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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

March 29, 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

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- -

THE COMMISSIONERS

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

SCHEDULED OSC HEARINGS

March 28, 29/02 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)**
April 1, 2, 4, 5, 11, 12, 16, 18, 22, 24, 25, 26, 30, May 1, 2 & 3/02 9:30 a.m.	
April 9 & 17/02 2:00 p.m.	s.127
April 8, 22 & 29/02 9:30 a.m. - 1:00 p.m.	K. Daniels/M. Code/J. Naster/I. Smith in attendance for staff. Panel: HIW / DB / RWD
March 27/02 9:30 a.m.	Macdonald Oil Explorations Ltd., Macdonald Mines Exploration Ltd., Mario Miranda and Frank Smeenk **(Frank Smeenk)** s. 144 I. Smith in attendance for Staff Panel: TBA
April 15 - 19/02 9:30 a.m.	**Sohan Singh Koonar** s. 127 J. Superina in attendance for Staff Panel: PMM / KDA / RSP
April 23- 26, April 29 to May 3/02 10:00 a.m.	**Mark Bonham and Bonham & Co. Inc.** s. 127 M. Kennedy in attendance for staff Panel: PMM / KDA / MTM

May 1 - 3/02
10:00 a.m.

JAMES FREDERICK PINCOCK

s. 127

J. Superina in attendance for staff

Panel: PMM / HLM

May 6/02
10:00 a.m.

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

S. 127

Y. Chisholm in attendance for Staff

Panel: PMM

May 13 - 17/02
10:00 a.m.

Yorkton Securities Inc., Gordon Scott Paterson, Piergiorgio Donnini, Roger Arnold Dent, Nelson Charles Smith and Alkarim Jivraj **(Piergiorgio Donnini)**

s. 127(1) and s. 127.1

J. Superina in attendance for Staff

Panel: PMM / KDA / MTM

June 12/02
9:30 a.m.

Livent Inc., Garth H. Drabinsky, Myron I. Gottlieb, Gordon Eckstein and Robert Topol

s. 127

J. Superina in attendance for Staff

Panel: HIW

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

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

Global Privacy Management Trust and Robert Cranston

Irvine James Dyck

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

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

Offshore Marketing Alliance and Warren English

Philip Services Corporation

Rampart Securities Inc.

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

S. B. McLaughlin

Southwest Securities

Terry G. Dodsley

1.1.2 OSC Staff Notice 45-702 Frequently Asked Questions Concerning OSC Rule 45-501 Exempt Distributions

ONTARIO SECURITIES COMMISSION STAFF NOTICE 45-702

FREQUENTLY ASKED QUESTIONS

ONTARIO SECURITIES COMMISSION RULE 45-501 - *Exempt Distributions*

Background

On November 30, 2001, revised Rule 45-501 *Exempt Distributions* (the "Rule") along with its Companion Policy and related Forms came into force. The Rule replaced the previous version of Rule 45-501 *Exempt Distributions*, which came into force on December 22,1998.

Frequently Asked Questions

As is often the case with the introduction of a new or revised rule, users of the Rule may find that they have questions regarding its application and interpretation. Therefore, to assist those persons and companies wishing to use the Rule, we have compiled a list of frequently asked questions ("FAQs") which, while not exhaustive, represent the types of inquiries we have received to date. We plan to update this Notice periodically.

We have divided the FAQs into the following categories:

A. The closely-held issuer exemption
B. Pooled funds
C. General inquiries

A. The Closely-held Issuer Exemption

1) **Q:** For the purposes of subparagraph (ii) of the closely-held issuer definition, does *"issued as compensation by, or under an incentive plan of, the issuer"* include securities issued as an incentive on a "one-off" basis i.e., not under an incentive plan, or must the securities be issued under an incentive plan?

A: Securities issued as an incentive need not be issued under an incentive plan. We are of the view that by issuing securities as an incentive on a "one-off" basis, the issuer is issuing securities as compensation.

2) **Q:** Why are directors and officers who do **not** receive securities *"issued as compensation by, or under an incentive plan of, the issuer*" included in the 35 securityholder test?

A: This is a drafting error and will be corrected. Current and former directors and officers, regardless of how they receive their securities, were not meant to count towards the 35 securityholder test. In the interim, where directors and officers do not otherwise qualify as accredited investors and the issuer would like to exclude the directors and officers from the 35 securityholder test, we recommend that affected parties apply for discretionary relief. No fees will be charged for such applications.

3) **Q:** Who is a "promoter" for the purpose of paragraph 2.1(1)(b) of the Rule?

A: The *Securities Act* (Ontario) (the "Act") defines a "promoter" as, among other things, "*a person or company who, acting alone or in conjunction with one or more other persons, companies or a combination thereof, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of an issuer*". Because of the condition imposed by paragraph 2.1(1)(b) of the Rule, the closely-held issuer exemption is not available to the issuer or any securityholder reselling securities using the exemption if any "promoter of the issuer" has acted as a promoter of any other issuer that has issued a security in reliance upon the closely-held issuer exemption within the preceding twelve months.

We are of the view that, for the purpose of paragraph 2.1(1)(b), a "promoter of the issuer" is a person or company who actively participated in the formation and initial management of the issuer's business or otherwise actively contributed to its initial growth or prosperity, and who, at the time of the proposed trade, continues to be actively involved in the ongoing management of the issuer's business or actively contributing to its ongoing growth or prosperity. So, for example, a person who founds an issuer and then sells control of it to someone else would not, following the sale, continue to be a promoter of the issuer for the purpose of paragraph 2.1(1)(b) unless he, she or it continues to be actively involved in the management of the issuer's business, or otherwise actively contributing to its ongoing growth or prosperity, even if he, she or it continues to be a shareholder of the issuer.

Finally, we are of the view that the initial shareholders of an issuer will not be promoters merely because they have subscribed for shares to facilitate its incorporation or as passive investors, even if the amount of the investment is significant.

4) Q: The closely-held issuer exemption cannot be used if a promoter of the issuer has acted on behalf *of* "*any other issuer that has issued a security in reliance upon this exemption within the twelve months preceding the trade*". What if an issuer wants to rely on the closely-held issuer exemption, but cannot confirm that its promoter has not acted on behalf of any other issuer within the past year?

A: We recognize that in certain circumstances it may be difficult for an issuer who wishes to rely on the closely-held issuer exemption to confirm that its promoter has not acted on behalf of another issuer. In these circumstances, the issuer can rely on the exemption provided that the issuer has, after reasonable inquiry, no grounds to believe that its promoter has acted on behalf of another issuer within the twelve months preceding the trade.

5) **Q:** When reselling a security using the closely-held issuer exemption, how do I comply with the requirements in paragraphs 2.1(1)(a),(b) and (c) of the Rule?

A: We recognize that in certain circumstances it may be difficult for a selling securityholder to confirm that these requirements have been met. Therefore, we are of the view that a selling securityholder can rely on this exemption provided that the selling securityholder has no reasonable grounds to believe that the requirements in paragraphs 2.1(1)(a),(b) and (c) of the Rule have not been met.

6) **Q:** Paragraph (c) of the closely-held issuer exemption requires that "*no selling or promotional expenses are paid or incurred in connection with the trade, except for services performed by a dealer registered under the Act"*. Specifically, what constitutes "*selling or promotional expenses*"?

A: The Commission has historically been concerned about closely-held issuers being promoted other than through a registered dealer. The prohibition on selling or promotional expenses, other than those incurred in connection with services performed by a registered dealer, is meant to address this concern. We believe that paragraph 2.1(1)(c) of the Rule is not meant to prohibit legitimate selling or promotional expenses such as printing, mailing and other administrative or *de minimis* expenses incurred in connection with the trade.

7) **Q:** Does a company that intends to use the closely-held issuer exemption need to include any restrictions in its articles?

A: Paragraph (a) of the definition of closely-held issuer requires restrictions on transfer to be contained in the issuer's constating documents or other agreements. Accordingly, to qualify under the exemption, the issuer must include such restrictions in its agreements or constating documents.

With respect to the 35 securityholder limit, the definition of closely-held issuer does not require that this limit be specified in the articles or elsewhere.

8) **Q:** What can an issuer do to ensure that it qualifies under both the closely-held issuer exemption in Ontario and the private company exemption, which used to exist in Ontario and remains in a similar form in other Canadian jurisdictions?

A: The closely-held issuer exemption broadens the scope of potential investors to include members of the public. Therefore, issuers who do not prohibit invitation to the public in their constating documents may be precluded from using the private company exemption under securities legislation in other Canadian jurisdictions.

Accordingly, issuers who find themselves in this position may wish to consider various alternatives including the following:

1. An issuer that plans to use the closely-held issuer exemption in Ontario and to concurrently rely on the private company exemption in other Canadian jurisdictions may wish to maintain or include in its constating documents a provision prohibiting the issuer from offering its securities to the public. The issuer will thus be able to utilize the private company exemption in other Canadian jurisdictions and will be able to rely on the closely-held issuer exemption in Ontario, albeit only for offerings to investors who are not members of "the public".

2. An issuer who wishes to utilize the full scope of the closely-held issuer exemption in Ontario, i.e., by offering its securities without regard to the concept of "the public", may be precluded from using the private company exemption in other Canadian jurisdictions, and as such, may wish to consider pursuing other exemptions in those jurisdictions.

B. Pooled Funds

1) **Q:** What is a "pooled fund"?

A: The term "pooled fund" is not a defined term under Ontario securities law. The term "pooled fund" is usually considered to include non-redeemable investment funds and mutual funds that are not reporting issuers. Non-redeemable investment funds[1] and mutual funds[2] are defined terms.

2) **Q:** Why does section 2.12 of the Rule provide, in subsection 2.12(1), automatic top-up relief for funds managed by a portfolio adviser or a trust corporation but, in subsection 2.12(2), not provide the same relief with respect to funds managed by a person or company relying on Part 7 of Rule 35-502 *Non-Resident Advisers?*

A: The provision was drafted intentionally this way because the top-ups referred to in subsection 2.12(1) have become standard relief granted by the Commission. As far as we are aware, no application has ever been made for relief for the type of funds described in subsection 2.12(2). Applications for top-up

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[1] As defined in Rule 14-501 *Definitions*, a "non-redeemable investment fund" means an issuer:
(a) whose primary purpose is to invest money provided by its securityholders;
(b) that does not invest for the purpose of exercising effective control, seeking to exercise effective control, or being actively involved in the management of the issuers in which it invests, other than other mutual funds or non-redeemable investment funds; and
(c) that is not a mutual fund.

[2] As defined in the Act, a "mutual fund" includes an issuer of securities that entitle the holder to receive on demand, or within a specified period after demand, an amount computed by reference to the value of a proportionate interest in the whole or in apart of the net assets, including a separate fund or trust account, of the issuer of the securities.

relief will be considered for exempt advisers on a case-by-case basis.

3) **Q:** Can hedge funds rely on the exemption provided by section 2.12?

A: Certain hedge funds may qualify and others would not. Section 2.12 applies, subject to certain conditions, to:

a) mutual funds that are not reporting issuers; and

b) non-redeemable investment funds that are not reporting issuers

As we point out in Question 1, the term "mutual fund" is defined in the Act and a definition of non-redeemable investment fund appears in Rule 14-501 *Definitions.* Trades in hedge funds that are structured as mutual funds or non-redeemable investment funds and otherwise meet the requirements of 2.12 can be made in reliance on that exemption.

4) **Q:** Paragraph 2.12(1)(c) refers to the fund being "*managed by a portfolio adviser*". Does this mean the manager of a pooled fund must be registered or is it sufficient for the pooled fund's portfolio manager or sub-adviser, who is not the manager of the pooled fund, to be registered?

A: The term "managed by" in paragraph 2.12(1)(c) refers to the functions that are carried out by a manager of a pooled fund and are distinguishable from the narrower portfolio management functions that are carried out by a portfolio manager or sub-adviser to a pooled fund. The exemption in section 2.12 will not be available for a pooled fund unless the manager of the pooled fund is itself registered as a portfolio adviser.

5) **Q:** Under section 3.2 of Rule 45-501, as it existed prior to November 30, 2001, the "acquisition cost" referred to in paragraph 72(1)(d) of the Act could be satisfied by the purchaser incurring or assuming liability where:

"the purchaser is primarily liable for the liability and there is no understanding, arrangement or expectation that the liability or the obligation to pay it will be waived; and (b) the acquisition cost, including the liability that is incurred or assumed by the purchaser, has a fair value of not less than $150,000."

The current version of the Rule does not contain this provision. Would the requirements of section 2.12 be met if in making its investment the purchaser incurs or assumes liability which has a fair market value of not less than $150,000?

A: Yes. Section 2.12 provides a prospectus exemption for a trade involving an aggregate acquisition cost to the purchaser of at least $150,000. So long as the aggregate acquisition cost is $150,000, we do not consider it relevant that the acquisition may have taken place by way of the assumption of a liability by the purchaser.

6) **Q:** For the purpose of satisfying the $150,000 threshold in section 2.12 of the Rule, can I combine the amounts contributed by me directly with the amounts contributed by my RRSP?

A: Yes. For the purpose of the $150,000 threshold in section 2.12, we take the view that an individual may combine amounts purchased on his/her own account with amounts purchased by the individual's RRSP.

7) **Q:** Can a pooled fund use the closely-held issuer exemption?

A: If the pooled fund is a mutual fund or a non-redeemable investment fund, it cannot use the closely-held issuer exemption.

C. General Inquiries

1) **Q:** In what circumstances is it appropriate for a person or company to apply to the Commission to be recognized as an accredited investor under paragraph (u) of the accredited investor definition?

A: Paragraph (u) of the accredited investor definition in section 1.1 of the Rule contemplates that a person or company may apply to the Commission to be recognized as an accredited investor. The Commission will consider applications for accredited investor recognition submitted by or on behalf of investors that do not meet any of the other criteria for accredited investor status, but who nevertheless possess the requisite sophistication or financial resources. It should be noted, however, that paragraph (u) is **not** meant to replace the exempt purchaser exemption that was previously available under paragraph 72(1)(c) of the Act.

As explained in section 2.8 of the Companion Policy to the Rule, the Commission has not adopted any specific criteria for granting accredited investor recognition to applicants and is of the view that the accredited investor definition generally covers all of the accredited investor categories that do not require the protection of the prospectus and registration requirements under the Act. Furthermore, as stated in the Companion Policy, the Commission believes that a person or company that was previously recognized as an exempt purchaser should have little difficulty qualifying as an accredited investor under the Rule. Consequently, we expect that paragraph (u) of the accredited investor definition will be utilized on a limited basis.

2) **Q:** "I *just* missed the accredited investor thresholds in paragraphs 1.1(m) and (n) of the Rule. Can I still be an accredited investor"?

A: No. The accredited investor exemption for individuals is a "bright-line" test. You either satisfy the test or you are not an accredited investor.

3) **Q:** How does National Policy Statement 48 ("NP 48") *Future Oriented Financial Information* ("FOFI") apply to the Rule?

A: There are no requirements in the new Rule relating to FOFI. NP 48 is currently in the process of being reformulated as a rule (proposed National Instrument 52-101). In the meantime, NP 48 is a policy and is not enforceable as a rule under Ontario securities law.

4) **Q:** Paragraph (t) of the definition of accredited investor refers to a $5 million threshold of net assets as reflected in an entity's "*most recently prepared financial statements*". Must these financial statements be prepared in accordance with applicable generally accepted accounting principles?

A: Yes.

5) **Q:** Are you planning to amend the new Rule to reflect the views expressed in this Notice and, if so, when?

A: Yes, we are planning to amend the Rule. However, we will not commence the amendment process until, at the earliest, the one year anniversary of the new Rule. We believe it is important to allow the new Rule to operate for at least one year before making any amendments to it for a number of reasons, including:

- to allow us time to gather and consider feedback on the new Rule from various market participants;
- to allow us to consider applications for exemptive relief relating to all areas of the new Rule. Generally, applications for exemptive relief are a very important part of the process leading up to any amendments because they enable us to identify and address inconsistencies between new rules and the needs of the marketplace. To date we have received very few applications relating to the new Rule; and
- to allow us to complete an economic analysis of the effect of the new Rule on small business financing. This study is currently underway and will require at least one year of data to be meaningful.

1.1.3 CSA Staff Notice 57-301 Failing to File Management Statements on Time - Management Cease Trade Orders

CSA STAFF NOTICE 57-301

FAILING TO FILE FINANCIAL STATEMENTS ON TIME -- MANAGEMENT CEASE TRADE ORDERS

Purpose

This notice describes the circumstances we will consider in granting a company's request for a "management" cease trade order (CTO) to be issued where the company is unable to file its financial statements on time. A management CTO is part of a voluntary process where specific insiders and management are subject to a CTO instead of the company. Under this system other investors are permitted to continue trading the company's securities while a management CTO is in effect. The notice also describes the information we require from a company at the time it submits a request for a management CTO and the process we will follow in considering the company's request.

Background

Until recently regulatory authorities in Canada would issue an "issuer" CTO against a reporting issuer (the company) that failed to file its financial statements on time. On April 17, 2001 the Ontario Securities Commission (the OSC) introduced the concept of management CTOs with its introduction of OSC Policy 57-603: "Defaults by Reporting Issuers in Complying with Financial Statement Filing Requirements". OSC staff have encouraged qualified companies to follow the policy. As a result, a number of companies have been granted management CTOs.

There are several benefits to investors associated with the OSC model. The Canadian Securities Administrators asked us to design and implement a similar system throughout Canada. This notice is our response to that request.

Management Cease-Trade Orders

An issuer CTO is an appropriate response to financial statement filing defaults that are not likely to be rectified within a relatively short time period, and where the circumstances leading to the default are likely to continue. These circumstances include companies that no longer have an active business, are insolvent, or who have lost a majority of their board of directors.

Where financial statements not filed on time are expected to be filed relatively quickly, and the default is not expected to be recurring, a management CTO may be an appropriate response to the default.

Companies fitting the following profile are considered eligible for a management CTO:

- the financial statements and related audit reports, if any, will be filed within a relatively short time period (generally a maximum of two months);

- a majority of the company's board of directors is in place;
- the company is generating revenue from its principal business or, if it is in the development stage, the company is actively pursuing the development of its products or properties;
- the company's securities are listed on a Canadian stock exchange and there is an active, liquid market for those securities;
- the company is not on the defaulting reporting issuer list of any commission for any reason other than the failure to file the financial statements.

We will consider a company's history of complying with its reporting obligations including, in particular, the filing of its financial statements on time during the past year, in deciding whether the company's request for a management CTO should be granted.

Request

If a company fits the profile set out above it should contact its principal regulator at least two weeks before the financial statements are due to be filed and request in writing that the company be subject to a management CTO rather than an issuer CTO. The reasons for this request should be set out in a cover letter, including a description of how the company fits each of the items in the profile above.

The following information is required to support the request:

- a proposed Notice of Default (see Appendix A);
- an affidavit listing the names and positions / titles (if any) of each person that has been a director or officer of the company at any time since the company's most recent financial statements were filed in accordance with a filing requirement. Identify any insider who had, or may have had, access to any material fact or material change with respect to the company that has not been generally disclosed subsequent to the date of the financial statements that were filed. If any of these insiders owns securities of the issuer indirectly, identify the entity that holds the securities on behalf of the insider;
- the current address, telephone number and fax number of each person, company or trust referred to above; and
- an undertaking to provide details of any changes to this information the company becomes aware of during the period of default.

Copies of the submission should be sent to the regulators of all jurisdictions in which the company is reporting.

If the company's request is granted the Notice of Default and all subsequent Default Status Reports must be filed on SEDAR and disseminated in the usual manner for a press release and material change report.

A company that fails to file its financial statements on time will be in default in all jurisdictions in which it is a reporting issuer. We will attempt to coordinate the nature of the CTOs (issuer or management) between jurisdictions. Non-principal regulators will normally follow the lead of the company's principal regulator, including its decision not to issue an issuer CTO. However each jurisdiction retains the right to impose an issuer CTO where they believe such action is necessary and there is no guarantee that a securities commission or regulator will agree with our recommendation that a management CTO be granted.

Not all securities regulators have the ability to issue a management CTO. In the interest of regulatory harmonization they will, however, normally honour a management CTO imposed by a company's principal regulator.

If a company does not file its financial statements within two months of the Notice of Default the company will generally be subject to an issuer CTO without further notice. An issuer CTO may also be issued if the Notice of Default is materially deficient or if the company fails to file its Default Status Reports on time.

Even if a company that has not filed its financial statements on time has not requested a management CTO, we may issue a management CTO rather than an issuer CTO if we believe that is appropriate. In that case we will name in the CTO the individuals we believe may have access to material undisclosed information. The company and the individuals may request changes to the list of individuals named in the CTO. We will consider the information they provide to determine whether there should be any changes to the list.

Enforcement

Meeting its continuous disclosure reporting obligations is a fundamental responsibility of every public company. While we will consider a company's request that a management CTO be granted we may pursue enforcement action against the company or its management if the circumstances warrant it.

Contacts

For further information, please contact:

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CSA Staff Notice 57-301
Appendix A

Notice of Default

A Notice of Default must:

1. identify the reporting period(s) the company is not able to file financial statements on time for;

2. disclose the reason(s) for the default;

3. disclose when the company expects to file the financial statements ;

4. disclose the date that is two months after the filing deadline and state that the securities commissions or regulators may impose an issuer cease trade order (CTO) if the financial statements are not filed by that time. Disclose that an issuer CTO may be imposed sooner if the company fails to file its Default Status Reports on time;

5. confirm the company intends to satisfy the provisions of Appendix B as long as it remains in default of the financial statement filing requirement;

6. disclose particulars of any insolvency proceeding the company is subject to, including the nature and timing of information that is required to be provided to creditors. Confirm that the company will file material change reports containing the same information it provides to creditors at the same time the information is provided to creditors throughout the period in which it is in default; and

7. disclose any other material information concerning the affairs of the company that has not been generally disclosed.

CSA Staff Notice 57-301
Appendix B

Default Status Reports

During the period of default, a company must issue a Default Status Report on a bi-weekly basis disclosing:

1. any material change in the information contained in the Notice of Default;

2. details of any failure by the company to fulfill its stated intentions in its Notice of Default or any Default Status Report, for example if the company did not file its financial statements by the date it gave in the Notice of Default;

3. any actual or anticipated default of a financial statement filing requirement subsequent to that disclosed in the Notice of Default; and

4. any other material information concerning the affairs of the reporting issuer that has not been generally disclosed.

Where there are no changes otherwise required to be disclosed in items 1 - 4 this fact must be disclosed in a Default Status Report.

Default Status Reports must be prepared, authorized, filed and disseminated in the same manner as the company's Notice of Default.

1.1.4 Amendment to IDA Policy No. 5 - Code of Conduct for IDA Member Firms Trading in Domestic Debt Markets

Amendment to IDA Policy No. 5,
Code of Conduct for IDA Member Firms Trading in Domestic Debt Markets

NOTICE OF COMMISSION APPROVAL

IDA Policy No.5 regarding Code of Conduct for IDA Member Firms Trading in Domestic Debt Markets has been approved by the Ontario Securities Commission. In addition, the Saskatchewan Securities Commission approved, the Alberta Securities Commission did not disapprove and the British Columbia Securities Commission did not object to these amendments. The amendments are published in Chapter 13 of this Bulletin.

1.2 Press Releases

1.2.1 Alexander Dolgonos et al. - OSC Withdraws Notice of Hearing and Statement of Allegations

FOR IMMEDIATE RELEASE
March 25, 2002

ALEXANDER DOLGONOS ET AL

TORONTO - Following a hearing held today, OSC Staff have withdrawn a Notice of Hearing and Statement of Allegations dated March 11, 2002, against Alexander Dolgonos, The Alexander Dolgonos Spousal Trust, Tina Livchits, The Tina Livchits Spousal Trust, Ayzik Dolgonos, The Ayzik Dolgonos Spousal Trust, Kalina Dolgonos, The Kalina Dolgonos Spousal Trust, Stephen Rosen, Althea Stewart, The Althea Stewart Spousal Trust, Aron David Truss, T.A. Holdings Inc., Gerald McGoey, and The Jolian Trust.

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For Media Inquiries:

Michael Watson
Director, Enforcement Branch
416-593-8286

Frank Switzer
Director, Communications
416-593-8120

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 Manulife Financial Corporation - MRRS Decision

Headnote

MRRS - registration relief in respect of a share sales program established by demutualized life insurance company for unsolicited orders.

Applicable Ontario Statutory Provisions.

Securities Act, R.S.O. 1990, c.S.5, as am s. 25, 35(1)(11), 74(1).

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUÉBEC, 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
THE MANUFACTURERS LIFE INSURANCE COMPANY

AND

MANULIFE FINANCIAL CORPORATION

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, Yukon , Nunavut and Northwest Territories (the "Jurisdictions") has received an application from The Manufacturers Life Insurance Company ("Manufacturers Life") and Manulife Financial Corporation ("MFC") (Manufacturers Life together with MFC referred to herein as the "Filer"):

A. 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 (the "Registration Requirements") shall not apply to the Filer, CIBC Mellon Trust Company ("CIBC Mellon") or such other trust company as is appointed by MFC from time to time as the administrator (CIBC Mellon or such other administrator hereinafter referred to as the "Administrator") pursuant to the Share Sales Program (as hereinafter defined) or Eligible Policyholders (as hereinafter defined) in respect of any trades in common shares of MFC (the "Common Shares") through the Administrator and the Assisting Dealer (as hereinafter defined) pursuant to the Share Sales Program.

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

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

1. Manufacturers Life was incorporated on June 23, 1887, by a Special Act of Parliament of the Dominion of Canada. Pursuant to the provisions of the then *Canadian and British Insurance Companies Act* (Canada), the predecessor legislation to the *Insurance Companies Act* (Canada) ("ICA"), Manufacturers Life undertook a plan of mutualization and became a mutual life insurance company on December 19, 1968. On September 23, 1999 Manufacturers Life demutualized (the "Demutualization") pursuant to letters patent of conversion issued by the Minister of Finance.

2. Manufacturers Life's head office is located in Ontario. Manufacturers Life is regulated by the Superintendent of Financial Institutions (Canada) and it is licenced under the insurance legislation of each province and territory of Canada. Manufacturers Life is a reporting issuer (or equivalent) in each of the provinces and territories of Canada and has held that status since filing a non-offering prospectus on May 19, 1994. To the best of its knowledge, information and belief, Manufacturers Life is currently not in default of its reporting requirements under the Legislation.

3. Manufacturers Life has authorized share capital consisting of an unlimited number of Common Shares, an unlimited number of Class A Shares, issuable in series, an unlimited number of Class B Shares, issuable in series, an unlimited number of Class C Shares, issuable in series, and an unlimited number of Class D Shares, issuable in series. As of the date hereof, only Common Shares and 40,000 Manufacturers Life Class A Shares Series 1 are issued and outstanding. Pursuant to the Demutualization, MFC became the holder of all of the issued and outstanding Common Shares of Manufacturers Life. MFC subscribed for the Manufacturers Life Class A Shares Series 1 in connection with the offering by

Manulife Financial Capital Trust of Manulife Financial Capital Securities – Series A and Manulife Financial Capital Securities – Series B completed on December 10, 2001.

4. MFC was incorporated under the ICA on April 26, 1999. On September 23, 1999, in connection with the Demutualization, MFC became the sole shareholder of Manufacturers Life and certain holders of participating life insurance policies of Manufacturers Life (the "Eligible Policyholders") became shareholders of MFC. On September 24, 1999 MFC filed a final prospectus in connection with an initial treasury and secondary offering conducted in Canada and the United States. MFC is a publicly traded company on The Toronto Stock Exchange, the New York Stock Exchange, the Stock Exchange of Hong Kong Limited and the Philippine Stock Exchange. The authorized share capital of MFC consists of Class A Shares, issuable in series, Class B Shares, issuable in series, and Common Shares of which approximately 482 million Common Shares were issued and outstanding as of January 1, 2002.

5. MFC is a reporting issuer in each of the Jurisdictions. MFC files its continuous disclosure materials on the System for Electronic Document Analysis and Retrieval. To the best of its knowledge, information and belief, MFC is currently not in default of its reporting requirements under the Legislation.

6. Manufacturers Life anticipated that a significant number of Eligible Policyholders would retain the Common Shares to which they are entitled in connection with the Demutualization and not make a cash election. Manufacturers Life believes that a significant number of these Eligible Policyholders, both in North America and Asia, do not have any prior experience in share ownership or brokerage relationships. For these reasons, Manufacturers Life established a "Share Sales Program", which commenced following the completion of the initial public offering of the Common Shares (the "IPO").

7. Under the Share Sales Program, Eligible Policyholders resident in Canada who received Common Shares are able to sell those shares simply by contacting the Administrator of the Share Sales Program CIBC Mellon and any other person or company appointed by MFC from time to time as the Administrator shall be a trust company. The Administrator has established an account with a registered securities dealer (the "Assisting Dealer") and, through the Assisting Dealer, arranges to sell Eligible Policyholders' Common Shares and remit the proceeds, less applicable fees, to Eligible Policyholders. The Share Sales Program is extended only to Eligible Policyholders and only to those Common Shares received by such Eligible Policyholders on the Demutualization which they continue to hold in the book-entry system through the Administrator.

8. Under the Share Sales Program, only sell orders are accepted by the Administrator and no advice regarding the decision to sell or hold the Common Shares is offered to any Eligible Policyholder. Neither Manufacturers Life nor MFC subsidize the costs of selling Common Shares under the Share Sales Program, although Eligible Policyholders will benefit from any reduced commission that can be negotiated with the Assisting Dealer. Any Eligible Policyholders who wish to sell their Common Shares in another manner (for example, by transferring their holdings to another dealer with whom they have a brokerage relationship) is free to do so. Any information distributed to Eligible Policyholders regarding the Share Sales Program has not and will not contain any investment advice as to the desirability of Eligible Policyholders holding or selling their Common Shares. The Assisting Dealer will not open individual accounts or engage in "know-your-client" procedures with respect to individual Eligible Policyholders utilizing the Share Sales Program. Literature describing the Share Sales Program has been provided to all Eligible Policyholders.

9. Manufacturers Life and MFC have in place a call centre through which questions of Eligible Policyholders regarding the mechanics of selling Common Shares under the Share Sales Program can be answered. The call centre staff are instructed not to provide investment advice as to the desirability of an Eligible Policyholder holding or selling their Common Shares.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the Registration Requirements shall not apply to the Filer, the Administrator pursuant to the Share Sales Program or Eligible Policyholders in respect of:

(i) the execution of an unsolicited order to sell Common Shares through the Assisting Dealer by the Administrator, or

(ii) placing the unsolicited order with the Administrator, in connection with the Share Sales Program.

and, for the purposes of this MRRS Decision Document, a trade shall not be considered "solicited" by reason of the Filer (or the Administrator on their behalves) distributing to Eligible Policyholders disclosure documents, notices, brochures or similar documents advising of the availability of the Administrator to facilitate sales of Common Shares or by reason of the Filer and/or the Administrator advising Eligible Policyholders of the availability, and informing Eligible Policyholders of the details of the operation of the Share Sales Program in response to enquiries from Eligible Policyholders by telephone or otherwise.

February 20, 2002.

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

2.1.2 TD Mortgage Investment Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief granted to an issuer from the requirement to file and deliver to security holders interim and annual financial statements, annual reports, and annual filings in lieu of an information circular, subject to certain conditions.

Applicable Ontario Statutory Provisions

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

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

AND

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

AND

IN THE MATTER OF
THE TORONTO-DOMINION BANK

AND

IN THE MATTER OF
TD MORTGAGE INVESTMENT CORPORATION

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker, and, collectively, the "Decision Makers") in each of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Newfoundland and Labrador and Nova Scotia (the "Jurisdictions") has received an application (the "Application") from TD Mortgage Investment Corporation ("TDMIC") and the Toronto-Dominion Bank (the "Bank") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirements contained in the Legislation to:

a) file interim financials and audited annual financial statements ("Financial Statements") with the Decision Makers and deliver such Financial Statements to the security holders of TDMIC;

b) make an annual filing (Annual Filing") with the Decision Makers in lieu of filing an information circular, where applicable; and

c) file an annual report ("Annual Report") and an information circular with the Decision Maker in Québec and deliver such report or information circular to the security holders of TDMIC resident in Québec;

shall not apply to TDMIC, subject to certain terms and conditions;

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

AND WHEREAS the TDMIC and the Bank have represented to the Decision Makers that:

The Toronto-Dominion Bank

1. the Bank is a Canadian chartered bank governed by the *Bank Act* (Canada) (the "Bank Act"). The Bank is a reporting issuer or equivalent in the Jurisdictions and is not, to its knowledge, in default of any requirement of the Legislation;

2. the authorized share capital of the Bank consists of an unlimited number of common shares ("Bank Common Shares"), of which 628,317,509 common shares were outstanding as at July 31, 2001, and an unlimited number of Non-cumulative Class A Preferred Shares, issuable in series, of which the following series were outstanding as at July 31, 2001; 7,000,000 Series G; 9,000,000 Series H; 16,065 Series I; 6,000,000 Series K; and 2,000,000 Series L;

3. the Bank Common Shares are listed and posted for trading on The Toronto Stock Exchange (the "TSE"), the New York, Tokyo and London stock exchanges;

TD Mortgage Investment Corporation

4. TDMIC is a corporation governed by the *Trust and Loan Companies Act* (Canada) (the "Act"). TDMIC is a reporting issuer or its equivalent in the Jurisdictions and is not, to its knowledge, in default of any requirement of the Legislation;

5. the outstanding securities of TDMIC consist of: (i) 87,600 common shares, all of which are held by the Bank; and (ii) 350,000 Higher Yielding Bank Related Income Derivative Securities, each consisting of one non-cumulative Preferred Share Series A of TDMIC (the "HYBRIDS") that were distributed in a public offering pursuant to a prospectus dated November 27, 1997;

6. the HYBRIDS are listed and posted for trading on the TSE;

7. the business objective of TDMIC is to acquire and hold Canada Mortgage and Housing insured residential first mortgages acquired primarily from the Bank and/or its affiliates (the "Mortgage Assets"). The HYBRIDS provide the Bank with a cost-effective means of raising capital for Canadian bank regulatory purposes;

HYBRIDS

8. each HYBRIDS entitles the holder (a "HYBRIDS Holder") to receive a fixed cash distribution (the "Indicated Yield") of $32.30 per HYBRIDS payable by TDMIC on the last day of April and October of each year (an "Indicated Yield Payment Date");

9. upon the occurrence of certain adverse tax events (a "Tax Event") prior to October 31, 2007, the HYBRIDS will be exchangeable, at the option of the Bank without the consent of the holders thereof (the "Bank Tax E vent Exchange Right"), for a formula determined number of Bank Common Shares;

10. on and after October 31, 2007, each HYBRIDS will be exchangeable, at the option of the HYBRIDS Holder, for a formula determined number of Bank Common Shares in accordance with the terms of a Bank Share Exchange Agreement, (the "Bank Share Exchange Agreement") made between the Bank, TDMIC and CIBC Mellon Trust Company as trustee for the HYBRIDS Holders;

11. on and after October 31, 2007, each HYBRIDS will be exchangeable, at the option of the Bank, for a formula determined number of Bank Common Shares in accordance with the Bank Share Exchange Agreement;

12. each HYBRIDS will be automatically exchanged without the consent of the holder, for Non-cumulative Class A Preferred Shares, Series X of the Bank ("Series X Shares") if: (i) TDMIC fails to declare of pay or set aside for payment when due the Indicated Yield on any Indicated Yield Payment Date; (ii) the Bank fails to declare and pay or set aside for payment when due any dividend on any issue of its Non-cumulative Preferred Shares; (iii) the Superintendent of Financial Institutions (Canada) (the "Superintendent") takes control of the Bank pursuant to the Bank Act or of TDMIC pursuant to the Act or proceedings are commenced for the winding up of the Bank or TDMIC pursuant to the *Winding-Up and Restructuring Act* (Canada); (iv) the Superintendent has determined that the Bank has a Tier 1 risk-based capital ratio of less than 5.0% or a total risk-based capital ratio of less than 8.0%; or (v) the Superintendent, by order, directs the Bank to act pursuant to subsection 485(3) of the Bank Act, or directs TDMIC to act pursuant to subsection 473(3) of the Act, to increase its capital or to provide additional liquidity and either the Bank or TDMIC, as the case may be, elects to cause the exchange as a consequence of the issuance of such order or either the Bank or TDMIC, as the case may be, does not comply with such order to the satisfaction of the Superintendent within the time specified therein;

13. the Series X Shares will be convertible on and after October 31, 2007, at the option of the holder, into Bank Common Shares

14. the HYBRIDS may be redeemed by TDMIC for cash on and after October 31, 2007, subject to the approval of the Superintendent;

15. the HYBRIDS are non-voting except as required by applicable law;

16. in certain circumstances (as described in paragraph 12 above), including at a time when the Bank's financial condition is deteriorating or preceedings for the winding-up of the Bank have been commenced, the HYBRIDS will be automatically exchanged for preferred shares of the Bank without the consent of HYBRIDS Holders and, as a result, HYBRIDS Holders will have no claim or entitlement to the assets of TDMIC, other than indirectly in their capacity as preferred shareholders of the Bank;

17. in the event that the HYBRIDS are automatically exchanged for Series X Share (as described in paragraph 12 above), the cost-effective manner by which the Bank was able to raise capital for Canadian bank regulatory purposes through the issuance of the HYBRIDS would be lost;

18. the Bank and TDMIC have entered into an Advisory Agreement pursuant to which the Bank provides advice and counsel with respect with certain matters to TDMIC and provides certain employees to serve as officers of TDMIC to administer the day-to-day operations of TDMIC;

19. the Mortgage assets of TDMIC are serviced by the Bank, TD Mortgage Corporation ("TDMC") and TD Pacific Mortgage Corporation ("TDPMC") pursuant to a Mortgage Sales and Servicing Agreement entered into among TDMIC, the Bank, and TDMC and TDPMC;

20. the Bank intends that disclosure with respect to TDMIC will be provided in a note to the Bank's audited annual financial statements and that the Bank's Financial Statements (and the Bank's Annual Report, in the case of holders of HYBRIDS resident in the Province of Québec) will be sent to holders of HYBRIDS at the same time and in the same manner as if the holders of HYBRIDS were holders of Bank Common Shares;

21. Notice will be provided to holders of HYBRIDS that as a result of the relief granted herein to TDMIC, such holders will receive the continuous disclosure filings of the Bank described in paragraph 20 above;

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

AND WHEREAS each Decision Maker is satisfied that the 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 requirement contained in the Legislation:

(a) to file Financial Statements with the Decision Makers and deliver such statements to holders of HYBRIDS;

(b) to make an Annual filing, where applicable, with the Decision Makers in lieu of filing and information circular; and

(c) to file an Annual Report and an information circular with the Decision Maker in Québec and deliver such report of information circular to holders of HYBRIDS resident in Québec;

shall not apply to TDMIC for so long as:

(i) the Bank remains a reporting issuer under the Legislation;

(ii) the Bank sends its annual financial statements, interim financial statements, annual and interim management discussion and analysis to holders of HYBRIDS and its Annual Report to holders of HYBRIDS resident in the Province of Québec at the same time and in the same manner as if the holders of HYBRIDS were holders of Bank Common Shares;

(iii) all outstanding securities of TDMIC are either preferred shares or common shares;

(iv) the rights and obligations of holders of additional preferred shares in the capital of TDMIC are the same in all material respects as the rights and obligations of the holders of HYBRIDS at the date hereof;

(v) the Bank or its affiliates are the beneficial owners of all outstanding common shares of TDMIC;

and provided that if a material change occurs in the affairs of TDMIC, this Decision shall expire 30 days after the date of such change.

March 11, 2002.

“Agnes Lau”

2.1.3 Spar Aerospace Limited - MRRS Decision

Headnote

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

Applicable Ontario Statutory Provisions

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

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

AND

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

AND

IN THE MATTER OF
SPAR AEROSPACE LIMITED

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "**Decision Maker**") in each of Ontario, Alberta, Saskatchewan, Québec, Nova Scotia, Newfoundland and Labrador and Yukon (the "**Jurisdictions**") has received an application from Spar Aerospace Limited (the "**Filer**") for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") that the Filer be deemed to have ceased to be a reporting issuer or the equivalent under the Legislation;

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

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

(a) The Filer is continued under the Canada Business Corporations Act (the “**CBCA**”), is a reporting issuer in each of the Jurisdictions, and is not in default of any requirements under the Legislation.

(b) The Filer's head offices are in Toronto, Ontario.

(c) Prior to the Consolidation (as defined below) the Filer was authorized to issue an unlimited number of common shares (the “**Common Shares**”), of which 15,108,273 Common Shares were issued and outstanding as of the date of the Consolidation. The Filer was also authorized

to issue 10,000,000 preferred shares and 20,000,000 junior preferred shares. There were no preferred shares or junior preferred shares issued and outstanding as of the date of the Consolidation.

(d) The Filer does not intend to seek public financing by way of an offering of securities.

(e) On October 17, 2001, a formal offer (the "**Offer**") was made by 3931170 Canada Inc. (the "**Offeror**"), a wholly-owned subsidiary of L-3 Communications Corporation, to purchase all of the issued and outstanding Common Shares for $15.50 cash for each Common Share deposited under the Offer.

(f) The Offer was extended on each of November 22, 2001, December 3, 2001, and December 14, 2001.

(g) On December 6, 2001, Spar announced that it was proceeding with a going private transaction, which was effected by way of a share consolidation (the "**Consolidation**").

(h) The Offer expired on January 3, 2002. As of January 10, 2002 the Offeror had taken up and paid for approximately 10,872,488 Common Shares, representing approximately 71.9% of the outstanding Common Shares.

(i) The Consolidation, which was carried out pursuant to section 173 of the CBCA, was effected in accordance with the terms of a special resolution passed by a special majority of shareholders of the Filer at a shareholder meeting held on January 23, 2002. The Consolidation became effective on January 23, 2002, upon filing of the articles of amendment and the issuance of a certificate of amendment giving effect thereto.

(j) On January 23, 2002, the Filer held a special meeting of shareholders where the shareholders voted to approve the Consolidation.

(k) Upon the Consolidation:

(i) all of the Common Shares were changed into new common shares (the "**New Common Shares**") on the basis of one (1) New Common Share for each 5,289,500 Common Shares;

(ii) holders of Common Shares were not entitled to receive certificates for fractional New Common Shares, and were not entitled to exercise any of the rights of shareholders in respect of any fractional New Common Share other than the right to receive payment, without interest, of the sum of $15.50 in cash for each Common Share held immediately prior to Consolidation;

(iii) the Offeror became the sole shareholder of the Filer; and

(iv) New Common Shares were only issued to the Offeror (as the sole shareholder of the Filer).

(l) The Filer is currently authorized to issue:

(i) an unlimited number of New Common Shares, of which two (2) New Common Shares are issued and outstanding;

(ii) 10,000,000 preferred shares, none of which are issued or outstanding; and

(iii) 20,000,000 junior preferred shares, none of which are issued or outstanding.

(m) The Common Shares were delisted from The Toronto Stock Exchange on January 25, 2002, and no securities, including debt securities, of the Filer are listed or traded on an exchange or market in Canada or elsewhere.

(n) Other than the New Common Shares, the Filer has no securities, including debt securities, outstanding.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the Filer is deemed to have ceased to be a reporting issuer or the equivalent under the Legislation.

March 14, 2002.

"John Hughes"

2.1.4 Marathon Oil Canada Limited - MRRS Decision

Headnote

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

Applicable Ontario Statutory Provisions

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

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

AND

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

AND

IN THE MATTER OF
MARATHON OIL CANADA LIMITED

MRRS DECISION DOCUMENT

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

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

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

   3.1 on January 1, 2002, Marathon Oil Canada Limited, a corporation incorporated under the Business Corporations Act (Alberta) (the "ABCA") on October 30, 1997 as 761581 Alberta Ltd., amalgamated (the "Amalgamation") with its parent company and sole shareholder 787722 Alberta Ltd. ("Holdco"), and continued as Marathon;

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

   3.3 Marathon is a reporting issuer in the Jurisdictions and became a reporting issuer in the Jurisdictions as a result of the Amalgamation;

   3.4 Marathon Oil Canada Limited was a reporting issuer in the Jurisdictions and became a reporting issuer in the Jurisdictions on August 11, 1998 as a result of an arrangement involving Marathon Oil Canada Limited, Tarragon Oil and Gas Limited, Marathon Oil Company, and Holdco;

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

   3.6 the authorized capital of Marathon consists of an unlimited number of common shares (the "Common Shares") and an unlimited number of voting preferred shares (the "Preferred Shares") of which, as of January 2, 2002, there were 251 Common Shares and 5,640 Preferred Shares outstanding;

   3.7 under the Amalgamation, Marathon Oil Company acquired all of the outstanding securities of Marathon;

   3.8 Marathon Oil Company currently holds all of the outstanding securities of Marathon;

   3.9 no securities of Marathon have ever been listed or quoted on any exchange or market;

   3.10 other than the outstanding Common Shares and the outstanding Preferred Shares, Marathon has no securities, including debt securities, outstanding;

   3.11 Marathon does not intend to seek public financing by way of an offering of its securities;

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

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

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

February 14, 2002.

"Patricia M. Johnston"

2.1.5 Inchcape Special Investments B.V. et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Cash bid made in Canada - Bid made in accordance with the laws of Singapore - *De minimis* exemption unavailable because Singapore not recognized jurisdiction in Ontario - Bid exempted from the requirements of Part XX, subject to certain conditions.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as amended, ss. 93(1)(e), 95 to 100 and 104(2)(c).

Recognition Orders Cited

In the Matter of the Recognition of Certain Jurisdictions (Clauses 93(1)(e) and 93(3((h) of Act) (1997) 20 OSCB 1035.

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

AND

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

AND

IN THE MATTER OF
INCHCAPE SPECIAL INVESTMENTS B.V.,
INCHCAPE PLC
AND INCHCAPE MOTORS LIMITED

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "**Decision Maker**") in each of the provinces of British Columbia and Ontario (the "**Jurisdictions**") has received an application from Inchcape plc ("**Inchcape**") and Inchcape Special Investments B.V. (the "**Offeror**") (collectively, the "**Applicants**") for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") that the formal take-over bid requirements in the Legislation, including the provisions relating to delivery of an offer and take-over bid circular and any notices of change or variation thereto, delivery of a directors' circular and any notices of change or variation thereto, minimum deposit periods and withdrawal rights, take-up of and payment for securities tendered to a take-over bid, disclosure, financing, restrictions upon purchases of securities, identical consideration and collateral benefits (collectively, the "**Take-over Bid Requirements**") do not apply to the proposed offer (the "**Offer**") by Inchcape for all the issued and outstanding ordinary shares (the "**Target Shares**") of Inchcape Motors Limited (the "**Target**");

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

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

1. Inchcape is a corporation incorporated under the laws of the United Kingdom. Inchcape's registered office is located in the United Kingdom. The principal activities of Inchcape and its group of companies are the import, distribution and retail of automobiles, automotive e-commerce, business services and financial services including consumer and dealer finance, insurance and leasing.

2. The authorised capital of Inchcape consists of 131,000,000 ordinary shares of £1.50 par value each (the "**Inchcape Shares**"). As at March 5, 2002, there were 77,521,698 Inchcape Shares. The Inchcape Shares are listed on the London Stock Exchange.

3. The Offeror is an indirect wholly-owned subsidiary of Inchcape. The Offeror is incorporated under the laws of The Netherlands. The Offeror's registered office is located in The Netherlands. The principal activity for which the Offeror has been established is that of investment holding.

4. The authorised capital of the Offeror consists of 900 ordinary shares (the **"Offeror Shares**"). As at the date hereof, there were 180 Offeror Shares issued and outstanding.

5. Neither Inchcape nor the Offeror is a reporting issuer or its equivalent in any jurisdiction in Canada.

6. The Target is a corporation incorporated under the laws of Singapore. The Target's registered office is located in Singapore. The Target's principal activity is as an investment holding company and its subsidiaries are primarily engaged in motor retail and distribution.

7. The authorised capital of the Target consists of 400,000,000 Target Shares of S$0.50 par value each. As at the date hereof, there were, to the best knowledge and belief of the Offeror, 163,714,597 issued and outstanding Target Shares. The Target Shares are listed on the main board of the Singapore Exchange Securities Trading Limited (the "**Singapore Exchange**").

8. The Target is not a reporting issuer or its equivalent in any jurisdiction in Canada.

9. As at February 25, 2002, there were 4,861 holders of Target Shares (the "**Target Shareholders**"). Target Shareholders resident in Canada (the "**Canadian Shareholders**") hold in the aggregate less than 2% of the issued and outstanding Target Shares:

(a) two Canadian Shareholders who reside in Ontario hold an aggregate of 1,000 Target Shares (or less than 0.0001% of the issued and outstanding Target Shares); and

(b) two Canadian Shareholders who reside in British Columbia hold 22,000 Target Shares (or approximately 0.0001% of the issued and outstanding Target Shares).

10. The Hong Kong and Shanghai Banking Corporation, for and on behalf of the Offeror, intends to make an all cash offer to acquire all of the issued and outstanding Target Shares for S$2.30 per Target Share.

11. The Offer will be made in accordance with the laws of Singapore, including the requirements of the Singapore Code on Take-overs and Mergers (the "**Singapore Code**") and the rules of the Singapore Exchange, and not pursuant to any exemptions from such requirements.

12. Pursuant to the Singapore Code, the Offeror has submitted to the Singapore Exchange for its review and approval an offer document containing the terms and conditions of the Offer and prescribed disclosure (the "**Offer Document**"). The Offer Document will not be mailed to Target Shareholders until it is approved by the Singapore Exchange. The Code requires that the Offer remain open for at least 28 days after the mailing of the Offer Document to Target Shareholders.

13. The Offeror intends to deliver the Offer Document to Target Shareholders, including Canadian Shareholders, on or about March 21, 2002 and the Offer will remain open until at least April 18, 2002.

14. The Offeror cannot rely on the *de minimis* exemption from the Take-over Bid Requirements because the Decision Makers have not recognized Singapore for this purpose in the Legislation.

15. The Offer will be made on the same terms and conditions to the Canadian Shareholders as those applicable to Target Shareholders residing outside Canada.

16. The Offer Document and all other material relating to the Offer, including any amendments, sent by the Offeror to Target Shareholders residing outside Canada shall concurrently be sent to the Canadian Shareholders and filed with the Decision Makers.

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each of the Decision Makers (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 Offeror is exempt from the Take-over Bid Requirements in making the Offer to the Canadian Shareholders provided that:

(a) the Offer and all amendments to the Offer are made in compliance with the laws of Singapore, including the Singapore Code and the rules of the Singapore Exchange; and

(b) the Offer Document and all other material relating to the Offer, including any amendments, that are sent by or on behalf of the Offeror to Target Shareholders residing outside Canada are concurrently sent to the Canadian Shareholders and copies of such material are filed contemporaneously with the Decision Maker in each Jurisdiction.

March 21, 2002.

"Paul Moore" "Lorne Morphy"

2.1.6 Battle Mountain Gold Company - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Issuer has one beneficial equity holder - no beneficial holder of the Issuer's other securities is a resident of Canada - Issuer deemed to have ceased to be a reporting issuer.

Applicable Ontario Statutory Provisions

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

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

AND

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

AND

IN THE MATTER OF
BATTLE MOUNTAIN GOLD COMPANY

MRRS DECISION DOCUMENT

1. **WHEREAS** the local securities regulatory authority or regulator (the "**Decision Maker**") in each of Alberta, Saskatchewan, Ontario, Quebec, Nova Scotia and Newfoundland and Labrador (the "**Jurisdictions**") has received an application from Battle Mountain Gold Company (the "**Merged Corporation**"), a company formed by the merger of Battle Mountain Gold Company (the "**Predecessor Corporation**") and Bounty Merger Corporation ("**Bounty**"), for a decision under the securities legislation (the "**Legislation**") of the Jurisdictions that the Merged Corporation be deemed to have ceased to be a reporting issuer, or the equivalent, under the Legislation;

2. **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;

3. **AND WHEREAS** the Merged Corporation has represented to the Decision Maker that:

   3.1 The Predecessor Corporation was incorporated under Nevada law on June 4, 1985, and was a reporting issuer for more than 12 months in the Jurisdictions.

   3.2 The authorized capital of the Predecessor Corporation consisted of 500,000,000 common shares ("**Predecessor Common Shares**") and 5,000,000 $3.25 convertible preferred shares ("**Predecessor Preferred Shares**"), of which approximately 133.4 million Predecessor Common Shares and 2.3 million Predecessor Preferred Shares were issued and outstanding. The Predecessor Common Shares and the Predecessor Preferred Shares were listed on the New York Stock Exchange.

   3.3 The Merged Corporation was formed by way of a merger (the "**Merger**") between the Predecessor Corporation and Bounty under Nevada law on January 10, 2001. As a result of the Merger, the Merged Corporation became a reporting issuer under the Legislation in each of the Jurisdictions. The Merged Corporation is not in default of any requirements under the Legislation save for:

      i) its failure to file its annual financial statements as at, and for the period ended, December 31, 2000;

      ii) its failure to file its first quarter interim financial statements as at, and for the period ended, March 31, 2001;

      iii) its failure to file its second quarter interim financial statements as at, and for the period ended, June 30, 2001;

      iv) its failure to file its third quarter interim financial statements as at, and for the period ended, September 30, 2001; and

      iv) its failure to file its Annual Information Form for the period ended December 31, 2000.

   3.4 The head office of the Merged Corporation is located at 333 Clay Street, 42nd Floor, Houston, Texas 77002-4103.

   3.5 The authorized capital of the Merged Corporation consists of 500,000,000 common shares ("**Merged Common Shares**"), of which 97,000,000 are issued and outstanding, and 5,000,000 preferred shares, none of which are issued and outstanding. The Merged Corporation also has US$82,000,000 6% Convertible Subordinated Debentures ("**Merged Debentures**") issued and outstanding. No beneficial holders of Merged Debentures are resident in Canada.

   3.6 On June 21, 2000, the Predecessor Corporation, Newmont Mining Corporation ("**Newmont Mining**") and Bounty, a wholly-owned subsidiary of Newmont Mining, (collectively referred to as the "**Parties**") entered into an Agreement and Plan of Merger which provided for the Merger.

Under the terms of the Merger, the Predecessor Corporation would become a wholly-owned subsidiary of Newmont Mining.

3.7 In connection with the proposed Merger, the Parties also entered into an arrangement agreement on June 21, 2000, whereby the Parties agreed to complete a statutory plan of arrangement under section 182 of the *OBCA* (the "**Arrangement**"), regarding exchangeable shares (the "**Exchangeable Shares**") of Battle Mountain Canada Limited ("**Battle Mountain Canada**"), a subsidiary of the Predecessor Corporation. The Exchangeable Shares were, by their terms, convertible on a one-for-one basis into Predecessor Common Shares. Under the terms of the Arrangement, Battle Mountain Canada would also become a wholly-owned subsidiary of Newmont Mining.

3.8 As a result of the Merger and the Arrangement, which were completed on January 10, 2001:

i) Newmont Mining became the sole shareholder of all of the issued and outstanding Merged Common Shares;

ii) all holders of the Predecessor Common Shares and the Predecessor Preferred Shares (other than the Predecessor Corporation and its subsidiaries) became holders of shares of Newmont Mining common stock and Newmont Mining convertible preferred stock, respectively; and

iii) all of the Exchangeable Shares were exchanged for shares of Newmont Mining common stock and all holders of the Exchangeable Shares became holders of shares of Newmont Mining common stock.

3.9 The Predecessor Common Shares and the Predecessor Preferred Shares were delisted from the New York Stock Exchange on January 18, 2001 and no securities of the Merged Corporation are listed or quoted on any exchange or market in Canada or elsewhere.

3.10 The Merged Corporation has no securities, including debt securities, outstanding other than the Merged Common Shares and the Merged Debentures.

3.11 The Merged Corporation does not intend to seek public financing by way of an offering of its securities in Canada.

3.12 Fewer than 10% of the beneficial holders of shares of Newmont Mining common stock are residents of Canada.

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 Merged Corporation is deemed to have ceased to be a reporting issuer or the equivalent thereof under the Legislation effective as of the date of this Decision.

March 12, 2002.

"Paul Moore" "Theresa McLeod"

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

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief from requirement to be recognized as a "stock exchange" or "exchange" under securities legislation and relief from sections 6.6(b), 6.7, 8.1, 8.2, 10.1, 9.2(1), 9.4, and 12.2 of National Instrument 21-101 Marketplace Operation subject to such time limitations as stated in the MRRS Decision Document - relief from requirements, solely with respect to clients that are registered dealers, to provide monthly or quarterly statements of account and perform compliance officer review of new account, trading and advice, provided that the filer is registered as an investment dealer or the equivalent in a jurisdiction.

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

AND

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

AND

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

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator in each of the provinces of Ontario, British Columbia and Quebec issued a decision (the "Original Decision") on December 19, 2001 under the securities legislation of the Jurisdictions (the "Legislation") exempting CollectiveBid Systems Inc. ("CB") and CBID Securities Inc. ("CBID" and, with CB, the "Filers") from the requirement to comply with National Instrument 21-101 Marketplace Operation and National Instrument 23-101 Trading Rules (the "ATS Rules") until April 1, 2002;

AND WHEREAS the Filers have applied to local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of Ontario, British Columbia, Manitoba and Quebec (collectively, the "Jurisdictions") for a decision under the Legislation that the requirements contained in the Legislation to be recognized as a stock exchange or an exchange and certain requirements of National Instrument 21-101 Marketplace Operation ("NI 21-101") do not apply to CBID;

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

AND WHEREAS the Filers have represented to the Decision Makers as follows.

1. CB is a corporation amalgamated under the Canada Business Corporations Act (the "CBCA") on October 1, 2001.

2. CBID is a wholly-owned subsidiary of CB that was incorporated under the CBCA on October 18, 2001. CBID is a member of the Investment Dealers Association of Canada (the "IDA") and is registered as an investment dealer in Ontario and has applied to be registered in the equivalent category in British Columbia, Manitoba and Quebec.

3. CBID operates a marketplace (the "Marketplace") as defined in NI 21-101 that allows customers to electronically execute trades of bonds and other fixed income securities through a website.

4. The Marketplace receives firm two-sided bid/ask quotes on a number of fixed income securities from other entities, who to date are all registered dealers, known as liquidity providers. On the other side, the Marketplace receives orders from counterparties. To date, all of the counterparties are registered dealers. Institutional customers may be added once CBID is registered as an investment dealer or the equivalent in the Jurisdiction in which the institutional customer is resident (unless an exemption is granted in a particular Jurisdiction). An execution engine uses an algorithm to match buy and sell orders, and advises the matched buyer and seller that the order has been executed (the "Retail Marketplace"). By their agreements, the buyers and sellers are bound by the result. They are then responsible for contacting each other to arrange for clearing and settlement.

5. The Marketplace may be considered to be a stock exchange or exchange because the Retail Marketplace provides, through one or more subscribers, a guarantee of a two-sided market for a security on a continuous or reasonably continuous basis.

6. The Marketplace also enables institutional customers or registered dealers to execute trades anonymously with other registered dealers or institutional customers (the "Institutional Marketplace"). Once there are two sides to a trade, to maintain anonymity, CBID will generally act as the counterparty for all transactions executed on the Institutional Marketplace and the transactions will be cleared and settled on behalf of CBID through its clearing broker. In certain circumstances, CBID can step away and the ultimate buyer and seller may be disclosed and be required to arrange for clearing and settlement directly. A non-anonymous request for quote feature with name give-up (i.e. non-anonymous) transactions and firm or subject (i.e. non-firm) two-sided quotes may also be added to this offering in the future.

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:

1. the Original Decision is hereby revoked;

2. in connection with the Marketplace, CBID is exempt from the requirement to be recognized as a stock exchange or an exchange provided that:

   (a) CBID complies with and is subject to the ATS Rules as if CBID is an ATS except that CBID is not required to comply with:

      (i) subsection 6.6(b) of NI 21-101 relating to advance notice of providing guarantees of a two-sided market;

      (ii) section 6.7 of NI 21-101, to the extent that it purports to relate to any period prior to April 1, 2002;

      (iii) sections 8.1, 8.2 and 10.1 of NI 21-101 until December 1, 2002;

      (iv) subsection 9.2(1) of NI 21-101, in respect of any security until 30 days after such time as a principal market has been identified in a notice of the securities regulatory authority or a publication of the information processor in accordance with section 9.3 of NI 21-101 or the principal market previously identified becomes subject to subsection 8.1(1) of NI 21-101;

      (v) subsections 9.2(1) and 9.4(2) of NI 21-101, to the extent that the applicable principal market or other marketplace is not itself subject to subsection 8.1(1) of NI 21-101; and

      (vi) section 12.2 of NI 21-101 to the extent that it purports to relate to any period prior to April 1, 2002; and

   (b) if CBID intends to carry on stock exchange or exchange activities listed in subsections 6.6(a), (c) and (d) in NI 21-101 or meets the thresholds in subsection 6.7(1) of NI 21-101, CBID will notify the securities regulatory authorities in accordance with the timeframes provided in the sections; and

3. in connection with the Marketplace, CBID is exempt from the following requirements in a Jurisdiction provided that it is registered as an investment dealer or the equivalent in the Jurisdiction:

   (a) monthly or quarterly statements of account requirements in respect of customers that are registered dealers; and

   (b) compliance officer review of new account, trading and advice requirements in respect of customers who are registered dealers.

March 22, 2002.

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

"Randee B. Pavalow"

2.1.8 Eldorado Gold Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief from the requirement to file an independent technical report to support technical disclosure in a prospectus – property the subject of numerous previous disclosure filings supported by an independent report and addendum, and funds from offering not being used on property

Applicable Ontario Provisions

National Instrument 43-101 Standards of Disclosure for Mineral Projects, ss. 4.2(1)1, 5.3(1)2 and 9.1

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

AND

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

AND

IN THE MATTER OF
ELDORADO GOLD CORPORATION

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Ontario and Québec (the "Jurisdictions") has received an application from Eldorado Gold Corporation ("Eldorado") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirement in National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") to file a current technical report prepared by an independent qualified person (the "Independent Report Requirement") shall not apply to Eldorado with respect to the disclosure regarding the São Bento Mine to be included in its prospectus.

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 Eldorado has represented to the Decision Makers that:

1. Eldorado is governed by the Canada Business Corporations Act and its head office is in Vancouver, British Columbia;

2. Eldorado, together with its subsidiaries, is engaged principally in the mining and processing of gold ore and the exploration, acquisition and development of gold-bearing mineral properties;

3. Eldorado is a reporting issuer in each Jurisdiction and is not in default of any requirements of the Legislation;

4. Eldorado has:

   (a) gross revenues, derived from mining operations, of at least $30 million for its most recently completed financial year, and

   (b) gross revenues, derived from mining operations, of at least $90 million in the aggregate for its three most recently completed financial year,

   and consequently is a producing issuer as defined in NI 43-101;

5. as at February 28, 2002, the authorized share capital of Eldorado consisted of an unlimited number of common shares (the "Shares") and an unlimited number of convertible non-voting shares, of which approximately 102,639,517 Shares and no convertible non-voting shares were outstanding;

6. the Shares are listed and posted on the Toronto Stock Exchange;

7. Eldorado indirectly owns 100% of the São Bento Mine, a producing mine located in Brazil, (the "Mine");

8. Watts, Griffis and McOuat Limited prepared a technical report on the Mine entitled "Review of Operations at São Bento Mineraçao, Brazil for Eldorado Corporation Ltd." dated May 13, 1996 (the "Report") and prepared an addendum to the Report dated April 27, 2000 and revised on May 10, 2000 entitled "Addendum to a Review of Operations at São Bento Mineraçao, Brazil for Eldorado Gold Corporation" (the "Addendum");

9. the Report and Addendum have been filed on SEDAR by Eldorado and were previously used to support disclosure regarding the Mine contained in:

   (a) a prospectus dated May 19, 2000 filed in British Columbia and Ontario,

   (b) a preliminary prospectus dated December 22, 2000 filed in British Columbia and Ontario and a final prospectus dated February 20, 2001 (the "Second Prospectus") which included disclosure regarding mineral resources and reserves in respect of the Mine as of September 30, 2000 as revised internally by Eldorado in accordance with the requirements of NI 43-101,

   (c) an Annual Information Form (the "2001 AIF") for the year ended December 31, 2000 filed on SEDAR with resource and reserves updated to December 31, 2000, and

   (d) certain prior annual information forms and annual reports of Eldorado;

10. since the filing of the Second Prospectus Eldorado has not:

    (a) made any expenditures in respect of the Mine other than those out of working capital in respect of the operation (including capital expenditures) of the Mine, or

    (b) undertaken any exploration at the Mine;

11. mineral resources and reserves in respect of the Mine as disclosed in the Second Prospectus have not materially changed other than a reduction in mineral reserves and resources due to production at the Mine since the date of the Second Prospectus;

12. Eldorado's key development property is, and its work plan, budget and resources are focussed on, the Kisladag project located in Turkey;

13. under the terms of a special warrant offering (the "Offering") Eldorado is required to file a new preliminary prospectus (the "New Preliminary Prospectus") and a new final prospectus (the "New Final Prospectus" and together with the New Preliminary Prospectus the "New Prospectus") in each of the Jurisdictions and obtain a receipt for the New Final Prospectus from the Decision Makers by May 15, 2002;

14. none of the funds from the Offering will be used for the Mine;

15. the disclosure regarding the Mine, including disclosure of mineral resources and reserves included in the 2001 AIF, will be included in the New Preliminary Prospectus; Eldorado intends to update the disclosure regarding mineral resources and reserves of the Mine for the New Final Prospectus and will prepare an addendum (the "New Addendum") to the Report and Addendum to support the update; the New Addendum will be prepared internally by a qualified person, as defined in NI 43-101, employed by one of Eldorado's subsidiaries; and

16. the decision to acquire the Shares on exercise of the special warrants under the Offering was made by the purchasers at the time of the Offering and the New Prospectus will not be used by Eldorado to market its securities.

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

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

THE DECISION of the Decision Makers under the Legislation is that Eldorado is exempt from the Independent Report Requirements of NI 43-101 in respect of the disclosure regarding the Mine in the New Prospectus, provided that:

(i) the mineral resources and reserves of the Mine are updated in accordance with NI 43-101 in the New Final Prospectus, and

(ii) the New Addendum is prepared by a qualified person, as defined in NI 43-101, employed by one of Eldorado's subsidiaries and filed on SEDAR prior to filing the New Final Prospectus.

March 25, 2002.

"Brenda Leong"

2.2 Orders

2.2.1 New Millenium Venture Fund Inc. - s. 144

Headnote

A variation order granted to labour sponsored investment fund corporation to permit it to pay co-operative marketing expenses out of fund assets contrary to section 2.1 of National Instrument 81-105 Mutual Fund Sales Practices.

Statutes Cited

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

Rules Cited

National Instrument 81-105 Mutual Fund Sales Practices

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

AND

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

AND

IN THE MATTER OF
NEW MILLENNIUM VENTURE FUND INC.

VARIATION ORDER
(Section 144 of the Act)

WHEREAS on January 11th, 2000, the Ontario Securities Commission (the "Commission") granted New Millennium Venture Fund Inc., formerly, New Millennium Internet Ventures Fund Inc. (the "Fund") relief from section 2.1 of National Instrument 81-105 to make certain payment to participating dealers in connection with the distribution on Class A Shares, Series I and Class A Shares, Series II of the Fund (the "Prior Decision").

AND WHEREAS the Prior Decision does not provide relief for the Fund to make co-operative marketing expenses (the "Co-op Expenses) to participating dealers.

AND WHEREAS the Commission has received an application from the Fund for an order pursuant to section 144 of the Act to vary the Prior Decision to allow the Fund to make Co-op Expenses payments to participating dealers.

AND WHEREAS the Fund has represented to the Commission as follows:

1. The Fund is a corporation incorporated under the Business Corporations Act (Ontario). The Fund is registered as a labour sponsored investment fund corporation under the Community Small Business Investment Funds Act (Ontario), as amended, and is a prescribed labour sponsored venture capital corporation under the Income Tax Act (Canada).

2. The Fund is a mutual fund as defined in subsection 1(1) of the Act. The Fund has been issued a receipt dated January 23, 2002 for a prospectus dated January 22, 2002 (the "Prospectus") pursuant to which it currently distributes Class A Shares, Series II. These shares have been in continuous distribution since January 12, 2000.

3. As at January 25, 2002, the authorized capital of the Fund consists of an unlimited number of Class A Shares, Series I and unlimited number of Class A Shares, Series II, of which 2,321,113.393 Class A Shares, Series I and 7,006,785.744 Class A Shares, Series II are issued and outstanding and an unlimited number of Class B Shares, of which 100 are issued and outstanding as of the date hereof.

4. The Fund desires to pay for the reimbursement of Co-op Expenses incurred by certain dealers in promoting sales of Class A Shares, pursuant to co-operative marketing agreements the fund may enter into with such dealers.

5. The fact that the Fund intends to pay the Co-op Expenses directly out of the assets of the fund is disclosed in the Prospectus.

6. Requiring the manager of the Fund to pay the Co-Op Expenses while granting an exemption to other labour funds permitting such funds to pay similar Co-op Expenses directly, would put the Fund at a permanent and serious competitive disadvantage with its competitors.

7. The Fund undertakes to comply with all other provisions of NI 81-105 other than those provisions from which the Fund has been granted relief.

IT IS ORDERED pursuant to section 144 of the Act that the Prior Decision is hereby varied by replacing representation paragraph 5 of the Prior Decision with the following representation:

> "New Millennium intends to pay certain costs of distributing its shares directly to participating dealers. These costs are
>
> (i) a sales commission of 6% of the net asset value per Class A Share purchased and
>
> (ii) a corporate finance fee of 0.5% of the gross proceeds raised on the initial offering of Class A Shares.
>
> New Millennium desires to pay for the reimbursement of co-operative marketing expenses (the "Co-op Expenses") incurred by certain participating dealers in promoting sales of Class A Shares, pursuant to co-operative marketing agreements the fund may enter into with such dealers. New Millennium's intention to pay all these costs (collectively, the "Distribution Costs")

out of fund assets is disclosed in the fund's prospectus."

THIS ORDER is subject to the following conditions:

(a) the Co-op expenses are expensed by the Fund for accounting purposes in the period in which they are incurred; and

(b) the Co-op Expenses are otherwise permitted by, and paid in accordance with NI 81-105, except to the extent that the Fund has previously been granted specific relief under NI 81-105.

March 22, 2002.

"Paul Moore" "H. Lorne Morphy"

2.2.2 First Majestic Resource Corp. Order and Decision - ss. 83.1(1) of the Act and ss. 9.1(1) of NI 43-101

Headnote

Subsection 83.1(1) - issuer deemed to be a reporting issuer in Ontario - issuer has been a reporting issuer in British Columbia since 1980 and Alberta since 1999 - issuer listed and posted for trading on the Canadian Venture Exchange - continuous disclosure requirements of British Columbia and Alberta substantially the same as those of Ontario.

NI 43-101 - issuer exempt from filing technical report in subsection 4.1(1) of NI 43-101 and from related fee set out in subsection 53(1) of Schedule 1 to Reg.

Statutes Cited

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

Regulations Cited

Regulation 1015, R.R.R. 1990, as am., Schedule 1 - ss. 53(1), 59(2).

National Instruments Cited

National Instrument 43-101 - Standards of Disclosure for Mineral Projects (2001), 24 OSCB 303, ss. 4.1(1), 9.1(1).

Policies Cited

Ontario Securities Commission Policy 12-602 - Deeming an Issuer in Certain other Canadian Jurisdictions to be a Reporting Issuer in Ontario.

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

AND

IN THE MATTER OF
NATIONAL INSTRUMENT 43-101
STANDARDS OF DISCLOSURE FOR MINERAL PROJECTS
("NI 43-101")

AND

IN THE MATTER OF
FIRST MAJESTIC RESOURCE CORP.

ORDER AND DECISION
(Subsection 83.1(1) of the Act & Subsection 9.1(1) of NI 43-101)

UPON the application of First Majestic Resource Corp. (the "Issuer") to the Ontario Securities Commission (the "Commission") for an order pursuant to subsection 83.1(1) of

the Act deeming the Issuer to be a reporting issuer for the purposes of Ontario securities law;

AND UPON the application of the Issuer to the Director of the Commission for a decision pursuant to subsection 9.1(1) of NI 43-101 that the Issuer be exempt from the requirement contained in subsection 4.1(1) of NI 43-101 to file a technical report upon first becoming a reporting issuer in Ontario;

AND UPON the application of the Issuer to the Director of the Commission for a decision pursuant to subsection 59(2) of Schedule I to the Regulation that the Issuer be exempt from the requirement contained in subsection 53(1) of Schedule I to the Regulation to pay a fee in connection with the making of this application.

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

AND UPON the Issuer representing to the Commission and the Director as follows:

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

2. The Issuer's registered office is located in Whitehorse, Yukon Territory and its head office is located in Vancouver, British Columbia.

3. The authorized share capital of the Issuer consists of an unlimited number of common shares without par value of which 3,031,735 common shares were issued and outstanding as at January 16, 2002, following a share consolidation on a 10:1 basis on January 3, 2002.

4. The Issuer became a reporting issuer under the *Securities Act* (British Columbia) (the "B.C. Act") on January 31, 1980, by way of prospectus and became a reporting issuer under the *Securities Act* (Alberta) (the "Alberta Act") on November 26, 1999, pursuant to the merger of the Alberta and Vancouver Stock Exchanges.

5. The Issuer's common shares were listed and posted for trading on the Vancouver Stock Exchange on April 21, 1980. The Issuer's common shares currently trade on the Canadian Venture Exchange ("CDNX") under the trading symbol "FR". The Issuer is not designated as a Capital Pool Company by CDNX.

6. CDNX requires all of its listed issuers, which are not otherwise reporting issuers in Ontario, to assess whether they have a significant connection to Ontario as defined in Policy 1.1 of CDNX Corporate Finance Manual.

7. CDNX requires that where an issuer, which is not otherwise a reporting issuer in Ontario, becomes aware that it has a significant connection to Ontario, the issuer promptly make a *bona fide* application to the Commission to be deemed a reporting issuer in Ontario.

8. The Issuer has a significant connection to Ontario in that, as at October 29, 2001 residents of Ontario beneficially held 6,423,873 common shares (pre-consolidated shares) which represented approximately 21% of the 30,317,355 issued and outstanding shares of the Issuer (pre-consolidated shares) at that time, all based on a summary report prepared by the Independent Investor Communications Corporation and dated October 29, 2001.

9. The Issuer has applied to the Commission pursuant to subsection 83.1(1) of the Act for an order that it be deemed a reporting issuer in Ontario.

10. Subsection 4.1(1) of NI 43-101 provides that, upon first becoming a reporting issuer in a Canadian jurisdiction, an issuer shall file with the securities regulatory authority in that Canadian jurisdiction, a current technical report for each property material to the issuer.

11. The Issuer does not have a current technical report and would not otherwise be required to file a technical report pursuant to NI 43-101 at this time except for having to become a reporting issuer in Ontario pursuant to CDNX Corporate Finance Manual.

12. The Issuer is not a reporting issuer under the securities legislation of any jurisdiction other than the provinces of British Columbia and Alberta.

13. The Issuer is not in default of any requirements of the B.C. Act, the Alberta Act, or any of the rules and regulations thereunder, and is not on the lists of defaulting reporting issuers maintained pursuant to the B.C. Act or the Alberta Act. To the knowledge of management of the Issuer, the Issuer has not been the subject of any enforcement actions by the British Columbia or Alberta Securities Commissions or by CDNX.

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

15. The materials filed by the Issuer as a reporting issuer in the Provinces of British Columbia and Alberta since January 1, 1997 are available on the System for Electronic Document Analysis and Retrieval. The Issuer's continuous disclosure record is up to date and includes a description of the Issuer's material mineral projects.

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

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

18. None of the directors or officers of the Issuer, nor to the best knowledge of the Issuer, its directors and officers, any of its controlling shareholders, is or has been at the time of such event a director or officer of any other issuer which is or has been subject to: (i) any cease trade or similar orders, or orders that denied access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days, within the preceding 10 years; or (ii) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manger or trustee, within the preceding 10 years.

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

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

March 21, 2002.

"Margo Paul"

IT IS FURTHER DECIDED pursuant to subsection 9.1(1) of NI 43-101 that the Issuer is exempt from subsection 4.1(1) of NI 43-101 upon being deemed to be a reporting issuer in Ontario.

AND IT IS FURTHER DECIDED pursuant to subsection 59(2) of Schedule I to the Regulation that the Issuer is exempt from the requirement contained in subsection 53(1) of Schedule I to the Regulation to pay a fee in connection with the making of this application.

March 21, 2002.

"Margo Paul"

2.2.3 Digital Duplication Inc. - s. 144

Headnote

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

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127(1)2, 127(5), 127(8), 144.

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

AND

IN THE MATTER OF
DIGITAL DUPLICATION INC.

ORDER
(Section 144)

WHEREAS the securities of

DIGITAL DUPLICATION INC.
(the "Reporting Issuer")

currently are subject to a Temporary Order (the "Temporary Order") made by a Director on behalf of the Ontario Securities Commission (the "Commission"), pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act, on January 4, 2002 as extended by a further order (the "Extension Order") of a Director, made on January 18, 2002, on behalf of the Commission pursuant to subsection 127(8) of the Act, that trading in securities of the Reporting Issuer cease until the Temporary Order, as extended by the Extension Order, is revoked by a further Order of Revocation;

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

AND WHEREAS the undersigned Manager is satisfied that the Reporting Issuer has remedied its default in respect of the filing requirements and is of the opinion that it would not be prejudicial to the public interest to revoke the Temporary Order as extended by the Extension Order;

NOW THEREFORE, IT IS ORDERED, pursuant to section 144 of the Act, that the Temporary Order and Extension Order be and they are hereby revoked.

March 19, 2002.

"John Hughes"

2.2.4 CCM Market Neutral Fund - s. 80(b)(iii)

Headnote

Issuer exempt from ss.77(2) and s.78 of the Securities Act (Ontario) to file with the Ontario Securities Commission the interim financial statements and audited annual financial statements for the financial year ended December 31, 2001 and all subsequent financial periods.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5, as am., subsection 77(2), section 78 and section 80.

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

AND

IN THE MATTER OF
CCM MARKET NEUTRAL FUND

ORDER
(Section 80(b)(iii) of the Act)

WHEREAS the Ontario Securities Commission (the "Commission") has received an application from CCM Market Neutral Fund (the "Fund") for an order pursuant to Section 80(b)(iii) of the Act that the Fund be exempted from filing interim and annual financial statements for the fiscal year ended December 31, 2001 and all subsequent periods.

AND WHEREAS the Fund has represented to the Commission that:

1. The Fund was organized under the laws of Ontario in 1998 as a mutual fund trust. Units of the Fund were sold on a private placement basis. The Fund is a mutual fund in Ontario as defined in Section 1(1) of the Act, but not a reporting issuer as defined in the Act.

2. During the 2000 fiscal year, all units of the Fund were redeemed, save and except for those units held by one unitholder, Gerald R. Connor. On August 1, 2000, three individuals, Gerald R. Connor, John Poulter and St. Clair Mc Evenue became the Fund's Trustees, replacing The Royal Trust Company.

3. Cumberland Asset Management Corp. ("Cumberland") is the manager of the investments of the Fund. Gerald R. Connor is the CEO and Chairman of Cumberland.

4. As a Trustee and as the CEO of Cumberland, the sole investor, Gerald R. Connor, of the Fund has intimate knowledge of the activities of the Fund.

IT IS HEREBY ORDERED by the Commission pursuant to Section 80b(iii) of the Act that the Fund is exempted from Section 77(2) and Section 78 of the Act to file interim and annual financial statements for the fiscal year ended December 31, 2001 and all subsequent periods.

THIS ORDER shall cease to be operative when

(i) Gerald R. Connor is not the sole investor of the Fund, or

(ii) Gerald R. Connor requests to receive interim and audited annual financial statements

March 22, 2002.

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

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 Reasons: Decisions

3.1.1 Chateram Ramdhani - Decision and Reasons for Decision

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

AND

IN THE MATTER OF
CHATERAM RAMDHANI

DECISION AND REASONS FOR DECISION

Submissions: Written submissions were provided by Mr. Ramdhani on August 17, 2001

Director: Marsha Gerhart, Senior Legal Counsel, Registrant Regulation, Capital Markets Branch

Decision

The decision of the Director is to refuse the application by Chateram Ramdhani ("Mr. Ramdhani" or the "Applicant") to be registered as a salesperson under the *Securities Act* (Ontario) (the "Act").

Background

The Applicant was previously registered with the Ontario Securities Commission (the "OSC") to sell securities at and was employed by A.C. MacPherson Securities (August 1996 - January 1998), Chartwell Securities (February 1998 - February 1998), Gordon-Daly Grenadier Securities ("Gordon-Daly") (February 1998 - April 1999) and C.J. Elbourne Securities ("C.J. Elbourne") (May 1999 to July 2000).

The Applicant applied (the "Application") to the OSC on December 13, 2000 to be registered as a salesperson with Anchor Securities Limited. Staff of the Registration section of the Capital Markets Branch of the OSC recommended that the Application be denied. It was Staff's view that, while the Applicant was employed at C.J. Elbourne, Gordon-Daly and A.C. MacPherson, he failed to deal fairly, honestly and in good faith with his clients and resold stocks to his own clients at excessive mark-ups. The Applicant exercised his right to be heard under subsection 26(3) of the Act and provided written submissions to the Director on August 17, 2001.

The other provision of the Act which is relevant to this decision is subsection 26(1) of the Act which provides:

(1) *Granting of Registration* - Unless it appears to the Director that the applicant is not suitable for registration, renewal of registration or reinstatement of registration or that the proposed registration, renewal of registration, reinstatement of registration or amendment to registration is objectionable, the Director shall grant registration, renewal of registration, reinstatement of registration or amendment to registration to an applicant.

Evidence

Mr. Ramdhani provided written submissions (the "Applicant's Submissions") to the Director on August 17, 2001. At tab 2 of the Applicant's Submissions was a copy of the transcript from the interview (the "Interview") OSC Staff conducted with Mr. Ramdhani on February 14, 2001 in connection with the Application.

The Applicant's Submissions stated that Mr. Ramdhani had been registered with the OSC to sell securities with four different firms for various lengths of time during the period from August 1996 to July 2000. In the Interview Mr. Ramdhani stated that, while at A.C. Macpherson and Chartwell Securities, he only did telemarketing and did not sell any securities. After Chartwell Securities he moved to Gordon-Daly where he did telemarketing and then sold securities. After Gordon-Daly he moved to C.J. Elbourne where he also did telemarketing and then sold securities.

While at Gordon-Daly and C.J. Elbourne, the Applicant was an opener which meant he cold-called clients from leads generated by the telemarketing department of the firms. Once Mr. Ramdhani made a sale, he would pass the client on to another salesperson (the "senior") who would then act as the client's broker. Mr. Ramdhani would have no further contact with the client. Mr. Ramdhani stated that he earned commissions at the rate of 17 1/2% on sales to a client if the sale was from a principal position held by the firm. He also earned commissions at a rate of 8 3/4% on sales from the firm's principal position made by the senior to clients whom Mr. Ramdhani had passed on to the senior.

Mr. Ramdhani stated in the Interview that he did not know how the prices of the securities he sold from his firms' principal positions were determined except that they were set by the firms. However, he acknowledged that, on the occasions when he followed stocks he had sold to his clients, he noticed that after a period of stabilization, the price of the stocks would fall. He also stated that he did not usually conduct any research into the stocks he was selling to his clients.

Mr. Ramdhani stated in the Interview that while he was at Gordon-Daly he was aware of a stock being acquired by Gordon-Daly at $.50 and then being sold to clients at $1.10. The Applicant stated in the Interview that this was a

reasonable difference. There was no evidence that the Applicant sold any of this stock.

The Interview covered a number of issues, not all of which I have summarized.

Summary of Applicant's submissions

Mr. Ramdhani submitted that OSC Staff misconstrued his evidence in finding that he sold securities for A.C. MacPherson & Co. Mr. Ramdhani states that he did not sell securities while at A.C. MacPherson although he was registered to do so. No evidence was presented to prove that Mr. Ramdhani sold securities while he was at A.C. MacPherson.

Mr. Ramdhani submitted that there was no evidence that he sold stock to his own clients at excessive mark-ups. He also submitted that it was unfair of OSC Staff to take the position that a stock was sold at an excessive mark-up when there is no evidence as to what an appropriate mark-up is and no standard has been set by the investment industry, the Investment Dealers Association of Canada or the OSC with respect to this issue.

Mr. Ramdhani submitted that there is no evidence that the commission of 17.5% was inappropriate in all the circumstances.

Mr. Ramdhani submitted that the Interview was unfairly conducted by OSC Staff. He submitted that the legislative intent of section 31 of the Act is that one individual conduct the examination and in his case the Interview was conducted by two individuals. As well, Mr. Ramdhani submitted that he was improperly questioned by OSC Staff during the Interview because the same questions were asked over and over again, hypothetical questions were posed which were entirely unrealistic and unfair and a generally aggressive manner of questioning was adopted.

Reasons for Decision

I have denied Mr. Ramdhani's application for registration on the basis that he is not suitable for registration because he did not meet the obligations of a registered salesperson while employed by Gordon-Daly and C.J. Elbourne. As a registrant, Mr. Ramdhani was subject to section 2.1 of OSC Rule 31-505 - *Conditions of Registration* (the "Rule"). The Rule provides that a registered salesperson shall deal fairly, honestly and in good faith with his clients. Section 1.5 of the Rule which sets out the "Know-Your-Client and Suitability" provisions of the Rule. The provisions require a registrant to know his client's general investment needs and determine if a proposed transaction is suitable for the client.

In the Interview, Mr. Ramdhani displayed a substantial lack of understanding of his responsibilities as a registered salesperson and of the "Know-Your-Client and Suitability" provisions of the Rule. This is illustrated by Mr. Ramdhani's responses in the Interview where he stated that when selling securities from the inventory of Gordon-Daly and C.J. Elbourne he did not take steps to inquire into the investment objectives of his clients. He stated that an individual was suitable for the securities he was selling once they met two tests: minimum income of $20,000 and net worth of $20,000. As well, Mr. Ramdhani did not take steps to inquire whether the price of the securities which he was selling to his clients was justified by market conditions; rather, he relied completely upon instructions from Gordon-Daly and C.J. Elbourne. Apart from the instructions given by the firms, the Applicant did not have a basis for recommending specific securities to his clients.

Further illustrations of Mr. Ramdhani's failure to understand and live up to his obligations as a registered salesperson can be seen in the Interview where he responded that: (i) he did not usually conduct research into any securities which he sold to clients; (ii) he advised clients that two brokers would handle their accounts knowing that after he opened the account, the account would be passed onto a senior salesperson and he would no longer be handling the account; (iii) he displayed little understanding of the Know-Your-Client provision of the Rule - he summarized it as "... the client has preferential treatment over the broker"; and (iv) he was unaware of what category of registration was held by Gordon-Daly or C.J. Elbourne while he was employed by them.

Mr. Ramdhani's actions demonstrate a lack of due diligence on behalf of his clients.

Mr. Ramdhani submitted that there is no direct evidence that he sold stock to his own clients at excessive mark-ups or that he received excessive commissions. I agree with this submission, however I do not find the lack of such evidence changes my decision in light of the other indications of Mr. Ramdhani's failure to understand and live up to his obligations as a registered salesperson. After considering Mr. Ramdhani's responses in the Interview I am not satisfied that he understands the nature of his responsibilities as a registered salesperson to his clients.

Although I have decided against granting Mr. Ramdhani registration as a salesperson, I have decided that it is appropriate in this case to offer some guidance about the actions he might take should he decide to reapply for registration at a later date. Mr. Ramdhani may wish to address my finding that he does not understand the duties and obligations of a registered salesperson by re-enrolling in and successfully completing the Conduct & Practices Handbook Course. Mr. Ramdhani should be aware that in relation to any registration application that he may file in the future, the Director responsible for considering such application may decide that additional remedial terms and conditions be placed on his registration.

February 4, 2002.

"Marsha Gerhart"

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
Applause Corporation	08 Mar 02	20 Mar 02	20 Mar 02	
Bracknell Corporation	22 Mar 02	03 Apr 02		
CA-Network Inc.	22 Mar 02	03 Apr 02		
Cobrun Mining Corporation	25 Mar 02	05 Apr 02		
Empire Alliance Properties Inc.	11 Mar 02	22 Mar 02	22 Mar 02	
Faxmate.Com Inc.	11 Mar 02	22 Mar 02	22 Mar 02	
MacMillan Gold Corp.	12 Mar 02	22 Mar 02		22 Mar 02
Nevada Bob's Golf Inc.	08 Mar 02	20 Mar 02	20 Mar 02	
Planetsafe Enviro Corporation	21 Mar 02	02 Apr 02		
Rampart Mercantile Inc.	22 Mar 02	03 Apr 02		
TMI-Learnix Inc.	08 Mar 02	20 Mar 02	20 Mar 02	
Vantage Systems Corporation	21 Mar 02	02 Apr 02		
Vision Global Solutions Inc.	08 Mar 02	20 Mar 02		22 Mar 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
Krystal Bond Inc.	19 Feb 02	04 Mar 02	04 Mar 02		
World Wise Technologies Inc.	19 Feb 02	04 Mar 02	04 Mar 02		
Radiant Energy Corporation	22 Mar 02	04 Apr 02			

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Chapter 5

Rules and Policies

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Chapter 6

Request for Comments

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Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

Exempt Financings

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

Reports of Trades Submitted on Form 45-501F1

Trans. Date	Purchaser	Security	Price ($)	Amount
05Mar02	29 Purchasers	1447523 Ontario Limited Common Shares	1,412,500	1,130,000
07Mar02	Screaming Solutions Venture Inc. and EBT Express	1504419 Ontario Limited - Common Shares	11,250,000	10,199,999
05Mar02	Longitude Fund Limited	151766 Ontario Inc. - Common Shares	1	1
05Mar02	Ontario Municipal Employees Retirement System	151766 Ontario Inc. - Common Shares	6	6
05Dec01	3 Purchasers	Aluminium Corporation of China Limited - American Depositary Shares	3,097,099	23,294,120
10Dec01	5 Purchasers	Aramark Corporation - Class B Common Stock	7,489,836	30,600
04Jan01 to 08Mar02	6 Purchasers	Arrow Ascendant Fund - Trust Units	2,027,171	42,756
22Feb02	1196659 Ontario Limited	Arrow Capital Advance Fund - Trust Units	38,383	4,732
22Feb02 to 01Mar02	Brian Gray and Michael Walls	Arrow Global RSP Multimanager Fund - Trust Units	55,000	5,576
22Feb02 to 01Mar02	3 Purchasers	Arrow Global Multimanager Fund - Trust Units	365,219	36,730
01Mar02	5 Purchasers	Arrow Goodwood Fund - Trust Units	140,000	13,461
22Feb02	5 Purchasers	Arrow Goodwood Fund - Trust Units	175,000	13,901
22Feb02 to 01Mar02	5 Purchasers	Arrow WF Asia Fund - Trust Units	177,657	14,966
12Fev02	5 Purchasers	AZCO Mining Inc. - Options	127,300	190,000
18Dec01	2 Purchasers	Brocade - 2% Convertible Subordinated Notes due 2007	$4,741,200	$4,741,200
24Dec01		Burgundy Japan Fund - Units	200,000	13,768
27Feb02	31 Purchasers	Cambior inc. - Special Warrants	20,896,698	16,074,384

Trans. Date	Purchaser	Security	Price ($)	Amount
27Feb02	3 Purchasers	Carrington Park Project Limited Partnership - Limited Partnership Units	198,891	3
26Feb02	CIBC World Markets Inc.	Cedara Software Corp. - Common Shares	Nil	266,666
01Feb02 to 28Feb02	18 Purchasers	CGO&V Cumberland Fund - Units	1,693,637	121,518
01Feb02 to 28Feb02	EIE 2000 Inc.	CG&V Enhanced Yield Fund - Units	250,000	25,025
01Feb02 to 28Feb02	6 Purchasers	CGO&V Hazelton Fund - Units	833,980	64,947
01Feb02 to 28Feb02	48 Purchasers	CGO& V Balanced Fund - Units	841,463	68,798
28Feb02	Ian S. Anderson	CI Trident Fund - Units	150,000	873
07Mar02		Common Institutional Funds - Units	2,000,000	198,019
04Mar02	25 Purchasers	Coolbrands International Inc. - Special Warrants	13,028,000	3,750,000
08Mar02	Canada Dominion Resources LP VI	Corriente Resources Inc. - Units	250,000	2,777,777
07Mar02	7 Purchasers	Corus Entertainment Inc. - 8¾% Senior Subordinated Notes due 2012	$16,086,555	$1,086,555
25Feb02	Edgestone Capital Fund Nominee Inc. and Edgestone Capital Venture Fund	Datawire Communication Networks Inc. - Convertible Debenture	$3,200,000	$3,200,000
26Feb02	Gary Solway	Digital Fairway Corporation - Preferred Shares	103,000	643,750
13Mar02	R. Bruce Durham and Robert Duess	East West Resource Corporation - Common Shares	3,750	25,000
27Feb02	3 Purchasers	EdgeStone Affiliate 2002 Venture Fund II, L.P. - Class B Limited Partnership Units	100	2,000
27Feb02	3 Purchasers	EdgeStone Affiliate 2002 Mezzanine Fund, L.P. - Limited Partnership Interests	100	2,000
27Feb02	3 Purchasers	EdgeStone Affiliate 2002 Venture Fund, L.P. - Limited Partnership Interests	225	4,500
04Dec001		Excalibur Limited Partnership - Limited Partnership Units	US$3,102,457	23
08Mar02	Pergola International Holdings Corporation	G7 Gravure Inc. - Common Shares and Debenture	500,000, 4,500,000	500,000, 4,500,000 Resp.
07Mar02	5 Purchasers	GotCompany.com Inc. - Preferred Shares	5,838,944	68,936,765
28Feb02	6 Purchasers	Great Canadian Gaming Corporation - Units	1,275,000	300,000
11Mar02	3 Purchasers	Hydromet Environmental Recovery Ltd. - 12.5% Convertible Debentures	1,260,000	3
26Feb02	Laketon Investment Mgmt. and Altamira Management Ltd.	Integrated Defense Technologies, Inc. - Common Stock	1,504,976	42,500

Trans. Date	Purchaser	Security	Price ($)	Amount
26Feb02	3 Purchasers	Integrated Defense Technologies, Inc. - Common Stock	2,485,866	70,200
01Mar02	Milan Gupta	J.Zechner Associates Inc. - Common Shares	87,048	11,671
28Feb02	6 Purchasers	Kingwest Avenue Portfolio - Units	626,503	31,173
08Feb02	19 Purchasers	Landmark Global Opportunities Fund - Units	2,477,995	22,986
08Feb02	Michael Kelly and Ernesto Cascone	Landmark Global Opportunities RSP Units - Units	233,412	2,334
05Mar02	Meredith Cartwright	Legal Outfitters Inc. - Secured Convertible Debentures	19,000	19,000
25Feb02	Stephen Dembroski	Legal Outfitters Inc. - Secured Convertible Debentures	25,000	25,000
01Mar02	3945260 Canada Limited	Lexington Capital Partners V, L.P. - Limited Partnership Interests	80,570,000	80,570,000
06Jul01 to 28Dec01	641Purchasers	LifePoints Balanced Growth Portfolio - Units	35,429,235	361,679
06Jul01 to 28Dec01	190 Purchasers	LifePoints Balanced Income Portfolio - Units	5,118,879	51,785
06Jul01 to 28Dec01	313 Purchasers	LifePoints Balanced Income Portfolio - Units	11,720,694	93,733
06Jul01 to 28Dec01	320 Purchasers	LifePoints Global Equity Portfolio - Units	5,640,772	74,628
06Jul01 to 28Dec01	623 Purchasers	LifePoints Long-Term Growth Portfolio - Units	30,719,764	304,123
05Mar02	1435239 Ontario Inc. and IFDC International Finance & Development Corporation	LymphoSign Inc. - Series V Preference Shares	800,000	800,000
27Feb02	Gowlings Canada Inc.	March Networks Corporation - Common Shares	151,142	86,367
06Mar02	3 Purchasers	Mavrix Fund Management Inc. - Common Shares	62,500	41,667
05Mar02	Ontario Municipal Employees Retirement Board	McCarvill Mezzanine Fund Limited Partnership - Limited Partnership Units	746,666	10
21Feb02	10 Purchasers	Midnight Oil & Gas Ltd. - Common Shares	5,000,000	4,000,000
21Feb02	Mackenzie Financial Corporation	Midnight Oil & Gas Ltd. - Common Shares	500,000	400,000
06Mar02	Gowlings Canada Inc.	Mitel Networks Corporation - Common Shares	92,620	23,155
11Dec01	13 Purchasers	Netscreen Technologies, Inc. - Common Shares	624,905	19,350
21Feb02	3 Purchasers	Pelangio Mines Inc. - Units	23,757	205,000
12Dec01	57 Purchasers	Prudential Financial, Inc. - Common Shares	31,331,588	722,054
02Mar01 to 28Dec01	209 Purchasers	Putnam Canadian Global Trusts - Units	244,136,705	7,678,666
08Mar02	Celtic House International Corporation	Resonance Photonics Inc. - Preferred Shares	250,000	841,487
01Mar02	CIBC Capital Partners	Roman Corporation Limited - Warrant	1	1

Trans. Date	Purchaser	Security	Price ($)	Amount
06Jul01 to 28Dec01	502 Purchasers	Russell Canadian Equity Fund - Units	72,811,209	459342
06Jul01 to 28Dec01	551 Purchasers	Russell Canadian Fixed Income Fund - Units	33,765,209	421,687
06Jul01 to 28Dec01	508 Purchasers	Russell Overseas Equity Fund - Units	37,155,887	360,197
06Jul01 to 28Dec01	375 Purchasers	Russell US Equity Fund - Units	19,314,517	150,111
08Mar02	SHAAE (2001) Master Limited Partnership	Sentinel Hill No. 246 Limited Partnership - Class A Limited Partnership Units	37,865	37
08Mar02	SHAAE (2001) Master Limited Partnership	Sentinel Hill No. 227 Limited Partnership - Class A Limited Partnership Units	131,472	131
08Mar02	SHAAE (2001) Master Limited Partnership	Sentinel Hill No. 208 Limited Partnership - Class A Limited Partnership Units	51,328	51
08Mar02	SHAAE (2001) Master Limited Partnership	Sentinel Hill No. 243 Limited Partnership - Class A Limited Partnership Units	35,570	35
08Mar02	SHAAE (2001) Master Limited Partnership	Sentinel Hill No. 195 Limited Partnership - Class A Limited Partnership Units	40,709	40
08Mar02	SHAAE (2001) Master Limited Partnership	Sentinel Hill No. 115 Limited Partnership - Class A Limited Partnership Units	245,219	245
08Mar02	SHAAE (2001) Master Limited Partnership	Sentinel Hill No. 255 Limited Partnership - Class A Limited Partnership Units	82,844	82
08Mar02	SHAAE (2001) Master Limited Partnership	Sentinel Hill No. 232 Limited Partnership - Class A Limited Partnership Units	53,047	53
28Feb02	Zenon Potoczny	Shelton Canada Corp. - Flow-Through Common Shares	51,000	242,857
08Mar02	Canadian Science and Technology Growth Fund Inc.	SiGe Semiconductor Inc. - Preferred Shares	793,330	134,350
01Feb02		Solectron - 9.62% Senior Notes due 2009	$3,188,552	$3,188,522
31Dec01	48 Purchasers	Strategic Investors Fund - Units	16,380,435	160,269
01Mar02	8 Purchasers	The McElvaine Investment Trust - Trust Units	463,858	26,982
03Jan02		The Goldman Sachs Group, Inc. - 6.60% Notes due 2012	11,241,300	11,241,300
01Mar01	BMC Capital Corporation and Donald Ziraldo	The Champlain Fund - Class A and F Units	150,250	150,250
15Mar02	4 Purchasers	The KBSH Goodwood Canadian Long/Short Fund - Units	206,000	20,180
08Mar02	3 Purchasers	The KBSH Goodwood Canadian Long/Short Fund - Units	360,000	35,238
04Mar02		The Upper Circle Equity Fund - Units	87,000	7,067
04Mar02	Canadian Science & Technology Growth Fund Inc.	Trakonic Inc. - Convertible Debenture	391,481	1
08Feb02	3 Purchasers	Trident Global Opportunities Fund - Units	319,177	3,009
05Mar02	Stephen Sutherland	TrueSpectra, Inc. -Option	Nil	1
31Jan02	3 Purchasers	Twenty-First Century Canadian Equity Fund . - Units	126,161	19,431
31Jan02	Helen Light	Twenty-First Century Canadian Bond Fund - Units	75,000	15,111
12Mar02	516134 N.B. Ltd.	Unigistix Inc. - Preferred Shares	27,572,795	27,572,795

Trans. Date	Purchaser	Security	Price ($)	Amount
13Dec01	3 Purchasers	United Defense Industries, Inc. - Common Shares	173,829	5,800
22Feb02	Jones Gable & Company Limited and Northern Securities Inc.	Western Copper Holdings Limited-Warrants	124,000	162,929
07Mar02	14 Purchasers	York University - Senior University Debentures	122,965,560	123,000,000

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

Seller	Security	Amount
MacKay Shields LLC	Algoma Steel Inc. - Common Shares	5,811,520
Terrier Investments Limited	Brampton Brick Limited - Shares	50,000
Zhang, Michael	Canadian Spooner Industries Corporation	5,271,000
Viceroy Resource Corporation	Channel Resources Ltd. - Common Shares	7,077,850
Black, Conrad M.	Hollinger Inc. - Series II Preference Shares	1,611,039
Gastle, William J.	Microbix Biosystems Inc. - Common Shares	495,000
Gastle, Susan M. S.	Microbix Biosystems Inc. - Common Shares	235,000
ONCAN Canadian Holdings Ltd.	Onex Corporation - Shares	999,900
Shnear, Michael	Partyco Holdings Ltd. - Common Shares	4,000,000
Malion, Andrew	Spectra Inc. - Common Shares	600,000
Kathryn Ketcham Strong	West Fraser Timber Co. Ltd. - Common Shares	25,000

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Chapter 9

Legislation

THERE IS NO MATERIAL FOR THIS CHAPTER

IN THIS ISSUE

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
PBB Global Logistics Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated March 25th, 2002
Mutual Reliance Review System Receipt dated March 25th, 2002
Offering Price and Description:
$ * - * Units @ $ * per Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Scotia Capital Inc.
TD Securities Inc.
Canaccord Capital Corporation
Promoter(s):
-
Project #430692

Issuer Name:
Canada Dominion Resources Limited Partnership IX
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated March 22nd, 2002
Mutual Reliance Review System Receipt dated March 26th, 2002
Offering Price and Description:
$ *
(Maximum Offering)
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Canaccord Capital Corporation
Desjandins Securities Inc.
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Trilon Securities Corporation
Yorkton Securities Inc.
Promoter(s):
Canada Dominion Resources Limited IX Corporation
StrategicNova Alternative Investment Products Inc.
Hutton Capital Corporation
Project #431042

Issuer Name:
General Donlee Income Fund
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Prospectus dated March 26th, 2002
Mutual Reliance Review System Receipt dated March 27th, 2002
Offering Price and Description:
$ * - * Units @ $* per Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
TD Securities Inc.
Octagon Capital Corporation
Promoter(s):
-
Project #429357

Issuer Name:
Heating Oil Partners Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated March 20th, 2002
Mutual Reliance Review System Receipt dated March 25th, 2002
Offering Price and Description:
$ * - * Units @ $10.00 per Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
National Bank Financial Icn.
Dundee Securities Corporation
Trilon Securities Corporation
Promoter(s):
Heating Oil Partners, L.P.
Project #430567

Issuer Name:
Mega Bloks Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary PREP Prospectus dated March 20th, 2002
Mutual Reliance Review System Receipt dated March 21st, 2002
Offering Price and Description:
CDN $ * - * Common Shares
Underwriter(s) or Distributor(s):
Merrill Lynch Canada Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Promoter(s):
-
Project #430127

Issuer Name:
Titanium Corporation Inc.
Type and Date:
Preliminary Prospectus dated March 22nd, 2002
Receipt dated March 25th, 2002
Offering Price and Description:
$3,000,000 - 1,666,667 Common Shares and 833,334 Purchase Warrants issuable upon the
exercise or deemed exercise of 1,666,6667 Special Warrants @ $1.80 per Special Warrant
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Promoter(s):
George Elliott
Project #430869

Issuer Name:
Opus 2 Ambassador Conservative RSP Portfolio
Opus 2 Ambassador Balanced RSP Portfolio
Opus 2 Ambassador Growth RSP Portfolio
Opus 2 Canada Plus Balanced Fund
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated March 14th, 2002 to Simplified Prospectus and Annual Information Form
dated November 1st, 2001
Mutual Reliance Review System Receipt dated 26th day of March, 2002
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
OPUS 2 Financial Inc.
Project #390281

Issuer Name:
Opus 2 Foreign Equity (RSP) Fund
Opus 2 Foreign Equity (E.A.F.E.) Fund
Opus 2 Canadian Money Market Fund
Type and Date:
Amendment #2 dated March 14th, 2002 to Final Simplified Prospectus and Annual Information Form
dated November 1st, 2001
Receipt dated 20th day of March, 2002
Offering Price and Description:
Mutual Fund Securities - Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
OPUS 2 Financial Inc.
Project #390234

Issuer Name:
Advanced Fiber Technologies (AFT) Income Fund
Principal Regulator - Quebec
Type and Date:
Final Prospectus dated March 20th, 2002
Mutual Reliance Review System Receipt dated 21st day of March, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Capital Markets Inc.
Scotia Capital Inc.
Dundee Securities Corporation
National Bank Financial Inc.
Promoter(s):
CAE Inc.
Project #422237

Issuer Name:
Gro-Net Financial Tax & Pension Planners Ltd.
Cen-ta Real Estate Ltd.
Type and Date:
Final Prospectuses dated March 26th, 2002
Receipt dated 27th day of March, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #423946 & 423948

Issuer Name:
Platinex Inc.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated March 20th, 2002
Mutual Reliance Review System Receipt dated 25th day of March, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Union Securities Ltd.
Promoter(s):
James Trusler
Project #422190

Issuer Name:
Axcan Pharma Inc.
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated March 19th, 2002
Mutual Reliance Review System Receipt dated 20th day of March, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
JP Morgan Securities Inc.
National Bank Financial Inc.
Promoter(s):
-
Project #425457

Issuer Name:
Ivanhoe Mines Ltd.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated March 25th, 2002
Mutual Reliance Review System Receipt dated 26th day of March, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #427925

Issuer Name:
Ivanhoe Mines Ltd.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated March 25th, 2002
Mutual Reliance Review System Receipt dated 26th day of March, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Griffiths McBurney Partners
HSBC Securities (Canada) Inc.
Haywood Securities Inc.
Promoter(s):
-
Project #428847

Issuer Name:
Meritas International Equity Fund
Meritas U.S. Equity Fund
Meritas Jantzi Social Index Fund
Meritas Canadian Bond Fund
Meritas Money Market Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated March 18th, 2002
Mutual Reliance Review System Receipt dated 20th day of March, 2002
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
Meritas Financial Inc.
Promoter(s):
-
Project #422763

Issuer Name:
Sentry Select Canadian Resource Fund Ltd.
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated March 25th, 2002
Mutual Reliance Review System Receipt dated 26th day of March, 2002
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
Sentry Select Capital Corp.
Promoter(s):
-
Project #423402

Issuer Name:
Wickham Canadian Equity Fund
(Series A and F Units)
Type and Date:
Final Simplified Prospectus and Annual Information Form dated March 15th, 2002
Receipt dated 20th day of March, 2002
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
Wickham Investment Counsel Inc.
Promoter(s):
Wickham Investment Counsel Inc.
Project #419601

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Forsyth Financial Corp. Attention: Ross Michael Forsyth Taylor 675 Cochrane Drive Suite 610, West Tower Markham ON L3R 0B8	Limited Marker Dealer	Mar 20/02
New Registration	Susquehanna Financial Group, Inc. Attention: John T. Henry 401 City Avenue Suite 220 Bala Cynwyd PA 19004 USA	International Dealer	Mar 20/02
New Registration	Campbell Valuation Partners Limited Attention: Howard Edward Johnson 34 St. Patrick Street Suite 400 Toronto ON M5T 1V1	Limited Market Dealer	Mar 22/02
New Registration	AXA Rosenberg Investment Management LLC Attention: Michael W. Sharp c/o Blake, Cassels & Graydon LLP 199 Bay St., Suite 2800 Commerce Court West Toronto ON M5L 1A9	International Adviser Investment Counsel & Portfolio Manager	Mar 27/02

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 TSE Notice of Consequential Amendments and Implementation of Attribution Choices and Undisclosed Volume

March 20, 2002

THE TORONTO STOCK EXCHANGE INC.

NOTICE OF CONSEQUENTIAL AMENDMENTS AND IMPLEMENTATION OF ATTRIBUTION CHOICES AND UNDISCLOSED VOLUME

On February 26, 2002, the Board of Directors (the "Board") of The Toronto Stock Exchange Inc. (the "Exchange") approved various consequential amendments to the Rules and Policies of the Exchange (the "consequential amendments") in order to implement attribution choices for orders (formerly referred to as "anonymous orders" and now collectively referred to as "attribution choices" or individually as "attributed orders" or "unattributed orders") and undisclosed volume orders, which features were previously approved by the Board on December 14th, 1999 and by the Ontario Securities Commission (the "Commission") on February 29th, 2000. The date of implementation for these features and the effective date for the consequential amendments will be March 22, 2002. The consequential amendments are attached hereto as Appendix "A" and Appendix "B". A description of the consequential amendments is set out below.

Background

The Exchange first proposed to introduce the attribution choices and undisclosed volume features on the Exchange in December 1999 ("Regulatory Notice 99-041"). Regulatory Notice 99-041 described the two proposed features and also proposed changes to a number of Exchange Rules (Rules 1-101(2), 4-801, 4-802 and Rule 4-501) in order to implement the proposed features. In February 2000, the Commission approved the proposal to introduce attribution choices and undisclosed volume, as well as the Rule amendments set out in Regulatory Notice 99-041.

In order to implement these approved Rule changes, the Board approved the consequential amendments on February 26, 2002. In addition, the Board also approved the consequential amendments in order to clarify the existing order allocation rules.

Consequential Amendments

A description of the consequential amendments is set out below.

a. Rule 1-101(2) (Changes to Definitions)

The definition of "anonymous order" approved by the Commission in February 2000 has now been changed to "unattributed order" to reflect the new nomenclature for anonymous trading. For clarity, a definition of "attributed order" has also been added to Rule 1-101(2).

b. Rule 4-801 (Establishing Order Priority for Orders with Undisclosed Volume)

Rule 4-801 has been amended in order to insert the language proposed in Regulatory Notice 99-041 to provide for the priority of orders entered with undisclosed volume. Subsection (2) of the Rule now provides that "an undisclosed portion of an order does not have time priority until it is disclosed, unless there is no other disclosed order at that price". The amended text of subsection (3) of Rule 4-801 also clarifies that an order shall lose time priority if its disclosed volume is increased and shall rank behind all other *disclosed* orders at that price.

c. Rule 4-802 (Allocation Rules)

Language excluding unattributed orders from the same firm allocation rule has been inserted into Paragraph 3(a) of Rule 4-802, as contemplated in Regulatory Notice 99-041.

In addition, in connection with the Exchange's consideration of the current formulation of Rule 4-802, the Exchange determined that the allocation rules set out therein, particular as they relate to crosses, would benefit from clarification. For example, the Rules of the Exchange had not been amended to address the allocation rules applicable to internal crosses, which have been designated by way of an order marker since April 16, 2001. In addition, in Regulatory Notice 99-041, the Exchange stated that a cross can be entered with unattributed orders on both sides. The trading engine currently interferes with intentional crosses on the basis of same firm orders already in the Book, according to time priority. If unattributed crosses were interfered with on the basis of same firm orders already in the Book, the unattributed nature of the order would be compromised. Accordingly, the allocation rules should clearly specify that an intentional cross entered without a broker number on both sides is exempt from interference from same firm orders in the Book, as well as other orders. We note, however, that prior to submitting an intentional cross without a broker number on both sides, a Participating Organization would still be required to satisfy its obligation to execute existing client orders on the most advantageous terms for the client, as expeditiously as practicable under prevailing market conditions.

Therefore, the consequential amendments to Rule 4-802 set out in Appendix "A" reflect both the introduction of attribution choices and the Exchange's efforts to clarify the Exchange's existing allocation rules.

d. Rule 4-501 (Best Execution of Client Orders)

On December 14, 1999, the Board approved an amendment to the then existing version of Rule 4-501 to incorporate into subsection (1) of the provision language excluding unattributed

orders entered directly by the client from the client priority rule. However, Rule 4-501 was amended subsequent to the Commission's approval of the amendments set out in Regulatory Notice 99-041, with the result that the client priority concept previously set out in subsection (1) is now set out in subsections (2) and (3) of Rule 4-501, which provide as follows:

> "(2) A Participating Organization shall give priority to its client orders over all of its non-client orders in the same security and on the same side of the market, unless the non-client order is executed at a price above the client's limit price (for a buy order) or below the client's limit price (for a sell order).
>
> (3) A Participating Organization shall give priority to its client market orders over its non-client orders in the same security and on the same side of the market."

Accordingly, the amendment approved by the Commission in February 2000 has been effected by incorporating the language that was proposed for inclusion in subsection (1) of the then existing version of Rule 4-501 into subsections (2) and (3) of the current version of the Rule.

Following its implementation on April 1, 2002, Rule 4-501 will be repealed and replaced by the in-house client priority rule (Rule 5.3) set out in the Universal Market Integrity Rules for Canadian Marketplaces (the "UMI Rules"). Although Rule 6.2(5) of the UMI Rules provides that a marketplace on which an order is entered shall determine whether or not the identifier of the marketplace participant shall be displayed (i.e. thereby accommodating the existence of unattributed orders), the current version of Rule 5.3 of the UMI Rules (i.e. the version that will replace Rule 4-501 on April 1, 2002) does not contain the necessary exemption from the client priority rule for orders entered directly by the client of a PO without the PO's broker number. The Exchange understands, however, that Market Regulation Services Inc. ("RS") will shortly propose amendments to Rule 5.3 of the UMI Rules, including an amendment which would provide that a participant is not required to give priority to a client order if:

> "… the client order has been entered directly by the client of the Participant on a marketplace that does not require the disclosure of the identifier of the Participant in a consolidated market display and the director, officer, partner, employee or agent of the Participant who enters a principal order or a non-client order does not have knowledge that the client order is from a client of the Participant until the execution of the client order."

The Exchange also understand that in order to further clarify the status of orders entered directly by a client without the identifier of a Participant, RS is proposing to amend Rule 8.1 of the UMI Rules which deals with client principal trading, in order to clarify that the Rule does not apply:

> "… if the client order has been entered directly by the client of the Participant on a marketplace that does not require the disclosure of the identifier of the Participant in a consolidated market display and the director, officer, partner, employee or agent of the Participant who enters a principal order or a non-client order does not have knowledge that the client order is from a client of the Participant until the execution of the client order."

As the amendments to UMI Rules 5.3 and 8.1 will not be in effect on April 1, 2002 when Exchange Rule 4-501 is repealed, the Commission has granted approval pursuant to Rule 11.1(2) of the UMI Rules to permit RS to temporarily exempt POs of the Exchange from the requirement to comply with Rule 5.3 of the UMI Rules in the case of orders entered directly by the client of the PO on the Exchange that do not disclose the identifier of the PO, provided that the director, officer, partner, employee or agent of the PO who enters a principal order or a non-client order does not have knowledge that the client order is from a client of the PO until the execution of the client order. The Commission has also approved a related temporary exemption from the application of the client-principal trading rule set out as Rule 8.1 of the UMI Rules.

The exemptions were granted effective April 1, 2002, the date that the UMI Rules commence to apply to trading on the Exchange and Exchange Rule 4-501 is repealed. The exemptions will continue until July 1, 2002, unless an application is made by RS on or before July 1, 2002 to amend Rule 5.3 and Rule 8.1 of the UMI Rules to accommodate orders entered directly by the client of a PO that do not disclose the identifier of the PO, in which case the exemptions would continue to apply until the date of disposition by the Commission with respect to such application.

e. Policy 2-502 (Appendix "B")

The description of the proposed attribution choice feature in Regulatory Notice 99-041 indicated that where an unattributed order is entered directly by an eligible client, order details "will be available to the designated member's compliance staff on a real time basis, as required by Policy XXX". In order to strengthen compliance with this requirement, Policy 2-502, the successor to Policy XXX, has been amended to specify that a condition for connecting an eligible client under Rule 2-501 is that the system of the Participating Organization connecting the client has the capability to transmit information concerning orders entered directly by the client to the Participating Organization's compliance staff on a real time basis.

Implementation

The consequential amendments will take effect on March 22, 2002, the date that the attribution choices and undisclosed volume features for the Exchange are implemented.

Questions concerning the implementation of the attribution choices or undisclosed volume features should be directed to Robert Young, Director, Business Development at (416) 947-4313.

BY ORDER OF THE BOARD OF DIRECTORS

LEONARD P. PETRILLO
VICE PRESIDENT, GENERAL COUNSEL AND SECRETARY

APPENDIX "A"

THE RULES

OF

THE TORONTO STOCK EXCHANGE INC.

The Rules of The Toronto Stock Exchange Inc. are hereby amended as follows:

1. Rule 1-101(2) shall be amended to add the definitions of "attributed order" and "unattributed order" as adopted (under the definition of "anonymous order") by the Board of Directors on December 14, 1999 and approved by the Ontario Securities Commission on February 29, 2000. The definition of "attributed order" and "unattributed order" shall read as follows:

   "attributed order" means an order which is displayed in the Book with the Participating Organization's trading number.

   "unattributed order" means an order which is displayed in the Book without the Participating Organization's trading number.

2. Rule 1-101(2) shall be amended to add the following definitions:

   "intentional cross" means a trade resulting from the entry by a Participating Organization of both the order to purchase and the order to sell a security, but does not include a trade in which the Participating Organization has entered one of the orders as a jitney order.

   "internal cross" means an intentional cross between two client accounts of a Participating Organization which are managed by a single firm acting as portfolio manager with discretionary authority to manage the investment portfolio granted by each of the clients and includes a trade where the Participating Organization is acting as a portfolio manager in authorizing the trade between the two client accounts.

3. Rule 4-801 shall be repealed and the following substituted:

   Rule 4-801 "Establishing Priority"

   (1) Subject to Rule 4-802, an order at a particular price shall be executed prior to any orders at that price entered subsequently, and after all orders entered previously ("time priority"), except as may be provided otherwise.

   (2) An undisclosed portion of an order does not have time priority until it is disclosed, unless there is no other disclosed order at that price.

   (3) An order shall lose time priority if its disclosed volume is increased and shall rank behind all other disclosed orders at that price.

4. Rule 4-802 shall be repealed and the following substituted:

   Rule 4-802 "Allocation of Trades"

   (1) An order that is entered for execution on the Exchange may execute without interference from any order in the Book if the order is:

      a. part of an internal cross; or

      b. an unattributed order that is part of an intentional cross.

   (2) Subject to subsection (1), an intentional cross is executed without interference from orders in the Book, other than orders entered in the Book by the same Participating Organization according to time priority, provided that the order in the Book is not an unattributed order.

   (3) A tradeable order that is entered in the Book shall be executed on allocation in the following sequence:

      a. to offsetting orders entered in the Book by the Participating Organization that entered the tradeable order according to the time of entry of the offsetting order in the Book, provided that neither the tradeable order nor the offsetting order is an unattributed order; then

      b. to offsetting orders in the Book according to the time of entry of the offsetting order in the Book; then

      c. to the Responsible Registered Trader if the tradeable order is eligible for a Minimum Guaranteed Fill.

5. Subsections (2) and (3) of Rule 4-501 are repealed and the following substituted:

   "Best Execution of Client Orders"

   (2) A Participating Organization shall give priority to its client orders, other than unattributed orders entered by the client pursuant to Rule 2-502, over all of its non-client orders in the same security and on the same side of the market, unless the non-client order is executed at a price above the client's limit price (for a buy order) or below the client's limit price (for a sell order).

(3) A Participating Organization shall give priority to its client market orders, other than unattributed orders entered by the client pursuant to Rule 2-502, over its non-client orders in the same security and on the same side of the market.

THIS RULE AMENDMENT MADE this 26th day of February, 2002 to be effective on a date to be determined.

"Wayne C. Fox"
Wayne C. Fox, Chair

"Leonard P. Petrillo"
Leonard P. Petrillo, Secretary

APPENDIX "B"

THE POLICIES

OF

THE TORONTO STOCK EXCHANGE INC.

The Policies of The Toronto Stock Exchange Inc. are hereby amended as follows:

1. Policy 2-502(1) is amended by adding the following:

   (e) enable the Participating Organization to transmit information concerning unattributed orders entered by eligible clients to the Participating Organization's compliance staff on a real time basis.

THIS POLICY AMENDMENT MADE this 26th day of February, 2002 to be effective on a date to be determined.

"Wayne C. Fox"
Wayne C. Fox, Chair

"Leonard P. Petrillo"
Leonard P. Petrillo, Secretary

13.1.2 Continuation of TSE Regulation Services Contested Hearing re Laudalino Da Costa

NOTICE TO PUBLIC

Subject: Continuation of TSE Regulation Services contested hearing In the Matter of Laudalino Da Costa

TAKE NOTICE that the Hearing of this matter will continue on April 5, 2002, beginning at 10:00 a.m. or as soon thereafter as the Hearing can be held, at the offices of Market Regulation Services Inc., 130 King Street West, 3rd Floor, Toronto, Ontario. The Hearing is open to the public.

Reference:

Jane P. Ratchford
Chief Counsel
Investigations and Enforcement
Market Regulation Services Inc.

Telephone: 416-947-4317

13.1.3 Policy No. 5 Code of Conduct for IDA Members Trading in Domestic Debt Markets

INVESTMENT DEALERS ASSOCIATION OF CANADA

POLICY NO. 5
CODE OF CONDUCT FOR IDA MEMBER FIRMS TRADING IN DOMESTIC DEBT MARKETS

I OVERVIEW

A -- Current Rules

Policy No. 5 was approved by the relevant securities commissions in late 1998. The purpose of Policy No. 5 is to detail the standards expected of Members of the Association and their counterparties for trading in domestic debt. As such, it acts as a single reference source to supplement the existing requirements set out in the Association Rule Book.

B -- The Issue

The IDA has undertaken to redraft the section pertaining to the surveillance of the domestic debt markets following the request for additional information on holdings of a specific security though the issuance of the Net Position Report in January 2001. Follow-up discussions were held with market participants, the Bank of Canada and the Department of Finance and the decision was made to redraft section 5.2 - Surveillance.

The housekeeping-type changes focus on section 5.2 – Surveillance and aim to clarify to all market participants that the possible warning signs are not to be viewed as absolute thresholds, but as part of an overall analysis of the functioning of the debt markets and to stress that formal complaints should originate from senior officials at member dealers and should be directed to senior officials at the IDA and the Bank of Canada.

C -- Objective

The objective of the rule change is to formalize the complaint process by mandating that complaints under Policy No. 5 originate with senior officials at member dealers. Complaints are to be raised with senior officials of the IDA and the Bank of Canada. The change includes the removal of specific examples of potential instances of manipulative practices due to some market participants misusing these examples as actual thresholds that denote an infraction of the rules or manipulative activity.

D -- Effect of Proposed Rules

The elevation of complaints to senior officials at member firms and of regulatory bodies will add to the legitimacy of the code of conduct. All complaints made under Policy No. 5 are considered serious and therefore, should involve senior officials from the start. Senior management participation is viewed as integral to maintaining the credibility of the code of conduct.

The remainder of the section has been rewritten to clarify the process in the event the IDA receives a complaint pertaining to debt market manipulation. The section details the steps that would be taken in the event that additional information were required by regulators to determine whether a formal investigation were required. The revised section provides greater transparency to the information gathering and investigation process.

II DETAILED ANALYSIS

A -- Present Rules, Relevant History and Proposed Policy

The current rules are vague regarding the process of gathering information and filing complaints. The original version of Policy No. 5 included a process for evaluating complaints that was based on knowledge that while, mostly theoretical, was all that was available at the time.

Since the original release of the code of conduct, the Net Position Report has been developed and tested and the additional insight gained from having the code of conduct in force for over two years led to the redrafting of the Surveillance section.

B -- Issues and Alternatives Considered

The alternative would have been to leave the section as written, along with the lack of clarity for members wishing to file a complaint. The section would also maintain the ambiguity surrounding the using of the examples as steadfast rules rather than as a guide to help determine if a threat of market manipulation were present.

C -- Comparison with Similar Provisions

Similar reporting standards are imposed on the U.S. debt markets.

D -- Public Interest Objective

Association staff believes that the proposed by-law amendment is in the public interest, as a transparent process for gathering information and/or launching a full investigation into market manipulation in the domestic debt markets benefits all market participants.

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

The changes will provide transparency and clarity to the process of information gathering and the steps involved in an investigation of alleged market manipulation in the debt markets.

C -- Process

This rule change was initiated by IDA staff and reviewed and approved by the Capital Markets Committee of the Association.

IV SOURCES

Policy No. 5 Code of Conduct for IDA Member Firms Trading in Domestic Debt Markets.

The Association has determined that the entry into force of the proposed amendment would be housekeeping in nature.

Questions may be referred to:

Ian Russell
Senior Vice-President
Capital Markets
Investment Dealers Association of Canada
(416) 865-3036

INVESTMENT DEALERS ASSOCIATION OF CANADA

POLICY NO. 5
– CODE OF CONDUCT
– TRADING IN DOMESTIC DEBT MARKETS

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:

Section 5.2 of IDA Policy No. 5 Code of Conduct for IDA Member Firms Trading in Domestic Debt Markets is repealed and replaced as follows:

5.2 **Surveillance**

Careful surveillance of the Domestic Debt Market and the trading activities of market participants is required to ensure that the objectives laid out in this Policy are achieved. Due to the nature of the Domestic Debt Market, Members and their affiliates have the responsibility to self-monitor their conduct. In this regard, Members should report promptly to the Association and any other authority having jurisdiction, including the Bank of Canada, breaches of the Policy or suspicious or irregular market conduct. Alleged breaches of the Policy should be reported to senior officers of the Association and the Bank of Canada by the executive responsible for the debt operations of the Member. In addition, the Association's own investigative powers and resources will be applied to review market activity in order to identify irregular conduct.

As part of the surveillance, the Association may require the Member and its affiliates to file the IDA Net Position Report. Net Position Reports may be requested by either the Bank of Canada (for Government of Canada securities), or by the Association. The request for a report, and associated requests for information required to clarify individual Member's reports, would be undertaken as a preliminary step to identify large inventory holdings of securities that could have allowed a Member to have undue influence or control over the Government of Canada, provincial or corporate debt markets.

The circumstances that could trigger a request for Members to file a Net Position Report include all activities deemed to be detrimental to the liquidity and integrity of the Domestic Debt Market. Market integrity concerns may be manifested in any one of, but not limited to, the following ways: an unusual concentration of holdings in certain outstanding securities, whether directly by a Member or in concert with others (holdings which exceed 35 per cent of the outstanding supply may be one example of unusual concentration); an unusual differential in the traded yield between issues of securities of similar maturity; an unusual gap between the repo rate and the overnight rate for the same type of securities for a sustained period of time (a gap greater than 200 b.p. may be one example of an unusually large differential); or unusual trading volumes in particular securities. The foregoing are only examples of circumstances where reporting may be required or investigations instituted; they are not intended to define thresholds of acceptable conduct or practices. Reporting may be required or an investigation instituted if, in any particular situation, the principles and standards of this Policy have, in the opinion of the IDA or the Bank of Canada been contravened.

The results of a Net Position Report, and associated information requested to clarify individual Member's reports, will be used to determine whether any follow up investigation is required. The Association and the Bank of Canada will base this decision on whether large holdings of securities reported in the Net Position Report had been used to influence market direction for the Member's gain in a manner detrimental to the liquidity and integrity of the Domestic Debt Markets. The Association in collaboration with the Bank of Canada will promptly inform Members of the results of the Net Position Report survey and whether an investigation will proceed.

PASSED AND ENACTED BY THE Board of Directors this 17th day of October 2001, to be effective on a date to be determined by Association staff.

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Chapter 25

Other Information

25.1 Consent

25.1.1 SAMSys Technologies Inc. - ss. 4(b), OBCA Reg.

Headnote

Consent given to OBCA corporation to continue under the CBCA.

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B16, as am., s.181.
Securities Act, R.S.O. 1990, C.S.5, as am.

Regulations Cited

Regulation made under the Business Corporation Act, R.R.O., Reg. 62, as am by Reg. 289/00, s. 4(b)

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

IN THE MATTER OF
THE REGULATION MADE UNDER
THE BUSINESS CORPORATIONS ACT (ONTARIO)
R.S.O. 1990, c. B.16 (the "OBCA") AND
O. REG. 289/00
(THE "REGULATION")

AND

IN THE MATTER OF
SAMSys TECHNOLOGIES INC.

CONSENT
(Clause 4(b) of the Regulation)

UPON the application (the "Application") of SAMSys Technologies Inc. (the "Corporation") to the Ontario Securities Commission (the "Commission") requesting the consent of the Commission to continue into another jurisdiction pursuant to clause 4(b) of the Regulation;

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

AND UPON the Corporation having represented to the Commission that:

1. the Corporation proposes to make application (the "Application for Continuance") to the Director appointed under the OBCA for authorization to continue under the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44 (the "CBCA"), pursuant to section 181 of the OBCA;

2. pursuant to clause 4(b) of the Regulation, where the corporation is an offering corporation, the Application for Continuance must be accompanied by the consent of the Commission;

3. the Corporation is an offering corporation under the OBCA and is a reporting issuer under the *Securities Act*, R.S.O. 1990, c. S.5, (the "Act");

4. the Corporation is not a defaulting reporting issuer under the Act or the Regulation thereunder and, to the best of its knowledge, information and belief, is not a party to any proceeding under the Act;

5. the Corporation presently intends to continue to be a reporting issuer in the Province of Ontario;

6. the continuance of the Corporation under the CBCA has been proposed because the Corporation believes it to be in its best interest to conduct its affairs in accordance with the CBCA;

7. the material rights, duties and obligations of a corporation under the CBCA are substantially similar to those under the OBCA with the exception that the OBCA requires that a majority of a corporation's directors be resident Canadians whereas the CBCA was recently amended to provide that only one-quarter of directors need be resident Canadians; and

8. the shareholders of the Corporation approved the continuance under the CBCA at the Annual and Special Meeting of the Shareholders held on March 25, 2002.

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

THE COMMISSION HEREBY CONSENTS to the continuance of the Corporation from the OBCA to the CBCA.

March 26, 2002.

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

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