherwise complies with all of the requirements and procedures set out in 44-101 and 44-102 except for the provision set out in section 2.2(3)(b)(ii) of 44-102;

and provided that a receipt issued for a base shelf prospectus in reliance on this Decision is effective until the earliest of:

- (a) the date 25 months from the date of its issue;
- (b) the time immediately before entering into of an agreement of purchase and sale for a security to be sold under the base shelf prospectus, if at that time
 - (i) TimberWest does not have a current AIF, or
 - (ii) the aggregate market value of TimberWest's Stapled Units, calculated in accordance with section 2.9 of 44-101, has not been \$75,000,000 or more on a date within 60 days before the date of the agreement; and
- (c) the lapse date, if any, prescribed by the Legislation if relief has not been granted to TimberWest extending the lapse date for the distribution.

January 16, 2002.

"Brenda Leong"

2.1.6 Merrill Lynch Investment Managers Canada Inc. - MRRS Decision

**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
MERRILL LYNCH CANADIAN BALANCED VALUE FUND
MERRILL LYNCH CANADIAN CORE VALUE FUND
MERRILL LYNCH CANADIAN GROWTH FUND
FRONTIERS CANADIAN EQUITY POOL
MERRILL LYNCH SELECT CANADIAN BALANCED FUND
MERRILL LYNCH U.S. RSP INDEX FUND
MERRILL LYNCH CANADIAN MONEY MARKET FUND
FRONTIERS CANADIAN SHORT TERM INCOME POOL
FRONTIERS CANADIAN FIXED INCOME POOL
(COLLECTIVELY, THE "FUNDS")**

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions") has received an application from Merrill Lynch Investment Managers Canada Inc. ("MLIM"), as manager of each of the Funds, for a decision (the "Decision") pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the restrictions contained in the Legislation requiring that the Funds not knowingly hold an investment in any person or company who is a substantial security holder of the mutual fund, its management company or distribution company (the "Investment Restrictions") shall not apply in respect of certain investments held by the Funds in securities of Canadian Imperial Bank of Commerce ("CIBC").

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 MLIM has represented to the Decision Makers that:

1. MLIM is a corporation amalgamated under the laws of Canada.
2. MLIM is a wholly-owned subsidiary of Merrill Lynch Investment Managers Group Canada Inc. ("MLG"). MLG is indirectly wholly-owned by Merrill Lynch & Co., Inc. Merrill Lynch & Co., Inc. is a U.S. publicly-held corporation whose shares trade on the New York,

Chicago, Pacific, Paris, London and Tokyo stock exchanges.

3. CIBC is a bank listed in Schedule I to the *Bank Act* (Canada). As at October 31, 2001, there were 363,187,931 common shares in the capital of CIBC issued and outstanding, and 84 million Class A Preferred Shares in the capital of CIBC issued and outstanding. The common shares of CIBC are listed on the Toronto, London and New York Stock exchanges. The Class A Preferred Shares are listed on the Toronto Stock Exchange. To the knowledge of CIBC, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the votes attached to any class of shares of CIBC.
4. MLIM is the manager, portfolio adviser and trustee of the Funds. The custodian of the Funds is State Street Trust Company Canada.
5. Each of the Funds is an open-end mutual fund trust established under the laws of Ontario. The securities of the Funds are offered by prospectus in each of the provinces and territories of Canada.
6. Each Fund is a reporting issuer under the securities laws of each of the provinces and territories of Canada. None of the Funds is in default of any requirements of the Legislation.
7. On November 21, 2001, CIBC entered into a definitive purchase agreement (the "Agreement") with MLG and others. Pursuant to the Agreement, CIBC will acquire from MLG all of the outstanding shares of MLIM (the "Share Transaction"), resulting in a change of control of MLIM.
8. Upon completion of the Share Transaction contemplated by the Agreement, which is expected to occur by January 31, 2002, CIBC will become a substantial security holder of MLIM under the Legislation.
9. As at November 21, 2001, the Funds held securities of CIBC as follows:
 - (a) Merrill Lynch Canadian Balanced Value Fund held 8,425 CIBC Common Shares, representing approximately 0.42% of such Fund's assets;
 - (b) Merrill Lynch Canadian Core Value Fund held 44,240 CIBC Common Shares, representing approximately 0.99% of such Fund's assets;
 - (c) Merrill Lynch Canadian Growth Fund held 201,000 CIBC Common Shares, representing approximately 2.62% of such Fund's assets;
 - (d) Frontiers Canadian Equity Pool held 37,300 CIBC Common Shares, representing approximately 2.36% of such Fund's assets;
 - (e) Merrill Lynch Select Canadian Balanced Fund held a 7.4% CIBC debenture with a net par value of \$5,309,000 maturing on January 31, 2011,

and a 8.15% CIBC debenture with a net par value of 1,036,000 maturing on April 25, 2011, together representing approximately 1.11% of the Fund's assets;

- (f) Merrill Lynch U.S. RSP Index Fund held CIBC commercial paper with a net par value of \$19,000,000 maturing on February 25, 2002, representing approximately 8.57% of the Fund's assets;
 - (g) Merrill Lynch Canadian Money Market Fund held CIBC commercial paper with a net par value of \$5,000,000 maturing on May 2, 2002, representing approximately 0.98% of the Fund's assets.
 - (h) Frontiers Canadian Short Term Income Pool held CIBC commercial paper with a net par value of \$500,000 maturing on May 2, 2002, representing approximately 1.34% of the Fund's assets; and
 - (i) Frontiers Canadian Fixed Income Pool held a 7.4% CIBC debenture with a net par value of \$565,000 maturing on January 31, 2011, and a 6.5% CIBC debt instrument with a net par value of \$250,000 maturing on October 21, 2009, together representing approximately 1.03% of the Fund's assets.
10. The aggregate number of CIBC common shares held by all the Funds represents approximately 0.08% of all issued common shares of CIBC.
 11. The Funds have not made any investment in securities of CIBC following the execution of the Agreement and will not make any such purchases in the future unless the Agreement is terminated and the Share Transaction contemplated by the Agreement is not consummated.
 12. At the time the CIBC securities were purchased, CIBC was not affiliated with the Funds or MLIM. At the time it was made, each investment by the Funds in CIBC's securities represented the business judgement of professional portfolio advisers uninfluenced by considerations other than the best interests of the unitholders of the Funds.
 13. In the absence of the Decision, the Funds would be required to divest their CIBC securities not later than the date of closing of the Share Transaction.

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

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

THE DECISION of the Decision Makers under the Legislation is that the Investment Restrictions do not apply so as to prevent the Funds from holding their investments in the securities of CIBC beyond the date of completion of the Share Transaction, provided that:

- (a) the Funds do not make any additional purchases of CIBC securities;
- (b) the Funds divest all or a portion of their CIBC securities as quickly as is commercially reasonable and in any event, no later than May 2, 2002; and
- (c) the Funds do not vote their CIBC securities at any meetings of shareholders of CIBC.

January 28, 2002.

“Paul Moore”

“R. Stephen Paddon”

2.1.7 Talvest Fund Management Inc. - MRRS Decision

Headnote

Investment by RSP “clone” fund in another mutual fund for specified purpose exempted from the reporting requirements and self-dealing provisions of s.113 and s.117.

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

Investment by mutual fund in forward contracts issued by related counterparties exempted from the requirements of s.113, s.117 and s.121(a)(2)(a).

Statutes Cited

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

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

AND

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

AND

**IN THE MATTER OF
TALVEST FUND MANAGEMENT INC.**

AND

**TALVEST GLOBAL SECTOR
MULTI MANAGEMENT RSP FUND**

MRRS DECISION DOCUMENT

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

- (a) the restrictions contained in the Legislation prohibiting a mutual fund from knowingly making or holding an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial securityholder shall not apply in respect of investments by the Top Funds in the Underlying Funds (defined herein);

- (b) 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, shall not apply in respect of investments by the Top Funds in the Underlying Funds or in forward contracts or other specified derivative instruments ("Forward Contracts") with the Canadian Imperial Bank of Commerce and/or with any of its affiliates ("CIBC") as counterparty;
- (c) the restrictions contained in the Legislation prohibiting a mutual fund from knowingly making an investment in a person or company who is a substantial securityholder of the mutual fund, its management company or distribution company shall not apply in respect of investments by the Top Funds in Forward Contracts with CIBC as counterparty;
- (d) the restrictions contained in the Legislation prohibiting a mutual fund from knowingly making or holding an investment in an issuer in which any person or company who is a substantial securityholder of the mutual fund, its management company or distribution company has a significant interest shall not apply in respect of investments by the Top Funds in the Forward Contracts; and
- (e) the restrictions contained in the Legislation prohibiting a portfolio manager or, in British Columbia, a mutual fund, from knowingly causing an investment portfolio managed by it to invest in any issuer in which a "responsible person" (as that term is defined in the Legislation) is an officer or director, unless that specific fact is disclosed to the client and, if applicable, the written consent of the client to the investment is obtained before the purchase, shall not apply in respect of investments by the Top Funds in the Forward Contracts.

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

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

AND WHEREAS Talvest has been represented to the Decision Makers as follows:

- 1. Talvest is a corporation established under the laws of Canada and its head office is located in the Province of Quebec. Talvest is or will be the manager of the Top Funds and the Underlying Funds (collectively, the "Funds").
- 2. The Top Funds are or will be open-end mutual fund trusts and the Underlying Funds are or will be open-ended mutual fund trusts or classes of shares of a

mutual fund corporation, each established under the laws of Ontario. Securities of the Funds are or will be qualified for distribution under a simplified prospectus and annual information form (collectively, the "Prospectus") filed in all provinces and territories of Canada.

- 3. Each of the Funds is or will be a reporting issuer and not in default of any requirements of the Legislation.
- 4. Talvest proposes to establish a new mutual fund, the Talvest Global Sector Multi Management RSP Fund (the "Existing Top Fund"). Talvest may in the future establish other mutual funds with investment objectives similar to the Existing Top Fund (the "Future Top Funds" and collectively with the Existing Top Fund, the "Top Funds").
- 5. Talvest is the manager of mutual funds in which the Existing Top Fund will invest its assets (collectively, the "Existing Underlying Funds").
- 6. Talvest may in the future be the manager of other mutual funds in which the Top Funds will invest their assets (the "Future Underlying Funds" and collectively with the Existing Underlying Funds, the "Underlying Funds").
- 7. Each Top Fund seeks to achieve its investment objective while ensuring that its units do not constitute "foreign property" for registered retirement savings plans, registered retirement income funds, deferred profit sharing plans and similar plans ("Registered Plans").
- 8. To achieve their investment objectives, the Top Funds will invest their assets in securities such that their units will be "qualified investments" for Registered Plans and will not constitute foreign property in a Registered Plan.
- 9. As part of their investment objectives, the Top Funds will invest a fixed percentage (the "Fixed Percentages") of their assets directly and indirectly (through derivative exposure) in specified Underlying Funds, subject to a variation of 2.5% above or below the Fixed Percentages (the "Permitted Ranges") to account for market fluctuations. Each Top Fund's total direct investment in the Underlying Funds which constitute foreign property in a Registered Plan will at all times be at or below the maximum foreign property limit under the *Income Tax Act* (Canada) for Registered Plans (the "Permitted Limit").
- 10. The Top Funds will not invest in an Underlying Fund with an investment objective which includes investing directly or indirectly in other mutual funds.
- 11. The Top Funds will enter into Forward Contracts based on the returns of an Underlying Fund considered to be foreign property for Registered Plans with one or more financial institutions (each a "Counterparty"). CIBC, which indirectly controls all of the voting shares of Talvest (the "Related Counterparty"), may be a Counterparty.

12. In order to hedge their obligations under the Forward Contracts, the Counterparties may purchase securities of the Underlying Funds.
13. The Top Funds will enter into an ISDA Master Agreement (a "Master Agreement") with the Related Counterparty for the purposes of entering a series of Forward Contracts typically one month in duration.
14. Except for the transaction costs payable to the Related Counterparty in relation to any Forward Contracts with the Related Counterparty, none of the Top Funds, the Underlying Funds, Talvest or any affiliate or associate of any of the foregoing will pay any fees or charges of any kind to the Related Counterparty in respect of the Forward Contracts.
15. The independent auditors of the Top Funds (the "Independent Auditors"), none of whom are themselves directors, officers or employees of Talvest, or any affiliate of Talvest, will review all proposed Master Agreements with the Related Counterparty and any amendments to the pricing terms of the Forward Contracts to ensure that the Top Funds will receive terms and pricing that are at least as favourable as those available to the Top Funds with arm's length Counterparties from time to time.
16. The Prospectus, and any renewal thereof, will disclose the involvement of the Related Counterparty in the Forward Contracts as well as all applicable charges in connection with any Forward Contracts with the Related Counterparty.
16. 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 or in Forward Contracts with the Related Counterparty have been structured to comply with the investment restrictions of the Legislation and NI 81-102.
17. In the absence of this Decision, each Top Fund 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.
18. In the absence of this Decision, each Top Fund is prohibited from knowingly making or holding an investment in securities of CIBC.
19. In the absence of this Decision, Talvest is required to file a report on every purchase or sale of securities of the Underlying Funds by the Top Funds.
20. In the absence of this Decision, Talvest is required to file a report on every purchase or sale of securities of CIBC.
21. In the absence of this Decision, the portfolio manager, or mutual fund, is prohibited from causing each Top Fund to invest its assets in securities of CIBC unless the specific fact is disclosed to investors and, if

applicable, the written consent of investors is obtained before the purchase.

22. The investments by the Top Funds in securities of the Underlying Funds or in Forward Contracts with the Related Counterparty represents the business judgement of "responsible persons" (as defined in the Legislation) uninfluenced by considerations other than the best interests of the Top Funds.

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

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

THE DECISION of the Decision Makers under 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 investing in Forward Contracts issued by the Related Counterparty, or so as to require Talvest 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 a Decision Maker, will terminate one year after the publication in final form of any legislation or rule of that Decision Maker dealing with the matters in 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 the 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 objectives of the Top Fund;
 - (c) the simplified prospectus of the Top Fund discloses the intent of the Top Fund to invest directly and indirectly (through derivative exposure) in the Underlying Funds, the names of the Underlying Funds, the Fixed Percentages and the Permitted Ranges within which such Fixed Percentages may vary;
 - (d) the investment objective of the Top Fund discloses that the Top Fund invests directly and indirectly (through derivative exposure) in other mutual funds and that the Top Fund is fully eligible for Registered Plans;
 - (e) the Underlying Funds are not mutual funds whose investment objective includes investing directly or indirectly in other mutual funds;

- (f) the Top Fund restricts its direct investment in the Underlying Funds which constitute foreign property in Registered Plans to a percentage of its assets that is within the Permitted Limit;
- (g) the Top Fund invests its assets directly and indirectly (through derivative exposure) in the Underlying Funds in accordance with the Fixed Percentages disclosed in the simplified prospectus of the Top Fund;
- (h) the Top Fund's derivative exposure to, and direct investment in, the Underlying Funds does not deviate from the Permitted Ranges;
- (i) any deviation from the Fixed Percentages is caused by market fluctuations only;
- (j) if a direct or indirect investment by the Top Fund in any of the Underlying Funds has deviated from the Permitted Ranges as a result of market fluctuations, the Top Fund's investment portfolio was re-balanced to comply with the Fixed Percentages on the next day on which the net asset value was calculated following the deviation;
- (k) if the Fixed Percentages and/or the Underlying Funds which are disclosed in the simplified prospectus of the Top Fund have been changed, either the simplified prospectus has been amended or a new simplified prospectus filed to reflect the change, and the securityholders of the Top Fund have been given at least 60 days' notice of the change;
- (l) there are compatible dates for the calculation of the net asset value of the Top Fund and the Underlying Funds for the purpose of the issue and redemption of securities of such mutual funds;
- (m) no sales charges are payable by the Top Fund in relation to its purchases of securities of the Underlying Funds;
- (n) no redemption fees or other charges are charged by an Underlying Fund in respect of the redemption by the Top Fund of securities of the Underlying Fund owned by the Top Fund;
- (o) no fees and charges of any sort are paid by the Top Fund and the Underlying Funds, by their respective managers or principal distributors, or by any affiliate or associate of any of the foregoing entities to anyone in respect of the Top Fund's purchase, holding or redemption of the securities of the Underlying Funds;
- (p) the arrangements between or in respect of the Top Fund and the Underlying Funds are such as to avoid the duplication of management fees;
- (q) any notice provided to securityholders of an Underlying Fund, as required by applicable laws or the constating documents of that Underlying Fund, has been delivered by the Top Fund to its securityholders;
- (r) all of the disclosure and notice material prepared in connection with a meeting of securityholders of an

Underlying Fund and received by the Top Fund has been provided to its securityholders, the securityholders have been permitted to direct a representative of the Top Fund to vote its holdings in the Underlying Fund in accordance with their direction, and the representative of the Top Fund has not voted its holdings in the Underlying Funds except to the extent the securityholders of the Top Fund have directed;

- (s) in addition to receiving the annual and, upon request, the semi-annual financial statements of the Top Fund, securityholders of the Top Fund have received appropriate summary disclosure in respect of the Top Fund's holdings of securities of the Underlying Funds in the financial statements of the Top Fund; and
- (t) to the extent that the Top Fund and the Underlying Funds do not use a combined simplified prospectus and annual information form containing disclosure about the Top Fund and the Underlying Funds, copies of the simplified prospectus and annual information form of the Underlying Funds have been provided upon request to securityholders of the Top Fund and the right to receive these documents is disclosed in the simplified prospectus of the Top Fund.

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

3. the Decision shall only apply if, at the time a Top Fund makes an investment in Forward Contracts of the Related Counterparty, the following conditions are satisfied:
 - (a) the pricing terms offered by the Related Counterparty to the Top Fund under the Forward Contracts are at least as favourable as the terms committed by the Related Counterparty to other third parties which are of similar size as the Top Fund;
 - (b) prior to the Top Fund entering into a Forward Contract and/or Master Agreement with the Related Counterparty, the Independent Auditors of the Top Fund have reviewed the pricing offered by the Related Counterparty to the Top Fund against the pricing offered by the Related Counterparty to other fund groups offering top funds of similar size, to ensure that the pricing is at least as favourable;
 - (c) the review by the Independent Auditors of the pricing terms of the Master Agreements and the Forward Contracts thereunder has been undertaken not less frequently than on an annual basis and, in addition on any pricing amendment to the Master Agreement and/or Forward Contract, during the term of such contract;
 - (d) the Top Fund's simplified prospectus discloses the Independent Auditor's role and their review of the Forward Contracts, as well as the involvement of the Related Counterparty; and

- (e) the Top Fund will enter into Forward Contracts with the Related Counterparty only once confirmation of favourable pricing is received from the Independent Auditors of the Top Fund.

January 29, 2002.

"Paul Moore"

"R. Stephen Paddon"

2.1.8 Howson Tattersall Investment Counsel Limited - s. 5.1 of the Rule

Headnote

Section 5.1 of Rule 31-506 SRO Membership - Mutual Fund Dealers - mutual fund dealer exempted, subject to conditions, from the requirements of the Rule that it file an application and prescribed fees with the Mutual Fund Dealers Association of Canada - mutual fund dealer is reorganizing its activities and will conduct limited mutual fund dealer activities only - mutual fund dealer subject to terms and conditions of registration.

Statute Cited

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

Rule Cited

Rule 31-506 SRO Membership - Mutual Fund Dealers, ss. 2.1, 3.1, 5.1

**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 31-506
SRO MEMBERSHIP - MUTUAL FUND DEALERS (the
"Rule")**

AND

**IN THE MATTER OF
HOWSON TATTERSALL INVESTMENT COUNSEL
LIMITED**

DECISION
(Section 5.1 of the Rule)

UPON the Director having received an application (the "Application") from Howson Tattersall Investment Counsel Limited (the "Registrant") for a decision, pursuant to section 5.1 of the Rule, exempting the Registrant from the requirements in sections 2.1 and 3.1 of the Rule, which would otherwise require that the Registrant be a member of the Mutual Fund Dealers Association of Canada (the "MFDA") on and after July 2, 2002, and file with the MFDA, no later than May 23, 2001, an application and corresponding fees for membership;

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

AND UPON the Registrant having represented to the Director that:

1. the Registrant is registered under the Act as a dealer in the category of mutual fund dealer and as an adviser in the categories of "investment counsel" and "portfolio manager";

Decisions, Orders and Rulings

2. this application is not being made in any other jurisdiction;
3. the Registrant is the manager of the Saxon Mutual Funds;
4. the securities of the mutual funds managed by the Registrant are generally sold to the public through other registered dealers;
5. the Registrant has commenced a corporate reorganization and as part thereof the Registrant incorporated a subsidiary company, Saxon Mutual Funds Limited ("Subco"), on July 25, 2001;
6. Subco submitted an application for registration as a mutual fund dealer with the Commission and an application for membership in the MFDA;
7. as soon as Subco is registered as a mutual fund dealer with the Commission, the Registrant will transfer to it all activities relating to its mutual fund dealer registration other than those activities permitted by the terms and conditions imposed on its registration under the Act as a mutual fund dealer set out in the attached Schedule "A" (those activities to be transferred to Subco are hereinafter referred to as the "Retail Activities");
8. pursuant to section 3.1 of the Rule, all mutual fund dealers were required to prepare and submit to the MFDA, an application for membership in the form prescribed by the MFDA, together with the MFDA's prescribed fees no later than the thirtieth day after the date the Rule comes into force; the Rule came into force on April 23, 2001; applications for membership were therefore required to be submitted to the MFDA by May 23, 2001 (the "MFDA Application Deadline");
9. pursuant to section 2.1 of the Rule, all mutual fund dealers must become members of the MFDA by July 2, 2002 (the "MFDA Membership Deadline");
10. the Rule requires the Registrant to prepare and submit an application for membership to the MFDA, together with the MFDA's prescribed fees, by the MFDA Application Deadline, even though the Registrant intends to cease all mutual fund dealer activities, other than those activities permitted by the terms and conditions imposed on its registration under the Act as a mutual fund dealer set out in the attached Schedule "A";
11. the requirement for the Registrant to prepare and file an MFDA Application by the MFDA Application Deadline will result in a duplication of applications and fees which would prove both time consuming and costly for the Registrant and Subco;
12. the Registrant's trading activities as a mutual fund dealer currently represent and will continue to represent activities that are incidental to its principal business activities;
13. the Registrant has agreed to the imposition of the terms and conditions on the Registrant's registration as a mutual fund dealer set out in the attached Schedule "A", which outlines the activities the Registrant has

agreed to adhere to in connection with its application for this Decision;

14. any person or company that is not a client of the Registrant on the date of the transfer of the Retail Activities to Subco will, before they are accepted as a client of the Registrant, receive prominent written notice from the Registrant that:

The Registrant is not currently a member, and does not intend to become a member of the Mutual Fund Dealers Association; consequently, clients of the Registrant will not have available to them investor protection benefits that would otherwise derive from membership of the Registrant in the MFDA, including coverage under any investor protection plan for clients of members of the MFDA;

15. upon the next general mailing to its account holders and in any event before May 23, 2002, the Registrant shall provide, to any client that remains a client of the Registrant on the date of the transfer of the Retail Activities to Subco, the prominent written notice referred to in paragraph 14, above;

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

IT IS THE DECISION of the Director, pursuant to section 5.1 of the Rule, that, effective May 23, 2001, the Registrant is exempt from the requirements in sections 2.1 and 3.1 of the Rule;

PROVIDED THAT,

- (A) no less than thirty days prior to the transfer of the Retail Activities to Subco, the Registrant provides, to each client who holds an account (or accounts) for which Retail Activities are carried out, notice of:
 - (i) the fact that the Registrant will no longer be the mutual fund dealer servicing the client's account(s);
 - (ii) the fact that Subco will be the mutual fund dealer servicing the client's account(s); and
 - (iii) the name and telephone number of a contact person at the Registrant's office who is available to provide further information; and
- (B) from and after the transfer of the Retail Activities to Subco, and, in any case, beginning no later than July 2, 2002, the Registrant complies with the terms and conditions on its registration under the Act as a mutual fund dealer set out in the attached Schedule "A".

December 12, 2001

"Rebecca Cowdery"

Schedule "A"

TERMS AND CONDITIONS OF REGISTRATION

OF

HOWSON TATTERSALL INVESTMENT COUNSEL
LIMITED

AS A MUTUAL FUND DEALER

Definitions

1. For the purposes hereof, unless the context otherwise requires:

(a) "Act" means the Securities Act, R.S.O. 1990, c. S.5, as amended;

(b) "Adviser" means an adviser as defined in subsection 1(1) of the Act;

(c) "Client Name Trade" means, for the Registrant, a trade to, or on behalf of, a person or company, in securities of a mutual fund, that is managed by the Registrant or an affiliate of the Registrant, where, immediately before the trade, the person or company is shown on the records of the mutual fund or of another mutual fund managed by the Registrant or an affiliate of the Registrant as the holder of securities of such mutual fund, and the trade consists of:

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

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

and where, the person or company is either a client of the Registrant that was not solicited by the Registrant or was an existing client of the Registrant on the Effective Date;

(d) "Commission" means the Ontario Securities Commission;

(e) "Effective Date" means May 23, 2001;

(f) "Employee", for the Registrant, means:

(A) an employee of the Registrant;

(B) an employee of an affiliated entity of the Registrant; or

(C) an individual that is engaged to provide, on a bona fide basis, consulting, technical, management or other services to the Registrant or to an affiliated entity of the Registrant, under a written contract between the Registrant or the affiliated

entity and the individual or a consultant company or consultant partnership of the individual, and, in the reasonable opinion of the Registrant, the individual spends or will spend a significant amount of time and attention on the affairs and business of the Registrant or an affiliated entity of the Registrant;

(g) "Employee", for a Service Provider, means an employee of the Service Provider or an affiliated entity of the Service Provider, provided that, at the relevant time, in the reasonable opinion of the Registrant, the employee spends or will spend, a significant amount of time and attention on the affairs and business of:

(A) the Registrant or an affiliated entity of the Registrant; or

(B) a mutual fund managed by the Registrant or an affiliated entity of the Registrant;

(h) "Employee Rule" means Ontario Securities Commission Rule 45-503 Trades To Employees, Executives and Consultants;

(i) "Executive", for the Registrant, means a director, officer or partner of the Registrant or of an affiliated entity of the Registrant;

(j) "Executive", for a Service Provider, means a director, officer or partner of the Service Provider or of an affiliated entity of the Service Provider;

(k) "Exempt Trade", for the Registrant, means:

(i) a trade in securities of a mutual fund that is made between a person or company and an underwriter acting as purchaser or between or among underwriters; or

(ii) any other trade for which the Registrant would have available to it an exemption from the registration requirements of clause 25(1)(a) of the Act if the Registrant were not a "market intermediary" as such term is defined in section 204 of the Regulation;

(l) "Fund-on-Fund Trade", for the Registrant, means a trade that consists of:

(i) a purchase, through the Registrant, of securities of a mutual fund that is made by another mutual fund;

(ii) a purchase, through the Registrant, of securities of a mutual fund that is made by a counterparty, an affiliated entity of the counterparty or an other person or company, pursuant to an agreement to purchase the securities to effect a hedge of a liability relating to a contract for a specified derivative or swap made

- between the counterparty and another mutual fund; or
- (iii) a sale, through the Registrant, of securities of a mutual fund that is made by another mutual fund where the party purchasing the securities is:
- (A) a mutual fund managed by the Registrant or an affiliated entity of the Registrant; or
- (B) a counterparty, affiliated entity or other person or company that acquired the securities pursuant to an agreement to purchase the securities to effect a hedge of a liability relating to a contract for a specified derivative or swap made between the counterparty and another mutual fund; and
- where, in each case, at least one of the referenced mutual funds is a mutual fund that is managed by either the Registrant or an affiliated entity of the Registrant;
- (m) an "In Furtherance Trade" means, for the Registrant, a trade by the Registrant that consists of any act, advertisement, or solicitation, directly or indirectly in furtherance of another trade in securities of a mutual fund, where the other trade consists of:
- (i) a purchase or sale of securities of a mutual fund that is managed by the Registrant or an affiliated entity of the Registrant; or
- (ii) a purchase or sale of securities of a mutual fund where the Registrant acts as the principal distributor of the mutual fund; and
- where, in each case, the purchase or sale is made by or through an other registered dealer if the Registrant is not otherwise permitted to make the purchase or sale pursuant to these terms and conditions;
- (n) "Managed Account" means, for the Registrant, an investment portfolio account of a client under which the Registrant, pursuant to a written agreement made between the Registrant and the client, makes investment decisions for the account and has full discretionary authority to trade in securities for the account without obtaining the client's specific consent to the trade;
- (o) "Managed Account Trade" means, for the Registrant, a trade to, or on behalf of a Managed Account of the Registrant, where the trade consists of a purchase or redemption, through
- the Registrant of securities of a mutual fund, that is made on behalf of the Managed Account;
- where, in each case,
- (i) the Registrant is the portfolio adviser to the mutual fund;
- (ii) the mutual fund is managed by the Registrant or an affiliate of the Registrant; and
- (iii) either of:
- (A) the mutual fund is prospectus-qualified in Ontario; or
- (B) the trade is not subject to sections 25 and 53 of the Act;
- (p) "Mutual Fund Instrument" means National Instrument 81-102 Mutual Funds, as amended;
- (q) "Permitted Client", for the Registrant, means a person or company that is a client of the Registrant, and that is, or was at the time the person or company became a client of the Registrant:
- (i) an Executive or Employee of the Registrant;
- (ii) a Related Party of an Executive or Employee of the Registrant;
- (iii) a Service Provider of the Registrant or an affiliated entity of a Service Provider of the Registrant;
- (iv) an Executive or Employee of a Service Provider of the Registrant; or
- (v) a Related Party of an Executive or Employee of a Service Provider of the Registrant;
- (r) "Permitted Client Trade" means, for the Registrant, a trade to a person who is a Permitted Client or who represents to the Registrant that he or she is a person included in the definition of Permitted Client, in securities of a mutual fund that is managed by the Registrant or an affiliate of the Registrant, and the trade consists of:
- (i) a purchase, by the person, through the Registrant, of securities of the mutual fund; or
- (ii) a redemption, by the person, through the Registrant, of securities of the mutual fund;
- (s) "Pooled Fund Rule" means, for the Registrant, a rule or other regulation that relates, in whole or

- in part, to the distribution of securities of a mutual fund and/or non-redeemable investment fund, other than pursuant to a prospectus for which a receipt has been obtained from the Director, made by the Registrant on behalf of a Managed Account, but does not include Rule 45-501 Exempt Distributions;
- (t) "Registered Plan" means a registered pension plan, deferred profit sharing plan, registered retirement savings plan, registered retirement income fund, registered education savings plan or other deferred income plan registered under the Income Tax Act (Canada);
- (u) "Registrant" means Howson Tattersall Investment Counsel Limited;
- (v) "Regulation" means R.R.O. 1990, Reg. 1015, as amended, made under the Act;
- (w) "Related Party", for a person, means an other person who is:
- (i) the spouse of the person;
 - (ii) the issue of:
 - (A) the person,
 - (B) the spouse of the person, or
 - (C) the spouse of any person that is the issue of a person referred to in subparagraphs (A) or (B) above;
 - (iii) the parent, grandparent or sibling of the person, or the spouse of any of them;
 - (iv) the issue of any person referred to in paragraph (iii) above; or
 - (v) a Registered Plan established by, or for the exclusive benefit of, one, some or all of the foregoing;
 - (vi) a trust where one or more of the trustees is a person referred to above and the beneficiaries of the trust are restricted to one, some, or all of the foregoing;
 - (vii) a corporation where all the issued and outstanding shares of the corporation are owned by one, some, or all of the foregoing;
- (x) "securities", for a mutual fund, means shares or units of the mutual fund;
- (y) "Seed Capital Trade" means a trade in securities of a mutual fund made to a persons or company referred to in any of subparagraphs 3.1(1)(a)(i) to 3.1(1)(a)(iii) of the Mutual Fund Instrument;
- (z) "Service Provider", for the Registrant, means:
- (i) a person or company that provides or has provided professional, consulting, technical, management or other services to the Registrant or an affiliated entity of the Registrant;
 - (ii) an Adviser to a mutual fund that is managed by the Registrant or an affiliated entity of the Registrant; or
 - (iii) a person or company that provides or has provided professional, consulting, technical, management or other services to a mutual fund that is managed by the Registrant or an affiliated entity of the Registrant
2. For the purposes hereof, a person or company is considered to be an "affiliated entity" of an other person or company if the person or company would be an affiliated entity of that other person or company for the purposes of the Employee Rule.3. For the purposes hereof:
- (a) "issue", "niece", "nephew" and "sibling" includes any person having such relationship through adoption, whether legally or in fact;
 - (b) "parent" and "grandparent" includes a parent or grandparent through adoption, whether legally or in fact;
 - (c) "registered dealer" means a person or company that is registered under the Act as a dealer in a category that permits the person or company to act as dealer for the subject trade; and (d) "spouse", for an Employee or Executive, means a person who, at the relevant time, is the spouse of the Employee or Executive.
4. Any terms that are not specifically defined above shall, unless the context otherwise requires, have the meaning:
- (a) specifically ascribed to such term in the Mutual Fund Instrument; or
 - (b) if no meaning is specifically ascribed to such term in the Mutual Fund Instrument, the same meaning the term would have for the purposes of the Act.
- Restricted Registration**
- Permitted Activities
5. The registration of the Registrant as a mutual fund dealer under the Act shall be for the purposes only of trading by the Registrant in securities of a mutual fund where the trade consists of:
- (a) a Client Name Trade;
 - (b) an Exempt Trade;

- (c) a Fund-on-Fund Trade;
- (d) an In Furtherance Trade;
- (e) a Managed Account Trade, provided that, at the time of the trade, the Registrant is registered under the Act as an adviser in the categories of "investment counsel" and "portfolio manager";
- (f) a Permitted Client Trade; or
- (g) a Seed Capital Trade;

provided that, in the case of all trades that are only referred to in clauses (a) or (f), the trades are limited and incidental to the principal business of the Registrant, and provided also that paragraph (e) will cease to be in effect one year after the coming into force, subsequent to the date of this Decision, of any Pooled Fund Rule.

2.1.9 Commerce One, Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - the first trade by former employees in shares acquired pursuant to the employee share purchase plan or employee stock option plans of the issuer shall not be subject to section 25 of the Act, subject to certain conditions. Future applications should look to Multilateral Instrument 45-102.

Applicable Ontario Statutes

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

Applicable Ontario Rules

Rule 45-503 - Trades to Employees, Executives and Consultants (1998) 21 OSCB 6559

Rule 72-501 - Prospectus Exemption for First Trade Over a Market Outside Ontario (1998) 21 OSCB 2318

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

AND

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

AND

**IN THE MATTER OF
COMMERCE ONE, INC.**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker", and collectively, the "Decision Makers") in each of Alberta, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Quebec and Saskatchewan (the "Jurisdictions") has received an application (the "Application") from Commerce One, Inc. (the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirements contained in the Legislation to be registered to trade in a security (the "Registration Requirements") and to file and obtain a receipt for a preliminary prospectus and a prospectus (the "Prospectus Requirements") (collectively, the "Registration and Prospectus Requirements") shall not apply to certain trades of shares of common stock (the "Common Shares") in the capital of the Filer, options for Common Shares and rights (the "Stock Purchase Rights") to acquire Common Shares made in connection with Filer's 1997 Incentive Stock Option Plan, as amended and restated April 9, 1999 and March 23, 2001 and as may be amended from time to time (the "1997 Stock Option Plan"), 1999 Nonstatutory Stock Option Plan, as

amended from time to time (the "1999 Stock Option Plan") and 1999 Employee Stock Purchase Plan, as amended from time to time (the "Stock Purchase Plan").

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

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

1. The Filer is a corporation incorporated under the laws of the State of Delaware, is not a reporting issuer or the equivalent under the Legislation of any of the Jurisdictions and has no present intention of becoming a reporting issuer in any of the Jurisdictions. The Filer is currently subject to the reporting requirements of the United States Securities Exchange Act of 1934 (as amended) and is not in default of those requirements.
2. The authorized share capital of the Filer is 950,000,000 Common Shares and 50,000,000 shares of preferred stock. As at September 30, 2001, there were 284,976,976 Common Shares issued and outstanding.
3. The Common Shares are listed and posted for trading on the NASDAQ National Market (the "NASDAQ") under the symbol "CMRC".
4. The Filer now conducts business in Canada through Commerce One Operations Inc. and through its indirectly controlled subsidiary, Commerce One Canada Inc. ("Subsidiary"), a corporation incorporated under the Business Corporations Act (Ontario).
5. Subsidiary is a private company and is not a reporting issuer or the equivalent under the Legislation of any of the Jurisdictions and does not have the present intention of becoming a reporting issuer or the equivalent in any of the Jurisdictions.
6. Subsidiary is a wholly-owned subsidiary of Commerce One Operations, Inc. ("Commerce One Operations") which was incorporated under the laws of the State of California in 1994 and reincorporated under the laws of the State of Delaware in June, 1999.
7. Prior to July 11, 2001, the name of Commerce One Operations was "Commerce One, Inc." and its shares were traded on the NASDAQ National Market under the symbol "CMRC". As a result of a merger completed on July 11, 2001, which received shareholders approval: (i) Commerce One Operations became a wholly owned subsidiary of the Filer; (ii) the board of directors and officers of Commerce One Operations and the Filer became identical to the board of directors and officers of Commerce One Operations prior to the reorganization; (iii) the stockholders of Commerce One Operations became stockholders of the Filer; and (iv) the two corporate entities changed their names for the names they have today.
8. As part of the reorganization, all stock incentive plans of Commerce One Operations in effect prior to the merger continued to be in existence after the

effectiveness of the merger as plans of the Filer and all stock options and rights to purchase shares of common stock of Commerce One Operations outstanding thereunder as of the effective time of the merger continued to be in effect as options and rights to purchase shares of common stock of the Filer under the same terms and conditions.

9. Commerce One Operations has established the 1997 Stock Option Plan (and such plan has been assumed by the Filer) whereby the Filer may issue to eligible employees, officers, directors and consultants of the Filer and its subsidiaries nonstatutory stock options ("NS Options") and Stock Purchase Rights and, to eligible employees, officers and directors ("Eligible Service Providers") of the Filer and its subsidiaries (but not consultants) incentive stock options ("Incentive Options"). The 1997 Stock Option Plan is for a term of 10 years unless terminated as permitted pursuant to its terms. Each option granted under the 1997 Stock Option Plan shall be designated in the agreement between the Filer and the Eligible Service Provider (the "Option Agreement") as a NS Option or Incentive Option (NS Options and Incentive Options are hereinafter referred to collectively as the "Options") subject to certain limitations as outlined in the 1997 Stock Option Plan. NS Options and Stock Purchase Rights may be granted to directors, officers, employees and consultants of the Filer and its affiliates and Incentive Options may be granted only to directors, officers and employees of the Filer and its affiliates. The purposes of the 1997 Stock Option Plan are: (i) to attract and retain the best available personnel for positions of substantial responsibility; (ii) to provide additional incentive to the Filer's employees; and (iii) to promote the success of the Filer's business.
10. The maximum number of Common Shares which may be optioned and sold under the 1997 Stock Option Plan is 3,692,925 Common Shares, plus certain authorized annual increases.
11. As at May 15, 2001, there were approximately four Eligible Service Providers resident in Alberta, one Eligible Service Provider resident in British Columbia, and 10 Eligible Service Providers resident in Ontario. The Filer expects that the Subsidiary will expand its operations to other Provinces in the future and therefore will have employees in such other Provinces. The Filer does not intend at this time to distribute any securities under the 1997 Stock Option Plan to consultants in the Jurisdictions.
12. Participation in the 1997 Stock Option Plan is voluntary and the Eligible Service Providers are not and will not be induced to exercise Options or Stock Purchase Rights by expectation of employment or continued employment with the Filer, Subsidiary or any other affiliated entity of the Filer.
13. All Options and Stock Purchase Rights granted under the 1997 Stock Option Plan to the Eligible Service Providers is determined by the relevant committee(s) of the Board of Directors of the Filer (the "Administrator") and stated in the Option Agreements or Restricted

Stock Purchase Agreement (as defined in the 1997 Stock Option Plan) as the case may be. The Administrator administers the 1997 Stock Option Plan.

14. At the time an Option or Stock Purchase Right is granted, the Administrator determines the period within which the Option or Stock Purchase Right may be exercised and determines the terms of the Option or Stock Purchase Right and any conditions that must be satisfied before the Option or Stock Purchase Right may be exercised. Stock Purchase Rights may be issued by the Administrator at a purchase price which may be nil.
15. Unless determined otherwise by the Administrator, the Options and Stock Purchase Rights are non-transferable during an Eligible Service Provider's life.
16. Except as described below or otherwise provided in the Option Agreement, upon termination of his or her relationship as Service Provider (as such term is defined under the 1997 Stock Option Plan) of the Filer (a "Service Agreement"), an Eligible Service Provider is entitled to exercise only the Options that have vested up to three months after his or her termination unless otherwise specified in his or her Option Agreement.
17. Generally, if an Eligible Service Provider's Service Agreement terminates because of his or her permanent disability, then he or she may exercise his or her Options to the extent they have vested, within the period specified in his or her Option Agreement or in absence of such provision within 12 months of the date of such termination.
18. If an Eligible Service Provider dies, his or her Options may be exercised by his or her estate or by a person who acquires the right to exercise the Option by bequest or inheritance, but only to the extent that such Options have vested on the date of death, for a period of 12 months following his termination or within such other period as specified in his Option Agreement.
19. At any time, the Administrator may buy out for a payment in cash or Common Shares an Option previously granted based on such terms and conditions as the Administrator shall establish.
20. Eligible Service Providers who are issued Options and Stock Purchase Rights under the 1997 Stock Option Plan will be provided with all the disclosure documents that holders of Options and Stock Purchase Rights resident in the United States are entitled to receive.
21. On May 15, 2001, the Filer granted for no consideration 2,450 restricted stock units ("Unit Awards") to its 10 Eligible Service Providers who are resident of Ontario, 2,100 Unit Awards to its four Eligible Service Providers who are resident of Alberta and 750 Units Awards to its one Eligible Service Provider resident of British Columbia. This distribution was effected in reliance of Section 2.2 of Ontario Securities Commission Rule 45-503 in Ontario and the equivalent statutory exemptions in Alberta and British Columbia. These Eligible Service Providers are now employed by Commerce One Operations or its subsidiaries.
22. The Unit Awards are Stock Purchase Rights under the 1997 Stock Option Plan pursuant to the restricted stock unit award agreements (the "Units Agreements") pursuant to which the Unit Awards were granted. Each Unit Award entitles its holder to receive one Common Share.
23. In the event that a grantee of Unit Awards ceases to be a Service Provider for any or no reason (including death or disability) before some or all the Unit Awards of such grantee (the "Grantee") become payable in Common Shares to the Grantee, the Grantee shall automatically forfeit any unpaid Unit Awards (the "Forfeiture Restriction").
24. Subject to the Forfeiture Restriction, the Unit Awards are payable in Common Shares on the basis of the following schedule: twenty-five percent (25%) is payable on November 15, 2001 and twenty five percent (25%) is payable every six months thereafter.
25. Until the Unit Awards are paid out in Common Shares, the Grantee has no rights as a Shareholder and the Unit Awards or the Common Shares may not be transferred.
26. Commerce One Operations has established the Stock Purchase Plan (and such plan has been assumed by the Filer) whereby the Filer will allow eligible employees of the Filer and its subsidiaries ("Stock Eligible Employees") to acquire Common Shares. All employees (those employees who work 20 hours or more per week and more than five (5) months in any calendar period) are Stock Eligible Employees. Any Stock Eligible Employee's participation in the Stock Purchase Plan is to be effective after he or she has initiated his or her enrollment. The purpose of the Stock Purchase Plan is to provide employees of the Filer and its subsidiaries with an opportunity to purchase Common Shares through payroll deductions. The Common Shares are issued from treasury.
27. As at May 15, 2001, there were approximately four Stock Eligible Employees resident in Alberta, one Stock Eligible Employee resident in British Columbia and ten Stock Eligible Employees resident in Ontario. The Filer expects that the Subsidiary will expand its operations to other Provinces in the future and therefore will have employees in such other Provinces.
28. Participation in the Stock Purchase Plan by Stock Eligible Employees is voluntary and the Stock Eligible Employees have not been and will not be induced to participate in the Stock Purchase Plan by expectation of employment or continued employment with the Filer, Subsidiary or any other affiliated entity of the Filer.
29. Generally, each Stock Eligible Employee may elect to make contributions under the Stock Purchase Plan by payroll deduction of any amount up to, but not exceeding, 15% of his or her base earnings.

30. The purchase price of the Common Shares under the Stock Purchase Plan (the "Purchase Price") will be 85% of the Fair Market Value of a Common Share on the Enrollment Date (as defined under the Stock Purchase Plan) or the Fair Market Value on the Exercise Date (as defined under the Stock Purchase Plan), subject to adjustments by the Board of Directors of the Filer.
31. The "Fair Market Value" under the Stock Purchase Plan (if the Common Shares are quoted on the NASDAQ National Market) means the closing sales price for such shares (or the closing bid, if no sales were reported) as quoted on the NASDAQ National Market for the last market trading day on the date of determination of the Fair Market Value, as reported in The Wall Street Journal or such other source as the Board of Directors of the Filer deems reliable.
32. Under the Stock Purchase Plan, each Stock Eligible Employee participating in such plan has the option to purchase on each Exercise Date as determined under the Stock Purchase Plan up to a number of Common Shares determined by dividing such Stock Eligible Employees' payroll deductions accumulated prior to such Exercise Date and retained in his or her account as of the Exercise Date by the applicable Purchase Price, provided that in no event shall a Stock Eligible Employee be permitted to purchase during each purchase period allowed under the Stock Purchase Plan more than 30,000 Common Shares (subject to adjustments and other limitations). Unless a Stock Eligible Employee withdraws from the Stock Purchase Plan his or her option to purchase Common Shares is exercised automatically on the Exercise Date, and the maximum number of full Common Shares subject to the option is to be purchased on his or her behalf at the applicable Purchase Price with the accumulated payroll deductions in his or her account.
33. The Stock Eligible Employee's participation in the Stock Purchase Plan will be terminated when he or she voluntarily elects to withdraw from the Stock Purchase Plan or upon the Stock Eligible Employee's termination of employment.
34. Stock Eligible Employees resident in Canada who purchase Common Shares will be provided with all the disclosure documentation that holders of Common Shares resident in the United States and the employees of the Filer who purchase Common Shares under the Stock Purchase Plan are entitled to receive.
35. An exemption from the Registration and Prospectus Requirements is not available in all of the Jurisdictions for the distribution of the Common Shares by the Filer to Stock Eligible Employees through the Stock Purchase Plan.
36. An exemption from the Registration and Prospectus Requirements is not available in all of the Jurisdictions for trades in Common Shares acquired under the Stock Purchase Plan by Stock Eligible Employees, former Stock Eligible Employees or the legal representatives of such present or former Stock Eligible Employees.
37. Because there is no market for the Common Shares in Canada and none is expected to develop, any trades of the Common Shares by Stock Eligible Employees will be effected through the facilities of and in accordance with the rules of a stock exchange or recognized market outside of Canada on which the Common Shares are traded and in accordance with all laws applicable to such trading.
38. Commerce One Operations has established the 1999 Stock Option Plan (and such plan has been assumed by the Filer) whereby the Filer may issue to eligible employees, officers, directors who are also employees and/or officers and consultants of Filer and its subsidiaries options to acquire Common Shares. The Filer does not intend to issue options to consultants or directors who are not employees and/or officers in Canada (therefore the term "Option Eligible Service Providers" shall mean for the purposes of this decision, eligible employees, officers and directors who are also employees and/or officers under the 1999 Stock Option Plan, but shall not include consultants and directors who are not also employees and/or officers. The 1999 Stock Option Plan is for a term of ten years unless terminated as permitted pursuant to its terms. Each option shall be designated in the agreement between the Filer and the Option Eligible Service Provider (the "Option Agreement") as a nonstatutory stock option. The purposes of the 1999 Stock Option Plan are: (i) to attract and retain the best available personnel for positions of substantial responsibility; (ii) to provide additional incentive to Filer's employees and (iii) to promote the success of the Filer's business.
39. As at May 15, 2001, there were approximately four Option Eligible Service Providers resident in Alberta, one Option Eligible Service Provider resident in British Columbia, and ten Option Eligible Service Providers resident in Ontario. The Filer expects that the Subsidiary will expand its operations to other Provinces in the future and therefore will have employees in such other Provinces.
40. Participation in the Stock Option Plan is voluntary and the Option Eligible Service Providers cannot be induced to exercise options by expectation of employment or continued employment with or expectation to provide services or to continue to provide services to the Filer, Subsidiary or any other affiliated entity of the Filer.
41. All options granted under the 1999 Stock Option Plan to the Option Eligible Service Providers is determined by the relevant committee(s) of the Board of Directors of the Filer (the "Administrator") and stated in the Option Agreements. The Administrator administers the 1999 Stock Option Plan.
42. At the time an option is granted, the Administrator determines the period within which the option may be exercised and determines the terms of the option and any conditions that must be satisfied before the option may be exercised.
43. The options are non-transferable during an Option Eligible Service Provider's life. Upon death, an Option

Eligible Service Provider's personal representative may exercise his or her options in full within 12 months thereafter.

44. Except as described below or otherwise provided in the Option Agreement, upon termination of his or her relationship as Service Provider of the Filer (a "Service Agreement"), an Option Eligible Service Provider is entitled to exercise only the options that have vested up to 3 months after his or her termination unless otherwise specified in his or her Option Agreement.
45. Generally, if an Option Eligible Service Provider's Service Agreement terminates because of his or her permanent disability, then he or she may exercise his or her options to the extent they have vested, within the period specified in his or her Option Agreement or in absence of such provisions, within 12 months of the date of such termination.
46. If an Option Eligible Service Provider dies, his options may be exercised by his or her estate or by a person who acquires the right to exercise the option by bequest or inheritance, but only to the extent that such options have vested on the date of death, for a period of 12 months following his termination or within such other period as specified in his Option Agreement.
47. At any time, the Administrator may buy out for a payment in cash or Common Shares an option previously granted based on such terms and conditions as the Administrator shall establish.
48. Option Eligible Service Providers who are issued options under the 1999 Stock Option Plan resident in Canada will be provided with all the disclosure documentation that holders of options resident in the United States are entitled to receive.
49. An exemption from the Registration and Prospectus Requirements is not available in all of the Jurisdictions for the distribution of options by the Filer to Option Eligible Service Providers through the 1999 Stock Option Plan.
50. An exemption from the Registration and Prospectus Requirements is not available in all of the Jurisdictions for the exercise of options acquired under the 1999 Stock Option Plan by Option Eligible Service Providers, former Option Eligible Service Providers or the legal representatives of such present or former Option Eligible Service Providers.
51. An exemption from the Registration and Prospectus Requirements is not available in all of the Jurisdictions for trades in Common Shares acquired under the 1999 Stock Option Plan by the Option Eligible Service Providers, former Option Eligible Service Providers or the legal representatives of such present or former Option Eligible Service Providers.
52. Because there is no market for the Common Shares in Canada and none is expected to develop, any trades of the Common Shares by Option Eligible Service Providers will be effected through the facilities of and in

accordance with the rules of a stock exchange or recognized market outside of Canada on which the Common Shares are traded and in accordance with all laws applicable to such trading.

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

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

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

- (1) the Registration and Prospectus Requirements shall not apply to:
 - (a) the distribution of Options and Stock Purchase Rights by the Filer to Eligible Service Providers under the 1997 Stock Option Plan, the exercise of such Options and Stock Purchase Rights and the distribution of Common Shares pursuant to such exercise, (for greater clarity, the distribution of and/or the exercise of Stock Purchase Rights in this paragraph includes without limitation the future distribution of and/or exercise of Unit Awards);
 - (b) the distributions and/or trades of Common Shares to or on behalf of Stock Eligible Employees in connection with the Stock Purchase Plan; or
 - (c) the distribution of options by the Filer to Option Eligible Service Providers, under the 1999 Stock Option Plan the exercise of such options and the distribution of Common Shares pursuant to such exercise;
- (2) the first trade in any Common Shares acquired under the 1997 Stock Option Plan, the Stock Purchase Plan and the 1999 Stock Option Plan (for Alberta, British Columbia and Ontario, this includes without limitation the Common Shares to be issued pursuant to the Unit Awards granted on May 15, 2001) is not subject to the Registration and Prospectus Requirements where the first trade is made by an Eligible Service Provider, a Stock Eligible Employee, Option Eligible Service Provider, former Eligible Service Provider or former Stock Eligible Employee or former Option Eligible Service Provider or the legal representatives of such persons, provided that (for greater clarity, the distribution of and/or the exercise of Stock Purchase Rights in this paragraph includes without limitation the future distribution of and/or exercise of Unit Awards):
 - (a) either:

provided that the first trade in the Common Shares acquired pursuant to this paragraph (1) is a deemed distribution subject to the Prospectus Requirements; and

(i) at the time of the acquisition of the Common Shares, the Stock Purchase Rights or the Options or the options issued under the 1999 Stock Option Plan, persons or companies whose last address as shown on the books of the Filer in any one of the Jurisdictions did not hold, in the aggregate, more than 10% of the outstanding Common Shares and did not represent in number more than 10% of the total number of holders of Common Shares; or

(ii) at the time of the acquisition of the Common Shares, the Stock Purchase Rights or the Options or the options issued under the 1999 Stock Option Plan, persons or companies who were resident in any one of the Jurisdictions and who beneficially owned Common Shares did not beneficially own more than 10% of the outstanding Common Shares and did not represent in number more than 10% of the total number of holders of Common Shares;

(b) at the time of the trade of any Common Shares, the Filer is not a reporting issuer under any of the Legislation; and

(c) such first trade is executed:

(i) through the facilities of a stock exchange outside of Canada;

(ii) on the NASDAQ Stock Market; or

(iii) on the Stock Exchange Automated Quotation System of the London Stock Exchange Limited,

in accordance with the rules of such exchange or market and all applicable laws;

(3) the order of the Decision Makers entitled "In the Matter of Commerce One, Inc. (February 20, 2001) granted to Commerce One Operations (then called "Commerce One, Inc.") relating to the Stock Purchase Plan is hereby revoked.

December 11, 2001.

"Paul M. Moore"

"H. Lorne Morphy"

2.1.10 Talvest Fund Management Inc. and Talvest Global Sector Multi Management Fund - MRRS Decision

Headnote

Relief from the requirements of clause 111(2)(b) and subsection 111(3), clauses 117(1)(a) and 117(1)(d) in respect of a passive fund-of-fund structure of one mutual fund investing in five unrelated underlying funds.

Statutes Cited

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

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

AND

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

AND

**IN THE MATTER OF
TALVEST FUND MANAGEMENT INC.
AND
TALVEST GLOBAL SECTOR
MULTI MANAGEMENT FUND**

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (collectively, the "Decision Makers") in each of the provinces of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia and Newfoundland and Labrador (collectively, the "Jurisdictions") has received an application from Talvest Fund Management Inc., (the "Manager") in its own capacity and on behalf of Talvest Global Sector Multi Management Fund (the "Existing Top Fund") and other mutual funds managed by the Manager after the date of this Decision (defined herein) having as their investment objective to invest all or substantially all of their assets in other mutual funds managed by the Manager (the "Future Top Funds" 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 Manager or the Top Funds, as the case may be, in respect of certain investments to be made from time to time by a Top Fund in the securities of the Talvest Global Financial Services Fund, Talvest Global Health Care Fund, Talvest Global Resource Fund, Talvest Global Science & Technology Fund and Talvest Global Telecommunication Fund (together, the "Existing Reference Funds") and such other mutual funds established and managed by the Manager in the future (the "Future Reference

Funds” and together with the Existing Reference Funds, the “Reference Funds”):

- (a) the restrictions contained in the Legislation prohibiting a mutual fund from knowingly making or holding an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial security holder, and
- (b) the requirements contained in the Legislation requiring a management company, or in British Columbia, a mutual fund manager, to file a report relating to a purchase or sale of securities between 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 (“MRRS”) for Exemptive Relief Applications (the “System”), the Ontario Securities Commission is the principal regulator for this application;

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

1. The Manager is a corporation incorporated under the laws of Canada and its registered office is located in Québec. The Manager is or will be the promoter, trustee and manager of the Top Funds.
2. Each of the Top Funds and the Reference Funds is or will be an open-end mutual fund trust established under the laws of the Province of Ontario. Securities of each of the Top Funds and Reference Funds will be qualified for distribution in each of the Jurisdictions under a simplified prospectus and annual information form (together, the “Prospectus”) filed with and accepted by the Decision Makers. A Prospectus for the Existing Top Fund and the Existing Reference Funds will be filed shortly in final form under SEDAR project number 401987.
3. Each of the Top Funds and Reference Funds is or will be a reporting issuer in each of the Jurisdictions. The Existing Top Fund and the Existing Reference Funds are not in default of any requirements of the Legislation.
4. In order to achieve its investment objective, each of the Top Funds will invest fixed percentages (the “Fixed Percentages”) of its assets, excluding cash and cash equivalents held to meet redemptions and expenses, directly in securities of specified Reference Funds, subject to a variation of 2.5 percent above or below the Fixed Percentages (the “Permitted Ranges”) to account for market fluctuations.
5. The Prospectus of each Top Fund will disclose the names, investment objectives, investment strategies, risks and restrictions of the selected Reference Funds, the Fixed Percentages for each, and the Permitted Ranges.

6. Where a Reference Fund or a Fixed Percentage is changed, the Manager will provide 60 days’ prior written notice to unitholders of the Top Fund and will amend the Prospectus of the Top Fund to reflect any such change.
7. Each of the Top Funds will not invest in a mutual fund whose investment objective includes investing in other mutual funds.
8. The investments by a Top Fund in securities of the Reference Funds represent the business judgement of “responsible persons” (as defined in the Legislation) uninfluenced by considerations other than the best interests of the Top Fund.
9. Except to the extent evidenced by this Decision and specific approvals granted by the regulator or the securities regulatory authority in each of the provinces and territories of Canada pursuant to National Instrument 81-102 Mutual Funds (“NI 81-102”), the investments by a Top Fund in the Reference Funds have been structured to comply with the investment restrictions of the Legislation and NI 81-102.
10. In the absence of this Decision, pursuant to the Legislation, each Top Fund is prohibited from knowingly making or holding an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial security holder. As a result, in the absence of this Decision, each Top Fund would be required to divest itself of any such investments.
11. In the absence of this Decision, the Legislation requires the Manager to file a report on every purchase and sale of securities of the Reference Funds by a Top Fund.

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

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

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

PROVIDED IN EACH CASE THAT:

1. the Decision, as it relates to the jurisdiction of a Decision Maker, will terminate one year after the publication in final form of any legislation or rule of that Decision Maker dealing with matters in section 2.5 of NI 81-102.
2. the Decision shall only apply if, at the time a Top Fund makes or holds an investment in its Reference Funds, the following conditions are satisfied:

- (a) the securities of both the Top Fund and the Reference Funds are being offered for sale in the jurisdiction of the Decision Maker pursuant to a simplified prospectus and annual information form which has been filed with and accepted by the Decision Maker;
- (b) the investment by the Top Fund in the Reference Funds is compatible with the fundamental investment objectives of the Top Funds;
- (c) the simplified prospectus of the Top Fund discloses the intent of the Top Fund to invest directly in securities of the Reference Funds, the names of the Reference 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 Reference 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 Reference 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 Reference Funds does not deviate from the Permitted Ranges;
- (h) any deviation from the Fixed Percentages is caused by market fluctuations only;
- (i) where an investment by the Top Fund in any of the Reference Funds has deviated from the Permitted Ranges as a result of market fluctuations, the Top Fund's investment portfolio was re-balanced to comply with the Fixed Percentages on the next day on which the net asset value was calculated following the deviation;
- (j) if the Fixed Percentages and the Reference Funds which are disclosed in the simplified prospectus have been changed, either the simplified prospectus has been amended in accordance with securities legislation to reflect this significant change, or a new simplified prospectus has been filed to reflect the change, and the security holders 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 Reference 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 Reference Funds;
- (m) no redemption fees or other charges are charged by an Reference Fund in respect of the redemption by the Top Fund of securities of the Reference Fund owned by the Top Fund;
- (n) no fees or charges of any sort are paid by the Top Fund and the Reference Funds, by their respective managers or principal distributors, or by any affiliate or associate of any of the foregoing entities, to anyone in respect of the Top Fund's purchase, holding or redemption of the securities of the Reference Funds;
- (o) the arrangements between or in respect of the Top Fund and the Reference Funds are such as to avoid the duplication of management fees;
- (p) any notice provided to security holders of a Reference Fund as required by applicable laws or the constating documents of that Reference Fund has been delivered by the Top Fund to its security holders;
- (q) all of the disclosure and notice material prepared in connection with a meeting of security holders of the Reference Funds and received by the Top Fund has been provided to its security holders, the security holders have been permitted to direct a representative of the Top Fund to vote its holdings in the Reference Fund in accordance with their direction, and the representative of the Top Fund has not voted its holdings in the Reference Funds except to the extent the security holders 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, security holders of a Top Fund have received appropriate summary disclosure in respect of the Top Fund's holdings of securities of the Reference Funds in the financial statements of the Top Fund; and
- (s) to the extent that the Top Fund and the Reference Funds do not use a combined simplified prospectus and annual information form containing disclosure about the Top Fund and the Reference Funds, copies of the simplified prospectus and annual information form of the Reference Funds have been provided upon request to security holders of the Top Fund and the right to receive these documents is disclosed in the simplified prospectus of the Top Fund.

January 29, 2002.

"Paul Moore"

"R. Stephen Paddon"

2.1.11 Respiroics, Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - registration and prospectus relief for issuance of shares by foreign issuer to current and former employees, directors, officers and consultants in accordance with two stock incentive plans. Relief from issuer bid requirements with respect to certain trades made in connection with the plans. Issuer with *de minimis* Canadian presence. Future applications should look to Multilateral Instrument 45-102 for resale of securities.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5., as am., ss. 25, 35(1)(12)(iii), 35(1)(17), 53, 72(1)(f)(iii), 72(1)(k), 74(1), 89(1), 93(3)(a), 93(3)(d), 104(2).

Regulations Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., s.182(1), 204, 206.

Applicable Ontario Rules

Rule 45-503 - Trades to Employees, Executives and Consultants (1998) 21 OSCB 6559, ss. 2.2, 2.4, 3.3, 3.5.

Rule 72-501 - Prospectus Exemption for First Trade Over a Market Outside Ontario (1998) 21 OSCB 2318

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

AND

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

**AND IN THE MATTER OF
RESPIRONICS, INC.**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Ontario and Manitoba (the "Jurisdictions") has received an application from Respiroics, Inc. ("Respiroics" or the "Company") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that:

- (i) the requirements contained in the Legislation to be registered to trade in a security and to file and obtain a receipt for a preliminary prospectus and a prospectus (the "Registration and Prospectus Requirements") shall not apply to certain trades in shares of Respiroics common stock (the "Shares") made in connection with the Respiroics, Inc. 1992 Stock Incentive Plan (the

"1992 Plan") and the Respiroics, Inc. 2000 Stock Incentive Plan (the "2000 Plan") (collectively, the "Plans"); and

- (ii) the requirements contained in the Legislation relating to the delivery of an offer and issuer bid circular and any notices of change or variation thereto, minimum deposit periods and withdrawal rights, taking up and paying for securities tendered to an issuer bid, disclosure, restrictions upon purchases of securities, bid financing, identical consideration and collateral benefits ("Issuer Bid Requirements") together with the requirement to file a reporting form within 10 days of an exempt issuer bid (the "Issuer Bid Filing Requirement") shall not apply to certain acquisitions by Respiroics of Shares pursuant to the Plans.

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 Respiroics has represented to the Decision Makers as follows:

1. Respiroics is a corporation incorporated under the laws of the state of Delaware. The executive offices of Respiroics are located in Pittsburgh, Pennsylvania.
2. Respiroics is registered with the Securities Exchange Commission (the "SEC") in the United States under the United States *Securities Exchange Act of 1934*, as amended, including the reporting requirements thereof.
3. The Shares are quoted on the Nasdaq National Market ("NASDAQ") under the symbol "RESP".
4. Respiroics is not a reporting issuer in either Jurisdiction and has no present intention of becoming a reporting issuer in either Jurisdiction. The majority of the directors and senior officers of Respiroics reside outside of Canada.
5. Authorized share capital of Respiroics consists of 100,000,000 Shares. As of September 30, 2001, there were 34,089,171 Shares issued and outstanding.
6. Under the 1992 Plan, options exercisable for Shares ("Options"), cash payment rights and restricted shares ("Restricted Stock") (collectively, "Awards") may be granted to employees of Respiroics and its affiliates ("Respiroics Companies"). Under the 2000 Plan, Awards may be granted to non-employee directors of and consultants to the Respiroics Companies, in addition to employees of the Respiroics Companies (all of the foregoing, collectively "Service Providers").
7. Employees who participate in the Plans will not be induced to exercise Options or purchase Shares by expectation of employment or continued employment. Consultants who participate in the Plans will not be induced to exercise Options or purchase Shares by expectation of the individual consultant, the consultant's company or the consultant's partnership being engaged or continuing to be engaged as a consultant.

8. It is anticipated that consultants who will be granted Awards under the Plans will (a) provide technical, business, management or other services to the Respironics Companies (other than services relating to the sale of securities or promotional/investor relations services); (b) provide consulting services to the Respironics Companies under a written contract; (c) have a relationship with the Respironics Companies that will permit them to be knowledgeable about the business affairs of Respironics; and (d) will spend a significant amount of time and attention on affairs and business of one or more of the Respironics Companies.
 9. The Plans are administered by a committee ("Committee") appointed by the board of directors ("Board") of the Company.
 10. The purpose of the Plans is to promote attraction and retention of Service Providers and to reward such individuals by providing them with an opportunity to acquire Shares on favorable terms.
 11. All necessary securities filings have been made in the U.S. in order to offer the Plans to participants resident in the U.S.
 12. The total number of Shares reserved for issuance under the Plans is 4,400,000.
 13. A prospectus prepared according to U.S. securities laws describing the terms and conditions of the Plans will be delivered to each Service Provider who is granted an Award under the Plans ("Participants"). Annual reports, proxy materials and other materials Respironics is required to file with the SEC will be provided or made available to Canadian Participants who become shareholders at the same time and in the same manner as the documents are provided or made available to U.S. shareholders.
 14. Unless otherwise determined by the Committee, Awards under the Plans may not be assigned, transferred, pledged or otherwise disposed of other than by will or the laws of intestacy.
 15. Following the termination of a Service Provider's relationship with the Respironics Companies, a former Service Provider or in some cases the Service Provider's or former Service Provider's estate, the legal representative of a Service Provider or of a former Service Provider, or the beneficiary of a Service Provider or former Service Provider by will or the laws of intestacy ("Former Participants") will continue to have rights in respect of the Plans. Post-termination rights may include, among other things, the right of a former participant to exercise an Option for a specified period following termination and the right to sell Shares acquired under the Plans through agents, if applicable.
 16. Respironics may choose to use the services of one or more agents/brokers ("Agents") in connection with administration of the Plans. Any Agents that are appointed will be registered under applicable U.S. securities or banking legislation and will be authorized by Respironics to provide services under the Plans.
- Any Agents that may be appointed by Respironics are not expected to be registered to conduct retail trades in any of the Jurisdictions.
17. Agents' role in the Plans may include: (a) assisting with administration of the Plans, including record-keeping functions; (b) facilitating the exercise of Options granted under the Plans (including cashless and stock-swap exercises); (c) holding Shares issued under the Plans on behalf of Participants or Former Participants; and (d) facilitating the resale of the Shares issued in connection with the Plans.
 18. As there is no market in the Jurisdictions for the Shares and none is expected to develop and it is expected that any resale of Shares will be effected through the facilities of NASDAQ.
 19. As of June 27, 2001, there were four employees in Canada eligible to participate in the Plans.
 20. Generally, in order to exercise an Option, the Participant or Former Participant, must submit to agents a written notice of exercise identifying the Option and the number of Shares being purchased, together with full payment of the exercise price. The exercise price of an Option may be paid in cash or where permitted by the Committee, by way of a cashless exercise, promissory note, stock-swap exercise, or such other method permitted by the Committee.
 21. Pursuant to the Plans, acquisition of Shares by the Company in certain circumstances may constitute an "issuer bid". The terms of the Plans permit: (a) Option holders to surrender Shares to the Company on a stock-swap exercise; and (b) the Company to repurchase or otherwise reacquire Shares held by that person which have not vested as of the date of termination under the terms of the Restricted Stock agreement. The exemptions in the Legislation from the Issuer Bid Requirements may not be available for such acquisitions by the Company since such acquisitions may occur at a price that is not calculated in accordance with "market price," as that term is defined in the Legislation and may be made from persons other than employees or former employees.
 22. If Agents are appointed by Respironics, Canadian Participants and Former Participants who wish to sell Shares acquired under the Plans may be permitted to do so through agents.
 23. The Legislation of the Jurisdictions does not contain exemptions from the Prospectus and Registration Requirements for all the intended trades in Options, Shares or other Awards under the Plans.
 24. When agents sell Shares on behalf of Participants or Former Participants, agents, Participants and Former Participants may not be able to rely upon the exemption from the Registration Requirement contained in the Legislation of the Jurisdictions.

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

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

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

- (i) the Registration and Prospectus Requirements shall not apply to any trade or distribution of Awards or Shares made in connection with the Plans, including trades and distributions involving agents, Participants and Former Participants, including beneficiaries under will or on intestacy, provided that First Trades of Shares acquired through the Plans pursuant to this Decision shall be deemed a distribution or primary distribution to the public under the Legislation unless such First Trade is executed on a stock exchange or market outside of Canada;
- (ii) the First Trade by Participants and Former Participants, including beneficiaries under will or on intestacy, in Shares acquired pursuant to the Plans including First Trades effected through agents, shall not be subject to the Registration Requirement, provided such First Trade is executed through a stock exchange or market outside of Canada; and
- (iii) the Issuer Bid Requirements and the Issuer Bid Filing Requirements of the Legislation shall not apply to acquisition by Respironics of Shares or Awards from Participants or Former Participants provided such acquisitions are made in accordance with the terms of the Plans.

December 5, 2001.

"Paul Moore"

"RobertW. Korthals"

2.2 Orders

2.2.1 Wisper Inc. - ss. 83.1(1)

Headnote

Subsection 83.1(1) - issuer deemed to be a reporting issuer in Ontario - issuer has been a reporting issuer in Alberta since 1993 and in British Columbia since 1999 - issuer listed and posted for trading on the Canadian Venture Exchange - continuous disclosure requirements of British Columbia and Alberta substantially identical to those of Ontario.

Statutes Cited

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

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

AND

**IN THE MATTER OF
WISPER INC.**

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

UPON the application (the "**Application**") of Wisper Inc. ("**Wisper**") for an order pursuant to subsection 83.1(1) or the Act deeming Wisper 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 Wisper representing to the Commission as follows:

1. Wisper was amalgamated on May 31, 1996 under the name Logicsys Inc. pursuant to the *Business Corporations Act* (Ontario). On January 11, 2001 the name of the company was changed to Wisper Inc.
2. The head office of Wisper is located in Mississauga, Ontario.
3. Wisper has been a reporting issuer under the *Securities Act* (Alberta) (the "**Alberta Act**") since May 3, 1993 and under the *Securities Act* (British Columbia) (the "**BC Act**") since November 29, 1999 and is not in default of any of the requirements of the Alberta Act or the BC Act or the regulations made thereunder. Wisper is not a reporting issuer or equivalent under the securities legislation of any other jurisdiction in Canada.
4. The continuous disclosure requirements of the Alberta Act and the BC Act are substantially the same as the requirements under the Act.
5. The continuous disclosure materials filed by Wisper under the Alberta Act since October 5, 1998 and the BC

Act since November 29, 1999 are available on the System for Electronic Document Analysis and Retrieval.

6. The authorized share capital of Wisper consists of an unlimited number of common shares, an unlimited number of First Preferred Shares and an unlimited number of Second Preferred Shares, of which 42,446,272 common shares and no preferred shares were issued and outstanding as of November 22, 2001. In addition, options and warrants entitling the holders to purchase up to 10,632,375 additional common shares of Wisper were outstanding as of December 31, 2001.
7. Wisper has a significant connection to Ontario in that, as of October 16, 2001, approximately 80% of Wisper's issued and outstanding common shares were registered in the names of shareholders having a registered address in Ontario.
8. The common shares of Wisper are listed and posted for trading on the Canadian Venture Exchange Inc. (the "**CDNX**") under the symbol "WIP". Wisper is in good standing under the rules, regulations and policies of CDNX.
9. Wisper is not designated as a Capital Pool Company by CDNX.
10. Wisper has not been subject to any penalties or sanctions imposed against Wisper 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.
11. Neither Wisper nor any of its officers, directors, or shareholders holding sufficient securities of Wisper to affect materially the control of Wisper, 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 (iii) 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.
12. None of the directors or officers of Wisper, nor any of its shareholders holding sufficient securities of Wisper to affect materially the control of Wisper, 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.

13. Neither Wisper nor any of its officers, directors, or any of its shareholders holding sufficient securities of Wisper to affect materially the control of Wisper 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.

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 Wisper be deemed to be a reporting issuer for the purposes of the Act.

January 29, 2002.

"Iva Vranic"

2.3 Rulings

2.3.1 VHS Neteork Inc. - ss. 74(1)

Headnote

Prospectus and registration relief in connection with acquisition of a private Ontario issuer by public U.S. company using an exchangeable share structure. Exchangeable shares economically equivalent to shares of U.S. acquirer. First trade relief for underlying securities not sought at this time due to the fact that U.S. company is not a reporting issuer in Ontario and upon the exercise of all exchangeable shares and outstanding stock options, persons or companies resident in Ontario will hold approximately 61% of the total issued and outstanding common shares of the U.S. acquirer.

Statutes Cited

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

Instrument Cited

Multilateral Instrument 45-102 - Resale of Securities

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

AND

**IN THE MATTER OF
VHS NETWORK INC.**

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

UPON the application (the "**Application**") of VHS Network Inc. ("**VHS**") to the Ontario Securities Commission (the "**Commission**") for a ruling pursuant to subsection 74(1) of the Act, that the distribution by VHS of common shares (the "**VHS Common Shares**") to the holders of Class B non-voting special shares (the "**Exchangeable Shares**") of China eMall Corporation ("**China eMall**"), a subsidiary of VHS, not be subject to sections 25 and 53 of the Act;

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

AND UPON VHS having represented to the Commission that:

1. VHS was incorporated under the laws of the State of Florida pursuant to articles of incorporation dated December 18, 1995, under the name Ronden Vending Corp.
2. On January 9, 1997, articles of amendment were filed to change the name of VHS from Ronden Vending Corp. to VHS Network, Inc.

3. The head office of VHS is located at 301-5170 Dixie Road, Mississauga, Ontario, L4W 1E3.
4. VHS is presently authorized to issue 100,000,000 common shares with a par value of \$0.001 and 25,000,000 preferred shares with a par value of \$0.001. As of September 13, 2001 there were 19,560,268 common shares issued and outstanding and nil preferred shares issued and outstanding.
5. VHS is a reporting company under the United States *Securities Exchange Act of 1934*, but is not and has never been a reporting issuer in the Province of Ontario.
6. The VHS Common Shares are quoted for trading on the NASD over-the-counter bulletin board (the "**Bulletin Board**") under the symbol "VHSN".
7. China eMall was incorporated under the laws of the Province of Ontario by articles of incorporation dated February 5, 1999.
8. The authorized capital of China eMall consists of an unlimited number of common shares (the "**China eMall Common Shares**"), an unlimited number of Class A non-voting special shares and an unlimited number of Exchangeable Shares, of which 600,000 China eMall Common Shares and 4,015,000 Exchangeable Shares are issued and outstanding as fully paid and non-assessable. There are no Class A special shares outstanding. The China eMall Common Shares are the only voting securities of China eMall.
9. China eMall is not and has never been a reporting issuer in any jurisdiction, and does not intend to become a reporting issuer in any jurisdiction.
10. The shares of China eMall are not listed or quoted for trading on any stock exchange or over-the-counter market. China eMall is a "private company", as that term is defined in the Act.
11. On April 12, 2000, VHS acquired all the issued and outstanding China eMall Common Shares, which it owns either directly or through its wholly-owned subsidiaries, GDCT Investment Inc. and Uphill Minerals Ltd. The trades made to date pursuant to this acquisition have been made in reliance on exemptions from the registration and prospectus requirements of Ontario securities law.
12. VHS acquired all of the issued and outstanding China eMall Common Shares pursuant to a share exchange agreement made between VHS, China eMall, Uphill Capital Inc., GDCT Investment Inc., Gang Chai, Qin Lu Chai, Qing Wang, Tai Xue Shi, Charles He and Forte Management Corp. (the "**Share Exchange Agreement**"). Prior to the acquisition, the China eMall Common Shares were held by five individuals and three corporations. Two of the corporate shareholders, GDCT Investment Limited and Uphill Capital Inc., were holding companies whose only activities were holding shares of China eMall. VHS purchased all of the issued and outstanding shares of GDCT Investment Limited

and Uphill Capital Inc. and thus indirectly acquired the China eMall Common Shares held by these companies. The shareholders of GDCT Investment Limited and Uphill Capital Inc. received VHS Common Shares pursuant to the Share Exchange Agreement. The other corporate shareholder, Forte Management Corp., received VHS Common Shares in exchange for its China eMall Common Shares.

13. All of the former holders of China eMall Common Shares who are individuals (the “**Individual Vendors**”) received Exchangeable Shares as consideration for their China eMall Common Shares. Exchangeable Shares are exchangeable on a one for one basis for VHS Common Shares for no further consideration. In total, VHS issued 2,100,000 VHS Common Shares on closing and has allotted 4,015,000 VHS Common Shares for issuance when the Exchangeable Shares are exchanged into VHS Common Shares. The holders of the Exchangeable Shares can exchange any or all of their Exchangeable Shares into VHS Common Shares at any time, however, if any Exchangeable Shares remain issued and outstanding after the expiration of the earlier of (a) three years from the date on which a Form SB-2 or similar filing has been filed with the Securities and Exchange Commission (the “**SEC**”) with respect to the VHS Common Shares and the SEC has reached a position of no further comment, and (b) five years after which such Exchangeable Shares were issued, then China eMall may redeem the Exchangeable Shares on payment of one VHS Common Share for each Exchangeable Share (the issuance of VHS Common Shares to the holders of Exchangeable Shares pursuant to any such exchange or redemption to be referred to as a “**Trade**”).
14. The Exchangeable Shares provide holders thereof with a security of a Canadian issuer having the economic attributes which are as nearly as practicable, equivalent to those of VHS Common Shares.
15. VHS entered into a support agreement (the “**Support Agreement**”) with China eMall dated April 12, 2000 whereby VHS, among other things, undertook to issue the VHS Common Shares to the holders of Exchangeable Shares upon the exchange of their Exchangeable Shares.
16. On February 14, 2001, VHS filed an amended registration statement (the “**Registration Statement**”) on Form SB-2 with the SEC which was declared effective the same day. The Registration Statement registered for sale up to 6,830,812 VHS Common Shares. A copy of the Registration Statement was delivered to all of the former holders of China eMall Common Shares who sold such shares pursuant to the Share Exchange Agreement.
17. If, as of October 4, 2001, holders resident in Ontario of the Exchangeable Shares and stock options to acquire VHS Common Shares, exchanged or exercised such securities for VHS Common Shares, they would hold approximately 61% of the 25,075,268 VHS Common Shares that would be outstanding.

18. In connection with the issuance of VHS Common Shares to holders of Exchangeable Shares pursuant to the Trades, VHS will not be able to rely on the registration and prospectus exemptions set out in subsections 35(1)14(ii) and 72(1)(h)(ii) of the Act and in section 2.7 of Commission Rule 45-501, because VHS is not a reporting issuer in Ontario.

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

IT IS RULED, pursuant to subsection 74(1) of the Act that the Trades will not be subject to sections 25 and 53 of the Act, provided that:

- (a) the first trade in Exchangeable Shares other than the exchange thereof for VHS Common Shares shall be deemed a distribution; and
- (b) the first trade in VHS Common Shares issued pursuant to this Ruling shall be deemed a distribution unless such first trade complies with section 2.6 of Multilateral Instrument 45-102.

January 25th, 2002.

“R. Stephen Paddon”

“H. Lorne Morphy”

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Chapter 3

Reasons: Decisions, Orders and Rulings

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IN THIS ISSUE

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Extending & Rescinding Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Rescinding Order
Java Joe's International Corporation	14 Aug 01	24 Aug 01	27 Aug 01	28 Dec 01
ATC Technologies Corporation	30 Nov 01	12 Dec 01	12 Dec 01	
Dynasty Motorcar Corporation	30 Nov 01	12 Dec 01	12 Dec 01	
Rodin Communications Corporation	3 Dec 01	14 Dec 01	14 Dec 01	
Marketvision Direct, Inc.	5 Dec 01	17 Dec 01	17 Dec 01	
Glimmer Resources Inc.	6 Dec 01	18 Dec 01	18 Dec 01	
MTW Solutions Online Inc.	7 Dec 01	19 Dec 01	19 Dec 01	
Big Hammer Group Inc.	7 Dec 01	19 Dec 01	21 Dec 01	
Atapa Minerals Limited	11 Dec 01	21 Dec 01	21 Dec 01	
Gearunlimited.com Inc.	14 Dec	24 Dec 01	28 Dec 01	
Cambium Limited Partnership No. Two	2 Jan 02	14 Jan 02	14 Jan 02	
1080854 Ontario Limited	3 Jan 02	15 Jan 02	15 Jan 02	
Digital Duplication Inc.	4 Jan 02	16 Jan 02	18 Jan 02	
Monarch Resources Limited	8 Jan 02	18 Jan 02	18 Jan 02	
Goldbrook Explorations Inc.	9 Jan 02	21 Jan 02		23 Jan 02
Elkhorn Gold Mining Corporation	11 Jan 02	23 Jan 02	23 Jan 02	
CTM Cafes Inc.	18 Jan 02	30 Jan 02		
Firstlane Inc.	22 Jan 02	01 Feb 02		
Meadowvale Gardens Apartment Project - Phase I	22 Jan 02	01 Feb 02		
Interprovincial Venture Capital Corporation	24 Jan 02	05 Feb 02		
MacDonald Oil Exploration Ltd.	24 Jan 02	05 Feb 02		
M.L. Cass Petroleum Corporation	25 Jan 02	06 Feb 02		

Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Rescinding Order
Explorers Alliance Corporation	30 Jan 02	11 Feb 02		

4.2.1 Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Dotcom 2000 Inc.	29 May 01	11 Jun 01	11 Jun 01	-	23 Jul 01
St. Anthony Resources Inc.	29 May 01	11 Jun 01	11 Jun 01	23 Jun 01	-
Galaxy OnLine Inc. Melanesian Minerals Corporation	29 May 01	11 Jun 01	11 Jun 01	24 Jul 01	-
Brazilian Resources, Inc. Link Mineral Ventures Ltd. Nord Pacific Limited	30 May 01	12 Jun 01	12 Jun 01	-	23 Jul 01
Landmark Global Financial Corp.	30 May 01	12 Jun 01	12 Jun 01	28 Jun 01	-
Dominion International Investments Inc.	12 Jun 01	25 Jun 01	25 Jun 01	-	23 Jul 01
Zamora Gold Corp.	13 Jun 01	26 Jun 01	26 Jun 01	18 Jul 01	-
Consumers Packaging Inc.	20 Jun 01	03 Jul 01	-	05 Jul 01	-
Systech Retail Systems Inc.	27 Jun 01	10 Jul 01	10 Jul 01	23 Aug 01	-
United Trans-Western, Inc.	05 Jul 01	18 Jul 01	19 Jul 01	-	23 Jun 01
Digital Duplication Inc.	10 Jul 01	23 Jul 01	23 Jul 01	23 Aug 01	-
Online Direct Inc.	22 Aug 01	04 Sep 01	04 Sep 01	-	18 Oct 01
Aquarius Coatings Inc.	23 Aug 01	05 Sep 01	06 Sep 01	9 Oct 01	-
Primenet Communications Inc.	29 Aug 01	11 Sep 01	11 Sep 01	-	26 Oct 01
Unirom Technologies Inc.	30 Aug 01	12 Sep 01	12 Sep 01	-	19 Oct 01
Zaurak Capital Corporation	30 Aug 01	12 Sep 01	12 Sep 01	28 Sep 01	-
Galaxy Online Inc.	14 Sep 01	27 Sep 01	-	27 Sep 01	27 Sep 01
Consumers Packaging Inc.	19 Sep 01	25 Sep 01	25 Sep 01	31 Oct 01	-
Diadem Resources Ltd.	23 Oct 01	5 Nov 01	5 Nov 01	17 Dec 01	-
Armistice Resources Limited	21 Nov 01	04 Dec 01	4 Dec 01	18 Jan 02	-

Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
CTM Cafes Inc.	23 Nov 01	06 Dec 01	6 Dec 01	-	18 Jan 02
Titan Employment Services Ltd.	27 Nov 01	10 Dec 01	-	10 Dec 01	-
RX Neutraceuticals Corp.	29 Nov 01	12 Dec 01	-	12 Dec 01	-
Explorers Alliance Corporation	7 Dec 01	20 Dec 01	20 Dec 01	-	30 Jan 02
World Sales & Merchandising Inc.	27 Dec 01	9 Jan 02	9 Jan 02		

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Chapter 5

Rules and Policies

5.1.1 Notice of Amendments to OSC Policy 1.7 The Securities Advisory Committee to the OSC

NOTICE OF AMENDMENTS TO ONTARIO SECURITIES COMMISSION POLICY UNDER THE SECURITIES ACT - OSC POLICY 1.7 THE SECURITIES ADVISORY COMMITTEE TO THE OSC

Notice of Amendments

The Commission has, under section 143 of the *Securities Act* (the "Act"), amended OSC Policy 1.7 entitled *The Securities Advisory Committee to the OSC* ("Policy 1.7"). The amendments do three things: (i) designate a new number for Policy 1.7 in conformity with the numbering system adopted by the Canadian Securities Administrators; (ii) update the language of Policy 1.7 to reflect current practice with regard to the appointment process and other administrative aspects in connection with the Securities Advisory Committee; and (iii) replace the mandatory language in Policy 1.7 with language that is more appropriate to the nature of the instrument. The amendments do not materially change Policy 1.7 and accordingly, under section 143.8 of the Act, the Commission has not published the amendments for comments. The amendments are effective immediately. References in existing instruments to Policy 1.7 should now be read to refer to OSC Policy 11-601.

Text of Amendment

The text of the amended Policy follows.

ONTARIO SECURITIES COMMISSION POLICY 11-601 THE SECURITIES ADVISORY COMMITTEE TO THE OSC

A. General

1. The Ontario Securities Commission (the "Commission") has established an advisory committee composed of practising securities lawyers, named "The Securities Advisory Committee to the OSC" ("SAC").

B. Terms of Reference

1. SAC provides advice to the Commission and Commission staff on a variety of matters including legislative and policy initiatives and important capital markets trends.
2. At the request of the Commission or Commission staff, SAC provides advice and comments on the legal, regulatory and market

implications of any aspect of Commission rules, policies, operations, and administration.

3. On its own initiative, SAC may report to the Commission or Commission staff at any time on issues the members consider should be addressed by the Commission or of which the Commission should be aware.
4. SAC may report annually to the Chairman of the Commission on its activities for the preceding year.
5. SAC generally meets at least monthly.

C. Composition of SAC

1. SAC will consist of up to 12 members. Members of SAC will generally be expected to serve minimum terms of two years, except where they are appointed for the purpose of completing the unexpired term of a former member. Terms may extend to, but will not exceed, three years. Terms may be staggered so that a certain number of the members may retire in any one year. Except in transition periods, members will not be re-appointed on the expiry of their terms.
2. SAC will select one member to act as Chairman. The Chairman's term may be one or two years and, in the former case, may be renewed.

D. Appointment Criteria

1. Individuals appointed to SAC should have an excellent knowledge of "Ontario securities law" (the legislation and policies for which the OSC is responsible), and significant practice experience in the securities area. Expertise in an area of special interest to the Commission at the time an appointment is made may also be a factor in selection. SAC members are expected to have excellent technical abilities and a strong interest in the development of securities regulatory policy.
2. SAC members will be selected with a view to ensuring that SAC is reasonably representative of the full spectrum of securities law practice.
3. SAC members should be in a position to make the time commitment that SAC's work entails. Members who find themselves unable to make this time commitment may be asked to resign in order that their places may be filled by more active members.

E. Application Process

1. In order to replace SAC members whose terms expire, the Commission will first publish a notice soliciting new applications for membership and setting a deadline for submissions. When the selection process is complete, a notice of the new members will be published.
2. Securities law practitioners interested in serving on SAC should apply in writing to the General Counsel, indicating areas of practice and relevant experience.
3. The General Counsel will review all applications for membership and recommend new members to the Chairman of the Commission. The Chairman of the Commission, on the advice of the General Counsel and, if requested, of the current SAC Chairman, will make the final decision as to SAC membership.

F. Liaison Between SAC and Commission

1. The General Counsel serves as the liaison between SAC and the Commission. The General Counsel will attend SAC meetings. Matters are referred to SAC by the Office of the General Counsel on behalf of Commission staff. Commission staff are expected to attend SAC meetings in appropriate cases. In addition to attendance at SAC meetings, Commission staff may work directly with SAC on particular projects.
2. All material submitted by the Commission to SAC is confidential, as are all SAC proceedings. Material shall not be distributed to or discussed with anyone who is not a member of SAC, unless the prior consent of the General Counsel has been obtained.
3. Commission staff will ensure that material is submitted to SAC in a timely fashion, so that sufficient opportunity for review and comment is provided.

Chapter 6
Request for Comments

THERE IS NO MATERIAL FOR THIS CHAPTER
IN THIS ISSUE

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Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

Exempt Financings

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

Reports of Trades Submitted on Form 45-501F1

<u>Trans. Date</u>	<u>Purchaser</u>	<u>Security</u>	<u>Price (\$)</u>	<u>Amount</u>
21Dec01		A&B Geoscience Corporation - Units	480,000	3,000,000
04Jan02		Arrow Global RSP MultiManager Fund - Class A Trust Units	730,000	72,854
04Jan02		Arrow Global MultiManager Fund - Class A Trust Units	295,836	29,290
28Dec01 & 04Jan02		Arrow Goodwood Fund - Class A Trust Units	225,252	21,505
04Jan02		Arrow North American MultiManager Fund - Class A Units	100,000	9,980
24Dec01		Augen Limited Partnership VII - Limited Partnership Units	850,000	8,500
11Jan01		Avalon Ventures Ltd. - Flow-Through Units	260,000	1,040,000
02Jan02	George Cedric Metcalf Charitable Foundation	Bank of Ireland Asset Management Limited - Units	1,000,000	88,892
02Jan02	Textron Canada Limited Master Trust	Bank of Ireland Asset Management Limited - Units	95,000	8,439
15Jan01 to 31Jul01		BCM Arbitrage Fund - Limited Partnership Units	24,732,983	71,185
31Dec01	Augen Limited Partnership VII	Beaufield Consolidated Resources Inc. - Common Shares	35,000	350,000
10Jan01	BMO Nesbitt Burns, Inc.	Best Buy Co., Inc. - Convertible Subordinated Debentures due January 15, 2022	799,350	500,000
Jan01 to Dec01		Burgundy RCA Trust Fund - Units	274,572	19,133
Jan01 to Dec01		Burgundy Japan Fund - Units	27,550,097	1,639,060

Notice of Exempt Financings

<u>Trans.</u> <u>Date</u>	<u>Purchaser</u>	<u>Security</u>	<u>Price (\$)</u>	<u>Amount</u>
Jan01 to Dec01		Burgundy Large Cap Fund - Units	109,580	62,357
Jan01 to Dec01		Burgundy Small Cap Value Fund - Units	3,085,578	81,644
Jan01 to Dec01		Burgundy Smaller Companies Fund - Units	11,222,037	591,513
Jan01 to Dec01		Burgundy Special Equity Fund - Units	25,000,000	2,391,455
17Jan02	16 Purchasers	Canalaska Ventures Ltd. - Shares	190,000	1,900,000
11Jan01	Ontario Teachers Pension Board	Capital International Emerging Markets Fund - Class A! (USD) Shares	150,136,800	3,493,125
28Dec01		CC&L Arrowstreet EAFE Equity Fund -	3,701	376
31Dec01		CC&L Arrowstreet Private Client US Equity Fund -	194,541	20,016
28Dec01		CC&L Arrowstreet American Equity Fund -	3,701	376
31Dec01		CC&L Arrowstreet American Equity Fund -	14,027	1,441
24Dec01		CC&L Arrowstreet EAFE Equity Fund -	269,322	26,459
31Dec01		CC&L Arrowstreet EAFE Equity Fund -	14,027	1,441
28Dec01 & 31Dec01		CC&L Money Market Fund -	240,000	240,000
03Jan02		CC&L Private Client Bond Fund -	2,923	282
28Dec01		CC&L Private Client Bond Fund -	19,131	1,813
03Jan02		CC&L Private Client PCJ Canadian Small Capitalization Fund -	300	30
31Dec01		CC&L Private Client Diversified Fund -	583,033	60,923
10Jan02		CC&L Private Client Income Trust Fund -	1,173	100
28Dec01		CC&L Private Client Income Trust Fund -	6,747	576
28Dec01	Trustco Sub Limited and WB Family Foundation	CMS Offshore Manager Select Fund, Ltd. - Limited Partnership Units	US\$1,000,000	1,000
20Dec01		CNH Capital Canada Receivables Trust - Floating Rates Class A Receivable-Backed Notes, Series 2000-2	\$119,017,981	\$119,017,981
14Dec01	3 Purchasers	Converium Holding AG - Ordinary Shares and American Depositary Shares	7,375,800, 776,400	95,000, 20,000 Resp.
14Dec01	2 Purchasers	Converium Holdings AG - Ordinary Shares	8,928,600	115,000

Notice of Exempt Financings

<u>Trans. Date</u>	<u>Purchaser</u>	<u>Security</u>	<u>Price (\$)</u>	<u>Amount</u>
11Jan02	6 Purchasers	e-Scotia Limited Partnership - Partnership Units	89,702	89,702
11Jan01	Roger King General Delivery	East West Resources Corporation - Common Shares	2,900	10,000
31Dec01	3 Purchasers	Floyd Growth Fund - Units	455,000	53,166
04Jan02	Pavaco Plastics, Inc.	Genesta Inc. - Promissory Note	\$1,000,000	\$1,000,000
02Jan01	Echelon General Insurance Company	Gladiator Limited Partnership - Units	333,000	369
31Dec01	Tom Eisenhauer	GoodContacts.com Inc. - Special Shares	170,000	34,000
10Jan02	Sun Life Assurance Company	Great Lakes Power Limited - 4.58% First Mortgage Bonds, Series 5 due June 16, 2003	150,000	150,000
16Jan01		Imark Corporation - Units	227,500	13
11Jan02	Griffiths McBurney & Partners	Indian Motorcycle Company - Special Warrants and Common Shares	15,967, 122,951	50,000, 15,400 Resp.
28Dec01	Canada Dominion Resources LP VIII and CMP 2001 Resource Limited Partnership	International Curator Resources Ltd. - Flow-Through Common Shares	400,000	4,000,000
17Aug01	Employees of Osram Sylvania Pension Plan	INVESCO U.S. Structured Core Fund - Units	1,954,999	205,573
18Jan02	Sarah Pennal	KBSH Goodwood Canadian Long/Short Fund, The - Units	1,000	97
18Jan02	David Pennal	KBSH Goodwood Canadian Long/Short Fund, The - Units	1,000	97
18Jan02	Peter G. Pennal	KBSH Goodwood Canadian Long/Short Fund, The - Units	10,000	978
18Jan02	Donna T. Shepherd	KBSH Goodwood Canadian Long/Short Fund, The - Units	1,000	97
18Jan02	Crista I. Batho	KBSH Goodwood Canadian Long/Short Fund, The - Units	1,000	97
18Jan02	William Vieira	KBSH Goodwood Canadian Long/Short Fund, The - Units	10,000	978
18Jan02	Geoffrey Vieira	KBSH Goodwood Canadian Long/Short Fund, The - Units	1,000	97
18Jan02	Nicole Batho	KBSH Goodwood Canadian Long/Short Fund, The - Units	1,000	97
11Jan02	Paul R. Batho	KBSH Goodwood Canadian Long/Short Fund, The - Units	50,000	4,875
18Jan02	Ryan Vieira	KBSH Goodwood Canadian Long/Short Fund, The - Units	1,000	97
09Jan02	John Carroll	KBSH Private - Fixed Income Fund - Units	86,280	8,398
09Jan02	John Carroll	KBSH Private - International Fund - Units	107,850	9,707
09Jan02	John Carroll	KBSH Private - Canadian Equity Fund - Units	129,420	8,408

Notice of Exempt Financings

<u>Trans. Date</u>	<u>Purchaser</u>	<u>Security</u>	<u>Price (\$)</u>	<u>Amount</u>
09Jan02	John Carroll	KBSH Private - U.S. Equity Fund - Units	107,850	6,296
30Nov01	Kinross Gold Corporation	Las Casas Energy Corporation - Common Shares	750,000	937,500
10Jan02	Ernst D. Welmers	Lyndia Diamond Exploration of Canada Ltd. - Common Shares	150,000	150,000
02Jan02	3 Purchasers	McElvaine Investment Trust, The - Trust Units	440,000	27,921
15Oct01		Morgan Stanley Real Estate Fund IV Private International, L.P. - Limited Partnership Interests	3,141,800	3,141,800
15Oct01		Morgan Stanley Real Estate Fund IV Private Investors Domestic, L.P. - Limited Partnership Interests	3,141,800	3,141,800
31Dec01	Wabco Standard Trane Co.	Morgan Stanley Investment Management Inc. - Units	2,288,000	191,500
31Dec01	Joe Deluca and Bill Panagiotakopoulos	Mount Real Corporation - Shares	500,000	400,000
20Dec01	Francesco C. Labricciosa	Navaho Networks Inc. - Common Shares	200,000	200,000
09Jan02	13 Purchasers	NB Capital Equity Fund II, L.P. - Limited Partnership Units	7,016,355	7,016,355
31Dec01	Northwater Foundation	NewQuant Trust I - Trust Units	500,000	500,000
31Dec01	Northwater Capital Inc.	NewQuant Trust I - Trust Units	2,500,000	2,500,000
17Dec01	Richard Kennedy	Nexus Group International Inc. - Common Shares	810,000	5,400,000
06Dec01	Scotia Cassels Investment Counsel Ltd.	Nomura Research Institute, Ltd. - Shares of Common Stock	555,976	4,000
07Jan01	Higgins, Edward C. & Jennifer S.	North Growth US Equity Fund -Units	150,000	7,815
10Jan02	4 Purchasers	Northgate Exploration Limited - Unit Special Warrants	2,489,979	1,976,174
02Jan02		Oriel Therapeutics, Inc. - Shares of Series B Preferred Stock	US\$350,000	350,000
10Jan01	6 Purchasers	Pheromone Sciences Corp. - Special Warrants	225,500	410,000
15Feb01	63 Purchasers	QSA Enterprise Fund - Units	18,994,869	1,272,339
30Apr01 to 20Dec01	26 Purchasers	QSA Select Canadian Equity Fund - Units	4,838,375	501,479
14Jan02	Margaret J. Davis	Queenston Manor Limited Partnership - Class C Limited Partnership Units	225,000	300
18Jun01		Richtree Inc. - Class B Subordinate Voting Shares	357,000	357,000
11Jan01	CMP 2001 II Resource Limited Partnership	Rockwell Ventures Inc. - Units	300,000	1,875,000

Notice of Exempt Financings

<u>Trans. Date</u>	<u>Purchaser</u>	<u>Security</u>	<u>Price (\$)</u>	<u>Amount</u>
01Aug01 to 31Dec01		Sprott Hedge Fund Limited Partnership - Limited Partnership Units	32,007,847	10,225
31Jan01	Kelly Arbuckle- McDonald and Arthur M. Mannarn	Stonehouse Fund LP, The - Limited Partnership Units	150,000	151
17Jan02		Upper Circle Equity Fund, The -	54,129	4,365
17Jan02		Upper Circle Equity Fund, The -	50,000	4,032

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

<u>Seller</u>	<u>Security</u>	<u>Amount</u>
CAPINA I INC.	G.T.C. Transcontinental Group Ltd. - Class B Shares	100,000
ONCAN Canadian Holdings Ltd.	Onex Corporation - Subordinate Voting Shares	999,900
Mailon, Andrew J.	Spectra Inc. - Common shares	600,000
Kathryn Ketcham Strong	West Fraser Timber Co. Ltd. - Common Shares	12,100

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Chapter 9
Legislation

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IN THIS ISSUE

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

APF Energy Trust
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated January 25th, 2002
Mutual Reliance Review System Receipt dated January 25th, 2002

Offering Price and Description:

\$25,350,000 - 2,600,000 Trust Units @ \$9.75 per Trust Unit

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Research Capital Corporation
TD Securities Inc.
Dundee Securities Corporation

Promoter(s):

APF Energy Management Inc.

Project #417288

Issuer Name:

Cable Satisfaction International Inc.
Principal Regulator - Quebec

Type and Date:

Preliminary Short Form Prospectus dated January 28th, 2002
Mutual Reliance Review System Receipt dated January 28th, 2002

Offering Price and Description:

\$20,200,000 - 4,000,000 Subordinate Voting Shares @ 45.05 per Subordinate Voting Share

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
Canaccord Capital Corporation
TD Securities Inc.
National Bank Financial Inc.

Promoter(s):

-

Project #417501

Issuer Name:

Canada's Choice Spring Water, Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated January 22nd, 2002
Mutual Reliance Review System Receipt dated January 28th, 2002

Offering Price and Description:

Rights to subscribe for up to an aggregate of 208,223,428 Common Shares

Up to 208,223,428 Common Shares issuable upon the exercise of 208,223,428 Rights and Up to 3,497,499 Common Shares and up to 3,497,499 Common Share Purchase Warrants issuable upon the exercise of previously issued Special Warrants

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #417308

Issuer Name:

Cartier Global Leaders RSP Fund
Cartier U.S. Equity Fund
Cartier Small Cap Cdn. Equity Fund
Cartier Money Market Fund
Cartier Global Equity Fund
Cartier Cdn. Equity Fund
Cartier Tactical Asset Allocation Fund
Cartier Bond Fund
Principal Regulator - Quebec

Type and Date:

Preliminary Simplified Prospectus dated January 23rd, 2002
Mutual Reliance Review System Receipt dated January 25th, 2002

Offering Price and Description:

Class A and Class F Units

Underwriter(s) or Distributor(s):

Cartier Partners Securities Inc.
Cartier Partners Financial Services Inc.
Cartier Partners Financial Ltd.

Promoter(s):

-

Project #416746

Issuer Name:

Genetronics Biomedical Corporation
Principal Regulator - British Columbia

Type and Date:

Preliminary Prospectus dated January 25th, 2002
Mutual Reliance Review System Receipt dated January 28th, 2002

Offering Price and Description:

5,212,494 Common Shares and 2,606,247 Warrants issuable
Upon Exercise of Special Warrants
at a Price of US\$0.45 per Special Warrant

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

-

Project #417422

Issuer Name:

Hanoun Medical Inc.

Type and Date:

Preliminary Prospectus dated January 24th, 2002
Receipt dated January 25th, 2002

Offering Price and Description:

\$1,060,000 - 1,293,750 Common Shares issuable upon the
Deemed Conversion of 1,035,000
Previously-Issued Series A Convertible Special Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #417015

Issuer Name:

Kinross Gold Corporation
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated January 24th, 2002
Mutual Reliance Review System Receipt dated January 24th, 2002

Offering Price and Description:

\$27,000,000 - 20,000,000 Common Shares @ \$1.35 per
Common Share

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
Canaccord Capital Corporation

Promoter(s):

-

Project #416982

Issuer Name:

Merrill Lynch Financial Assets Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form PREP Prospectus dated January 28th, 2002
Mutual Reliance Review System Receipt dated January 28th, 2002

Offering Price and Description:

\$100,000,000 (Approximate) Commercial Mortgage Pass-
Through Certificates, Series 2002-BC2P

Underwriter(s) or Distributor(s):

Merrill Lynch Canada Inc.

Promoter(s):

-

Project #417433

Issuer Name:

Northgate Exploration Limited
Principal Regulator - British Columbia

Type and Date:

Preliminary Prospectus dated January 24th, 2002
Mutual Reliance Review System Receipt dated January 24th, 2002

Offering Price and Description:

\$19,999,980 - 15,873,000 Units (Each Unit consisting of one
Common Share and one-half Common
Share Purchase Warrant) Issuable upon the Exercise of Unit
Special Warrants
and

\$ 5,411,601 - 3,865,429 Flow-Through Common Shares
Issuable upon the Exercise of
Flow-Through Special Warrants

Underwriter(s) or Distributor(s):

Griffiths McBurney & Partners
CIBC World Markets Inc.
TD Securities Inc.
Trilon Securities Corporation

Promoter(s):

-

Project #417065

Issuer Name:

Northgate Exploration Limited
Principal Regulator - British Columbia

Type and Date:

Preliminary Prospectus dated January 24th, 2002
Mutual Reliance Review System Receipt dated January 25th, 2002

Offering Price and Description:

\$25,000,000 - Issue of Rights to Subscribe for up to
19,841,270 Units at a price of \$1.26 per Unit
(Each Unit consisting of one Common Share and one-half
Common Share Purchase Warrant)

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #417071

Issuer Name:

Oncolytics Biotech Inc.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated January 24th, 2002
Mutual Reliance Review System Receipt dated January 24th, 2002

Offering Price and Description:

\$5,740,500 - 1,530,800 Common Shares @ \$3.75 per Common Share

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

-

Project #417111

Issuer Name:

Suncor Energy Inc.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Shelf Prospectus dated January 24th, 2002
Mutual Reliance Review System Receipt dated January 24th, 2002

Offering Price and Description:

\$500,000,000 - Series 3 Medium Term Notes (Unsecured)

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Merrill Lynch Canada Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.

Promoter(s):

-

Project #417033

Issuer Name:

Sentry Select Canadian Income Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus and Annual Information Form dated January 30th, 2002
Mutual Reliance Review System Receipt dated January 31st, 2002

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s) or Distributor(s):

Sentry Select Capital Corp.

Promoter(s):

-

Project #418185

Issuer Name:

Summit Real Estate Investment Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated January 30th, 2002
Mutual Reliance Review System Receipt dated January 30th, 2002

Offering Price and Description:

\$126,000,000 - 8,750,000 Units @ \$14.40 per Unit

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
National Bank Financial Inc.
TD Securities Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Trilon Securities Corporation

Promoter(s):

-

Project #418180

Issuer Name:

The Newport Yield Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated January 23rd, 2002
Mutual Reliance Review System Receipt dated January 24th, 2002

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s) or Distributor(s):

Newport Partners Inc.

Promoter(s):

Newport Partners Inc.

Project #416747

Issuer Name:

TimberWest Forest Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated January 25th, 2002
Mutual Reliance Review System Receipt dated January 25th, 2002

Offering Price and Description:

\$100,037,250 - 7,785,000 Stapled Units @ \$12.85 per Stapled Units

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
BMO Nesbitt Burns Inc.
Raymond James Ltd.
CIBC World Markets Inc.
UBS Bunting Warburg Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.

Promoter(s):

-

Project #417353

Issuer Name:

Westport Innovations Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated January 24th, 2002
Mutual Reliance Review System Receipt dated January 24th, 2002

Offering Price and Description:

\$30,002,000 - 4,286,000 @\$7.00 per Common Share

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
Raymond James Ltd.
National Bank Financial Inc.
TD Securities Inc.

Promoter(s):

-

Project #417120

Issuer Name:

ZENON Environmental Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated January 24th, 2002
Mutual Reliance Review System Receipt dated January 24th, 2002

Offering Price and Description:

\$29,999,940.75 - Non Voting Class A Shares Common Shares
@ \$12.65 per Non-Voting Class A Share
and \$17.25 per Common Share

Underwriter(s) or Distributor(s):

Research Capital Corporation
Canacord Capital Corporation
CIBC World Makets Inc.
Loewen Ondaatje McCutcheon Limited

Promoter(s):

-

Project #417028

Issuer Name:

ZENON Environmental Inc.
Principal Regulator - Ontario

Type and Date:

Amended and Restated Preliminary Short Form Prospectus
dated January 28th, 2002
Mutual Reliance Review System Receipt dated January 28th,
2002

Offering Price and Description:

\$29,999,940.75 - Non-Voting Class A Shares,
Common Shares @ \$12.65 per Non-Voting Class A Share and
\$17.25 per Common Share

Underwriter(s) or Distributor(s):

Research Capital Corporation
Canacord Capital Corporation
CIBC World Makets Inc.
Loewen Ondaatje McCutcheon Limited

Promoter(s):

-

Project #417028

Issuer Name:

Killam Properties Inc.
Principal Regulator - Nova Scotia

Type and Date:

Amended and Restated Prospectus dated January 14th, 2002
Mutual Reliance Review System Receipt dated 24th day of
January, 2002

Offering Price and Description:

\$1,550,000 to \$2,000,000 - 5,166,667 to 6,666,667 Common
Shares @ \$0.30 per Common Share

Underwriter(s) or Distributor(s):

Yorkton Securities Inc.

Promoter(s):

Philip D. Fraser
James C. Lawley
Robert G. Richardson
Arthur G. Lloyd
Timothy R. Banks
G. Wayne Watson

Project #395510

Issuer Name:

Norrep Fund
Principal Regulator - Alberta

Type and Date:

Amendment #1 dated January 29th, 2002 to Simplified
Prospectus and Annual Information Form dated
May 30th, 2001
Mutual Reliance Review System Receipt dated 29th day of
January, 2002

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s) or Distributor(s):

Promoter(s):

Project #346104

Issuer Name:

Aberdeen G7 Trust
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated January 24th, 2002
Mutual Reliance Review System Receipt dated 24th day of
January, 2002

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

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

Promoter(s):

Aberdeen Asset Managers (C.I.) Limited

Project #408611

Issuer Name:

Brompton VIP Income Trust
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated January 29th, 2002
Mutual Reliance Review System Receipt dated 30th day of
January, 2002

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Raymond James Ltd.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
Yorkton Securities Inc.
Brompton Securities Limited
Research Capital Corp.
RBC Dominion Securities Inc.
TD Securities Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.
Desjardins Securities Inc.
Dundee Securities Corporation

Promoter(s):

Brompton VIP Management Limited

Project #399038

Issuer Name:

Income Financial Plus Trust
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated January 29th, 2002
Mutual Reliance Review System Receipt dated 30th day of
January, 2002

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

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

Promoter(s):

Quadravest Capital Management Inc.

Project #411289

Issuer Name:

MYDAS Fund
Principal Regulator - Alberta

Type and Date:

Final Prospectus dated January 28th, 2002
Mutual Reliance Review System Receipt dated 28th day of
January, 2002

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

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

Promoter(s):

Mydas Management Inc.
Canadian Income Fund Group Inc.

Project #411220

Issuer Name:

SNP Health Split Corp.
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated January 28th, 2002
Mutual Reliance Review System Receipt dated 29th day of
January, 2002

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
Promoter(s):
Scotia Capital Inc.
Project #407157

Issuer Name:

Rogers Cable Inc.
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated January 29th, 2002
Mutual Reliance Review System Receipt dated 30th day of
January, 2002

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #415103

Issuer Name:

Envest Diversified Income Trust
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated January 24th, 2002
Mutual Reliance Review System Receipt dated 24th day of
January, 2002

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Research Capital Corporation

Promoter(s):

-

Project #414745

Issuer Name:

Oncolytics Biotech Inc.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated January 30th, 2002
Mutual Reliance Review System Receipt dated 30th day of
January, 2002

Offering Price and Description:

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

-

Project #417111

Issuer Name:

Cartier Multimanagerment Portfolio
Principal Regulator - Quebec

Type and Date:

Final Simplified Prospectus and Annual Information Form
dated January 24th, 2002
Mutual Reliance Review System Receipt dated 28th day of
January, 2002

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s) or Distributor(s):

Cartier Partners Securities Inc.
Cartier Partners Financial Services Inc.

Promoter(s):

Cartier Mutual Funds Inc.

Project #400018

Issuer Name:

Desjardins Global Science and Technology Fund
Desjardins International RSP Funds
Desjardins Ethical North American Fund
Desjardins Ethical Income Fund
Desjardins Ethical Balanced Fund
Desjardins Select Balanced Fund
Desjardins Select Canadian Fund
Desjardins Select Global Fund
Desjardins Select American Fund
Desjardins Asia/Pacific Fund
Desjardins Europe Fund
Desjardins High Potential Sectors Fund
Desjardins Quebec Fund
Desjardins Diversified Secure Fund
Desjardins Diversified Moderate Fund
Desjardins Diversified Audacious Fund
Desjardins Diversified Ambitious Fund
Desjardins Bond Fund
Desjardins Worldwide Balanced Fund
Desjardins Money Market Fund
Desjardins American Market Fund
Desjardins International Fund
Desjardins Mortgage Fund
Desjardins Balanced Fund
Desjardins Environment Fund
Desjardins Dividend Fund
Desjardins Growth Fund
Desjardins Equity Fund
Principal Regulator - Quebec

Type and Date:

Final Simplified Prospectus and Annual Information Form
dated January 21st, 2002
Mutual Reliance Review System Receipt dated 28th day of
January, 2002

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s) or Distributor(s):

Desjardins Trust Investment Services Inc.

Promoter(s):

-

Project #408943

Issuer Name:

Elliott & Page Total Equity Fund
Elliott & Page International Equity Fund
(Advisor Class and Class F Units)
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus and Annual Information Form
dated January 28th, 2002
Mutual Reliance Review System Receipt dated 29th of January,
2002

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Elliott & Page Limited

Promoter(s):

Elliott & Page Limited

Project #410793

Issuer Name:

Pinnacle Short Term Income Fund
Pinnacle Income Fund
Pinnacle High Yield Income Fund
Pinnacle American Core-Plus Bond Fund (formerly, Pinnacle American Core-Plus Income Fund)
Pinnacle RSP American Core-Plus Bond Fund (formerly, Pinnacle RSP American Core-Plus Income Fund)
Pinnacle Global Real Estate Securities Fund
Pinnacle RSP Global Real Estate Securities Fund
Pinnacle Strategic Balanced Fund
Pinnacle Global Tactical Asset Allocation Fund
Pinnacle Canadian Value Equity Fund
Pinnacle Canadian Mid Cap Value Equity Fund
Pinnacle Canadian Growth Equity Fund
Pinnacle Canadian Small Cap Growth Equity Fund
Pinnacle American Value Equity Fund
Pinnacle RSP American Value Equity Fund
Pinnacle American Mid Cap Value Equity Fund
Pinnacle RSP American Mid Cap Value Equity Fund
Pinnacle American Large Cap Growth Equity Fund
Pinnacle RSP American Large Cap Growth Equity Fund
Pinnacle American Mid Cap Growth Equity Fund
Pinnacle RSP American Mid Cap Growth Equity Fund
Pinnacle International Equity Fund
Pinnacle RSP International Equity Fund
Pinnacle International Small to Mid Cap Value Equity Fund
Pinnacle RSP International Small to Mid Cap Value Equity Fund
Pinnacle Global Equity Fund
Pinnacle RSP Global Equity Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus and Annual Information Form dated January 29th, 2002
Mutual Reliance Review System Receipt dated 30th day of January, 2002

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s) or Distributor(s):

Scotia Capital Inc.

Promoter(s):

Scotia Capital Inc.

Project #410800

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Chapter 12

Registrations

12.1.1 Securities

Type	Company	Category of Registration	Effective Date
New Registration	Anix Fund Management Corp. Attention: William Richard Clubine 37 Jolana Court Woodbridge ON L4H 1B3	Limited Market Dealer	Jan 25/02
New Registration	Chartwell Investment Partners Attention: Luann Marie Molino 1235 Westlakes Drive Suite 330 Berwyno PA 19312-2412 USA	International Adviser Investment Counsel & Portfolio Manager	Jan 25/02
Change of Name	Venturelink Advisors Inc. Attention: Colin Samuel Mercier 181 bay Street, Suite 830 BCE Place Toronto ON M5J 2T3	From: 360 Advisors Inc. To: Venturelink Advisors Inc.	Mar 29/01
Change of Name	MDS Health Ventures Management Inc. Attention: Michael Joseph Callaghan 100 International Blvd. Etobicoke ON M9W 6J6	From: Vengate Management Corp. To: MDS Health Ventures Management Inc.	Nov 22/01
Change of Name	KBSH Capital Management Inc. Attention: Peter George Pennal 1 Toronto Street Suite 708 Toronto ON M5C 2V6	From: Knight, Bain, Seath & Holbrook Capital Management Inc. To: KBSH Capital Management Inc.	Nov 15/01
Change in Category (Categories)	Hartford Investments Canada Corp. Attention: David Mark Znamierowski 4 King Street West Suite 1103 Toronto ON M5H 1B6	From: Investment Counsel & Portfolio Manager To: Limited Market Dealer Investment Counsel & Portfolio Manager	Jan 28/02
Amalgamation	Northern Securities Inc. Attention: Victor Philip Michael Alboini 150 York Street Suite 1814 Toronto ON M5H 3S5	Canada Invest Direct Inc. and Northern Securities Inc. To form: Northern Securities Inc.	Oct 01/01

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 TSE RS Notice to Participating Organizations - Participating Organization Disciplined

January 29 , 2002
2002-031

PARTICIPATING ORGANIZATION DISCIPLINED

Firm Disciplined

On January 23, 2002, a Hearing Committee Panel of The Toronto Stock Exchange Inc. (the "Exchange") approved an Offer of Settlement made between TSE Regulation Services ("RS") and RBC Dominion Securities Inc. ("RBC DS"), a Participating Organization of the Exchange.

Rule Violated

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.

Penalty Assessed

Pursuant to the terms of the Offer of Settlement, RBC DS is required to:

- a. pay a fine of \$50,000; and
- b. pay \$6,800 towards the cost of RS's investigation.

Summary of Facts

RBC DS failed to report the total short positions in 123 securities on its books as a result of two errors:

- a. a verbal agreement with an investment dealer client pursuant to which RBC DS abrogated its responsibility to the investment dealer client to report short positions held on RBC DS's books for this client and a bank client; and
- b. a systemic problem involving the incorrect designation of accounts in which short selling was being carried out.

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

ALEX DASCHKO
DIRECTOR MARKET POLICY, OPERATIONS & GENERAL
COUNSEL
TSE REGULATION SERVICES

6.1.1 IDA Proposed Amendment to the Capital and Margin Requirements for Convertible Securities

INVESTMENT DEALERS ASSOCIATION OF CANADA

PROPOSED AMENDMENT TO THE CAPITAL AND MARGIN REQUIREMENTS FOR CONVERTIBLE SECURITIES

I OVERVIEW

A INTRODUCTION

Regulation 100 of the Association's Rule Book sets out the capital and margin requirements for positions in securities held by a Member firm for its customers and for its own account. Included in this regulation are capital and margin requirements relating to convertible securities.

This proposed amendment set out in Attachment #1 seeks to limit the capital/margin required for a convertible security to the sum of:

- the capital/margin required on the underlying security; and
- the loss that would be realized if conversion were to take place.

As, a result, this proposed amendment would formally recognize that the maximum market risk (and thus the resultant maximum capital/margin required) for a convertible security should be closely related to the requirement for the underlying security.

B THE ISSUE

A convertible security is a security that may be converted into or exchanged for another security (the "underlying security") without the payment of a subscription amount¹. Common types of convertible securities include convertible debentures and convertible preferred shares but exchange traded funds, index participation units and securities held in combination (i.e., a capital share and a preferred share held in combination) are also considered convertible securities. The appeal of a convertible security is that it has both the capital appreciation potential of the underlying security and income potential (either interest or dividend) of the convertible security. As a result, from a risk standpoint, the economic risk of holding a convertible security should never be appreciably higher² than the economic risk of holding the underlying security. The issue

¹ Warrants, rights, options, capital shares, instalment receipts and other securities where the payment of subscription amount is required are not considered to be convertible securities.

² The economic risk of a convertible security is only higher than the economic risk of the underlying security to the extent that there would be a loss upon conversion.

is that the current rules do not explicitly recognize this relationship between the economic risk of the convertible security and the economic risk of the underlying security.

There is a unique instance where the current rules do recognize the above-described relationship. Specifically, Association Regulation 100.12(a)(iii) permits securities that are "convertible into securities" included on the List of Securities Eligible for Reduced Margin to be margined at the reduced margin rate³ as well. However, as stated previously, the relationship between a convertible security and its underlying security is not universally recognized in the rules resulting in situations where a common share of an issuer is being margined at 50% and a convertible preferred share of the same issuer is being margined at 100%.

C OBJECTIVE

The objective of the proposed amendment is to tie the capital and margin requirements for a convertible security to the economic risk associated with the underlying security.

D EFFECT OF PROPOSED RULES

As stated previously, the proposed amendment seeks to limit the capital/margin required for a particular convertible security to the sum of:

- the capital/margin required on the underlying security; and
- the loss that would be realized if conversion were to take place.

As, a result, this proposed amendment would formally recognize that the maximum market risk (and thus the resultant maximum capital/margin required) for a convertible security should be closely related to the requirement for the underlying security.

II DETAILED ANALYSIS

Given the nature of the proposed amendment, a detailed analysis of: (A) the present rules and relevant history, and proposed policy (B) the issues and alternatives considered, (C) the rules in other jurisdictions was considered unnecessary.

D SYSTEMS IMPACT OF RULE

It is anticipated that there will be next to no systems impact resulting from the implementation of the proposed amendment. As a result, a formal implementation plan has been determined to be unnecessary.

E BEST INTERESTS OF THE CAPITAL MARKETS

The Board has determined that the public interest rule is not detrimental to the best interests of the capital markets.

³ The reduced margin rate is 25% for Member firm positions and 30% for customer positions.

F PUBLIC INTEREST OBJECTIVE

According to subparagraph 14(c) of the Association's Order of Recognition as a self-regulatory organization, the Association shall, where requested, provide in respect of a proposed rule change, "a concise statement of its nature, purposes (having regard to paragraph 13 above) and effects, including possible effects on market structure and competition". Statements have been made elsewhere as to the nature and effect of the proposed amendment with respect to the capital and margin requirements for convertible securities. The purpose of this proposal is to amend the capital and margin requirements for convertible securities to formally recognize that the maximum market risk (and thus the resultant maximum capital/margin required) for a convertible security should be closely related to the requirement for the underlying security. As a result the proposed amendments are considered to be in the public interest.

Corner, Director, Regulatory Policy, Investment Dealers Association of Canada, Suite 1600, 121 King Street West, Toronto, Ontario, M5H 3T9 and one copy addressed to the attention of the Manager of Market Regulation, Ontario Securities Commission, 20 Queen Street West, 19th Floor, Box 55, Toronto, Ontario, M5H 3S8.

Questions may be referred to:

Richard Corner
Director, Regulatory Policy
Investment Dealers Association of Canada
(416) 943-6908

III COMMENTARY

A FILING IN OTHER JURISDICTIONS

These proposed amendments will be filed for approval in Alberta, British Columbia, Saskatchewan and Ontario and will be filed for information in Nova Scotia.

B EFFECTIVENESS

As stated previously, the purpose of this proposal is to tie the capital and margin requirements for a convertible security to the economic risk associated with the underlying security.

It is believed that adoption of the above amendment will result in margin requirements for convertible securities that are more reflective of their economic risk.

C PROCESS

This proposal was developed at the FAS Capital Formula Subcommittee. This proposal has also been reviewed and recommended for approval by the Executive Committee of the Financial Administrators Section and the Financial Administrators Section itself.

IV SOURCES

Association Rule Book Regulations 100.2(a)(v), 100.4H, 100.12(a)(iii).

V OSC REQUIREMENT TO PUBLISH FOR COMMENT

The Association is required to publish for comment the accompanying rule amendments so that the issue referred to above may be considered by OSC staff.

The Association has determined that the entry into force of the proposed amendments would be in the public interest. Comments are sought on the proposed rule amendments. Comments should be made in writing. One copy of each comment letter should be delivered within 30 days of the publication of this notice, addressed to the attention of Richard

**INVESTMENT DEALERS ASSOCIATION OF CANADA
MARGIN REQUIREMENTS FOR CONVERTIBLE
SECURITIES**

THE BOARD OF DIRECTORS of the Investment Dealers Association of Canada hereby makes the following amendments to the By-laws, Regulations, Forms and Policies of the Association:

1. Regulation 100 is hereby amended by adding the following section at the end of the regulation:

“100.21 Maximum margin required for Convertible Securities

The margin required for a security that is currently convertible or exchangeable into another security (the “underlying security”) need not exceed the sum of:

- (a) the margin required under this Regulation for the underlying security; and
- (b) any excess of the market value of the convertible/exchangeable security over the market value of the underlying security.”

PASSED AND ENACTED BY THE Board of Directors this 17th day of January 2002, to be effective on a date to be determined by Association staff.

Chapter 25
Other Information

THERE IS NO MATERIAL FOR THIS CHAPTER
IN THIS ISSUE

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