The Ontario Securities Commission

OSC Bulletin

April 5, 2002

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

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

APRIL 5, 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
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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

April 1, 2, 4, 5, 11, 12, 16, 18, 22, 24, 25, 26, 30,	**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 9 & 17/02 2:00 p.m.	
April 8, 22 & 29/02 9:30 a.m. - 1:00 p.m.	s.127
May 1, 2, 3, 30 & 31/02 9:30 a.m.	K. Daniels/M. Code/J. Naster/I. Smith in attendance for staff.
May 28/02 2:00 p.m.	Panel: HIW / DB / RWD
May 29/02 9 a.m. - 12:00 p.m.	
June 3, 24, 26 & 27/02 9:30 a.m.	
June 10/02 1 p.m. - 4 p.m.	
June 11 & 25/02 2:00 - 4:30 p.m.	
June 17/02 10:30 a.m. - 4:30 p.m.	
June 18/02 9:00 - 3:00 p.m.	
June 19/02 9:30 - 4:30 p.m.	
August 6 & 20/02 2:00 - 4:30 p.m.	
August 7, 8, 12 - 15, 19, 21, 22, 26-29/02 9:30 a.m. - 4:30 p.m.	

September 3 & 17/02 2:00 -4:30 p.m. September 6, 10, 12, 13, 24, 26 & 27/02 9:30 a.m. - 4:30 p.m.	
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, 30, May 1/02 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
May 21/02 10:00 a.m.	**Lydia Diamond Explorations of Canada Ltd., Jurgen von Anhalt, Emilia von Anhalt and Fran Harvie** s. 127 and 127.1 M. Britton in attendance for Staff Panel: TBA
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
June 17, 18, 19, 20, 21, 24 & 26/02 10:00 a.m. June 25 2:00 - 4:00 p.m. July 8 - 12/02 July 15 - 19/02 10:00 a.m. -	**Brian K. Costello** s. 127 H. Corbett in attendance for Staff Panel: PMM

ADJOURNED SINE DIE

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

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

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 Amendment to IDA By-law 7.1 - Notice of Commission Approval

AMENDMENT TO IDA BY-LAW 7.1

PROFICIENCY REQUIREMENTS FOR INDUSTRY AND NON-INDUSTRY SHAREHOLDERS

NOTICE OF COMMISSION APPROVAL

IDA amendments to By-law 7.1 regarding Proficiency Requirements for Industry and Non-Industry Shareholders were 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. A copy and description of the amendments were published on May 4, 2001 at (2001) 24 OSCB2945. No comments were received.

1.1.3 Notice of Amendment to Rules Under the Securities Act in the Matter of Certain Reporting Issuers

NOTICE OF AMENDMENT TO RULES UNDER THE SECURITIES ACT
IN THE MATTER OF CERTAIN REPORTING ISSUERS

The Commission is publishing in today's Bulletin a Notice of Amendment and the Amendment to two rules, each entitled *In the Matter of Certain Reporting Issuers* (1997), 20 OSCB 1218 and *In the Matter of Certain Reporting Issuers* (1997), 20 OSCB 1219, each as amended by (1999), 22 OSCB 151, (2000), 23 OSCB 289, and (2000) 23 OSCB 8244 (the "Rules").

The Notice and Amendment were delivered to the Minister of Finance on April 3, 2002. The documents are published in Chapter 5 of the Bulletin.

1.1.4 Notice of Commission Approval of National Instruments 54-101 and 54-102

NOTICE OF COMMISSION APPROVAL OF

NATIONAL INSTRUMENT 54-101
COMMUNICATION WITH BENEFICIAL OWNERS OF SECURITIES OF A REPORTING ISSUER

AND

NATIONAL INSTRUMENT 54-102
INTERIM FINANCIAL STATEMENT AND REPORT EXEMPTION

On March 26, 2002, the Commission made National Instrument 54-101: *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101") and National Instrument 54-102: *Interim Financial Statement and Report Exemption* ("NI 54-102") as Rules, and adopted Companion Policy 54-101CP to NI 54-101 (the "Companion Policy") as a Policy, under the *Securities Act* (Ontario) (the "Act"). On April 3, 2002, NI 54-101, the Companion Policy, and NI 54-102, were delivered to the Minister of Finance.

NI 54-101, the Companion Policy, NI 54-102, and the respective Notices, are published in Chapter 5 of the Bulletin.

1.2 Press Releases

1.2.1 OSC Chair David Brown to Launch Scouts Canada Investing Crest

FOR IMMEDIATE RELEASE
April 1, 2002

MEDIA ADVISORY: OSC CHAIR DAVID BROWN TO LAUNCH SCOUTS CANADA INVESTING CREST

TORONTO - David Brown, Chair of the Ontario Securities Commission, will help launch the new Scouts Canada Investing Crest tomorrow morning. Mr. Brown will be presenting a mocked-up version of the crest to Scouts Canada - a unique photo opportunity!

To earn the Investing Crest, Canada's 43,000 Girl and Boy Scouts and Venturers will have to complete one of five financial activities, including: tracking a stock, interviewing a financial planner, explaining compound interest, reviewing financial internet sites for kids, and researching a type of investment.

The Investing Crest is sponsored by the Canadian Securities Administrators, an umbrella organization for securities regulators across the country, including the OSC. April is Investor Education Month in Canada.

When:	Tuesday, April 2nd IFIC Breakfast at 7:45 am Photo opportunity at 9:00 a.m.
Where:	Toronto Board of Trade (First Canadian Place)
Who:	David Brown, Chair of Ontario Securities Commission John Rietveld, Executive Director of Scouts Canada Cedric Gomes, Venturer

For Media Inquiries:

Frank Switzer
Director, Communications
416-593-8120

Terri Williams
Manager, Investor Education
416-593-2350

1.2.2 OSC Commences Proceedings in Relation to Lydia Diamond Explorations of Canada Ltd., et al.

FOR IMMEDIATE RELEASE
April 1, 2002

OSC COMMENCES PROCEEDINGS IN RELATION TO LYDIA DIAMOND EXPLORATIONS OF CANADA LTD., JURGEN VON ANHALT, EMILIA VON ANHALT AND FRAN HARVIE

TORONTO – The Ontario Securities Commission announced today that it has commenced proceedings against Lydia Diamond Explorations of Canada Ltd., Jurgen von Anhalt, Emilia von Anhalt and Fran Harvie.

Staff of the Commission allege that Lydia, the von Anhalts and Harvie illegally distributed shares in Lydia. The company raised over $2 million dollars from Ontario investors.

The first appearance in this matter will take place on Tuesday, May 21, 2002 at 10:00 a.m. at the offices of the Commission, 20 Queen Street West, Toronto, on the 17th floor. Copies of the Notice of Hearing and Statement of Allegations are available at **www.osc.gov.on.ca.**

For Media Inquiries:	Frank Switzer Director, Communications 416-593-8120 Michael Watson Director, Enforcement Branch 416-593-8156
For Investor Inquiries:	OSC Contact Centre 416-593-8314 1-877-785-1555 (Toll Free)

1.2.3 OSC Chair David Brown unveils "Fair Dealing Model"

FOR IMMEDIATE RELEASE
April 2, 2002

**OSC CHAIR DAVID BROWN UNVEILS "FAIR DEALING MODEL"
TO REGULATE RELATIONSHIP BETWEEN THE FINANCIAL SERVICES INDUSTRY AND INVESTORS**

TORONTO – The Ontario Securities Commission is considering significant changes to the way it regulates the relationship between the financial services industry and individual investors. OSC staff, in consultation with a group of investment industry leaders, have developed an outline of a new "fair dealing model".

The new framework would, among other things, seek to better define the rights and responsibilities of each party, reduce conflicts of interest in the provision of advice, and ensure greater transparency of adviser services, qualifications, compensation and other fees.

"A fair dealing model can result in a stronger financial services industry, enhanced competition around quality of advice, and clarity in provider-client relationships," OSC Chair David Brown said in a speech to kick-off Investor Education Month. "And it would cut unnecessary compliance costs, ensuring that providers and investors receive maximum regulatory value for every dollar spent."

The OSC and its advisory group have studied business models in the financial services industry and recognized that the current regulatory model has become outdated. For example, securities regulations assume that advisers are compensated based on trading activity, yet most firms now take a wealth management approach where trading and advising are no longer viewed as separate activities. The proposed regulatory model is more flexible and would better reflect market realities.

Changes being considered include the following:

- requiring more complete information on how service providers are compensated, including clear disclosure of whether they receive payments or incentives from product issuers;
- replacing existing account opening documentation with a new form that clarifies the nature of the provider-client relationship and seeks to improve clients' understanding and acceptance of investment risk;
- placing clearer responsibility on firms, including liability for losses, for any improper activities of their officers, employees and agents;
- replacing current registration categories with a single service provider license which makes no distinction between trading and advising; and
- reducing certain regulatory requirements to improve small investors' access to a variety of investment opportunities and increase market access for new types of service providers.

Staff plan to expose the new "fair dealing model" to a wider group of stakeholders later this spring, and publish detailed proposals by the summer.

For Media Inquiries: Frank Switzer
Director,
Communications
416-593-8120

Julia Dublin
Senior Legal Counsel
Capital Markets Branch
416-593-8103

For Investor Inquiries: OSC Contact Centre
416-593-8314
1-877-785-1555
(Toll Free)

1.2.4 OSC to Present Seminar on Protecting Yourself from Investment Fraud

FOR IMMEDIATE RELEASE
April 3, 2002

MEDIA ADVISORY:

OSC TO PRESENT PUBLIC SEMINAR ON PROTECTING YOURSELF FROM INVESTMENT FRAUD

TORONTO – The best protection against investment fraud is to become an informed investor. As part of Investor Education Month, the Ontario Securities Commission is presenting a public seminar titled "Protecting Yourself from Investment Fraud."

Perry Quinton, an OSC Investor Education Officer, will speak about a number of common investment scams, including Internet fraud, "prime bank" investments, and RRSP scams.

When: Thursday, April 4, 6:30 to 8:00 pm

Where: Toronto Reference Library
789 Yonge Street, Toronto

The session, which is part of the Toronto Public Library's Informed Investing 2002 program, is open to all members of the public.

For Media Inquiries: Terri Williams
Manager, Investor Education
416-593-2350

For Public Inquiries: OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.2.5 OSC Website Now Includes Information about Individual Dealers and Advisers

FOR IMMEDIATE RELEASE
April 4, 2002

OSC WEBSITE NOW INCLUDES INFORMATION ABOUT INDIVIDUAL DEALERS AND ADVISERS

TORONTO – Ontario investors can now use the Internet to access more complete information about their dealers and advisers. The Ontario Securities Commission has posted to its website a list of all individuals and firms licensed to advise or trade in securities in the province.

"This is a great tool for individual investors to protect themselves, and we're very pleased to be launching it during Investor Education Month," said OSC Chair David Brown.

Investors can use the web-based listing for the following purposes:

- to learn whether a particular individual or firm is in fact registered to advise clients or deal in securities;
- to identify the categories in which they are registered (for example, mutual fund dealers, investment counsel, etc.); and
- to learn whether any terms and conditions are attached to their registration.

Terms and conditions are imposed on a case-specific basis where the OSC determines that an applicant is suitable to be licensed, but only if certain restrictions are added to the registration. For example, an individual adviser might be subject to more stringent supervisory control by his or her employer, while a firm might be required to file specific financial reports with regulators on a more frequent basis than other firms.

While a listing of all registered firms was already available on the OSC website, information on registered individuals previously could only be obtained by phoning the Commission.

The complete registrant list can be found in the "Market Participants" section of the OSC website at **www.osc.gov.on.ca**.

For Media Inquiries: Frank Switzer
Director,
Communications
416-593-8120

For Investor Inquiries: OSC Contact Centre
416-593-8314
1-877-785-1555
(Toll Free)

1.3 Notices of Hearing

1.3.1 Lydia Diamond Explorations of Canada Ltd. et al – ss. 127, 127.1

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

AND

IN THE MATTER OF
LYDIA DIAMOND EXPLORATIONS OF CANADA LTD.,
JURGEN VON ANHALT, EMILIA VON ANHALT
AND FRAN HARVIE

NOTICE OF HEARING
(Sections 127 and 127.1)

TAKE NOTICE that the Commission will hold a hearing pursuant to section 127 and 127.1 of the *Securities Act* R.S.O. 1990, c.S.5, as amended (the "Act") at the offices of the Ontario Securities Commission, 20 Queen Street West, 17th floor hearing room, on Tuesday, May 21, 2002, at 10:00 a.m. or as soon thereafter as the hearing can be held:

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

(a) to make an order pursuant to section 127 (1) clause 2 of the Act that trading in securities by Lydia Diamond Explorations of Canada Ltd., ("Lydia"), Jurgen von Anhalt, Emilia von Anhalt (the "von Anhalts") and Fran Harvie cease permanently or for such other period as specified by the Commission;

(b) To make an order pursuant to section 127(1) clause 7 of the Act that the von Anhalts resign one or more positions which they may hold as an officer or director of any issuer;

(c) To make an order pursuant to section 127(1) clause 8 of the Act that the von Anhalts and Fran Harvie are prohibited from becoming or acting as a director or officer of any issuer permanently or for such other period as specified by the Commission;

(d) To make an order pursuant to section 127(1) clause 6 of the Act that Lydia, the von Anhalts and Fran Harvie be reprimanded;

(e) To make an order pursuant to section 127.1 of the Act that Lydia, the von Anhalts and Fran Harvie pay the costs of Staff's investigation and the costs of, or related to, this proceeding, incurred by or on behalf of the Commission; and

(f) To make such other order as the Commission considers appropriate.

BY REASON OF the allegations set out in the Statement of Allegations dated April 1st, 2002 and such additional allegations as counsel may advise and the Commission may permit;

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

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

April 1, 2002.

"John Stevenson"

To: Lydia Diamond Explorations of Canada Ltd.

Jurgen von Anhalt

Emilia von Anhalt

Fran Harvie

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

AND

IN THE MATTER OF
LYDIA DIAMOND EXPLORATIONS OF CANADA LTD.,
JURGEN VON ANHALT, EMILIA VON ANHALT
AND FRAN HARVIE

STATEMENT OF ALLEGATIONS
OF STAFF OF THE ONTARIO SECURITIES COMMISSION

Staff of the Ontario Securities Commission allege:

THE RESPONDENTS

1. Lydia Diamond Explorations of Canada Ltd. ("Lydia") is an Ontario Corporation. It is a Toronto based diamond exploration company with forty contiguous mining claims at its Wolf Lake property in Southern Ontario. Lydia was formed by the amalgamation of Lydia Consolidated Diamond Mines ("Lydia Consolidated") and Acadia Mineral Corporations on May 16, 2001. This amalgamation was approved by the Commission des valeurs mobilieres du Quebec and Lydia became a reporting issuer in British Columbia, Alberta, Ontario and Quebec. Lydia Consolidated was an Ontario private corporation. It was incorporated on February 10, 1995.

2. Jurgen and Emilia von Anhalt, who refer to themselves as the Prince and Princess von Anhalt, ("Jurgen" and "Emilia") own the controlling interest in Lydia. They are both officers and directors of the corporation.

3. Fran Harvie holds herself out as a psychic. Emilia consulted Harvie as a psychic. She then had Lydia engage Harvie to assist in trying to locate diamonds on the Wolf Lake properties. Harvie went to the properties and purported to use her psychic powers to assist in determining where diamonds may be located.

Illegal Distribution of Lydia Shares

4. Between July 20, 1996 and December 1, 2000 Lydia sold shares to more than fifty persons without registration and without an exemption to the requirement for registration under Ontario securities law. During this time there were as many as 398 shareholders in Lydia. Between August 17, 1999 and July 28, 2000 Harvie sold shares to approximately 341 shareholders. These shares were issued in the name of Harvie but were held for approximately 341 shareholders.

5. Lydia's records reveal that between July 20, 1996 and December 1, 2000 $1,814,572.30 was collected from investors who purchased shares from Treasury. Approximately $1,566,909.25 was received by cheque. Approximately $104,232.05 was received in cash. Approximately $143,330.00 worth of shares were issued for services rendered to the company. Investors who purchased treasury shares through the von Anhalts paid $947,631.00 in cash and services for the shares. Investors who purchased treasury shares through Harvie contributed $866,941.00.

6. In addition, between July 30, 2000 and May 10, 2001 Jurgen sold a total of approximately 3,718,435 shares from his shareholding for a total consideration of approximately USD 112,500 and CAD 625,550. Jurgen was not registered to trade in securities and the exemptions in the Act were not available to him. During the same period, Emilia sold a total of approximately 3,718,435 shares of her shareholding for a total consideration of approximately USD 112,500 and CAD 625,550. Emilia was not registered to trade in securities and the exemptions in the Act were not available to her.

7. The monies received by the sale of the Lydia shares were not used by the von Anhalts exclusively for diamond exploration purposes on the Wolf Lake properties.

8. Between April 23, 2001 and May 10, 2001, Harvie further sold a total of approximately 488,450 shares directly to approximately 22 investors.

9. Harvie has never been registered with the Commission in any capacity and the exemptions in the Act are not available to her.

10. Lydia paid to Harvie approximately 10% of the funds paid by investors for the shares sold to them by her as a commission on the sale of the shares. The commissions were paid either by cash or by shares in Lydia.

11. Staff allege that the Respondents violated Ontario securities law and engaged in conduct contrary to the public interest.

Conduct of Lydia

12. Staff allege that Lydia:

(a) traded in securities without registration and without an exemption to the requirement for registration contrary to subsection 25(1) of the Act;

(b) distributed securities without filing and obtaining a receipt for a prospectus and without an exemption to the prospectus requirement contrary to section 53 of the Act;

(c) paid to Harvie a 10% commission on the shares traded by her without disclosing to these investors that Harvie was being paid a commission contrary to the public interest; and

(d) misled Staff that Lydia had not more than fifty shareholders excluding employees and that Lydia was not initially aware that Harvie was selling Lydia shares.

Conduct of the von Anhalt's

13. Staff allege that the von Ahhalts:

(a) traded in securities without registration and without an exemption to the requirement for registration contrary to subsection 25(1);

(b) traded previously issued shares without being eligible for an appropriate exemption contrary to subsection 25(1) of the Act;

(c) distributed previously issued shares to investors without the benefit of receipted prospectus contrary to subsection 53(1) of the Act; and

(d) being Directors of Lydia, authorized, permitted or acquiesced in its contraventions of the Act.

Conduct of Harvie

14. Staff allege that Harvie:

(a) traded in securities without registration and without an exemption to the requirements for registration contrary to section 25 of the Act;

(b) distributed securities without filing and obtaining a receipt for a prospectus and without an exemption to the prospectus requirement contrary to section 53 of the Act; and

(c) received a 10% commission on the shares traded by her without disclosing to investors that she was being paid a commission contrary to the public interest.

15. Such additional allegations that Staff may make and the Commission permit.

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Talisman Energy Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - granted exemptive relief from the requirement to concurrently send its Annual Financial Statements to its security holders at the time of filing the Annual Financial Statements.

Applicable Ontario Statutes

Securities Act, R.S.O. 1990, c.S.5, as amended, ss. 6(3), s.77(1), 79, 80(b)(iii).

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

AND

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

AND

IN THE MATTER OF
TALISMAN ENERGY INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Ontario, British Columbia, Manitoba, Nova Scotia, Saskatchewan and Newfoundland has received an application from Talisman Energy Inc. ("Talisman") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation for Talisman to send to its shareholders its comparative annual audited financial statements and the auditors' report thereon relating to its financial year ended December 31, 2001 (the "2001 Financial Statements") concurrently with the filing of the 2001 Financial Statements as required by the Legislation shall not apply to Talisman on the basis below;

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 Talisman has represented to the Decision Makers that:

1. Talisman is a company incorporated under the *Canada Business Corporations Act* with a head office located in Calgary, Alberta.

2. Talisman is an international upstream oil and gas company with interests in Canada, the North Sea, Indonesia, Malaysia/Vietnam, Sudan and certain other countries.

3. The authorized share capital of Talisman consists of an unlimited number of common shares without nominal or par value and first and second preferred shares.

4. The Common Shares of Talisman are listed and posted for trading on the Toronto Stock Exchange and the New York Stock Exchange.

5. Talisman is a reporting issuer in each of the following provinces and territories which incorporates such a concept in its legislation: Alberta, Ontario, British Columbia, Manitoba, Nova Scotia, Saskatchewan, Newfoundland, Quebec, New Brunswick, Prince Edward Island, Northwest Territories, Nunavut, and the Yukon.

6. To its knowledge, Talisman is not in default of any requirements of the applicable securities legislation in any of the provinces or territories in which it is a reporting issuer.

7. Talisman is preparing its 2001 Financial Statements.

8. Talisman will issue, substantially concurrently with the filing of the 2001 Financial Statements with the Decision Makers, a press release that will be posted on Talisman's web site and will include disclosure relating to the 2001 Financial Statements. The press release will specifically include: (i) the approximate date on which the 2001 Financial Statements will be mailed to Talisman's shareholders; and (ii) a statement that any Talisman shareholder entitled to receive the 2001 Financial Statements may obtain a copy of the 2001 Financial Statements in advance upon request to Talisman.

9. The 2001 Financial Statements will be available for dissemination to shareholders prior to the time that Talisman's Notice of Meeting and Management Proxy Circular in respect of its 2002 Annual Meeting of Shareholders will be sent to shareholders in accordance with the applicable provisions of the *Canada Business Corporations Act* and National Policy Statement No. 41.

10. Talisman proposes to deliver the 2001 Financial Statements to the shareholders of Talisman entitled to receive them concurrently with the Notice of Meeting and Management Proxy Circular for the 2002 Annual Meeting of Shareholders and, in any event, not later than the last date upon which they could have been filed with the Decision Makers in compliance with the Legislation.

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

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

The Decision of the Decision Makers under the Legislation is that the requirement contained in the Legislation requiring Talisman to concurrently send to its shareholders the 2001 Financial Statements filed with the Decision Makers pursuant to the Legislation shall not apply to Talisman provided that:

1. Talisman issues, substantially concurrently with the filing of the 2001 Financial Statements with the Decision Makers, a press release that will be posted on Talisman's web site, disseminated via a Canadian newswire service and filed on SEDAR and will include:

   (i) the approximate date on which the 2001 Financial Statements will be mailed to Talisman's shareholders; and

   (ii) a statement that any Talisman shareholder entitled to receive the 2001 Financial Statements may obtain a copy of the 2001 Financial Statements in advance upon request to Talisman or; alternatively, securityholders will be able to access the 2001 Financial Statements on the website maintained by the Canadian securities regulators (**www.sedar.com**); and

2. Talisman sends the 2001 Financial Statements to the shareholders of Talisman entitled to receive them in accordance with the procedures outlined in National Policy Statement No. 41 and, in any event, not later than the last date upon which they could have been filed with the Principal Regulator and the Non-Principal Regulators in compliance with the Legislation.

March 6, 2002.

"Agnes Lau"

2.1.2 Sun Life Capital Trust - MRRS Decision

Headnote

Exemptions from most continuous disclosure requirements granted to a trust on specified conditions, including the conditions that the parent company remains a reporting issuer and security holders of the trust receive the continuous disclosure documents of the parent company. Because of the terms of the trust a security holder's return depends upon the financial condition of the parent company and its publicly traded holding company and not that of the trust. Trust offered trust units to the public in order to provide the parent company with a cost effective means of raising capital for Canadian insurance company regulatory purposes. No distributions are payable on the trust units if the parent company fails to pay dividends on its preferred shares and if distributions are not paid the parent company is prevented from paying dividends on its preferred shares. Trust units are not redeemable but are exchangeable at the option of the holder after a fixed term for shares of the parent company. Trust units are non-voting. Holders of trust securities have no claim or entitlement to the income of the Trust or the assets held by the Trust.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., ss 77, 78,79, 80(b)(iii),81

Applicable Ontario Rules Cited

OSC Rule 51-501- AIF and MD&A
OSC Rule 52-501- Financial Statements

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, 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
SUN LIFE FINANCIAL SERVICES OF CANADA INC.

AND

IN THE MATTER OF
SUN LIFE ASSURANCE COMPANY OF CANADA

AND

IN THE MATTER OF
SUN LIFE CAPITAL TRUST

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, Quebec, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions") has received an application (the "Application") from Sun Life Financial Services of Canada Inc. ("SLF"), Sun Life Assurance Company of Canada ("Sun Life Assurance") and Sun Life Capital Trust (the "Trust") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation"), that the requirements contained in the Legislation to:

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

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

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

(d) prepare and file under OSC Rule 51-501 AIF and MD&A, section 159 of the Regulation to the *Securities Act* (Quebec)

and the Saskatchewan Securities Commission Local Policy 6.2, an annual information form ("AIF"), including management's discussion and analysis ("MD&A") of the financial condition and results of operation of the Trust and send such MD&A to security holders of the Trust (collectively "the AIF and MD&A Requirements");

shall not apply to the Trust, subject to certain terms and conditions;

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 SLF, Sun Life Assurance and the Trust represented to the Decision Makers that:

SLF

1. SLF is a holding company incorporated under the *Insurance Companies Act* (the "ICA"), is a reporting issuer or equivalent under the Legislation and to the best of its knowledge is not in default of any requirement of the Legislation.

2. The authorized capital of SLF consists of an unlimited number of common shares ("SLF Common Shares"), an unlimited number of Class A Shares, issuable in series and an unlimited number of Class B shares, issuable in series. As at January 31, 2002, the only shares outstanding were the SLF Common Shares, of which 431,708,287 were outstanding.

3. The SLF Common Shares are listed and posted for trading on the Toronto, New York, London and Philippines stock exchanges.

Sun Life Assurance

4. Sun Life Assurance is a Canadian insurance company incorporated under the ICA, is a reporting issuer or equivalent under the Legislation, excluding the securities legislation of British Columbia, Manitoba and Newfoundland and is eligible to use the short form prospectus system in British Columbia, Manitoba and Newfoundland pursuant to National Instrument 44-101 and to the best of its knowledge is not in default of any requirement of the Legislation.

5. The authorized share capital of Sun Life Assurance consists of an unlimited number of common shares (the "SLA Common Shares"), an unlimited number of Class A Shares (including the SLA Preferred Shares Series Y and SLA Preferred Shares Series Z, each as defined below), 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 at January, 31, 2001, the only shares of Sun Life Assurance outstanding were 400,148,005 SLA Common Shares and 40,000 Class B Non-Cumulative Preferred Shares Series A. All of the outstanding SLA Common Shares and Class B Non-Cumulative Preferred Shares Series A are owned by SLF.

Sun Life Capital Trust

6. The Trust is an open-end trust established under the laws of the Province of Ontario by The Canada Trust Company ("Trustee"), as trustee, pursuant to a declaration of trust made as of August 9, 2001, as amended and restated on October 19, 2001 (the "Declaration of Trust").

7. The beneficial interests of the Trust are divided into two classes of units, issuable in series, designated as Sun Life ExchangEable Capital Securities ("SLEECS") and Special Trust Securities ("Special Trust Securities" and, collectively with SLEECS, "Trust Securities"). The Special Trust Securities are held in their entirety by Sun Life Assurance.

8. The Trust was established solely for the purpose of effecting the Offering (as defined below) and possible future offerings of securities in order to provide Sun Life Assurance (and indirectly, SLF) with a cost effective means of raising capital for Canadian insurance company regulatory purposes. The Trust does not and will not carry on any operating activity other than in connection with the Offering and any future offerings.

9. The Trust became a reporting issuer, or the equivalent, in each of the Jurisdictions upon the filing of a final prospectus dated October 11, 2001 in connection with the Offering (the "Prospectus") and the issuance of a final MRRS Decision Document dated October 12, 2001 in relation to the Prospectus.

SLEECS

10. The Trust has distributed SLEECS - Series A in the Jurisdictions under the Prospectus (the "Offering"). The Prospectus also qualifies certain other related securities for distribution in the Jurisdictions, including the Conversion Right which will allow the Trust to satisfy the Holder Exchange Right and the Automatic Exchange Right (each as defined below).

11. The SLEECS are listed on the Toronto Stock Exchange.

12. The Trust has also issued 2,000 Special Trust Securities to Sun Life Assurance in connection with the Offering.

13. The business objective of the Trust is to acquire and hold a debenture, issued by Sun Life Assurance (the "Sun Life Debenture"), which will generate income for distribution to holders of the Trust Securities.

14. Subject to paragraph 15, each SLEECS entitles the holder ("SLEECS Holders") to receive a fixed cash distribution (a "Distribution") payable by the Trust on the last day of June and December of each year (each such day, a "Distribution Date" and each period from the Distribution Date to but excluding the next Distribution Date a "Distribution Period").

15. SLEECS Holders are not entitled to receive Distributions in respect of a particular Distribution Date if Sun Life Assurance has not declared regular cash dividends on its preferred shares in the three month period immediately prior to the commencement of the Distribution Period ending on the day preceding that Distribution Date.

16. Pursuant to the share exchange agreement entered into by SLF, Sun Life Assurance, the Trust and the Exchange Trustee, SLF and Sun Life Assurance have agreed, for the benefit of the holders of SLEECS, that, in the event the Trust fails, on any Distribution Date, to pay in full Distributions on the SLEECS to which the SLEECS Holders are entitled, (i) Sun Life Assurance will not pay dividends of any kind on its preferred shares, and (ii) if Sun Life Assurance does not have any preferred shares outstanding, SLF will not pay dividends of any kind on its preferred shares or the SLF Common Shares, in each case, until a specific period of time has elapsed, unless the Trust first pays such Distribution (or the unpaid portion thereof) to SLEECS Holders ("Dividend Stopper Undertaking").

17. Upon the occurrence of certain adverse tax events or events relating to the treatment of SLEECS for capital purposes, subject to regulatory approval and on not less than 30 nor more than 90 days' prior written notice, SLEECS will be redeemable, at the option of the Trust and with the approval of the Superintendent of Financial Institutions (Canada) (the "Superintendent"), in whole (but not in part) for a cash amount.

18. On December 31, 2006 and on any subsequent Distribution Date, subject to regulatory approval and on not less than 30 nor more than 60 days' prior written notice, the SLEECS will be redeemable in whole or in part for a cash amount, at the option of the Trust and subject to the approval of the Superintendent.

19. Holders of SLEECS will have the right (the "Holder Exchange Right"), at any time, to surrender all or part of their SLEECS to the Trust at a price for each SLEECS equal to 40 Non-Cumulative Preferred Shares Series Z of Sun Life Assurance ("SLA Preferred Shares Series Z").

20. Each SLEECS will be exchanged automatically (the "Automatic Exchange") without the consent of the holder, for 40 Non-Cumulative Preferred Shares Series Y of Sun Life Assurance ("SLA Preferred Shares Series Y") if: (i) an application for a winding-up order in respect of Sun Life Assurance pursuant to the *Winding-up and Restructuring Act* (Canada) (the "Winding-up Act") is filed by the Attorney General of Canada or a winding-up order in respect of Sun Life Assurance pursuant to the Winding-up Act is granted by a court; (ii) the Superintendent advises Sun Life Assurance in writing that the Superintendent has taken control of Sun Life Assurance or its assets pursuant to the ICA; (iii) the Superintendent advises Sun Life Assurance in writing that Sun Life Assurance has a net Tier 1 capital ratio of less than 75% or an MCCSR ratio of less than 120%; (iv) the board of directors of Sun Life Assurance advises the Superintendent in writing that Sun Life Assurance has a net Tier 1 capital ratio of less than 75% or an MCCSR ratio of less than 120%; or (v) the Superintendent directs Sun Life Assurance pursuant to the ICA to increase its capital or to provide additional liquidity and Sun Life Assurance elects to cause the exchange as a consequence of the issuance of such direction or Sun Life Assurance does not comply with such direction to the satisfaction of the Superintendent within the time specified.

21. The Holder Exchange Right and the Automatic Exchange will be effected through the right to convert the whole or a part of the Sun Life Debenture into SLA Preferred Shares Series Z and SLA Preferred Shares Series Y, respectively (the "Conversion Right"). Upon the exercise of the Holder Exchange Right or the Automatic Exchange, the Trust will convert the corresponding principal amount of the Sun Life Debenture into SLA Preferred Shares Series Z or SLA Preferred Shares Series Y, as the case may be.

22. The SLA Preferred Shares Series Y and the SLA Preferred Shares Series Z will be redeemable after specified dates, at the option of Sun Life Assurance and subject to regulatory approvals, by the payment of a cash amount or by the delivery of SLF Common Shares.

23. Beginning on June 30, 2012, the SLA Preferred Shares Series Y and SLA Preferred Shares Series Z will be exchangeable, at the option of the holder, into SLF Common Shares, except under certain circumstances.

24. As set forth in the Declaration of Trust, SLEECS are non-voting except in certain limited

circumstances and Special Trust Securities entitle the holders to vote.

25. Except to the extent that the Distributions are payable to SLEECS Holders and, other than in the event of termination of the Trust (as set forth in the Declaration of Trust), SLEECS Holders have no claim or entitlement to the income of the Trust or the assets held by the Trust.

26. In certain circumstances (as described in paragraph 20 above), including at a time when Sun Life Assurance's financial condition is deteriorating or proceedings for the winding-up of Sun Life Assurance have been commenced, the SLEECS will be automatically exchanged for SLA Preferred Shares Series Y without the consent of SLEECS Holders. As a result, SLEECS Holders will have no claim or entitlement to the assets held by the Trust, other than indirectly in their capacity as preferred shareholders of Sun Life Assurance.

27. SLEECS Holders may not take any action to terminate the Trust.

28. The Trust has not requested relief for the purposes of filing a short form prospectus pursuant to National Instrument 44-101 -- Short Form Prospectus Distributions ("NI 44-101") (including, without limitation, any relief which would allow the Trust to use Sun Life Assurance's AIF as a current AIF of the Trust) and no such relief is provided by this Decision Document from any of the requirements of NI 44-101.

29. Because of the terms of the Trust, the return to a SLEECS Holder depends upon the financial condition of SLF and Sun Life Assurance and not that of the Trust.

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

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

THE DECISION of the Decision Makers under the Legislation is that the requirement contained in the Legislation:

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

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

(c) to file an Annual Report and an information circular with the Decision Maker in Quebec and deliver such report or information circular to holders of Trust Securities resident in Quebec;

shall not apply to the Trust for so long as:

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

(ii) Sun Life Assurance remains a reporting issuer under the Legislation, excluding the securities legislation of British Columbia, Manitoba and Newfoundland;

(iii) Sun Life Assurance remains eligible to use the short form prospectus system in British Columbia, Manitoba and Newfoundland under National Instrument 44-101;

(iv) SLF and Sun Life Assurance file with the Decision Makers, in electronic format under the Trust's SEDAR profile, the documents listed in clauses (a) to (c) above of this Decision, at the same time as they are required under the Legislation to be filed by SLF and Sun Life Assurance;

(v) the Trust pays all filing fees that would otherwise be payable by the Trust in connection with the filing of the documents referred to in clauses (a) to (c) above of this Decision;

(vi) SLF and Sun Life Assurance sends their Financial Statements to holders of Trust Securities, and their Annual Report to holders of Trust Securities resident in the Province of Quebec at the same time and in the same manner as if the holders of Trust Securities were holders of SLF Common Shares or SLA Common Shares;

(vii) all outstanding securities of the Trust are either SLEECS or Special Trust Securities;

(viii) the rights and obligations of holders of additional series of SLEECS are the same in all material respects as the rights and obligations of the holders of SLEECS - Series A at the date hereof; and

(ix) all issued and outstanding Special Trust Securities continue to be directly or indirectly owned by SLF;

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

March 14, 2002.
"Paul M Moore" "Mary Theresa McLeod"

AND THE FURTHER DECISION of the Decision Makers in Ontario, Quebec and Saskatchewan is that the AIF and MD&A Requirements shall not apply to the Trust for so long as:

(i) the conditions set out in clauses (i), (ii), (iii), (vii), (viii) and (ix) of the Decision above are complied with;

(ii) SLF and Sun Life Assurance file their AIF and annual and interim MD&A with the Decision Makers, in electronic format under the Trust's SEDAR profile at the same time as they are required under the Legislation to be filed by SLF and Sun Life Assurance;

(iii) the Trust pays all filing fees that would otherwise be payable by the Trust in connection with the filing of the documents referred to in clause (ii) above of this decision;

(iv) SLF and Sun Life Assurance send their annual and interim MD&A to holders of Trust Securities at the same time and in the same manner as if the holders of Trust Securities were holders of SLF Common Shares or SLA Common Shares;

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

March 14, 2002.

"John Hughes"

2.1.3 Chapters Online Inc. - 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 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
CHAPTERS ONLINE INC.

MRRS DECISION DOCUMENT

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

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

AND WHEREAS Chapters Online has represented to the Decision Makers that:

1. Chapters Online was incorporated under the *Business Corporations Act* (New Brunswick) on July 23, 1999, is continued under the *Business Corporations Act* (Ontario), and is a reporting issuer in each of the Jurisdictions.

2. Chapters Online is not in default of any of the requirements of the Legislation, other than its failure to file and deliver its interim financial statements as at, and for the financial periods ended, September 30, 2001, and December 31, 2001.

3. Chapters Online's head office is located in Toronto, Ontario.

4. Chapters Online does not intend to seek public financing by way of an offering of its securities.

5. The authorized capital of Chapters Online consists of an unlimited number of common shares (the "Common Shares") of which one Common Share is issued and outstanding.

6. On October 26, 2001, Indigo Books & Music Inc. ("Indigo") acquired all the issued and outstanding securities of Chapters Online. Indigo currently owns all of the issued and outstanding securities of Chapters Online.

7. The Common Shares were delisted from The Toronto Stock Exchange effective November 12, 2001 and no securities, including debt securities, of Chapters Online are listed or quoted on any stock exchange or market.

8. Other than the Common Shares, Chapters Online has no other 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 Chapters Online is deemed to have ceased to be a reporting issuer under the Legislation.

March 20, 2002.

"John Hughes"

2.1.4 Foremost Industries Inc. - MRRS Decision

Headnote

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

Applicable Alberta Statutory Provisions

Securities Act, R.S.A., 2000, c. S-4, s. 153

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

AND

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

AND

IN THE MATTER OF
FOREMOST INDUSTRIES INC.

MRRS DECISION DOCUMENT

1. **WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in Alberta, Ontario, and Québec (the "Jurisdictions") has received an application from Foremost Industries Inc. ("Foremost") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that Foremost 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** Foremost has represented to the Decision Makers that:

   3.1 Foremost was formed under the *Companies Act* (Alberta) on August 1, 1966 under the name Agratec Industries Ltd. ("Agratec") by way of an amalgamation of four affiliated companies;

   3.2 upon receiving a receipt for its prospectus, Agratec became a reporting issuer in the Jurisdictions on May 3, 1968;

   3.3 in November 1970, Agratec merged with Foremost Developments Ltd., and

thereafter changed its name to Foremost International Industries Ltd. (“Foremost International”);

3.4 on August 29, 1978, the common shares of Foremost International were listed on The Toronto Stock Exchange (the "TSE");

3.5 on June 1, 1994, Foremost International changed its name to Foremost Industries Inc.;

3.6 on October 28, 1994, Foremost Industries Inc. amalgamated with Johnny Mountain Processing Co. Ltd. to form Foremost Industries Inc.;

3.7 under an arrangement agreement dated November 14, 2001 between Foremost Industries Inc., Foremost Acquisition Corp. ("Acquisitionco"), 849192 Alberta Ltd. ("Subco") and Foremost Industries Income Fund, the parties agreed, among other things, to take all reasonable action necessary to give effect to a plan of arrangement (the "Arrangement") under the *Business Corporations Act* (Alberta) (the "ABCA") in order to reorganize the affairs of Foremost Industries Inc. to create a trust structure;

3.8 at the special meeting of shareholders and optionholders of Foremost Industries Inc. held on December 18, 2001, the shareholders and optionholders approved the Arrangement;

3.9 the Arrangement was approved by final order of the Court of Queen's Bench of Alberta on December 18, 2001, and, on the filing of Articles of Arrangement under the ABCA, the Arrangement was made effective on December 27, 2001;

3.10 under the Arrangement, Foremost Industries Inc., and Acquisitionco amalgamated as of December 27, 2001 and on December 28, 2001, the continuing corporation amalgamated (the “Amalgamation”) with Subco and continued under the name Foremost Industries Inc.;

3.11 Foremost’s head office is located in Calgary, Alberta;

3.12 Foremost is a reporting issuer in the Jurisdictions and became a reporting issuer under the Legislation as a result of the Amalgamation;

3.13 Foremost is not in default of any of the requirements of the Legislation;

3.14 the authorized capital of Foremost consists of an unlimited number of common shares (the “Common Shares”) of which there were 10 Common Shares outstanding as of December 31, 2001;

3.15 as a result of the Arrangement and Amalgamation, Foremost Holdings Trust became, and is currently, the sole security holder of Foremost;

3.16 the Common Shares were delisted from the TSE on December 31, 2001 and no securities of Foremost are listed or quoted on any exchange or market;

3.17 other than the outstanding Common Shares, Foremost has no securities, including debt securities, outstanding; and

3.18 Foremost 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 Foremost is deemed to have ceased to be reporting issuer under the Legislation.

February 27, 2002.

“Patricia M. Johnston”

2.1.5 Goldlist Properties Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - as a result of an offer to purchase all of the outstanding common shares and the subsequent acquisition procedures of the OBCA, issuer has only one beneficial security holder - issuer deemed to have ceased to be a reporting issuer.

Subsection 1(6) of the OBCA - issuer deemed to have ceased to be offering its securities to the public under the Business Corporations Act (Ontario).

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., ss.1(1), 6(3) and 83.

Business Corporations Act, R.S.O. 1990, c.B.16, as am., s.1(6).

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
GOLDLIST PROPERTIES INC.

MRRS DECISION DOCUMENT

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 Goldlist Properties Inc. (the "**Filer**") for:

(i) 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

(ii) in Ontario only, an order pursuant to the *Business Corporations Act* (Ontario) (the "**OBCA**") that the Filer be deemed to have ceased to be offering its securities to the public;

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. The Filer is a corporation amalgamated under the OBCA, is a reporting issuer in each of the Jurisdictions, and is not in default of any of the requirements of the Legislation.

2. The head office of the Filer is located in Ontario.

3. The Filer does not currently intend to seek public financing by way of an issue of securities.

4. The authorized capital of the Filer consists of an unlimited number of common shares (the "**Shares**"), of which 10,111,950 Shares are issued and outstanding and an unlimited number of preference shares ("**Preference Shares**") issuable in series, of which no Preference Shares are issued and outstanding.

5. On November 26, 2001 Acktion Corporation ("**Acktion**") made a formal offer (the "**Offer**") to purchase all of the outstanding Shares, other than Shares held by Acktion and its affiliates, for a purchase price of $14.50 per Share, consisting of $7.25 cash and $7.25 evidenced by a four-year 6.00% Senior note of Acktion, upon the terms and conditions set forth in an Offer and accompanying circular of Acktion dated November 26, 2001.

6. 3,104,572 Shares, representing approximately 30.7% of the outstanding Shares not already owned by Acktion, were validly deposited and taken-up and paid for by the Filer.

7. On February 14, 2002 Acktion had satisfied the mandatory requirements under section 188 of the OBCA to effect the compulsory acquisition of the Shares not deposited pursuant to the terms of the Offer, and as a result Acktion became the sole shareholder of the Filer.

8. As a result of the Offer and the subsequent compulsory acquisition procedures, Acktion owns all of the Filer's outstanding securities.

9. The Shares were delisted from The Toronto Stock Exchange on January 31, 2002 and no securities of the Filer, including debt securities, are listed or quoted on any exchange or market.

10. Other than the Shares, the Filer has no securities, including debt securities, outstanding.

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

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

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

March 21, 2002.

"John Hughes"

AND IT IS HEREBY ORDERED by the Ontario Securities Commission pursuant to subsection 1(6) of the OBCA, that the Filer is deemed to have ceased to be offering its securities to the public for the purposes of the OBCA.

March 21, 2002.

"Paul Moore" "Robert W. Korthals"

2.1.6 Capital Canada Limited - Exemption s. 4.1 of OSC Rule 31-507

Headnote

Rule 31-507 - Section 4.1 extension of time frame in which to become a SRO member - registrant working diligently with IDA to complete application.

Rule Cited

OSC Rule 31-507 - SRO Membership - Securities Dealers and Brokers

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

AND

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

AND

IN THE MATTER OF
CAPITAL CANADA LIMITED

EXEMPTION
(Section 4.1 of OSC Rule 31-507)

WHEREAS Capital Canada Limited ("Capital Canada") received a decision (the "Original Decision") on December 27, 2001 from the Director pursuant to section 4.1 of the Rule which exempted Capital Canada from the requirement of the Rule to be a member of a self-regulatory organization ("SRO") recognized by the Ontario Securities Commission (the "Commission") under section 21.1 of the Act ("Recognized SRO") until March 31, 2002;

AND WHEREAS Capital Canada has applied (the "Application") to the Director to have the exemption in the Original Order extended from March 31, 2002 to May 31, 2002;

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

AND UPON Capital Canada having represented to the Director that:

1. Capital Canada is a corporation incorporated under the Business Corporations Act (Ontario) and is not a reporting issuer in any of the provinces or territories of Canada or in any other jurisdiction.

2. Capital Canada is registered under the Act in the category of "securities dealer".

3. Capital Canada has entered into an agreement with the controlling shareholders of a public company (the "Offeror") in respect of their offer (the "Offer") to acquire all of the outstanding shares of the company not currently owned or controlled by the Offeror or its associates. Capital Canada will be providing financial advice to the Offeror and acting as soliciting dealer in respect of the Offer.

4. At the time of the granting of the Original Decision Capital Canada expected the Offer would be made by mid-January 2002. Due to circumstances beyond the control of Capital Canada the closing of the Offer was moved to April 15, 2002.

5. Capital Canada requires the exemption under the Original Decision to be granted until May 31, 2002 in order to allow Capital Canada to complete its obligations in connection with the Offer.

6. Capital Canada is not carrying on any activities that require registration as a dealer under the Act except in respect of the Offer.

7. Capital Canada has no current intention of becoming a member of a Recognized SRO or of seeking a renewal of its registration as a securities dealer beyond May 31, 2002.

IT IS THE DECISION OF THE DIRECTOR, pursuant to section 4.1 of the Rule, that the exemption provided in the Original Decision will terminate on May 31, 2002 instead of March 31, 2002.

March 28, 2002.

"David M. Gilkes"

2.1.7 Standard Life Money Market Fund, et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Extension of the date by which a final receipt must be issued for the renewal prospectus in order to allow for incorporation of disclosure of a reorganization.

Statutes Cited

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

IN THE MATTER OF
THE CANADIAN SECURITIES LEGISLATION OF
ALBERTA, BRITISH COLUMBIA, MANITOBA,
NEWFOUNDLAND & LABRADOR, NOVA SCOTIA,
QUÉBEC, ONTARIO, PRINCE EDWARD ISLAND,
SASKATCHEWAN AND YUKON TERRITORY

AND

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

AND

IN THE MATTER OF
STANDARD LIFE MONEY MARKET FUND
STANDARD LIFE BOND FUND
STANDARD LIFE CORPORATE HIGH YIELD BOND FUND
STANDARD LIFE INTERNATIONAL BOND FUND
STANDARD LIFE BALANCED FUND
STANDARD LIFE ACTIVE GLOBAL DIVERSIFIED INDEX RSP FUND
STANDARD LIFE CANADIAN DIVIDEND FUND
STANDARD LIFE EQUITY FUND
STANDARD LIFE GROWTH EQUITY FUND
STANDARD LIFE U.S. EQUITY FUND
STANDARD LIFE S&P 500® INDEX RSP FUND
STANDARD LIFE ACTIVE U.S. INDEX RSP FUND
STANDARD LIFE INTERNATIONAL EQUITY FUND
STANDARD LIFE ACTIVE GLOBAL INDEX RSP FUND
STANDARD LIFE CANADIAN HEALTHCARE & TECHNOLOGY FUND
STANDARD LIFE NATURAL RESOURCE FUND

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Manitoba, Newfoundland, Nova Scotia, Quebec, Ontario, Prince Edward Island, Saskatchewan and Yukon Territory (the "Jurisdictions") have received an application from Standard Life Mutual Funds Ltd. ("SLMF"), the manager of Standard Life Money Market Fund, Standard Life Bond Fund, Standard Life Corporate High Yield Bond Fund, Standard Life International Bond Fund, Standard Life Balanced Fund, Standard Life Active Global Diversified Index RSP Fund, Standard Life Canadian Dividend Fund, Standard Life Equity Fund, Standard Life Growth Equity Fund, Standard Life U.S. Equity Fund, Standard Life S&P 500® Index RSP Fund, Standard Life Active U.S. Index RSP Fund, Standard Life International Equity Fund, Standard Life Active Global Index RSP Fund, Standard Life Canadian Healthcare & Technology Fund, Standard Life Natural Resource Fund (the "Funds"), for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the times prescribed by the Legislation for the filing of a final prospectus (the "Renewal Prospectus") of the Funds and for obtaining a receipt for the Renewal Prospectus be extended to the time periods that would be applicable if the lapse date for distribution of these units pursuant to that current prospectus was June 25, 2002;

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

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

- The Funds are open-ended, unincorporated mutual fund trust established under a declaration of trust by Standard Life Trust Company dated October 1, 1992 as amended from time to time and are governed by the laws of the province of Ontario.

- SLMF is the manager of the Funds. SLMF is a corporation incorporated under *Canada Business Corporations Act*.

- Standard Life Trust Company is the trustee and custodian of the Funds. Standard Life Trust Company is a corporation incorporated under the *Trust and Loans Companies Act of Canada*.

- SLMF has appointed Standard Life Investment Inc. as the investment advisor of the Funds. Standard Life Investment Inc. is a corporation incorporated under *Canada Business Corporations Act*.

- SLMF and Standard Life Trust Company are wholly-owned subsidiaries of The Standard Life Assurance Company. Standard Life Investment Inc. is an indirect wholly-owned subsidiary of The Standard Life Assurance Company.

- The Funds are reporting issuers under the Legislation and are not in default of any requirement of the Legislation.

- Units of the Funds are offered for sale on a continuous basis in each of the provinces and territories of Canada except the Nunavut Territory pursuant to a simplified prospectus (the "Prospectus") and annual information form each dated May 23, 2001 and for which a decision document was issued by the Commission des valeurs mobilières du Québec on behalf of the Jurisdictions on May 25, 2001.

- Pursuant to the Legislation of the Jurisdictions except Ontario and Quebec, the lapse date for the distribution of units of the Funds under the Prospectus is May 23, 2002. The lapse date for the distribution of units under the Prospectus in Ontario and Quebec is May 25, 2002.

In addition to the Funds, SLMF is the manager of ten additional mutual funds known as the Legend Money Market Pool, Legend Bond Pool, Legend Global Income Pool, Legend Canadian Dividend Pool, Legend Canadian Equity Pool, Legend U.S. Equity Pool, Legend U.S. Growth Equity Pool, Legend Global Equity Pool, Legend G7 Equity Pool and Legend European Equity Pool (the "Legend Funds"). The Legends Funds are offered in each of the Jurisdictions under a simplified prospectus and annual information form each dated December 17, 2001 for which a decision document was issued by the Commission des valeurs mobilières du Québec on behalf of the Jurisdictions on December 19, 2001.

The Funds and the Legend Funds have similar management structures under which SLMF is the manager, Standard Life Investment Inc. is the investment advisor and Standard Life Trust Company is the trustee and custodian.

SLMF proposes to reorganise most of the Legend Funds into certain of the Funds which have similar evaluation methods and will have similar fundamental objectives following the unitholders meeting.

In addition, SLMF also proposes to reorganise the Legend G7 Equity Pool into the Legend Global Equity Pool.

The fee structure between the Funds and the Legend Funds differ as follows:

(i) the Funds' structure provides for a management fee rebate;

(ii) the operating expenses are always paid out of the management fee in the Legend Funds structure, whereas the Funds provide that the manager or The Standard Life Assurance Company may absorb operating expenses;

(iii) there are no sales charges payable upon buying, switching or redeeming units of the Legend Funds; and

(iv) the Legend Funds provide for a professional services fee.

It is expected that the fees structure of the Series L units to be created under the Funds will be similar to the Legend Funds fee structure. Thus, there would be no impact to unitholders as they would now own Series L units of the Funds with the same fees as before the reorganisations.

Terminating Funds	Continuing Funds
Legend Money Market Pool	Standard Life Money Market Fund
Legend Canadian Bond Pool	Standard Life Bond Fund
Legend Global Income Pool	Standard Life International Bond Fund
Legend Canadian Dividend Pool	Standard Life Canadian Dividend Fund
Legend Canadian Equity Pool	Standard Life Equity Fund
Legend US Equity Pool	Standard Life US Equity Fund
Legend G7 Equity Pool	Legend Global Equity Pool

In the process of effecting these reorganisations, the declaration of trust of certain merging funds will be amended to change their investment strategies, and, in certain cases, investment objectives.

Concurrently with the reorganisations, SLMF will arrange to create new series of units within most SLMF Funds continuing after the reorganisations and to change the names of eleven of them.

SLMF proposes to file a preliminary and pro-forma prospectus and an annual information form within the time delays of the current lapse date.

SLMF will also call a meeting of the unitholders of each Terminating Funds and each Funds for which fundamental investment objectives will be changed.

SLMF will also file at the time of sending the proxy material for such meetings, amendments to the prospectuses of the Legend Funds and the Funds and a press release discussing the proposed reorganisations.

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

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

THE DECISION of the Decision Maker pursuant to the Legislation is that the time limits provided by the Legislation for the filing of the Renewal Prospectus and the receipting thereof, in connection with the distribution of securities under the Prospectus are hereby extended to the times that would be applicable if the lapse date for the distribution of securities under the Renewal Prospectus was June 25, 2002 provided that :

- the Funds file their pro forma prospectus no later than April 23, 2002.

March 14, 2002.

"Jean-François Bernier"

2.1.8 Bloomberg Tradebook LLC and Bloomberg Tradebook Canada Company - MRRS Decision

Headnote

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

IN THE MATTER OF

NATIONAL INSTRUMENT 21-101 MARKETPLACE OPERATION
AND NATIONAL INSTRUMENT 23-101 TRADING RULES

AND

IN THE MATTER OF

THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
BLOOMBERG TRADEBOOK LLC AND
BLOOMBERG TRADEBOOK CANADA COMPANY

MRRS DECISION DOCUMENT

WHEREAS the securities regulatory authority or regulator in each of the Provinces of British Columbia, Alberta, Ontario and Quebec (each, a "Decision Maker") has received an application from Bloomberg Tradebook LLC ("Tradebook LLC") for a decision under section 15.1 of National Instrument 21-101 Marketplace Operation and section 12.1 of National Instrument 23-101 Trading Rules that the requirement to comply with National Instrument 21-101 Marketplace Operation and National Instrument 23-101 Trading Rules (together, the "ATS Rules") does not apply to Bloomberg Tradebook LLC ("Tradebook LLC") until the earlier of July 1, 2002 and the date on which Bloomberg Tradebook Canada Company ("Bloomberg Tradebook Canada") is in a position to comply with all of the requirements of the ATS Rules;

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

AND WHEREAS Tradebook LLC and Bloomberg Tradebook Canada have represented to the Decision Makers that:

1. Tradebook LLC was formed under the laws of the State of Delaware on March 28, 1996 and is registered as an international dealer under the Securities Act (Ontario) and as a securities dealer under the Securities Act (British Columbia). Tradebook LLC's members are Bloomberg L.P., as to a 99% membership interest, and Bloomberg T-Book, Inc., as to a 1% membership interest. Bloomberg L.P. is a Delaware limited partnership and Bloomberg T-Book, Inc. is a Delaware corporation.

2. Bloomberg Tradebook Canada is a Nova Scotia unlimited liability company incorporated on February 15, 2001 and is 100% owned by Bloomberg Canada LLC, a Delaware limited liability company, formed on February 1, 2001. Bloomberg Canada LLC is 100% owned by Bloomberg L.P.

3. Tradebook LLC markets and operates the Bloomberg Tradebook System, an electronic trading system in equity and fixed income securities. Although approximately 90% of its activity is limited to order-routing, it does have an internal order-matching facility which constitutes it as an alternative trading system under the ATS Rules. Tradebook LLC offers the Bloomberg Tradebook System to institutional investors, brokers and dealers located in the Provinces of Ontario, British Columbia, Quebec and Alberta.

4. Following the publication of the ATS Rules on August 17, 2001, Bloomberg Tradebook Canada initiated proceedings to obtain membership in the Investment Dealers' Association of Canada (the "IDA") and registration as an investment dealer in order to comply with the requirements of the ATS Rules. Bloomberg Tradebook Canada will assume from Tradebook LLC the responsibility for offering the Bloomberg Tradebook System to Canadian brokers, dealers and institutional investors as soon as it obtains such registrations and membership and is able to comply with the other requirements of the ATS Rules.

5. Bloomberg Tradebook Canada filed its application material with the Toronto office of the IDA in October, 2001. Bloomberg Tradebook Canada continues to diligently pursue satisfaction of IDA membership requirements. Bloomberg Tradebook Canada has also applied for registration as an investment dealer in the Provinces of Ontario, Quebec, British Columbia and Alberta.

6. On December 21, 2001, Bloomberg Tradebook Canada filed Form 21-101F2 (Initial Operations Report) with the securities regulatory authorities in British Columbia, Alberta, Ontario and Quebec.

7. Tradebook LLC and Bloomberg Tradebook Canada are diligently pursuing satisfaction of the other requirements of the ATS Rules and have had on-going discussions with staff of the Ontario Securities Commission regarding compliance and related issues under the ATS Rules.

8. In connection with its international dealer registration, Tradebook LLC is required to comply

with certain terms and condition of registration, including a restriction on categories of clients. Tradebook LLC restricts its clients in British Columbia and will continue to restrict its clients in British Columbia to such categories of clients as are permitted under its international dealer registration.

9. The ATS Rules came into force on December 1, 2001. On December 1, 2001, the securities regulatory authority in each of the provinces of British Columbia, Alberta, Ontario and Quebec granted Tradebook LLC an exemption from the requirements of the ATS Rules until the earlier of April 1, 2002 and the date on which Bloomberg Tradebook Canada is in a position to comply with all of the requirements of the ATS Rules.

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

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

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

April 3, 2002.

"Randee P. Pavalow"

2.2 Orders

2.2.1 Hornet Energy Ltd. - s. 83

Headnote

Issuer deemed to have ceased to be reporting issuer under Section 83 of the Securities Act - Issuer has one beneficial security holder.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 1(1), 6(3) and 83.

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

AND

IN THE MATTER OF
HORNET ENERGY LTD.

ORDER
(SECTION 83)

WHEREAS the Ontario Securities Commission (the "**Commission**") has received an application from Hornet Energy Ltd. ("**Hornet**") for an order under section 83 of the Act that Hornet be deemed to have ceased to be a reporting issuer under the Act;

AND WHEREAS it is being represented to the Commission that:

1. Hornet was incorporated under the *Canada Business Corporations Act* (the "**CBCA**") on April 25, 1989, as 167814 Canada Inc. On July 7, 1999 Hornet filed a Certificate of Amendment to change its name to Hornet Energy Ltd.

2. The head office of the Corporation is located in Calgary, Alberta.

3. Hornet has been deemed to have ceased to be a reporting issuer in the provinces of British Columbia pursuant to BC Instrument 11–502 on October 11, 2001, and in Alberta and Quebec pursuant to an MRRS Decision Document dated October 18, 2001.

4. Hornet is a reporting issuer in the province of Ontario and is not in default of any requirements of the Act, other than its failure to file interim financial statements for the financial periods ended June 30, 2001 and September 30, 2001. Common shares in the capital of Hornet (the "**Hornet Shares**") were listed for trading on The Toronto Stock Exchange, and subsequently were delisted on August 3, 2001. There are currently no securities of Hornet listed on any stock exchange or traded over the counter in Canada or elsewhere.

5. The authorized capital of Hornet consists of an unlimited number of Hornet Shares, of which 14,549,685 Hornet Shares were issued and outstanding as of August 30, 2001.

6. Pursuant to an offer to purchase and take-over bid circular dated June 6, 2001 (the "**Offer**"), Compton Petroleum Acquisition Corporation, ("**Compton**"), a wholly owned subsidiary of Compton Petroleum Corporation, offered to purchase all of the issued and outstanding Hornet Shares. Upon the expiry of the Offer, holders of approximately 91% of the Hornet Shares had accepted the Offer and on July 16, 2001, Compton took up and paid for all such Hornet Shares as were deposited under the Offer.

7. By a notice dated July 26, 2001, Compton acquired all of the remaining Hornet Shares pursuant to the compulsory acquisition provisions of the CBCA.

8. As a result of the Offer and the completion of the compulsory acquisition, Compton is the sole beneficial security holder of Hornet.

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

10. It is not the present intention of Hornet to seek public financing by way of an offering of securities.

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

IT IS ORDERED, pursuant to section 83 of the Act, that Hornet is deemed to have ceased to be a reporting issuer under the Act.

April 1, 2002.

"John Hughes"

2.2.2 Barclays Global Investors Canada Limited - ss. 59(1) of Schedule I to the Regulation

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

AND

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

AND

IN THE MATTER OF
BGICL ex BBB UNIVERSE BOND INDEX FUND
AND
BARCLAYS GLOBAL INVESTORS CANADA LIMITED

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

UPON the application of Barclays Global Investors Canada Limited ("Barclays") and BGICL ex BBB Universe Bond Index Fund ("NewFund"), an open-end fund to be established by Barclays, to the Ontario Securities Commission (the "Commission") for an order pursuant to subsection 59(1) of Schedule I (the "Schedule") to the Regulation made under the Act that certain trades in units of NewFund ("NewFund Units") be exempt from fees payable pursuant to section 7.7 of OSC Rule 45-501 Exempt Distributions ("Rule 45-501") in connection with the distribution of NewFund Units to unitholders of NewFund who acquired the NewFund Units on the reorganization of the BGICL Universe Bond Index Fund (the "Fund")'

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

AND UPON Barclays having represented to the Commission that:

1. The Fund is a trust established under the laws of Ontario, with Barclays as the manager. NewFund will be a trust established under the laws of Ontario, with Barclays as the manager. Barclays' head office is located in Toronto, Ontario.

2. Barclays is registered in all provinces and territories, other than the Yukon Territory, as an advisor in the categories of portfolio manager and investment counsel (or the equivalent categories of registration) under the legislation of such jurisdictions.

3. The investment objective of the Fund is to track the Scotia Capital Universe Bond Index (the "SCU Bond Index").

4. At the time the Fund was organized, while the SCU Bond Index included bonds with a rating by Dominion Bond Rating Service ("DBRS") of BBB or higher, there were few BBB rated bonds in the SCU Bond Index and the risk and spreads were such that many funds, including the Fund, did not include the BBB rated bonds in their portfolios. As a result, the Fund has only invested in bonds with a rating by DBRS of A or higher.

5. The SCU Bond Index has been amended so that BBB rated bonds are becoming an increasingly important part of the SCU Bond Index. In order for the Fund to meet its investment objective, the Fund must now, given the increasing weight of BBB rated bonds in the SCU Bond Index, invest in BBB rated bonds, with the result that the Fund will invest on a going forward basis only in bonds with a rating by DBRS of BBB or higher.

6. Where the investment management agreement between Barclays and a unitholder of the Fund is silent with respect to bond rating or where it simply places a positive obligation on Barclays to invest in accordance with the SCU Bond Index, Barclays will give notice to the unitholder that the Fund will now invest only in bonds with a rating by DBRS of BBB or higher. Where the arrangement between Barclays and the unitholder of the Fund preclude investments in BBB rated bonds, an amendment will be sought to the investment management agreement between Barclays and the unitholder to permit investment in BBB rated bonds.

7. Certain current unitholders of the Fund, however, are precluded, for investment or regulatory reasons, from having exposure to BBB rated bonds and thus may wish to continue to hold units of a fund which invests only in bonds with a rating by DBRS of A or higher (the "Reorganized Unitholders").

8. In order to accommodate the Reorganized Unitholders, Barclays will cause NewFund to be established. NewFund will have the objective of tracking the SCU Bond Index excluding the BBB bond component and will therefore only be permitted to invest in bonds with a rating by DBRS of A or higher.

9. The Reorganized Unitholders will redeem their units of the Fund and receive a pro rata in specie distribution of the underlying portfolio assets of the Fund (the "Reorganization").

10. The Reorganized Unitholders will then immediately subscribe for NewFund Units, the subscription price of which will be satisfied by delivery to NewFund of the portfolio assets the Reorganized Unitholders received from the Fund.

11. Pursuant to section 2.12 of Rule 45-501, the trades of the units of the New Fund Units to the

Reorganized Unitholders on the Reorganization will be exempt from the prospectus requirements of the Act.

12. Pursuant to section 7.7 of Rule 45-501, fees would be payable by the NewFund on the subscriptions by the Reorganized Unitholders for units of NewFund on the Reorganization.

13. The Fund has paid all required fees to the Commission in connection with the subscriptions for units of the Fund by the Reorganized Unitholders. In the absence of the requested relief, NewFund will pay duplicate fees for the same investment by the Reorganized Unitholders.

14. No new investment decision will be made by the Reorganized Unitholders in connection with their subscription for NewFund Units pursuant to the Reorganization since, following the completion of the Reorganization, a Reorganized Unitholder's interest in NewFund's portfolio assets will be exactly the same as its interest in the Fund's portfolio assets prior to the Reorganization.

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

IT IS ORDERED, pursuant to subsection 59(1) of the Schedule that NewFund is exempt from the payment of filing fees pursuant to section 7.7 of Rule 45-501 in respect of the distribution of the NewFund Units to the Reorganized Unitholders who acquire their NewFund Units on the Reorganization.

April 2, 2002.

"Paul M. Moore" "Robert W. Davis"

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 Reasons for Decisions

3.1.1 S. Liberman & Company Ltd. - ss. 26(3)

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

AND

**IN THE MATTER OF
THE APPLICATION FOR
RENEWAL OF REGISTRATION OF
S. LIBERMAN & COMPANY LTD.**

**HEARING BEFORE THE DIRECTOR
PURSUANT TO SUBSECTION 26(3) OF THE
SECURITIES ACT**

Motion Heard:	March 6, 2002
Director:	David M. Gilkes
S. Liberman & Company Ltd.	Represented by S. Liberman
Staff of the Ontario Securities Commission:	Alexandra S. Clark, Counsel, and Kathryn J. Daniels, Counsel

DIRECTOR'S DECISION

S. Liberman & Company Ltd. ("SLCO") applied under the Securities Act (Ontario) (the "Act") for renewal of registration in the category of Investment Counsel and Portfolio Manager ("IC/PM") on December 27, 2001. In response to this application, staff of the Ontario Securities Commission (the "Commission") advised in a letter dated February 4, 2002, that it recommended that the application of SLCO for renewal of registration be denied on the grounds that SLCO had not filed audited financial statements within ninety days following its fiscal year end pursuant to s. 139, Regulation 1050 under the Act.

In staff's letter, SLCO was advised that, pursuant to subsection 26(3) of the Act, before a decision of the Director would be made in respect of its application for renewal of registration, SLCO would have a right to be heard. SLCO requested that right and a hearing was held before me on March 6, 2002, where I acted as Director pursuant to the current Determination by the Executive Director of positions within the Commission that are designated as "Director" for the purposes of the Act.

At the hearing, I received a submission from counsel for staff of the Commission. Mr. Liberman, representing SLCO, did not provide a submission, however, he noted that he had consulted with counsel previous to the hearing.

The submission from counsel for the staff of the Commission provided three reasons for denying the application of SLCO:

1. It was late in submitting its audited financial statements;

2. It was late in applying for renewal of its registration in the category of IC/PM; and

3. It was deficient in its required working capital, in accordance with the Act, as an IC/PM.

On consideration of the submission from counsel for the staff of the Commission, and given that SLCO did not provide evidence that its registration should be renewed, it appears to me that the Applicant has not met the requirements for renewal of registration.

I therefore deny the application for renewal of registration for S. Liberman & Company Ltd.
March 30th, 2002.

"David M. Gilkes"

3.1.2 Taylor Shambleau - Reasons and Decision of the Board of the Toronto Stock Exchange

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

AND

IN RESPECT OF THE REASONS AND DECISION OF THE BOARD OF THE TORONTO STOCK EXCHANGE INC.

AND

IN THE MATTER OF
TAYLOR SHAMBLEAU

Hearing: **January 30, 2002 and February 11, 2002**

Panel: **Howard I. Wetston, Q.C. - Vice-Chair**
R. Stephen Paddon, Q.C. - Commissioner
H. Lorne Morphy, Q.C. - Commissioner

Counsel:

Yvonne Chisholm	**-**	**For the Staff of the Ontario Securities Commission**
Jane Ratchford	**-**	**For the TSE Regulatory Services**
Matthew Gottlieb **Brian Radnoff** **Heidi Rubin**	**-**	**For Taylor Shambleau**

REASONS FOR DECISION AND ORDER

This is an application for a hearing and review pursuant to section 21.7 of the *Securities Act* which provides the Commission with authority to review a decision made under the by-laws of a recognized stock exchange. Staff of TSE Regulation services Inc. ("RS") are requesting a review of a decision of the Board of the Toronto Stock Exchange (the "Board") which upheld a decision of a hearing panel of the Toronto Stock Exchange (the "Hearing Panel"). The Board and the Hearing Panel ordered RS to disclose an investigation report pertaining to disciplinary proceedings being brought against Mr. Taylor Shambleau. RS argues that the Board erred and that the investigation report is irrelevant.

Background

Mr. Shambleau is alleged to have committed an infraction of section 11.26(1) of the General By-Law of the Toronto Stock Exchange. Specifically it is alleged that, while an approved person employed by Sprott Securities, Mr. Shambleau made a bid and executed a trade for the account of a customer when there was reason to believe that the intended purpose of such an action was to establish an artificial price or quotation in a listed security, or to effect a high closing price or quotation in a listed security. The complaint arises out of the investigation with respect to RT Capital Management Inc.

The Hearing Panel found the report was relevant and not privileged; *Howe v. Institute of Chartered Accountants of Ontario* (1994), 118 D.L.R. (4th) 129 (Ont. C.A.).

Privilege was not relied on in the application before us.

The Board was of the view that the Hearing Panel applied the wrong test in simply adopting the dissenting reasons of Laskin J.A. in *Howe,* supra. However, despite this error, it found that the Hearing Panel reached the correct result. The Board found that where an investigator is to give opinion evidence, the Investigation Report would be relevant to testing that opinion. It also decided that the investigation report was relevant since the accusations against Mr. Shambleau would appear to depend to some degree on what people in the securities industry would understand by instructions containing such phrases as "just before the close", "only if necessary" and "fairly late in the day". The Board stated:

> "Given that Ms. Stewart reviewed the logs and interviewed Mr. Shambleau and given that Ms. Stewart prepared the Investigation Report to enable the Exchange to decide whether to pursue proceedings against Mr. Shambleau, it appear [sic] to us reasonable to expect that the Investigation Report would contain some analysis of the significance of the words Shea used to instruct Shambleau. That analysis would be relevant to Mr. Shambleau's defence, including potentially assisting him to prepare for the cross-examination of Mr. Prior, who is to give expert opinion evidence on this subject for the Exchange."

SUBMISSIONS OF THE PARTIES

The Applicant

Ms. Ratchford, counsel for RS, submitted that the Board erred in law and proceeded on incorrect principles, and in some instances did not properly exercise its discretion. The applicant submitted that the investigation report is not relevant. In particular, RS contends that the Board erred in the following four ways.

- In stating that RS was not taking the position that "investigation reports are almost never to be produced because they are not 'fruits of the investigation' in the sense of being real evidence or notes or transcriptions of witness interviews". According to Ms. Ratchford, this is clearly an error and as such the Board proceeded on an incorrect principle.

- In not applying the principles established in several decisions of the British Columbia Securities

Commission relating to non-disclosure of investigative reports, particularly, the decision in *Re Cox*, [2001] B.C.S.D. No. 210. Ms. Ratchford submits that if the Board had included *Cox* in its analysis, it would have come to the conclusion that, where an investigator is being called as a witness, anything contained in an investigation report is irrelevant when all the underlying facts have been disclosed.

- In finding that Counsel for the Exchange conceded that where an investigator is to give opinion evidence, the Investigation Report is relevant to testing that opinion. Ms. Ratchford submits that the decision of the Board is inextricably related to its misunderstanding of an alleged concession made by RS on this point. The Board determined that this was one of the bases upon which the investigation report should be produced but, according to Ms. Ratchford, Ms. Stewart is not being qualified as an expert, therefore, her opinion is not relevant and should not result in making the underlying report relevant.

- In finding that Ms. Stewart's evidence relating to "common industry practice" may be properly characterized as opinion evidence. It is the position of RS that any statement related to "common industry practice" is a statement of fact based upon information provided by RT Capital. Even if it could be construed as opinion evidence, it is irrelevant since it is not an expert opinion. RS will be relying on Mr. Michael Prior to provide expert evidence on industry practice.

RS acknowledges that there is a requirement and duty to be fair to Mr. Shambleau. It recognizes its obligation to provide adequate disclosure but it contends that the right to disclosure is not absolute or limitless. It is the underlying facts and documents that are relevant whereas the investigator's report, to the extent that it contains opinions, or recommendations or commentary of the investigator, is not. Since RS has already disclosed all facts underlying the allegations – the "fruits of the investigation" - it submits that its obligations with respect to disclosure have been fulfilled.

The Respondent

Mr. Gottlieb, counsel for Mr. Shambleau, ably represented his client in making the following three main submissions:

- The OSC should not interfere with the decision of the Hearing Panel and the Board regarding an issue relating to its own hearings or procedures. It is only in very limited circumstances that the OSC should interfere with the decision of the TSE Board; *Security Trading Inc. and the TSE* (1994), 17 OSCB 6097; *Re Canada Malting Co.* (1986), 9 OSCB 3565.

  Although the OSC exercises supervisory jurisdiction over the TSE, it should only interfere with the decision of the Board if there is a lack of evidentiary support for the conclusions reached. It is not enough to say that the OSC panel may have come to a different decision in the case. There was evidence to support the Hearing Panel and the Board's conclusions.

- Mr. Gottlieb's submitted that the Board did not proceed on an incorrect principle of law, did not err in law, and did not overlook any material evidence in arriving at its decision. In addition, the TSE Board properly considered all the relevant authorities, and based on those relevant principles, decided that the investigation report must be disclosed. Ultimately, the decision that was arrived at was based on the principles of natural justice and fairness.

  It is clear that, in proceedings where a respondent's career and reputation is at stake, an extremely high level of disclosure must be met. Material will be relevant if it might be of assistance to Mr. Shambleau in his defence of the complaint. Since the investigation report contains the facts which form the basis of the TSE's complaint against Mr. Shambleau, it is prima facie relevant. Furthermore, given that Ms. Stewart is the only fact witness being put forward by the Exchange, the investigation report may be useful for impeachment purposes.

- Mr. Gottlieb's third submission relates to the grounds of appeal raised by RS, in particular, the allegation that the Board somehow misinterpreted the arguments of counsel for RS. He argues that, as a matter of law, appeals are made on the basis of the order, not the reasons for decision.

OSC Staff Submissions

OSC Staff took no position on the correctness of the Board's decision. Instead, counsel confined herself to considering the appropriate legal principles the Commission should apply in its review of the Board decision. Staff submitted that investigation reports typically consist of the investigator's views and opinions on the evidence gathered in the course of the investigation. For this reason, the report, in the normal course, is not relevant and therefore is not necessary in order for the respondent to make full answer and defence.

Staff conceded that there might be situations where the report could be relevant, for e.g., abuse of process, bad faith or bias. Ultimately, if the Commission finds that this investigation report to be relevant, the Commission should restrict the decision to the particular facts of this case so as to avoid a general requirement of the disclosure of investigation reports in all instances.

Legal Principles

The scope of review of TSE decisions was considered in the case of *Re Canada Malting Co.,* supra. They are as follows:

> "i) the TSE proceeded on some incorrect principle;

ii) the TSE erred in law;

iii) the TSE overlooked material evidence;

iv) new and compelling evidence was presented to the OSC that was not presented to the TSE; and

v) the TSE's perception of the public interest conflicts with that of the OSC."

The fact that we might give a different decision on the facts is insufficient reason to substitute our decision for that of the Board.

The approach to disclosure by the OSC in the administrative law context is not dissimilar to a criminal trial. In disciplinary cases such as this one, the same principles generally should apply to the TSE; *R. v. Stinchcombe* (1991), 68 C.C.C. (3d) 1 (S.C.C.); *R. v. Dixon* (1998), 122 C.C.C. (3d) 1 (S.C.C.). The law of disclosure is based upon the fundamental right to make full answer and defence. All relevant information must be disclosed whether TSE staff intends to introduce it or not or whether it is inculpatory or exculpatory. If the information is of some use it should be disclosed. Stated somewhat differently the "fruits of the investigation" are not the property of the staff; *Howe v. Institute of Chartered Accountants*, supra, *Re Glendale Securities Inc.* (1995), 18 OSCB 5975.

Analysis

Section 8(3) of the *Securities Act* provides that the Commission may confirm the decision under review or make such other decision as the Commission considers proper. We see no reason to depart from the scope of review outlined in *Re Canada Malting Co. Inc.*, supra.

Taking into account the tribunal's expertise, we agree that its decision should not be lightly set aside when it involves factual determinations, central to its specialized competence. However, we are satisfied that the Commission should interfere if it concludes that the Board proceeded on an incorrect principle or has made an error in law. *Canada Malting* and *Security Trading Inc*. were not disciplinary hearings but rather involved the interpretation and application of certain TSE By-Laws. This case is an enforcement action involving an alleged breach of the general by-law, S.11.26(1) and raises an important question of principle. The issue in this review is not the breach of the by-law but rather the production of a document, the investigation report.

In the absence of any privileges, relevance is the primary consideration regarding disclosure. Relevance must be considered from the perspective of the allegations, the case to be answered, and whether the requested information may assist in making a full answer and defence, including the opportunity for impeachment.

In *Howe*, supra, the investigation report formed the basis of the charges against Mr. Howe and was prepared by an investigator who was the key expert witness for the prosecution. Mr. Justice Laskin stated that the Professional Conduct Committee's "duty to act fairly requires disclosure of the expert report on which the charges were based when the author of the report is going to testify for the prosecution unless the report is privileged." In *Howe*, however, it was the report of an expert witness that was ordered disclosed. In the case before us, however, Ms. Stewart is not being called as an expert witness.

The issue of the disclosure of investigation reports was specifically dealt with by the British Columbia Securities Commission (the "BCSC") in *Re Cartaway Resources Corporation* (1999), 22 BCSC Weekly Summary 27. The respondent, Johnson, required disclosure by Commission staff of various documents and information including all of the notes, records, memos or other materials created by the investigator. In considering the application before it, the BCSC said:

> "In our view, disclosure and the demands for disclosure of materials must have some relevance to the proof or defence of allegations in the section 16(1) notice of hearing. By necessity this means that Commission staff counsel will have to exercise discretion and judgment in determining what materials fit within those parameters. In our view, if Commission staff counsel view materials as 'potentially relevant to the respondents' the materials would fit within the above parameters and should simply be disclosed as relevant materials but materials upon which Commission staff may not rely. In our view, it is not appropriate to permit fishing expeditions into Commission staff files for purposes unrelated to the allegations in the notice of hearing or to simply see what is there. There may be materials in the Commission staff's file that were not gathered in the course of the investigation but rather created by Commission staff in preparation for the hearing. In our view, these kinds of materials are not 'fruits of the investigation' as suggested by Johnson and need not be disclosed."

In *Re Vancouver Street Exchange*, (O'Neill) (1999), BCSC Weekly Summary Edition 99:22, the BCSC used the *Cartaway* disclosure standard in the context of proceedings before the Canadian Venture Exchange. The BCSC found:

> "[i]t is the responsibility of the hearing panel to determine whether the allegations in the Citation have been met. The views of the Exchange staff, as expressed in internally generated documents, such as investigation reports, are of no relevance in this regard."

The BCSC refused to order production of investigation reports and similar internal staff documents, drawing a distinction between evidence obtained in the course of an investigation and materials created by investigation staff. Unlike the case presently before us, both *Cartaway* and *O'Neill* involved situations where the person who prepared

the investigation report was not going to be called as a witness.

In *Re Cox,* supra the BCSC refused to order production of an investigation report which was not ordered produced by the Canadian Venture Exchange.

In finding that the investigation report need not be disclosed, the BCSC found that all materials gathered in the course of the investigation, or "the fruits of the investigation" as they were characterized in *Cartaway*, had already been provided to Mr. Cox. In so doing the BCSC noted that the standard of disclosure is consistent with the high level of procedural fairness to which respondents are entitled in proceedings before the Commission and the Exchange. Moreover in *Cox* the BCSC characterized the *Cartaway* standard as "not far removed from the *Stinchcombe* standard" as requiring disclosure of any relevant material gathered in the investigation." *Re Cox*, supra, at Para 30.

Recently the Ontario District Council of the Investment Dealers Association considered a motion for production of investigators reports; In *Re Mills*, (2000) I.D.A. C.D. No. 41.

The reports at issue were prepared by Douglas Lane who was no longer employed by the IDA and who recommended against taking disciplinary action. He was not going to give evidence. Instead, the IDA intended to call the Manager of Investigations in its Enforcement Division to provide expert testimony. The IDA provided the respondent with copies of a report prepared by Ms. Gardiner, transcripts of all interviews that were conducted and all documents obtained in the course of its investigation. In considering disclosure of Mr. Lane's investigation report, the Ontario District Council noted that relevant material should be disclosed. However, this should not include an investigators report which is prepared for the purposes of deciding to initiate proceedings. Moreover, it held that documents relating to internal deliberations related to the decision to initiate proceedings are not required by *Stinchcombe* to be produced or cases applying *Stinchcombe* in a regulatory context.

The Mills panel, however, noted that the obligation to disclose is ongoing. It required association counsel to review the report during the context of the hearing to determine if any issue arrises during the hearing that may cause information in the report to become relevant and therefore to be produced in the hearing.

In the case before us the Board decided that the investigation report should be disclosed on two bases. It was relevant to certain evidence to be given by Ms. Stewart which the Board construed as opinion evidence. Secondly, it would be of assistance in the cross-examination of Michael Prior, the expert to be called by RS. In both these respects we find that the Board was in error.

Ms. Stewart is a fact witness and her opinions are irrelevant. Mr. Prior, a senior surveillance officer, will be called as an expert witness in relation to the interpretation and application of the rules of the Exchange as they relate to trading on the Exchange. The significance of expressions like "just before the close", "only if necessary", "fairly late in the day" will be up to Mr. Prior to explain. It is ultimately up to the Hearing Panel to make the final determinations on the issues in dispute and Ms. Stewart's opinion or interpretation of the facts, as contained in the investigation report, is of no relevance for the purposes of disclosure.

Unlike in *Howe*, investigators are generally only called as fact witnesses. They introduce the documents, outline the investigation and introduce transcripts but they do not advance opinions on the ultimate issue. It is ultimately up to the Hearing Panel to determine whether, on the facts of the case, Mr. Shambleau executed a trade that was intended to establish an artificial price. Ms. Stewart's opinions, which may or may not be contained in her report, are not relevant to the Hearing Panel's determination.

On the second point, the Board stated that Ms. Stewart's report could potentially assist Mr. Shambleau to prepare for the cross-examination of Mr. Prior, who is to give expert opinion evidence on behalf of the Exchange. A similar argument was dealt with in *Mills* where it was argued that, since the investigating officer was not going to testify, the investigator's report should be disclosed to permit counsel for the respondent to cross-examine the IDA's expert witness. The Ontario District Council did not agree:

> "Ms. McManus stated that her intention is to call Ms. Gardiner and qualify her as an expert witness. Ms. Gardiner's opinion will be based on her review and analysis of facts to be presented in evidence, the Long and Catania accounts (Haldane Affidavit, para. 5). Although Mr. Lane's investigation report(s) was contained in the investigation file which she reviewed, there is no evidence before the District Council that she read it (although it is not unreasonable to infer that she did) or that the opinions contained in it influenced her own opinions. Mr. Mills will not be deprived of an opportunity to cross-examine Ms. Gardiner fairly and fully or of a fair hearing if he does not receive Mr. Lane's investigation report(s). The fact that another investigator two years earlier, or even in 1998, differed with her opinion is not relevant evidence.
>
> In principle the District Council is unable to distinguish the recommendations contained in an investigator's report of his investigation from any other internal staff opinion concerning a decision to initiate proceedings against an individual or a member firm. If Mr. Lane's recommendation is relevant, it would be difficult to exclude an internal memorandum accompanying his formal report and containing only his recommendation. It would also be difficult to exclude notes of discussions within the Association's Enforcement Division in which staff members may express differing views with respect to initiating proceedings. None of these is relevant evidence. To require disclosure of any one may in principle necessitate disclosure of all

> such deliberations. This is not the type of information addressed in *Stinchcombe* or in *Howe*, Nor is disclosure of such documents necessary to enable a respondent to address the allegations against him, except possibly in exceptional circumstances where there evidentiary relevance to a material issues is clear."

We are of the opinion that the adequacy of disclosure must be considered in the context of the nature of the regulatory proceeding and whether "the fruits of the investigation" have been disclosed to Mr. Shambleau. Such disclosure is paramount to achieving fairness in such proceedings as it permits the opportunity to make full answer and defence.

RS acknowledges that there is a requirement and duty to be fair to Mr. Shambleau and recognizes its obligation to provide adequate disclosure. Based upon the principles of natural justice, this would require disclosure of the following information:

a) the provisions alleged to have been violated;

b) particulars of the conduct that led to the alleged violation;

c) the documents RS intends to refer to or tender as evidence at the hearing;

d) any other materials gathered during the course of the investigation that may reasonably be used in meeting the case, advancing a defence, or in making a decision that would affect the conduct of the case; and

e) a list of witnesses and a summary of the evidence that those witnesses are expected to give.

In essence, this consists of all the facts that underpin the report. According to Ms. Stewart's affidavit upon which she was cross-examined, these have already been produced. Mr. Shambleau has been provided with all the relevant material gathered in the course of the investigation. All of the documents referred to in the investigation report have been disclosed. A witness list has been provided and witness statements have also been provided.

Mr. Gottlieb would add the investigation report to the list of materials that should be disclosed on the basis that one may reasonably expect there to be matters in Ms. Stewart's report which will be relevant and admissible to the issues at stake in the allegations being made against him. We disagree. Moreover we are not prepared to infer that the report may contain undisclosed facts. In *Re Mills*, it was submitted that the investigation report may contain facts of which the respondent is not aware, comments concerning the credibility of the Association's witnesses and opinions concerning the events that occurred. To this the Ontario District Council responded as follows:

> "In these circumstances, the District Council will not infer that additional undisclosed facts may be revealed by Mr. Lane's report (s).... Mr. Lane's views concerning credibility are beside the point. They will not provide a basis from cross-examination of Mr. Long; and the District Council must make its own assessment of credibility. The same applies to Mr. Lane's opinions of what occurred. The District Council must reach its own conclusions on the facts on the basis of the evidence presented at the hearing, not on the basis of opinions reached by Mr. Lane during his investigation."

In conclusion, for the reasons given, we find the investigation report not relevant. Accordingly, we disagree with the Boards decision and set aside the order of the Board.

As was pointed out in *Re Mills*, supra, we recognize that the obligation to disclose is ongoing. Should an issue arise at the hearing which results in some specific aspect of the "report" becoming relevant to a fact in issue, the panel may very well determine that it is relevant and therefore that it should be produced in part. Prior to making this decision, if necessary, the panel should review the report, in accordance with these reasons and decision, to determine what part should be produced.

March 28, 2002.

"Howard I. Wetston"
"R. Stephen Paddon"
"H. Lorne Morphy"

3.1.3 Summons Issued and Served on Royal Bank of Canada's Assistant General Counsel, Theresa Monti

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

AND

IN THE MATTER OF
A SUMMONS ISSUED PURSUANT TO SECTION 13 OF THE
SECURITIES ACT AND SERVED ON THE ROYAL BANK OF CANADA'S
ASSISTANT GENERAL COUNSEL, TERESA MONTI

HEARING DATE: March 13, 2002

BEFORE:
Howard I. Wetston, Q.C. - Vice-Chair
H. Lorne Morphy, Q.C. - Commissioner
M.T. McLeod - Commissioner

COUNSEL:
K. Manarin - For the Staff of the Ontario Securities Commission

B. Morgan - For the Royal Bank of Canada and Teresa Monti

REASONS FOR DECISION

Facts

This was a motion brought, in camera, by the Royal Bank of Canada ("Royal Bank") which requires the interpretation of section 462 of the *Bank Act,* S.C. 1991, c. 46.

On or about February 13, 2002, a section 13 summons from Staff of the OSC was served on Ms. Teresa Monti, Assistant General Counsel for the Royal Bank, at the Royal Bank's head office in Toronto, Ontario. The summons requested Ms. Monti to provide information and to produce documents with respect to certain named customers of the bank. In particular, it requested documents relating to monthly account statements for a seven-month period for banking accounts, including joint accounts, held by these customers at branches located in British Columbia. In addition to the account statements, a request was made to obtain copies of account opening forms and signatory cards. In their submissions, Staff noted that they have always understood that they might need to serve the branch for the signatory cards and account opening forms. The bank maintains the summons is of no effect as it was not served in accordance with subsection 462(2) of the Bank Act. It further maintains that for joint accounts it is not sufficient to name only one of the joint account holders.

Issues

The issues to be determined are as follows:

1) Does subsection 462(2) of the *Bank Act* apply to a summons issued by Staff of the OSC under section 13 of the *Securities Act*? In other words, is a summons for bank records regarding a customer's account only effective if it is served at the branch of account where the account is located?

2) Is a summons issued by Staff of the OSC under section 13 of the Securities Act with respect to documents or information regarding a joint account of a bank effective even if it names only one of the joint account holders?

Submissions

Applicant's Submissions

The Applicant submitted that they are particularly concerned with proper service because they are subject to a common law duty of confidentiality with respect to customers. This duty requires the bank to refrain from disclosing information relating to an account holder unless the account holder consents or unless there is proper legal compulsion for the bank to produce the information.

The Applicant argued that a summons issued pursuant to section 13 of the *Securities Act* is a "notification", as contemplated by subsection 462(2) of the *Bank Act*, and therefore is effective only if served at the bank branch that is the branch of account for the account or accounts specified in the summons. The Applicant submitted that their position was supported by the plain meaning of the statute, the purpose of the provision and its legislative history, and case authority.

The Applicant drew upon the dictionary definitions of "notification" and "summons" to argue that in plain meaning or ordinary meaning, a summons to a witness is a notification. It gives official notice to an individual to give evidence and provide documents relating to matters in question in the action specified in the summons. On this basis, the Applicant argued that a section 13 summons falls directly within the meaning of subsection 462(2) and therefore should be served on the branch that is the branch of account.

The Applicant argued that subsection 462(1) deals with documents that are binding on property of a customer, or money held on deposit for a customer, only if they served on the branch of account or the branch in possession of the property. Notification, in subsection (2), refers to all other notices which, on their face, do not bind property or money but are still notices with respect to a customer, such as a section 13 summons to a witness. Such documents will constitute notice and fix the bank with knowledge only if they are sent to and received at the branch that is the branch of account. According to the Applicant, this applies directly to the section 13 summons because it is a notification sent to the bank with respect to certain customers of the bank.

Counsel for the Applicant also reviewed the history of section 462. He submitted that the *Bank Act* was originally amended to include what is now subsection 462(1) in response to *McMulkin* v. *Traders Bank of Canada* (1912), 6 D.L.R. 184, O.L.R. 1 (Ont. Div. Ct.). This case held that an attaching order served on one branch of the bank bound the bank in all of its offices, whether it was in this province or another province. It was argued that the Applicant's interpretation of section 462 is supported by *Bank of Nova Scotia* v. *Mitchell* [1981] B.C.J. No. 654 (B.C.C.A.), which indicates that that subsection 462(1) was added to the *Bank Act* to undo the effects of *McMulkin*.

The Applicant maintained that *Re Royal Bank of Canada and Ontario Securities Commission* (1977), 14 O.R. (2d) 783 (H.C.J.) is also an important decision in the legislative history of the section 462. The case was decided at a time when the *Bank Act* did not have subsection 462(2), and Justice Cromarty, in *obiter*, stated that subsection 462(1) did not apply to a summons issued by the OSC. The Bank Act was then amended in 1980 to add what is now subsection 462(2). The Applicant argued that it is a reasonable inference that when the Legislature made this amendment, it was aware of the decision in *Re Royal Bank* and wanted to ensure that a summons issued by the OSC would be binding only if served on the branch of account.

Turning to the authority of existing case decisions, the Applicant submitted that there was one case directly on point on this matter, *Quebec (Sou-ministre du Revenue) c. Banque Toronto-Dominion* [2002] J.Q. no. 5750 (Court du Quebec). This case deals with a formal demand by a government agency under its statutory powers for the production of documents or information concerning a customer's bank account. The court held specifically that the formal demand was a notification covered by subsection 462(2) of the *Bank Act* and that therefore notice had to be given to the branch of account. Mr. Morgan argued that this case deals with a situation that is directly parallel to the situation of a summons since the demand made by the Minister of Revenue of Quebec is the same type of demand as is made in a summons.

The Applicant concluded that since Staff did not serve the appropriate bank branch that is the branch of account for the account or accounts specified in the summons, the summons served on Ms. Monti was ineffective.

With respect to the issue of joint accounts, the Applicant argued that it owes a common law duty of confidentiality to its account holders. Consequently, the bank's policy is to require a summons lawfully issued with the names of both account holders specified thereon in order to produce the documents relating to the account as specified in the summons.

Staff's Submissions

Staff submitted that the summons served on Ms. Monti is a "writ or process", pursuant to subsection 462(1)(a) of the *Bank Act*, and therefore, not referable to subsection 462(2). Staff also submitted that their position was supported by the plain meaning of the statute, the purpose of the provision and its legislative history, and case authority.

Staff argued that a summons falls within the dictionary definition of "writ or process", as it is a "written command, precept or formal order… in the name of the sovereign". They submitted that on a plain language reading of the provision, it is clear that subsection 462(2) pertains to "any notification" "other than a document referred to in subsection (1) or (3)". Since a "writ or process" is referred to in subsection (1), it follows that it is excluded from the application of subsection (2).

Staff contended that despite the fact that the summons served on Ms. Monti is a "writ or process", subsection 462(1)(a) of the *Bank Act* is nevertheless not applicable to the summons, as this provision deals only with property of the individual, while the information required by the summons is property of the bank. Staff argued that banks have a legal obligation to maintain account statements under Part VI of the *Bank Act* and that these records include documents such as account transaction information. In addition, banks must maintain the records for a period of at least 6 years, which is consistent with the limitation of time for commencing particular actions in the *Limitation Act*. Staff contended that if these records were the property of the customer, then it could be argued that the customer would have control over the account statements. However, it is highly unlikely that a bank would comply with a request from a customer attempting to exercise that control, for example, erasing all records regarding an account.

Staff reviewed the legislative history of the section and contended that despite various revisions to the provision, it was always only intended to deal with orders or summons regarding money on deposit or other property that the bank may hold for an individual. It was not intended to deal with the types of documents that Staff was requesting in this case.

Staff distinguished *Quebec (Sou-ministre du Revenue) c. Banque Toronto-Dominion*, for the following reasons:

1) The interpretation of subsection 462 was not at issue. Both parties proceeded on the basis that the Sou-ministre was required to serve the branch and not the head office.

2) The formal demands were sent to the bank for the purpose of ascertaining the existence of monies so that the Sou-ministre could obtain a garnishment order.

3) The formal demands mailed to the bank by the Sou-ministre were not documents referred to in subsection 462(1), whereas this is this case here.

4) The formal demands that were sent to the bank were invalid on their face as the Sou-ministre did not have the power to request the information.

Staff submitted that the summons served by Staff on Ms. Monti had been effectively served even though it was served at the head office and not on the branch of account since the summons complied with the requirements of Rule 53.04(1) of the *Rules of Civil Procedure*.

With respect to the issue of joint accounts, Staff argued that the account transaction information requested is the property of the bank and that therefore it is not necessary to name both account holders on a summons. The bank's policy to require that the summons include the names of both account holders cannot invalidate a summons that is validly issued.

Analysis

Under section 13 of the *Securities Act*, a person making an investigation or examination under section 11 or 12 has the same power to summons and enforce the attendance of any person and to compel him or her to testify on oath or otherwise, and to summon and compel any person or company to produce documents and other things, as is vested in the Superior Court of Justice for the trial of civil actions.

The Superior Court of Justice is governed by the *Rules of Civil Procedure* (R.R.O. 1990, Reg. 194) in this regard. Rule 53.04(1) states:

> By Summons to Witness
>
> 53.04 (1) A party who requires the attendance of a person in Ontario as a witness at a trial may serve the person with a summons to witness (Form 53A) requiring him or her to attend the trial at the time and place stated in the summons, and the summons may also require the person to produce at the trial the documents or other things in his or her possession, control or power relating to the matters in question in the action that are specified in the summons.

Thus, persons conducting an investigation or examination under section 11 of the *Securities Act* have the power to summons persons in accordance with Rule 53.04(1).

Subsections 462(1) and (2) of the *Bank Act* are statutory provisions that set forth the place at which a bank is to receive various documents relating to the customer, the customer's bank account or property of the customer held by the bank, if such documents and their contents are to be effective notice to the bank.

The most recent version of section 462, which is applicable to the instant case, was proclaimed into force on October 24, 2001 and states as follows:

> (1) **Effect of Writ, etc.** – Subject to subssections (3) and (4), the following documents are binding on property belonging to a person and in the possession of a bank, or on money owing to a person by reason of a deposit account in a bank, only if the document or a notice of it is served at the branch of the bank that has possession of the property or that is the branch of account in respect of the deposit account, as the case may be:
>
> (a) a writ or process originating a legal proceeding or issued in or pursuant to a legal proceeding;
>
> (b) an order or injunction made by a court;
>
> (c) an instrument purporting to assign, perfect or otherwise dispose of an interest in the property or the deposit account;
>
> (d) an enforcement notice in respect of a support order or support provision.
>
> (2) **Notices** – Any notification sent to a bank with respect to a customer of the bank, other than a document referred to in subsection (1) or (3), constitutes notice to the bank and fixes the bank with knowledge of its contents only if sent to an received at the branch of the bank that is the branch of account of an account held in the name of that customer.
>
> […]

Both counsel argued that, in essence, the question before the Commission was the statutory interpretation of section 462 of the *Bank Act*. There was little difference in the approach taken by counsel to the interpretation of the provision, with the exception of whether it was reasonable to infer that the Legislature was aware of a particular decision when the *Bank Act* was amended. However, the parties disagreed on the meaning of section 462.

Driedger on the Construction of Statutes (Toronto, Ontario: Butterworths Canada Ltd., 1994 at 131) states,

> "There is only one rule in modern interpretation, namely, courts are obliged to determine the meaning of legislation in its total context, having regard to the purpose of the legislation, the consequences of proposed interpretations, the presumptions and special rules of interpretation, as well as admissible external aids."

The words are to be read in their entire context in their grammatical and ordinary sense, harmoniously with the scheme of the Act, the object of the Act and the intention of Parliament. As Driedger notes:

> (1) It is presumed that the ordinary meaning of a legislative text is the intended or most appropriate meaning. In the absence of a reason to reject it, the ordinary meaning prevails.
>
> (2) Even where the ordinary meaning of a legislative text appears to be clear, the courts must consider the purpose and scheme of the legislation, and the consequences of adopting this

> meaning. They must take into account all relevant indicators of legislative meaning.
>
> (3) In light of these additional considerations, the court may adopt an interpretation in which the ordinary meaning is modified or rejected. That interpretation, however, must be plausible; that is, it must be one the words are reasonably capable of bearing. (*Driedger on the Construction of Statutes, supra* at 6-7.)

In the matter before us, the references to the legislative history of section 462 were useful, but not terribly instructive. If the words read are clear and of plain reading and no ambiguity arises contextually then we should apply them as such, recognising that this is the most appropriate indicator of Parliament's intention.

We disagree with the Bank's submission that a summons to a witness is a "notification" within the meaning of subsection 462(2) of the *Bank Act*. On a plain reading of this provision, it is clear that the types of documents referred to in this subsection deal with notifications that give the bank information with respect to customers of the bank. These types of documents are "sent and received" by a bank. They provide the bank with knowledge or information with respect to its customers and fix the bank with such knowledge or information. As such they relate to matters between the customer and the bank and the property of the customer held by the bank.

The fact that subsection 462(2) expressly refers to notifications other than documents referred to in subsection 462(1) or (3) is support for the interpretation that notifications made under subsection 462(2) pertain to matters between the bank and its customers.

In its submissions, the Applicant relied upon the decision of Mr. Justice Jean-Pierre Lortie, *Quebec (Sou-ministre du Revenue) c. Banque Toronto-Dominion*. In that case, the Minister of Revenue of Quebec was attempting to collect a tax assessment in the amount of $55,000. In connection with the collection, the Quebec Minister of Revenue sent two formal demands on a bank, requiring it to file certain documents or information with respect to the taxpayer. Section 39 of *An Act Respecting the Ministere du Revenue*, R.S.Q., c. M-31 states the following:

> 39. The Minister may, by a formal demand delivered by registered mail or personal service require from any person, whether or not he is subject to the payment of a duty, that he file by registered mail or personal service, within a reasonable delay fixed in the demand:
>
> (a) information or additional information, including a return, report or supplementary return or report exigible under a fiscal law, or
>
> (b) books, letters, accounts, invoices, financial statements or other documents.
>
> […]

The Bank took the position that this notice was a "notification" within section 462 of the *Bank Act* and as such had to be given at the branch where the account of the taxpayer was located. The court agreed with the bank's position. Since the notice was not sent to the appropriate branch, it did not constitute notice to the bank and did not fix the bank with its contents.

We have found it useful to consider this decision. However, we are of the opinion that the facts and the provisions under consideration are distinguishable from this proceeding. Tax collection and a formal demand made under section 39 of *An Act Respecting the Ministere du Revenue* are different in purpose and effect from a section 13 summons in the context of an investigation under the *Securities Act*. Moreover, the interpretation of section 462 of the *Bank Act* was not at issue in that case.

The Applicant also argued that when the *Bank Act* was amended in 1980, it is a reasonable inference that the Legislature was aware of the decision in *Re Royal Bank of Canada.* According to the Applicant, the addition of subsection 462(2) was in part to ensure that a summons issued by the OSC would be binding only if served on the branch of account. It is unnecessary to make this inference in order to decide this matter.

With respect to the issue of joint accounts, we agree with Staff that the account transaction information requested is the property of the bank and that therefore it is not necessary to name both account holders on a summons. We recognise the confidentiality issues raised by the Applicant. However, we are satisfied that the Commission and Staff have a continuing requirement for confidentiality under Part VI of the Act. Section 13 of the Act provides Staff with wide powers to compel the production of documents and compel testimony. Section 16 prohibits the disclosure of material and testimony so obtained. However, section 16 disclosure is subject to section 17, which states that only if the Commission considers that it would be in the public interest, it may order disclosure of material and testimony obtained pursuant to section 13.

Conclusion

We are of the view that a summons issued pursuant to section 13 of the *Securities Act* is a "writ or process" issued in or pursuant to a legal proceeding. Consequently, these types of summonses may fall under subsection 462(1)(a) of the *Bank Act*. However, we agree with Staff that the summons at issue in this proceeding does not fall under this subsection. According to a plain language reading of subsection 462(1)(a), it is clear that it applies to property, that a bank has possession of, belonging to a person. Consequently, this section does not apply to account transaction information because such information is not property belonging to a person, rather, it is the bank's property. Thus, subsection 462(1) of the *Bank Act* does not apply to the section 13 summons at issue in this proceeding.

For the reasons given, we further find that a summons is not a notification within the meaning of subsection 462(2).

Accordingly, we find that the summons was properly served on Ms. Monti according to Rule 53.04(1) of the *Rules of Civil Procedure* and we shall issue an order to this effect.

We find that a summons issued by Staff pursuant to section 13 of the *Securities Act* is effective even if it names only one of the joint account holders. For the reasons given, we are satisfied the Part VI of the Act enables the Commission to balance the need to obtain the joint account statement(s) as part of its investigation with the confidentiality requirements of the joint account holder(s).

March 28, 2002.

"Howard I. Wetston"
"H. Lorne Morphy"
"M.T. McLeod"

3.1.4 Application by James F. Roach for Standing to Appeal the Decision of the Investment Dealers Association of Canada

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

AND

IN THE MATTER OF
THE APPLICATION BY JAMES F. ROACH FOR STANDING TO APPEAL THE DECISION OF THE INVESTMENT DEALERS ASSOCIATION OF CANADA, DATED DECEMBER 6, 2000, TO THE ONTARIO SECURITIES COMMISSION
PURSUANT TO SECTION 21.7(1) OF THE ACT

HEARING DATE: This was a Hearing in Writing on consent of the Parties conducted on March 18, 2002

BY: P.M. Moore, Q.C. - Vice-Chair
H.L. Morphy, Q.C. - Commissioner

SUBMISSIONS CONSIDERED FROM:

Submissions of M. Kennedy on behalf of Staff of the Ontario Securities Commission

Submissions of K.J. Kelertas on behalf of Investment Dealers Association of Canada

Submissions of James F. Roach

Submissions of P.F. Monahan, Fasken Martineau DuMoulin on behalf of B. Connolly

CASES REFERRED TO IN THE SUBMISSIONS:

In the Matter of Instinet Corporation (1995), 18 OSCB 5439; *Minister of Finance of Canada v. Finlay*, [1986] 2 S.C.R. 607; *In the Matter of Canada Malting Co. v. Ontario Securities Commission*, [1977] O.J. No. 2152 (Div. Ct.); *Re Reuters Information Services (Canada) Limited, Cantor Fitzgerald Securities Company* (1997), 20 OSCB 2277; *Re Connolly*, [2000] I.D.A.C.D. No. 62 I.D.A. Bulletin No. 2801, December 13, 2000; *Bohnet v. Law Society of Alberta* (1992), 2 Alta. L.R. (3d) 6, [1992] A.J. No. 272 (Q.B.); *Griffel v. Royal College of Dental Surgeons of Ontario* (1991), 44 O.A.C. 141, [1992] O.J. No. 461 (Div. Ct.); *Regina v. O'Connor*, [1993] B.C.J. No. 1466 (B.C.C.A.); *Re Albino* (1991), 14 OSCB 365.

REASONS FOR DECISION

This is an application by James Roach pursuant to s. 21.7(1) of the *Securities Act* for standing to appeal to the Ontario Securities Commission the decision of the Investment Dealers Association of Canada ("IDA") regarding Barney Connolly, released on December 21, 2000.

On the consent of counsel for the IDA and counsel for staff of the Commission, the Commission granted the request of Roach filed on October 7, 2001 to conduct the hearing of this matter in writing pursuant to Rule 5 of the Commission's *Rules of Practice*. Written submissions were made by Roach, counsel for Connolly, counsel for the IDA and counsel for staff of the Commission. Roach submitted written reply to the submissions of the IDA and Commission staff.

In that Roach was not a party to the matter before the IDA, in order to obtain standing to appeal he must be a person "directly affected" by the decision. In *In the Matter of Instinet Corporation* (1995), 18 OSCB 5439, this Commission determined that the issue of standing would be determined as a preliminary matter. It further set out a four-part test to be considered in determining whether an applicant is "directly affected" as required by s.21.7(1) of the *Securities Act* in order to have standing to appeal.

Having considered the four-part test, we have determined as a preliminary matter that this application does not satisfy the test. Accordingly, the application is dismissed.

March 18, 2002.

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

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	03 Apr 02	
Canada 3000 Inc.	02 Apr 02	12 Apr 02		
CA-Network Inc.	22 Mar 02	03 Apr 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	
Hegco Canada Inc.	03 Apr 02	15 Apr 02		
KRG Television Limited	05 Mar 02	15 Mar 02	15 Mar 02	
Manitex Capital Inc.	28 Mar	09 Apr 02		
Nevada Bob's Golf Inc.	08 Mar 02	20 Mar 02	20 Mar 02	
Peaksoft Multinet Corp.	05 Mar 02	15 Mar 02	15 Mar 02	
Planetsafe Enviro Corporation	21 Mar 02	02 Apr 02		
Rampart Mercantile Inc.	22 Mar 02	03 Apr 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	02 Apr 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

5.1.1 Notice of NI 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer

NOTICE OF NATIONAL INSTRUMENT 54-101 COMMUNICATION WITH BENEFICIAL OWNERS OF SECURITIES OF A REPORTING ISSUER AND COMPANION POLICY 54-101CP COMMUNICATION WITH BENEFICIAL OWNERS OF SECURITIES OF A REPORTING ISSUER

The Commission has made, and the other members of the Canadian Securities Administrators (the "CSA" or "we") plan to adopt, National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (including related forms) (the "Instrument") and related Companion Policy NI 54-101CP *Communication with Beneficial Owners of Securities of a Reporting Issuer* (the "Policy") to deal with communication with beneficial owners of securities of a reporting issuer.

The forms are: Forms 54-101F1, 54-101F2, 54-101F3, 54-101F4, 54-101F5, 54-101F6, 54-101F7, 54-101F8 and 54-101F9 (the "Forms"). The full text of the Instrument (including the Forms) and the Companion Policy follow this Notice and is also reproduced on the Commission's website at **www.osc.gov.on.ca**.

Through the Instrument, the CSA seek to continue, with some changes, the regulatory regime concerning communications with beneficial owners of securities of a reporting issuers currently embodied in National Policy Statement No. 41 *Shareholder Communication* ("NP41"), which the Instrument will, together with National Instrument 54-102, replace.

Effective Dates

On March 26, 2002, the Commission made the Instrument as a rule under section 143 of the *Securities Act* (Ontario) (the "Act"). On [April 2, 2002], the Instrument and the material required by the Act to be delivered to the Minister of Finance were delivered to the Minister. If the Minister approves the Instrument, or does not either reject the Instrument or return the Instrument to the Commission for further consideration, the Instrument will come into force on July 1, 2002. If the Instrument comes into force on July 1, 2002, transitional provisions in the Instrument provide that NOBO lists will not be required to be furnished before September 1, 2002, and the sending of proxy-related materials for meetings to be held before September 1, 2004 may only be sent under the Instrument to NOBOs indirectly through the intermediaries holding on behalf of the NOBOs.

The Commission has adopted the Policy under section 143.8 of the Act. The Policy will come into force on the date that the Instrument comes into force.

The Instrument is expected to be also implemented as a rule in each of British Columbia, Alberta, Manitoba, Newfoundland, Nova Scotia and Quebec, as a Commission regulation in Saskatchewan and as a policy in all other jurisdictions represented by the CSA.

Background

The CSA first published the Instrument for comment on February 27, 1998[1] and after considering the comments, published for comment a revised version on July 17, 1998.[2] After considering those comments, the CSA published a further revised version for comment on September 1, 2000 (the "2000 Proposal").[3]

Following the publication of the 2000 Proposal, the CSA received 179 comments as part of the formal comment process. Many comments followed a standard format, of which there were three different types. The CSA also received a large number of informal submissions made outside the formal comment process, including 72 sent by electronic mail and a number sent after the comment period, which echoed comments made in the formal process. All comments and submissions were considered. The names of the commenters that made their submissions formally, a summary of their comments and our responses are contained in Appendix "A" and Appendix "B" to this Notice. We thank all of those who made comments or submissions.

We have made some changes to the 2000 Proposal in response to the comments received and further consultation. We are of the view that republication of the Instrument and Policy for comment is not required.

National Instrument 54-102

National Instrument 54-102 Interim Financial Statement and Report Exemption ("NI 54-102"), which replaces the provisions of NP41 and associated rules and blanket

1 In Ontario, at (1998), 21 OSCB 1388.

2 In Ontario, at (1998), 21 OSCB 4491.

3 In Ontario, at (2000), 23 OSCB 5875. For additional information concerning the background of the Instrument, reference should be made to the notices that accompanied the previous versions that were published for comment.

orders pertaining to supplemental mailing lists, was published for comment on February 27, 1998.[4]

On March 26, 2002, the Commission made NI 54-102 as a rule under section 143 of the Securities Act (Ontario) (the "Act"), which is the subject of a separate notice being published at the same time as this notice. On [April 2, 2002], NI 54-102 and the material required by the Act to be delivered to the Minister of Finance were delivered to the Minister. If the Minister approves NI 54-102, or does not either reject NI 54-102 or return NI 54-102 to the Commission for further consideration, NI 54-102 will come into force on July 1, 2002.

The Instrument and NI 54-102 collectively replace the provisions of NP41 pertaining to communication with beneficial owners of securities of a reporting issuer.

Purpose of the Instrument and Policy

The Instrument establishes an obligation on reporting issuers to send proxy-related materials to the beneficial owners of its securities who are not registered holders of its securities, provides a procedure for the sending of proxy-related materials and other securityholder material to beneficial owners and imposes obligations on various parties in the securityholder communication process.

The Policy sets forth our views on the interpretation and application of the Instrument.

Summary of Changes to the Instrument

There were no material changes made to the Instrument from the version published in the 2000 Proposal. We have made typographical and drafting changes and certain other minor changes based on comments received on the 2000 Proposal, including the following:

- Paragraph (b) of the definition of "non-objecting beneficial owner" in section 1.1 has been revised consequentially to the number changes in paragraph 3.3(b).

- The conjunctive between paragraphs (d) and (e) of the definition of "routine business" in section 1.1 has been revised from "and" to "or".

- The previous section 1.2 has been deleted as it merely restates general principles of agency law.

- Section 1.4 (which was previously section 1.5) has been simplified through the elimination of redundant language.

- Subparagraph 2.2(1)(b) has been revised to refer simply to "securities regulatory authority", which is defined in National Instrument 14-101 *Definitions*, in order to clarify the jurisdictional operation of the requirement.

- Subparagraph 2.2(1)(c) has been revised to simply refer to "exchange" to encompass the different terms used in the securities legislation of each jurisdiction.

- Subsection 2.5(4) has been revised to eliminate redundancy.

- Section 2.5 has been revised to clarify how a reporting issuer makes requests for beneficial ownership information from proximate intermediaries that do not hold the relevant securities as a participant in a depository, but are registered holders.

- Section 2.6 has been revised to specify the date for satisfaction of the requirements a reporting issuer must meet in order not to be subject to sections 2.3 or 2.5. Section 2.6 also has been revised to reflect the fact that a nominee of a depository or an intermediary may be the registered holder.

- A new subsection 2.11(2) has been added to respond to concerns expressed that where the reporting issuer sends proxy-related materials directly to NOBOs, the responsibility of the reporting issuer for the process should be made clear to the NOBO.

- Section 2.15 has been revised to clarify that the notice must be sent concurrently. Section 2.15 has also been revised to clarify which proximate intermediaries a reporting issuer is required to send the notice of adjournment or other change for a meeting.

- Section 3.1 has been revised to clarify its application to existing intermediaries and persons or companies that become intermediaries after the Instrument comes into force.

- Section 3.2 has been revised to eliminate the requirement that the explanation to clients and the client response form be sent before the intermediary may hold securities on behalf of a client, in circumstances where it has received oral instructions from the client, provided that it sends the explanation to clients and client response form as part of its opening-account procedures.

- Subparagraph 3.3(b)(ii) (previously 3.3(b)2) has been revised to clarify that the clients referred to in this subparagraph are those clients who were deemed to be NOBOs under NP 41.

- Subparagraph 3.3(b)(iv) has been revised to also include, as materials that may be declined to be received by a client, annual reports and financial statements that are not part of proxy-related materials.

- Paragraph 3.3(c) now requires an intermediary to obtain, before January 1, 2004, new instructions on the

[4] In Ontario, at (1998), 21 OSCB 1431, then entitled "Supplemental Mailing List and Interim Financial Statement Exemption".

matters to which a client response form pertains if the client was deemed to be a NOBO under NP41. This change was made to conform with the expiry of the time period provided in section 30 of the *Personal Information Protection and Electronic Documents Act* (Canada).

- Subsection 6.2(2) has been amended by deleting the reference to the forms as the forms are to form part of the Instrument.

- Section 10.1 provides that the Instrument comes into force on July 1, 2002, instead of July 1, 2001.

- Section 10.2 now sets out transitional provisions for reporting issuers that have begun the process of sending meeting materials under NP41 but whose meeting will be held after the coming into force of the Instrument.

- Section 10.3 now provides that, despite section 10.1, a reporting issuer sending proxy-related materials to beneficial owners for a meeting to be held before September 1, 2004 shall send those materials only indirectly under section 2.12.

- Section 10.4 now provides that there is no requirement to furnish a NOBO list before September 1, 2002.

- Form 54-101F1 *Explanation to Clients and Client Response Form*:

    - In the *Explanation to Clients*, under the heading "Receiving Securityholder Materials," the explanation has been revised to include in the referenced materials that may be declined, annual reports and financial statements that are not part of proxy-related materials. The *Client Response Form* has been amended accordingly.

    - In the *Explanation to Clients*, under the heading "Electronic Delivery of Documents," the instruction has been revised to clarify that the instruction is addressed to the intermediary and that the client's consent referred to in the instruction relates to the sending of documents by the intermediary only.

- In Form NI 54-101F2, footnotes have been added to Part 1 and Part 2 to define "routine business".

Staged Implementation

The implementation of the provisions of the Instrument related to furnishing NOBO lists and the use of NOBO lists by reporting issuers to send proxy-related materials directly to NOBOs has been staged in order to enable market participants to identify and resolve any potential difficulties that may be encountered in establishing the necessary systems and administrative infrastructure. The CSA will continue to consult with and monitor the ability of market participants to:

- Ensure effectiveness of the process for generating and transmitting NOBO lists, before the NOBO lists are made available to be used for the direct sending of proxy-related materials to NOBOs.

- Negotiate reasonable fees for services, particularly fees payable to intermediaries for NOBO lists.

The CSA will also monitor related developments in the regulation of securityholder communication, including those in the United States of America.

If, during the period of staged implementation, it becomes apparent to the CSA that the use by reporting issuers of NOBO lists to send proxy-related materials to NOBOs should be accelerated or delayed, the CSA reserves the ability to respond by way of appropriate amendments to the Instrument.

To facilitate such consultation and monitoring, the Commission intends to establish an advisory committee comprising representatives of the market participant groups affected by the Instrument (i.e., reporting issuers, transfer agents of reporting issuers, intermediaries and depositories).

Summary of Changes to Policy

The Policy is the same as the version published in the 2000 Proposal, except for the following minor changes based on comments received on the 2000 Proposal:

- A new section 2.6 has been added under the heading "General" to provide guidance on the interpretation of what is a "reasonable amount" for fees.

- A new section 2.7 has been added under the heading "General" to remind market participants using the services of an agent that they remain fully responsible for compliance with the requirements of the Instrument.

- Paragraph 3.2(1) has been revised to reflect the changes to section 2.15 of the Instrument.

- The former section 5.4(2) has been deleted as it does not directly relate to the subject matter of the Instrument. In addition, the issue of whether exemptive relief from the requirements for written voting instructions is required in order to send voting instructions in electronic form is being reviewed.

- Additional text has been added to section 4.4 to explain the circumstances in which the Instrument requires that FINS numbers will be required to be included in NOBO lists.

- Section 5.4(4) has been modified to clarify that the client's consent relates only to the sending by the

intermediary and the relevance of that consent to a reporting issuer.

- A new Part 6 has been added to remind market participants that trafficking of a NOBO list, contrary to Part 7 of the Instrument, will constitute a breach of securities legislation. The previous Part 6 is now Part 7, and the previous Part 7 has been deleted to eliminate redundancy.

Rescission of NP41

Effective the date the Instrument and NI 54-102 come into force, NP41 will be rescinded.

Questions

Questions may be referred to:

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April 5, 2002.

Appendix "A"

National Instrument 54-101 and Companion Policy 54-101CP

List of Commenters

1. Admiral Bay Resources Inc. dated November 1, 2000
2. Agro International Holdings Inc. dated November 1, 2000
3. Alcanta International Education Ltd. dated November 1, 2000
4. Alexis Resources Ltd. dated November 1, 2000
5. Alternative Fuel Systems Inc. dated October 26 and 30, 2000
6. Ambassador Industries Ltd. dated November 1, 2000
7. American Wild Woodland Ginseng Corp. dated November 1, 2000
8. Apac Minerals Inc. dated November 1, 2000
9. Arapaho Capital Corp. dated October 13 and 25, 2000
10. Archangel Diamond Corporation dated November 1, 2000
11. Arlington Ventures Ltd. dated October 13 and November 1, 2000
12. Athlone Minerals Ltd. dated November 1, 2000
13. Atikokan Resources Inc. dated November 1, 2000
14. Atna Resources Ltd. dated November 1, 2000
15. Austin Developments Corp. dated November 1, 2000
16. Automated Recycling Inc. dated November 1, 2000
17. AVC Venture Capital dated November 1, 2000
18. Aylesworth Thompson Phelan O'Brien dated November 1, 2000
19. Ballad Enterprises Ltd. dated November 1, 2000
20. Bard Ventures Ltd. dated November 1, 2000
21. Bargold Resources Ltd. dated November 1, 2000
22. BCY Ventures Inc. dated November 1, 2000
23. Big Star Energy Inc. dated November 1, 2000
24. Blackling Oil Corporation dated November 1, 2000
25. Brick Brewing Co. Limited dated October 27, 2000
26. Brown McCue dated November 1, 2000
27. Can Alaskantures Ltd. dated November 1, 2000
28. Canadian Bankers Association dated October 30, 2000
29. Canadian Investor Relations Institute dated November 1, 2000
30. Canadian Shareowners Association dated November 1, 2000
31. Cantrell Capital Corp. dated November 1, 2000
32. Castle Metals Corporation dated November 1, 2000
33. Century Gold Corp. dated November 1, 2000
34. Circumpacific Energy Corp. dated November 1, 2000
35. Clickhouse.com Online Inc. dated November 1, 2000
36. Consolidated Kaitone Holdings Ltd. dated November 1, 2000
37. Coubran Resources Ltd. dated October 13 and 25, 2000
38. CPAC (Care) Holdings Ltd. dated November 1, 2000
39. Creo Products Inc. dated October 31, 2000
40. Curion Venture Corp. dated November 1, 2000
41. Davis & Company dated November 1, 2000
42. Denison Mines Limited dated October 27, 2000
43. Digital Atheneum Technology Corporation dated November 1, 2000
44. Discfactories Corporation dated November 1, 2000

45. Donner Minerals Ltd. dated November 1, 2000
46. Dumoulin Black dated November 1, 2000
47. Dxstorm.com Inc. dated November 1, 2000
48. Earl Resources Limited dated November 1, 2000
49. Eastfield Resources Limited dated November 1, 2000
50. eDispatch.com Wireless Data Inc. dated November 1, 2000
51. Edwards, Kenny & Bray dated November 1, 2000
52. El Nino Ventures Ltd. dated November 1, 2000
53. Ella Resources Inc. dated October 13 and 25, 2000
54. eVirus Software Corporation dated November 1, 2000
55. Exploration Tom inc. dated November 7, 2000
56. Fancamp Exploration Limited dated November 1, 2000
57. First Au Strategies Corp. dated November 1, 2000
58. Foxpoint Resources Ltd. dated October 13, 25 and November 1, 2000
59. GenSci Regeneration Sciences Inc. dated November 1, 2000
60. Global Cogenix Industrial Corp. dated November 1, 2000
61. Global Election Systems Inc. dated November 1, 2000
62. Global Securities Corporation dated October 31, 2000
63. Godinho, Sinclair dated November 1, 2000
64. Goepel McDermid Inc. dated October 24, 2000
65. Golden Cariboo Resources Ltd. dated November 1, 2000
66. Golden Temple Mining Corp. dated November 1, 2000
67. Goldengoals.com Ventures Inc. dated November 1, 2000
68. Goodfellow Resources Ltd. dated October 13 and 25, 2000
69. Grand Resource Corporation dated November 1, 2000
70. Green Valley Mine Inc. dated November 1, 2000
71. Greystar Resources Ltd. dated October 13 and 25, 2000
72. Hedong Energy Inc. dated November 1, 2000
73. Holmes, King dated November 1, 2000
74. Home Capital Group Inc. dated October 27 and 31, 2000
75. Hymex Diamond Corp. dated November 1, 2000
76. IICC Investor Communications dated November 1, 2000
77. IMC Ventures Inc. dated November 1, 2000
78. Inca Pacific Resources Inc. dated November 1, 2000
79. Integrated Business Systems and Services Inc. dated November 1, 2000
80. International Absorbents Inc. dated November 1, 2000
81. International Alliance Resources Inc. dated November 1, 2000
82. International Croesus Ventures Corp. dated November 1, 2000
83. International Freehold Mineral Development dated November 1, 2000
84. International Northair Mines Ltd. dated October 31, 2000
85. International Road Dynamics Inc. dated November 1, 2000
86. International Rochester Energy Corp. dated November 1, 2000
87. International Sunstate Ventures Ltd. dated November 1, 2000
88. Intracoastal System Engineering Corporation dated November 1, 2000
89. Investment Dealers Association of Canada dated October 30, 2000
90. Inzeco dated November 7, 2000
91. Island-Arc Resources Corp. dated November 1, 2000
92. IVS Intelligent Vehicle System Inc. dated November 1, 2000
93. Kalimantan Gold Corporation Limited dated November 1, 2000
94. Kingston Resources Ltd. dated November 1, 2000

95. Kiwi Charter Corp. dated November 1, 2000
96. Lakewood Mining Company Limited dated November 1, 2000
97. Lasik Vision Corporation dated November 1, 2000
98. Leigh Resource Corp. dated October 13, 25 and November 1, 2000
99. Lucky Strike Resources Ltd. dated November 1, 2000
100. Luscar Caol Income Fund dated October 31, 2000
101. Manhattan Resources Ltd. dated October 31, 2000
102. Marchwell Capital Corp. dated October 13 and 25, 2000
103. Maximum Resources Inc. dated November 1, 2000
104. Menika Mining Limited dated November 1, 2000
105. Merrill Lynch Canada Inc. dated October 31, 2000
106. Michael F. Provenzano dated November 1, 2000
107. Michael Sikula Law Corporation dated November 1, 2000
108. Mill City International Inc. dated October 26, 2000
109. Morton & Company dated November 1, 2000
110. Navan Capital Corp. dated October 13 and 25, 2000
111. New Shoshoni Ventures Ltd. dated November 1, 2000
112. Next Millennium Commercial Corp. dated November 1, 2000
113. Novadex International Inc. dated November 1, 2000
114. Novawest Resources Inc. dated November 1, 2000
115. NTS Computer Systems Ltd. dated November 1, 2000
116. Nuequus Petroleum Corporation dated November 1, 2000
117. Nuinsco Resources dated October 26, 2000
118. Olympus Stone Inc. dated November 1, 2000
119. Omni Resources Inc. dated November 1, 2000
120. Pacific Booker Minerals Inc. dated November 1, 2000
121. Pacific Corporate Trust Company dated November 1, 2000
122. Pacific North West Capital dated November 1, 2000
123. Pacific Topaz Resources Ltd. dated November 1, 2000
124. Petromin Resources Ltd. dated November 1, 2000
125. Platinex Inc. dated November 1, 2000
126. Polymer Solutions Inc. dated November 1, 2000
127. Powerhouse Energy Corp. dated November 1, 2000
128. Powertech Industries Inc. dated November 1, 2000
129. Prospector International Resources Inc. dated November 1, 2000
130. Randsburg International Gold Corp. dated November 1, 2000
131. Ravenhead Recovery Corp. dated November 1, 2000
132. RBC Dominion Securities dated October 31, 2000
133. Red Emerald Resource Corp. dated October 13 and 25, 2000
134. Reliant Ventures Ltd. dated October 13 and 25, 2000
135. Rock Resources Inc. dated November 1, 2000
136. Royal Trust Corporation of Canada dated November 1, 2000
137. San Telmo Resources Ltd. dated November 1, 2000
138. Seacrest Development Corp. dated November 1, 2000
139. Security Transfer Association of Canada dated October 30, 2000
140. Seine River Resources Inc. dated November 1, 2000
141. Setanta Ventures Inc. dated November 1, 2000
142. Shaw Industries Ltd. dated October 31, 2000
143. Soligen Technologies Inc. dated November 1, 2000
144. Spectrum Games Corporation dated November 1, 2000

145. Stackpole Limited dated October 30 and 31, 2000
146. Startech Energy Inc. dated October 26 and 27, 2000
147. State Street Trust Company Canada dated November 1, 2000
148. Stone Point Group Limited dated October 23 and 30, 2000
149. TCEnet Inc. dated October 24 and 26, 2000
150. TD Waterhouse Investor Services dated November 1, 2000
151. Tearlach Resources Ltd. dated November 1, 2000
152. Technovision Systems Inc. dated November 1, 2000
153. The Bank of Nova Scotia dated October 31, 2000
154. The Canadian Depository for Securities Limited dated November 8, 2000
155. The Canadian Society of Corporate Secretaries dated October 31, 2000
156. The Investment Funds Institute of Canada dated November 1, 2000
157. Tiger International Resources Inc. dated November 1, 2000
158. TimberWest Forest Corp. dated October 23, 2000
159. Trade Wind Communications Limited dated November 1, 2000
160. TransCanada PipeLines dated October 30, 2000
161. Tres-Or Resources Limited dated November 1, 2000
162. Trivalence Mining Corporation dated November 1, 2000
163. Tropika International Limited dated November 1, 2000
164. Tyhee Development Corp. dated November 1, 2000
165. U. S. Cobalt Inc. dated November 1, 2000
166. U. S. Diamond Corporation dated November 1, 2000
167. Unique Broadband Systems Inc. dated November 1, 2000
168. United Bolero Development Corp. dated November 1, 2000
169. United Media Limited dated October 16, 2000
170. Urbco Inc. dated October 30, 2000
171. Ventir Challenge Enterprises Ltd. dated November 1, 2000
172. Vertigo Software Corp. dated November 1, 2000
173. Veteran Resources Inc. dated October 23, 2000
174. Video Headquarters Inc. dated November 2, 2000
175. Visionquest Enterprise Group Inc. dated November 1, 2000
176. Walloper Gold Resources Limited dated November 1, 2000
177. WestBond Enterprises Corporation dated November 1, 2000
178. White Knight Resources Ltd. dated November 1, 2000
179. Whitegold Resource Corp. dated November 1, 2000

Appendix "B"

National Instrument 54-101 and Companion Policy 54-101CP

Summary of Comments Received and CSA Response

Background

This is a summary of the comments received by the CSA during the comment period that expired on November 1, 2000, with the CSA response. The CSA received 179 formal submissions (listed in Appendix "A"). The CSA has considered the comments and thanks all commenters.

Below are the summarized versions of the submissions, grouped by subject, with the CSA response.

General Comments Regarding the Instrument and CSA Response

Use of E-mail

Some commenters expressed concern that the use of electronic communication was not specifically provided for in the Instrument. Other commenters thought that the requirement for issuers to obtain client consent to electronic delivery would be too onerous and that consent to electronic delivery from issuers should be provided for in the client response form, with that portion of the form given to issuers. It was suggested that issuers could be excluded from communicating electronically with their shareholders by reason of the consent to electronic communication being limited to usage only by the intermediary who has obtained the authorization.

CSA Response

The CSA point out that there is nothing in the Instrument that precludes an electronic form of delivery. In addition, section 5.4 of the Policy explains how the requirements of the Instrument can be complied with using the guidelines set out in Quebec Staff Notice 11-201, and in the rest of Canada, National Policy 11-201 Delivery of Documents by Electronic Means (the "11-201 Documents"). Although issuers will not be entitled to rely upon consents to electronic delivery given by beneficial owners to intermediaries, issuers will obtain the electronic mail address of beneficial owners from the NOBO list. Issuers will then be able to send an e-mail to beneficial owners requesting their consent to the sending of materials in an electronic format by the issuer, in accordance with the 11-201 Documents.

Form F1 has been revised to conform with the provisions of the 11–201 Documents.

Fragmentation and Economies of Scale

Some commenters suggested that the current system was operating in an effective and efficient manner and commented that, under the proposed Instrument, the voting system would be fragmented, with fewer controls, and would result in a deterioration of service. They felt that the current system was reliable, well-understood, efficient, accountable (i.e. intermediaries were accountable to their clients), equitable (i.e. both OBOs and NOBOS receive their meeting materials in a timely manner) and enjoyed a high rate of client satisfaction. They expressed concern that accountability and equity might disappear under the proposed system. They suggested that the United States had decided not to facilitate the use of shareholder lists for proxy solicitation.

Some commenters said that the current system was cost-efficient. They suggested that the revenue base was too small to justify increasing competition and competition would erode investment in system enhancements. The added complexity of the proxy process (due to an increase in the number of parties involved) would result in a more costly system. Some submitted that intermediaries would not maintain electronic voting applications for institutional holders, so issuers would be spending more for a less effective vote turn-out.

Certain commenters were concerned that intermediaries would be held accountable for deficiencies in the delivery of security holder materials where they did not control the mailing. If problems did occur, intermediaries would not know who was responsible. They submitted that increased non-compliance would lead to an increased regulatory burden.

One commenter said that the voting process would be perceived as lacking integrity and independence. Contests would be complex, potentially unfair, and costly.

On the other hand, most commenters supported the principle of direct communication between an issuer and its securityholders.

CSA Response

The CSA notes that many of these comments have been made before. The CSA reiterates that it has consulted with industry and experts in security holder communications since 1998. The CSA believes the requirement that all requests for beneficial ownership information be made through a transfer agent will better facilitate an efficient communications process and encourage a limited number of entities to invest in changing technologies. The Instrument allows the option of continued use of the existing system or the option of direct mailing to NOBOs; the CSA expects that market forces will lead issuers to the system most appropriate for their own situation.

The CSA believes that the concerns related to changing the current system to accommodate the sending of proxy-related materials directly to beneficial owners are best addressed by a delayed implementation of this aspect of the Instrument.

The Instrument does not preclude reporting issuers (through their professional transfer agents) from exploiting

innovations that are developed in the registered shareholder environment. Transfer agents and other potential service providers can make use of efficiencies that they have developed in their existing business operations and may be able to "piggyback" on technologies used by their parents or affiliates.

The CSA believes that permitting reporting issuers to send proxy-related materials directly to beneficial owners is desirable. The CSA also recognizes that reporting issuers with beneficial owners in the United States may wish to use a single process for sending their proxy-related materials, which the Instrument facilitates by also providing for indirect sending through intermediaries.

In response to the concerns expressed by intermediaries about accountability, a new subsection 2.11(2) has been added to provide for specified text which addresses accountability to be included with proxy-related materials that solicit votes or voting instructions where a reporting issuer uses the NOBO list to send the materials directly to a NOBO.

Shareholder register

A commenter thought that the Instrument did not resolve the problems of issuer access to shareholders and direct participation in voting and wanted the responsibility for shareholder registers to revert to issuers. Another said that the Instrument did not effectively address the identification of beneficial owners, particularly institutional beneficial owners.

CSA response

The CSA points out that the concern relating to issuer responsibility for shareholder registers is a matter for corporate law and may also be impacted by privacy legislation.

The CSA believes that the Instrument strikes an appropriate balance between the identification by an issuer of its beneficial owners and the beneficial owner's desire for anonymity.

CSA Survey

One commenter felt that the survey conducted by the CSA in 1999 did not contain a meaningful level of detail, in particular regarding the costs, efficiencies and integrity of voting.

CSA Response

The CSA is satisfied with the survey, which accomplished its goal: to identify how many issuers are satisfied with the current process, and how many would like to communicate directly with beneficial owners. The survey was not meant to displace the comment process, which allowed for a more detailed consideration of specific proposals and criticisms.

SEDAR

One commenter strongly urged the CSA to use SEDAR to simplify and expedite the shareholder communication process.

CSA Response

The CSA points out that SEDAR was developed to facilitate the electronic filing of information by issuers to the respective securities commissions and was not designed for electronic communication between market participants.

Specific Comments Regarding the Instrument and CSA Response

Fees (Sections 1.4 [previously Section 1.5] and 2.13)

Commenters expressed concern that the Instrument did not prescribe a fee or clarify what would be a reasonable fee. Some commenters suggested that intermediaries furnish the NOBO list free of charge while others suggested a flat fee of $15.00.

CSA Response

Section 1.4 provides that fees payable under the Instrument shall be, unless prescribed by the applicable regulator or securities regulatory authority, a reasonable amount. Consequently, the only present restriction is that the fee be a "reasonable amount".

The CSA is of the view that, except for a threshold requirement that amount be reasonable, the determination of the amount of fees should, to the extent possible, be left to market participants who are in the best position to take account of rapidly changing technology and the attendant costs of providing the service. However, in response to concerns raised by certain commenters that there is no benchmark for determining what is a reasonable fee, the CSA has revised the Policy to state that it is the CSA expectation that market participants will be guided by the fees payable for comparable services in other jurisdictions (such as the United States) and will take account of cost reductions associated with technological change.

The requirement in Section 1.4 that the fees payable by reporting issuers to intermediaries for delivery of materials to beneficial owners be a reasonable amount is consistent with provisions of the securities legislation of some jurisdictions that specifically permit an intermediary to decline to forward materials to beneficial owners unless arrangements have been made for the payment of its reasonable costs.

The requirement in Section 1.4 that the fees payable by reporting issuers to intermediaries for responding to requests for beneficial ownership information be a "reasonable amount" is consistent with provisions of the corporate legislation of many jurisdictions that require the payment to a corporation of a reasonable fee for a list setting out the names, addresses and holdings of its security holders.

Request for Beneficial Ownership Information (Section 2.5)

A commenter requested that the position of reporting issuers be strengthened by requiring intermediaries to provide all pertinent information about beneficial owners, and that it should be provided on labels or disks.

Another commenter suggested that the NOBO list should be maintained on an issuer-by-issuer basis, rather than on an account-by-account basis, and should be updated annually.

CSA Response

The CSA believes that the Instrument strikes a balance between providing information about beneficial owners and the beneficial owner's desire for anonymity. The CSA also believes that the modes of transmission of the beneficial ownership information are a matter to be negotiated between the issuer and the intermediary.

Transfer Agent Requirement (Section 2.5(4))

Some commenters felt that there should be no transfer agent requirement and that issuers and others should be able to perform mailing and tabulating functions themselves. They also expressed concern that only those persons and companies defined as transfer agents would be eligible to perform the functions that the Instrument requires to be performed by transfer agents. On the other hand, other commenters expressed concern that if issuers were themselves able to perform the transfer agent functions specified in the Instrument, the process would be less effective and more costly.

Some commenters asked that the CSA prescribe voting forms and procedures, as different permitted formats would add confusion to the voting process.

CSA Response

Section 2.5(4) of the Instrument remains unchanged in that all requests for beneficial ownership information must be made using the services of a person or company that carries on the business of a transfer agent. The CSA continues its view that this requirement will better facilitate an efficient and secure communications process by minimizing the number of required electronic linkages required to be established and maintained.

Request for Legal Proxy (Section 2.18)

Commenters expressed concern that the provision permitting beneficial owners to request a legal proxy may be confusing for them and that there would not be sufficient time for the legal proxy requests to be processed. These commenters felt that issuers should be permitted to send legal proxies directly to beneficial owners at the time proxy materials are mailed, rather than require beneficial owners to specifically request that a legal proxy be sent to them.

CSA Response

The CSA is of the view that this is more properly the subject of corporate law reform and is beyond the purpose of this Instrument.

Decision to remain OBO (Part 3)

A commenter felt that beneficial owners should be able to remain OBOs without penalty and that issuers should bear the costs of sending materials to OBOs.

CSA Response

The CSA reiterate its decision to be silent on the issue and permit the market to determine how the costs of sending to OBOs will be borne where the matter is not addressed by local rule.

Instructions from Clients (Section 3.2)

Some commenters advised that written instructions from clients may not always be received before they hold the securities and suggested that the requisite information form part of the "account-opening procedures".

CSA Response

The CSA has noted the comment and has amended section 3.2 to address this situation.

Transitional - Instructions from Existing Clients (Section 3.3)

A commenter suggested that the proposed rule should make clear what happens when a client has not responded to an intermediary's request for instructions.

A commenter suggested that intermediaries be allowed one year from implementation of the Instrument, or until July 2002, to collect new data from clients because there is a lack of incentive for intermediaries to proactively manage this issue prior to 2004.

CSA Response

Section 3.3 of the Instrument makes it clear that an intermediary has an obligation to obtain new instructions from clients who were deemed to be NOBOs under NP 41.

The timeline in the Instrument was chosen to coincide with the transitional period contained in the federal Personal Information Protection and Electronic Documents Act ("PIPEDA"). The CSA has amended Part 3.3(c) to correspond to the transition period set out in section 30 of that Act.

Request for Voting Instructions (Section 4.4)

Commenters felt that portfolio managers or trustees with full discretionary authority should not be required to seek voting instructions from clients.

CSA Response

This concern is addressed by the definition of "beneficial owner" contained in section 1.1 of the Instrument, which is explained in subsection 2.4(2) of the Policy.

Right to Decline to Receive Materials (Section 4.4 and Client Response Form)

One commenter thought that Form 54-101F1 should allow clients of intermediaries to request or decline certain of the three documents listed, not all or none, as is proposed. The same commenter suggested that interim financial statements be included in the set of materials that beneficial owners be allowed to decline to receive. Another suggested that the beneficial owner should be responsible for requesting the issuer to remove them from the mailing list and that intermediaries should no longer be responsible for Form C [being the predecessor in NP41 to the client response form in the Instrument].

One commenter thought that registered securityholders should be able to decline to receive all materials, including proxy materials relating to non-routine meetings, so as to minimize administrative burden and costs. The commenter recommended that issuers send a form (substantially the same as the client response form F1) to registered holders allowing them to elect not to receive materials.

CSA Response

The CSA continues to take the view that by allowing beneficial owners to decline to receive some but not all security holder material strikes an appropriate balance between ensuring that beneficial owners are properly informed of the most significant issues that may have an impact on their investment in the reporting issuer and their desire not to receive material. The CSA agrees that beneficial owners should be entitled to decline to receive annual and interim financial statements that are not related to meetings and has amended the client response form accordingly.

With respect to the comment that registered securityholders should be allowed to decline to receive materials, the CSA recognizes that this is a valid comment but notes that it goes beyond the scope of this Instrument, which is intended to provide a mechanism for a reporting issuer to communicate with its beneficial owners. The CSA is currently reviewing, as a separate initiative, the requirements relating to the sending of materials to registered holders.

Third-Party Access to NOBO lists (Section 7.1)

One commenter expressed its concern that third parties would have access to NOBO lists and suggested that it might compromise the issuer's security. Another commenter said that because the NOBO list is available to third parties, beneficial owners who chose to be NOBOs under NP41 and non-responders to requests for client instructions should be deemed to be OBOs. This commenter suggested the deemed OBO provision was necessary for compliance with PIPEDA and with a trustee's fiduciary duties.

One commenter queried whether it was practical to expect a reporting issuer to delete the FINS numbers before forwarding the NOBO list to a third party, particularly if the NOBO list was sent to the issuer in electronic format.

CSA Response

These issues have been raised before. The CSA reiterates its view that the prohibitions on the misuse of NOBO lists satisfactorily address concerns about their misuse. Any party seeking a NOBO list must undertake not to misuse it and all NOBO lists must contain a warning about their misuse. The potential for misuse has been further limited by a provision in the Instrument requiring FINS numbers to be deleted from NOBO lists not requested in relation to a meeting. The CSA is satisfied that the provisions of sections 6.1(2) and 7.1 of the Instrument adequately deal with the request for and use by third parties of NOBO lists.

The transition provisions in Part 3 of the Instrument are intended to minimize the cost of obtaining new instructions from clients.

With respect to the comments concerning PIPEDA and a trustee's fiduciary duties, the CSA notes that section 7(3)(i) of PIPEDA does not require consent where the disclosure of information is required by law and that a trustee's responsibilities must be carried out in accordance with the law.

With regard to the issue of deleting FINS numbers, the CSA is of the view that a reporting issuer can generate a paper copy of the NOBO list and delete the FINS numbers from the paper copy. The CSA points out that the request for a NOBO list by a third party and the forwarding of that NOBO list to the third party must be done through a transfer agent. The rationale for deleting the FINS numbers is the valid concern that confidentiality between an intermediary and its client would be compromised if the FINS numbers could be disseminated to third parties.

5.1.2 National Instrument 54-101 Communication With Beneficial Owners of Securities of a Reporting Issuer

NATIONAL INSTRUMENT 54-101
COMMUNICATION WITH BENEFICIAL OWNERS
OF SECURITIES OF A REPORTING ISSUER

TABLE OF CONTENTS

NATIONAL INSTRUMENT 54-101
COMMUNICATION WITH BENEFICIAL OWNERS
OF SECURITIES OF A REPORTING ISSUER

PART 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions - In this Instrument

"affairs" means the relationship among a reporting issuer, its affiliates, and their securityholders, partners, directors and officers, other than the business carried on by the reporting issuer;

"annual report" means an annual report of a reporting issuer that includes the audited annual financial statements of the reporting issuer, and any other document required by Canadian securities legislation to be included in or sent with an annual report;

"beneficial owner" means, for a security held by an intermediary in an account, the person or company that is identified as providing the instructions contained in a client response form or, if no instructions are provided, the person or company that has the authority to provide those instructions;

"beneficial ownership determination date" means, for a meeting,

(a) the record date for voting, or

(b) in the absence of a record date for voting, the record date for notice;

"business day" means a day other than a Saturday, Sunday or statutory holiday in the local jurisdiction;

"CDS" means the Canadian Depository for Securities Limited and any successor to its depository business;

"client" means a person or company on whose behalf an intermediary directly holds a security;

"client response form" means the form of response set out in Form 54-101F1;

"corporate law" means, for a reporting issuer, any legislation, constating instrument or agreement that governs the affairs of the reporting issuer;

"day" means a calendar day unless express reference is made to a business day;

"depository" means CDS and any other person or company recognized as a depository by the securities regulatory authority for the purpose of this Instrument;

"explanation to clients" means an explanation to clients set out in the form of Form 54-101F1;

"FINS" means Financial Institution Numbering System;

"intermediary" means, for a security, a person or company that, in connection with its business, holds the security on behalf of another person or company, and that is not

(a) a person or company that holds the security only as a custodian, and is not the registered securityholder of the security nor holding the security as a participant in a depository,

(b) a depository, or

(c) a beneficial owner of the security;

"intermediary master list" means a list of intermediaries that a depository maintains under section 5.1;

"intermediary search request" means the request referred to in section 2.3;

"legal proxy" means a voting power of attorney, in the form of Form 54-101F8, granted to a beneficial owner by either an intermediary or a reporting issuer under a written request of the beneficial owner;

"meeting" means a meeting of securityholders of a reporting issuer;

"NOBO" means a non-objecting beneficial owner;

"NOBO list" means a non-objecting beneficial owner list;

"nominee" means a person or company that acts as a passive title-holder to hold securities and does not carry on business in its own right;

"non-objecting beneficial owner" means a beneficial owner of securities that

(a) has provided instructions to an intermediary holding the securities in an account on behalf of the beneficial owner that the beneficial owner does not object, for that account, to the intermediary disclosing ownership information about the beneficial owner under this Instrument, or

(b) is a non-objecting beneficial owner under subparagraph (i) or (ii) of paragraph 3.3(b);

"non-objecting beneficial owner list" means, for an intermediary, a list that includes ownership information concerning NOBOs on whose behalf the intermediary, or another intermediary holding directly or indirectly through the intermediary, holds securities and information regarding instructions from those NOBOs concerning receipt of securityholder materials and

(a) if prepared in non-electronic form, is in a clear and readable format and contains the information referred to in paragraph (b), or

(b) if prepared in electronic form, is prepared in the form of, and contains the information prescribed in, Form 54-101F5;

"notification of meeting and record dates" means the notification referred to in section 2.2;

"NP41" means National Policy Statement No. 41;

"objecting beneficial owner" means a beneficial owner of securities that

(a) has provided instructions to an intermediary holding the securities in an account on behalf of the beneficial owner that the beneficial owner objects, for that account, to the intermediary disclosing ownership information about the beneficial owner under this Instrument, or

(b) is an objecting beneficial owner under subparagraph (iii) of paragraph 3.3(b);

"OBO" means an objecting beneficial owner;

"omnibus proxy" means, for a meeting,

(a) for a depository, a proxy in the form of Form 54-101F3, and

(b) for an intermediary, a proxy in the form of Form 54-101F4;

"ownership information" means, for a beneficial owner of securities that holds the securities through an intermediary in an account of the intermediary, the beneficial owner's name, address, holdings of the securities in the account, preferred language of communication, if known, the electronic mail address of the beneficial owner, and whether the beneficial owner has given to the intermediary a currently valid consent to the electronic delivery of documents from the intermediary;

"participant in a depository" means a person or company for whom a depository maintains an account in which entries may be made to effect a transfer or pledge of a security;

"preferred language of communication" means either the English language or the French language;

"proximate intermediary" means, for a security,

(a) a participant in a depository holding the security, or

(b) an intermediary that is the registered holder of the security;

"proxy-related materials" means securityholder material relating to a meeting that the reporting issuer is required under corporate law or securities legislation to send to the registered holders of the securities;

"record date for notice" means, for a meeting, the date established in accordance with corporate law for the determination of the registered holders of securities that are entitled to receive notice of the meeting;

"record date for voting" means, for a meeting, the date, if any, established in accordance with corporate law for the determination of the registered holders of securities that are entitled to vote at the meeting;

"registered holder" means, for a security, the person or company shown as the holder of the security on the books or records of the reporting issuer;

"request for beneficial ownership information" means, for a security, a request for beneficial ownership information in the form of Form 54-101F2 sent by a reporting issuer to a proximate intermediary holding the security;

"request for voting instructions" means, for a security that carries the right to vote at a meeting,

(a) if the request is made by the reporting issuer, a request for voting instructions from a beneficial owner of the security that is a NOBO, set out in the form of Form 54-101F6, and

(b) if the request is made by an intermediary, a request for voting instructions from the beneficial owner of the security on whose behalf the intermediary holds the security set out in the form of Form 54-101F7;

"routine business" means, for a meeting,

(a) consideration of the minutes of an earlier meeting,

(b) consideration of the financial statements of the reporting issuer or an auditor's report on the financial statements of the reporting issuer,

(c) election of directors of the reporting issuer,

(d) setting or changing of the number of directors to be elected within a range permitted by corporate law, if no change to the constating documents of the reporting issuer is required in connection with that action, or

(e) reappointment of an incumbent auditor of the reporting issuer;

"security" means a security of a reporting issuer;

"securityholder" means, for a security, the registered holder of the security, the beneficial owner of the security, or both, depending upon the context;

"securityholder materials" means, for a reporting issuer, materials that are sent to registered holders of securities of the reporting issuer;

"send" means to deliver, send or forward or arrange to deliver, send or forward in any manner, including by prepaid mail, courier or by electronic means; and

"transfer agent" means a person or company that carries on the business of a transfer agent.

1.2 Holding of Security by Intermediary - In this Instrument, an intermediary is considered to hold a security if the security is held

(a) by the intermediary directly; or

(b) by the intermediary indirectly through another person or company on behalf of the intermediary.

1.3 Use of Required Forms

(1) A person or company required to send or use a required form under this Instrument may substitute another form or document or combine the required form with another form or document, so long as

the form or document used requests or includes the same information contemplated by the required form.

(2) Subsection (1) does not apply to a NOBO list in the form of Form 54-101F5 unless both the party requesting and the party providing the NOBO list agree to an alternative form.

1.4 **Fees -** A fee payable under this Instrument shall be, unless prescribed by the regulator or securities regulatory authority, a reasonable amount.

PART 2 REPORTING ISSUERS

2.1 **Establishment of Meeting and Record Dates -** A reporting issuer that is required to give notice of a meeting to the registered holders of any of its securities shall fix

(a) a date for the meeting;

(b) a record date for notice of the meeting, which shall be no fewer than 30 and no more than 60 days before the meeting date; and

(c) if required or permitted by corporate law, a record date for voting at the meeting.

2.2 **Notification of Meeting and Record Dates**

(1) Subject to section 2.20, at least 25 days before the record date for notice of a meeting, the reporting issuer shall send a notification of meeting and record dates

(a) all depositories;

(b) the securities regulatory authority; and

(c) each exchange in Canada on which securities of the reporting issuer are listed.

(2) The notification of meeting and record dates referred to in subsection (1) shall specify

(a) the name of the reporting issuer;

(b) the date fixed for the meeting;

(c) the record date for notice;

(d) the record date for voting, if any;

(e) the beneficial ownership determination date;

(f) the classes or series of securities that entitle the holder to receive notice of the meeting;

(g) the classes or series of securities that entitle the holder to vote at the meeting; and

(h) whether only routine business is to be conducted at the meeting.

2.3 **Intermediary Search Request - Request to Depository**

(1) At the same time as a reporting issuer sends a notification of meeting and record dates for a meeting to a depository, the reporting issuer shall request the depository to send to the reporting issuer

(a) subject to section 2.4, a report that specifies the number of securities of the reporting issuer of each class or series that entitle the holder to receive notice of the meeting or to vote at the meeting that are currently registered in the name of the depository, the identity of any other person or company that holds securities of the reporting issuer of the series or class specified in the request on behalf of the depository and the number of those securities held by that other person or company;

(b) subject to section 2.4, a list of all intermediaries and their nominees shown on the intermediary master list;

(c) subject to section 2.4, a list setting out the names, addresses, telephone numbers, fax numbers, any electronic mail addresses and the respective holdings of participants in the depository of each class or series of securities that entitle the holder to receive notice of the meeting or to vote at the meeting; and

(d) the omnibus proxy required to be sent under subsection 5.4(1).

(2) In addition to the request referred to in subsection (1), a reporting issuer may request, at any time, a depository to send any or all of the information referred to in subsection (1), other than paragraph (1)(d), for any class or series of securities of the reporting issuer, and as of a date, specified in the request.

2.4 No Intermediary Search Request if Reporting Issuer has Electronic Access - A reporting issuer shall not request from the depository information referred to in paragraph 2.3(1)(a), 2.3(1)(b) or 2.3(1)(c) if the information is included on a file maintained by the depository in electronic format and the reporting issuer has access to the file.

2.5 Request for Beneficial Ownership Information

(1) Subject to section 2.20, at least 20 days before the record date for notice of a meeting, the reporting issuer, using information, including the intermediary master lists, provided by depositories under section 5.3 or referred to in section 2.4, shall complete Part 1 of a request for beneficial ownership information and send it to each proximate intermediary that is

(a) identified by a depository as a participant in the depository holding securities that entitle the holder to receive notice of the meeting or to vote at the meeting; or

(b) listed as an intermediary on the intermediary master list provided by a depository where the intermediary, or a nominee of the intermediary that is identified on the intermediary master list, is a registered holder of securities that entitle the holder to receive notice of the meeting or to vote at the meeting.

(2) In addition to making the request referred to in subsection (1) in connection with a meeting, a reporting issuer, using information, including the intermediary master lists, provided by depositories under section 5.3 or referred to in section 2.4, may make, for any class or series of securities of the reporting issuer, at any time, a request for beneficial ownership information by completing Part 1 of a request for beneficial ownership information and sending it to any proximate intermediary that is

(a) identified by a depository as a participant in the depository holding the securities; or

(b) listed as an intermediary on the intermediary master list provided by a depository where the intermediary, or a nominee of the intermediary that is identified on the intermediary master list, is a registered holder of the securities.

(3) A reporting issuer that makes a request for beneficial ownership information under either subsection (1) or subsection (2) that includes a request for NOBO lists shall provide a written undertaking to the proximate intermediary in the form of Form 54-101F9.

(4) A reporting issuer that requests beneficial ownership information under this section shall do so through a transfer agent.

2.6 No Depositories or Intermediaries are Registered Holders - A reporting issuer is not subject to section 2.3 or 2.5 if, on the 25th day before the record date for notice of the meeting,

(a) none of the registered holders of its securities is a depository, a nominee of a depository, or a person or company listed as an intermediary or the nominee of an intermediary on the intermediary master list of any depository; or

(b) all of the information contemplated in Part 2 of the request for beneficial ownership information is known to the reporting issuer.

2.7 **Sending Proxy-Related Materials to Beneficial Owners -** A reporting issuer that is required by Canadian securities legislation to send proxy-related materials to the registered holders of any class or series of its securities shall, subject to section 2.10 and subsection 2.12(3) send the proxy-related materials to beneficial owners of the securities, by either sending

(a) directly to NOBOs, and indirectly under section 2.12 to OBOs; or

(b) indirectly under section 2.12 to beneficial owners.

2.8 **Other Securityholder Materials -** A reporting issuer may, but is not required to, send securityholder materials other than proxy-related materials to beneficial owners of its securities, by either sending

(a) directly to NOBOs, and indirectly under section 2.12 to OBOs; or

(b) indirectly under section 2.12 to beneficial owners.

2.9 **Direct Sending of Proxy-Related Materials to NOBOs by Reporting Issuer -** A reporting issuer that has stated in its request for beneficial ownership information sent in connection with a meeting that it will send proxy-related materials to, and seek voting instructions from, NOBOs shall, subject to section 2.10 and subsection 2.12(3), send, at its expense, at least 21 days before the date fixed for the meeting, the proxy-related materials for the meeting directly to the NOBOs on the NOBO lists received in response to the request.

2.10 **Sending Securityholder Materials Against Instructions -** Except as required by securities legislation, no reporting issuer that uses a NOBO list to send securityholder materials directly to NOBOs on the NOBO list shall send the securityholder materials to NOBOs that are identified on the NOBO list as having declined to receive those materials unless the reporting issuer has specified in the request for beneficial ownership information sent under section 2.5 in connection with the sending of materials that the securityholder materials will be sent to all beneficial owners of securities.

2.11 **Disclose How Information Obtained**

(1) A reporting issuer that uses a NOBO list to send securityholder materials directly to NOBOs on the NOBO list shall include in the materials the following statement:

> *These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.*

(2) A reporting issuer that uses a NOBO list to send proxy-related materials that solicit votes or voting instructions directly to a NOBO on the NOBO list shall include, after the text required by subsection (1), the following statement:

> *By choosing to send these materials to you directly, the issuer (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.*

2.12 **Indirect Sending of Securityholder Materials by Reporting Issuer**

(1) A reporting issuer sending securityholder materials indirectly to beneficial owners shall send to each proximate intermediary that responded to the applicable request for beneficial ownership information the number of sets of those materials specified by that proximate intermediary

(a) at least four business days before the twenty-first day before the date fixed for the meeting, in the case of proxy-related materials that are to be sent on by the proximate intermediary by prepaid mail other than first class mail;

(b) at least three business days before the twenty-first day before the date fixed for the meeting, in the case of all other proxy-related materials that are to be sent on by the proximate intermediary; or

(c) on the day specified in the request for beneficial ownership information, in the case of securityholder materials that are not proxy-related materials that are to be sent on by the proximate intermediary.

(2) A reporting issuer may satisfy its obligation to send securityholder materials to an intermediary under this section by sending the securityholder materials to a person or company designated by the intermediary.

(3) If a proximate intermediary in a foreign jurisdiction holds securities on behalf of NOBOs and

(a) the law of the foreign jurisdiction prohibits the reporting issuer from sending securityholder materials directly to NOBOs; or

(b) the proximate intermediary has stated in response to a request for beneficial ownership information that the law in the foreign jurisdiction requires the proximate intermediary to deliver securityholder materials to beneficial owners,

the reporting issuer shall not, in either case, send securityholder materials to those NOBOs and shall send to that proximate intermediary the number of sets of securityholder materials requested by the proximate intermediary in the response.

2.13 **Fee for Search -** A reporting issuer shall pay a fee to a proximate intermediary for furnishing the information requested in a request for beneficial ownership information made by the reporting issuer.

2.14 **Fee for Sending Materials Indirectly**

(1) A reporting issuer that sends securityholder materials indirectly to NOBOs through a proximate intermediary shall pay to the proximate intermediary, upon receipt by the reporting issuer of a certificate of sending to NOBOs in accordance with the instructions specified by the reporting issuer in the request for beneficial ownership information

(a) a fee for sending the securityholder materials to the NOBOs;

(b) the actual cost of any postage incurred by the proximate intermediary in sending the securityholder materials to the NOBOs in accordance with any mailing instructions specified by the reporting issuer in the request for beneficial ownership information; and

(c) if the securityholder materials were sent by mail other than first class mail in accordance with the mailing instructions specified by the reporting issuer in the request for beneficial ownership information, the reasonable additional handling costs associated with the preparation by the proximate intermediary of the securityholder materials for mailing to NOBOs.

(2) A reporting issuer that sends securityholder materials, indirectly through a proximate intermediary, to OBOs that have declined in accordance with this Instrument to receive those materials, shall pay to the proximate intermediary, upon receipt by the reporting issuer of a certificate of sending to OBOs in accordance with the instructions specified by the reporting issuer in the request for beneficial information

(a) a fee for sending the securityholder materials to the OBOs;

(b) the actual cost of any postage incurred by the proximate intermediary in sending the securityholder materials to the OBOs in accordance with any mailing instructions specified by the reporting issuer in the request for beneficial ownership information; and

(c) if the securityholder materials were sent by mail other than first class mail in accordance with the mailing instructions specified by the reporting issuer in the request for beneficial information, the reasonable additional handling costs associated with the preparation by the proximate intermediary of the securityholder materials for mailing to OBOs.

2.15 **Adjournment or Change in Meeting** - A reporting issuer that sends a notice of adjournment or other change for a meeting to registered holders of its securities shall concurrently send the notice, including any change in the beneficial ownership determination date,

(a) to each of the persons or companies referred to in subsection 2.2(1);

(b) to each proximate intermediary to which the reporting issuer sent a request for beneficial ownership information for the meeting under subsection 2.5(1);

(c) directly, in accordance with section 2.9, other than the timing requirement of that section, to each of the NOBOs to which it previously directly sent proxy-related materials for the meeting under section 2.9; and

(d) indirectly, in accordance with section 2.12, other than the timing requirement of that section, to each of the NOBOs and OBOs to which it previously indirectly sent proxy-related materials for the meeting under section 2.12.

2.16 **Explanation of Voting Rights -** Proxy-related materials for a meeting sent to a beneficial owner of securities shall explain, in plain language, how the beneficial owner may exercise voting rights attached to the securities, including the right of the beneficial owner to attend and vote the securities directly at the meeting.

2.17 **Request for Voting Instructions -** A reporting issuer that sends proxy-related materials that solicit votes or voting instructions directly to a NOBO shall prepare and include with the proxy-related materials, in substitution for the proxy otherwise contained in the proxy-related materials, a request for voting instructions for the matters to which the proxy-related materials relate for return to the reporting issuer.

2.18 **Request for Legal Proxy -** If a reporting issuer that has sent directly to a NOBO proxy-related materials for a meeting that solicit voting instructions receives a written request from the NOBO for a legal proxy for the meeting, the reporting issuer shall arrange at no cost to the NOBO to deliver to the NOBO a legal proxy to the extent that the reporting issuer's management holds a proxy given directly by the registered holder or indirectly given by the registered holder through one or more other proxy holders in respect of the securities beneficially owned by the NOBO.

2.19 **Tabulation and Execution of Voting Instructions -** A reporting issuer shall

(a) tabulate the voting instructions received from NOBOs in response to a request for voting instructions referred to in section 2.17; and

(b) through the actions of management of the reporting issuer, execute the voting instructions as instructed by the NOBOs, to the extent that the management of the reporting issuer holds the corresponding proxy.

2.20 **Abridging Time -** A reporting issuer may abridge the time prescribed in subsections 2.2(1) or 2.5(1) if the reporting issuer

(a) arranges to have proxy-related materials for the meeting sent in compliance with this Instrument to all beneficial owners at least 21 days before the date fixed for the meeting;

(b) arranges to have carried out all of the requirements of this Instrument in addition to those described in subparagraph (a); and

(c) files at the time it files the proxy-related materials, a certificate of one of its officers reporting that it made the arrangements described in paragraphs (a) and (b) and that the reporting issuer is relying upon this section.

PART 3 INTERMEDIARIES' OBLIGATIONS CONCERNING THE OBTAINING OF BENEFICIAL OWNER INSTRUCTIONS

3.1 **Intermediary Information to Depository**

(1) Before a person or company acts as an intermediary, the person or company shall send the following information to each depository:

(a) the intermediary's name and address;

(b) the name and address of each nominee of the intermediary in whose name the intermediary holds securities on behalf of beneficial owners; and

(c) the name, address, telephone number, fax number and any electronic mail address of a representative of the intermediary.

(2) A person or company that is an intermediary on the date of the coming into force of this Instrument shall, on that date, send to each depository the information referred to in subsection (1), unless it has already done so.

(3) An intermediary shall send notice to each depository of a change in the information contained in a notice given under this section within five business days after the change.

3.2 **Instructions from New Clients -** Subject to section 3.4, an intermediary that opens an account for a client shall,

(a) as part of its procedures to open the account, send to the client an explanation to clients and a client response form; and

(b) before the intermediary holds securities on behalf of the client in the account

(i) obtain instructions from the client on the matters to which the client response form pertains;

(ii) obtain the electronic mail address of the client, if available; and

(iii) enquire whether the client wishes to consent and, if so, obtain the consent of the client, to electronic delivery of documents by the intermediary to the client.

3.3 **Transitional - Instructions from Existing Clients -** An intermediary that holds securities on behalf of a client in an account that was opened before the coming into force of this Instrument

(a) may seek new instructions from its client in relation to the matters to which the client response form pertains;

(b) in the absence of new instructions from the client, shall rely on the instructions previously given or deemed to have been given by the client under NP41 in respect of that account, on the following basis:

(i) If the client chose to permit the intermediary to disclose the client's name and security holdings to the issuer of the security or other sender of material, the client is a NOBO under this Instrument.

(ii) If the client was deemed to have permitted the intermediary to disclose the client's name and security holdings to the issuer of the security or other sender of material, the client is a NOBO under this Instrument until December 31, 2003.

(iii) If the client chose not to permit the intermediary to disclose the client's name and security holdings to the issuer of the security or other sender of material, the client is an OBO under this Instrument.

(iv) If the client chose not to receive material relating to annual or special meetings of securityholders or audited financial statements, or if the intermediary was permitted not to provide that material to the client, the client is considered to have declined under this Instrument to receive

(A) proxy-related materials that are sent in connection with a securityholder meeting at which only routine business is to be conducted;

(B) financial statements and annual reports that are not part of proxy-related materials; and

(C) materials sent to securityholders that are not required by corporate or securities law to be sent to registered securityholders.

(v) If the client chose to receive material relating to annual or special meetings of securityholders or audited financial statements, the client is considered to have chosen under this Instrument to receive all securityholder materials sent to beneficial owners of securities.

(vi) The client is considered to have chosen under this Instrument as the client's preferred language of communication the language that has been customarily used by the intermediary to communicate with the client; and

(c) shall obtain new instructions on the matters to which a client response form pertains from any client that is a NOBO under subparagraph (ii) of paragraph (b) in sufficient time to obtain new instructions from the client before January 1, 2004.

3.4 **Amending Client Instructions -** A client may at any time change the instructions it has given or is deemed to have given in connection with any of the choices provided for in the client response form by advising the intermediary that holds securities on the client's behalf of the change.

3.5 **Application of Instructions to Accounts -** The instructions given to an intermediary by a beneficial owner under this Part apply in respect of all securities held by the beneficial owner in the account of the intermediary identified in the client response form.

PART 4 INTERMEDIARIES' OTHER OBLIGATIONS

4.1 Request for Beneficial Ownership Information - Response

(1) A proximate intermediary that receives a request for beneficial ownership information from a reporting issuer, that pertains to a meeting, shall send to the reporting issuer, through the transfer agent of the reporting issuer that sent the request

(a) within three business days of receiving the request, the information referred to in Part 2 of the request for beneficial ownership information other than Item 7;

(b) if the request contains a request for a NOBO list, within three business days after the beneficial ownership determination date for the meeting specified in the request, the NOBO list and other information required in accordance with Item 7 of Part 2 of the request for beneficial ownership information as at the beneficial ownership determination date of the meeting; and

(c) within three business days after the beneficial ownership determination date for the meeting specified in the request, if the request stated that the reporting issuer will send proxy-related materials to, and seek voting instructions from, NOBOs, a form of omnibus proxy that appoints management of the reporting issuer as the proximate intermediary's proxy holder for the securities held, as of the beneficial ownership determination date, on behalf of each NOBO identified on the NOBO list, in respect of which the proximate intermediary is either the registered holder or proxy holder.

(2) A proximate intermediary that receives a request for beneficial ownership information from a reporting issuer that pertains to the sending of securityholder materials other than in connection with a meeting shall, within three business days of receiving the request, send to the reporting issuer, through the transfer agent of the reporting issuer that sent the request, the NOBO lists if applicable and the other information referred to in Part 2 of the request for beneficial ownership information.

(3) A proximate intermediary that receives a request for beneficial ownership information from a reporting issuer that contains a request for a NOBO list but does not pertain to a meeting or the sending of securityholder materials shall, within three business days of receiving the request, send to the reporting issuer, through the transfer agent of the reporting issuer that sent the request, the NOBO lists if applicable and the other information referred to in Part 2 of the request for beneficial ownership information.

(4) The response of a proximate intermediary to a reporting issuer given under this section shall be a consolidated response relating to all beneficial owners of each class and series of securities, specified in the request for beneficial ownership information, that hold, directly or indirectly, through the proximate intermediary.

(5) An intermediary holding securities, directly or indirectly, through a proximate intermediary, shall take all necessary steps to ensure that the proximate intermediary is provided with the information required to enable it to satisfy its obligations under this section within the times required by this section.

(6) An intermediary is not required under this Instrument to provide ownership information concerning an OBO to any person or company.

4.2 Sending of Securityholder Materials to Beneficial Owners by Intermediaries

(1) Subject to sections 4.3 and 4.7, a proximate intermediary that receives securityholder materials from a reporting issuer for sending to beneficial owners shall send

(a) one set of the materials to each OBO of the relevant securities that is a client of the proximate intermediary;

(b) one set of the materials to each NOBO of the relevant securities if the reporting issuer stated in the applicable request for beneficial ownership information, or otherwise advised the proximate intermediary, that the reporting issuer will send the materials to NOBOs indirectly through intermediaries; and

(c) appropriate quantities of materials to all intermediaries holding securities of the relevant class or series that are clients of the proximate intermediary, for sending by them under subsection (3).

(2) A proximate intermediary shall comply with subsection (1)

(a) within four business days after receipt in the case of securityholder materials to be sent by prepaid mail other than first class mail; and

(b) within three business days after receipt in the case of securityholder materials to be sent by any other means.

(3) An intermediary that receives securityholder materials from another intermediary under this section shall send, within one business day of receipt

(a) one set of the materials to each OBO that is a client of the intermediary; and

(b) appropriate quantities of the materials to all intermediaries holding securities of the relevant class or series that are clients of the intermediary for sending by them under this subsection.

(4) The persons or companies to whom securityholder materials are sent under this section shall be determined

(a) as at the beneficial ownership determination date, in the case of proxy-related materials; and

(b) as at the date specified in the relevant request for beneficial ownership information, in the case of securityholder materials not sent in connection with a meeting.

(5) An intermediary may satisfy its obligation to send securityholder materials to another intermediary under this section by sending the securityholder materials to a person or company designated by the other intermediary.

4.3 Sending Securityholder Materials Against Instructions - An intermediary that receives securityholder materials that are to be sent to a beneficial owner of securities shall not send the securityholder materials to the beneficial owner if the beneficial owner has declined in accordance with this Instrument to receive those materials unless the reporting issuer has specified in the request for beneficial ownership information sent under section 2.5 in connection with the sending of the securityholder materials that the securityholder materials shall be sent to all beneficial owners of securities.

4.4 Request for Voting Instructions - An intermediary that receives proxy-related materials that solicit votes or voting instructions from securityholders, for sending by the intermediary to beneficial owners of the securities, shall prepare and include with the proxy-related materials that it sends to the beneficial owners, in substitution for the proxy otherwise contained in the proxy-related materials, a request for voting instructions for the matters to which the proxy-related materials relate for return to the intermediary.

4.5 Request for Legal Proxy - An intermediary that receives a written request from a beneficial owner for a legal proxy for securities the intermediary holds on behalf of the beneficial owner as at the beneficial ownership determination date for a meeting shall send to the beneficial owner a legal proxy to the extent that the intermediary

then holds a proxy directly given by the registered holder, or indirectly given by the registered holder through one or more other proxy holders, in connection with the securities held by the intermediary for the beneficial owner.

4.6 **Tabulation and Execution of Voting Instructions -** An intermediary shall

(a) tabulate voting instructions received from beneficial owners of securities in response to a request for voting instructions sent by the intermediary under section 4.4; and

(b) for each beneficial owner, execute the voting instructions received from the beneficial owner to the extent that the intermediary holds a proxy directly given by the registered holder, or indirectly given by the registered holder through one or more other proxy holders, in respect of the securities held by the intermediary for the beneficial owner.

4.7 **Securities Legislation -** Despite any other provision of this Part, nothing in this Part requires a person or company to send securityholder materials to a beneficial owner if securities legislation specifically permits the person or company to decline to send those materials to the beneficial owner.

PART 5 DEPOSITORIES

5.1 **Intermediary Master List -** A depository shall maintain a current list of intermediaries containing the information received by the depository from intermediaries under section 3.1 and shall send a copy of that list to any new depository recognized under this Instrument.

5.2 **Index of Meeting and Record Dates**

(1) A depository shall maintain an index of pending meetings containing the information that it receives from reporting issuers under section 2.2.

(2) A depository shall arrange for the timely publication of the information it receives from a reporting issuer under section 2.2 in the national financial press and may charge the reporting issuer a publication fee in a reasonable amount for the publication.

5.3 **Depository Response to Intermediary Search Request by Reporting Issuer -** Within two business days of its receipt of an intermediary search request from a reporting issuer, a depository shall send to the reporting issuer a report, containing information that is as current as possible, that

(a) specifies the number of securities of the reporting issuer of the series or class specified in the request that are registered in the name of the depository, the identity of any other person or company that holds on behalf of the depository securities of the reporting issuer of the series or class specified in the request and the number of such securities held by that other person or company;

(b) specifies the names, addresses, telephone numbers, fax numbers, any electronic mail addresses and respective holdings of participants in the depository of securities of the series or class specified in the request, on whose behalf the depository holds the securities; and

(c) contains a copy of the intermediary master list.

5.4 **Depository to send Participant Omnibus Proxy to Reporting Issuer**

(1) Within two business days after the beneficial ownership determination date specified in the notification of meeting and record dates referred to in section 2.2, the depository shall send to the reporting issuer an omnibus proxy, appointing each participant, on whose behalf, and to the extent that, the depository holds, as of the beneficial ownership determination date, securities that entitle the holder to vote at the meeting, as the depository's proxy holder in respect of the securities held by the depository on behalf of the participant.

(2) The depository shall send to each of the participants named in an omnibus proxy referred to in subsection (1), at the same time as the depository sends the omnibus proxy to the reporting issuer, confirmation of the proxy given by the depository.

PART 6 OTHER PERSONS OR COMPANIES

6.1 Requests for NOBO Lists from a Reporting Issuer

(1) A person or company may request from a reporting issuer the most recently prepared NOBO list, for any proximate intermediary holding securities of the reporting issuer, that is in the reporting issuer's possession.

(2) A request for a NOBO list under this section shall be accompanied by an undertaking in the form of Form 54-101F9 of the person or company making the request.

(3) The person or company making a request under subsection (1) shall pay a fee to the reporting issuer for preparing the NOBO list for sending under this section.

(4) A reporting issuer shall send any NOBO list requested under this section, within ten days of receipt of both the request and the fee for preparing the list for sending under this section.

(5) A reporting issuer shall delete from any NOBO list sent under this section any reference to FINS numbers referred to in any form and any other information that would identify the intermediary through which a NOBO holds securities.

6.2 Other Rights and Obligations of Persons and Companies other than Reporting Issuers

(1) A person or company may take any action permitted under this Instrument to be taken by a reporting issuer and, in so doing, has all the rights, and is subject to all of the obligations, of a reporting issuer in connection with that action.

(2) In connection with actions taken under subsection (1) by a person or company other than the reporting issuer, references in this Instrument to a "reporting issuer" shall be read as references to that person or company and all other persons and companies will have the same obligations under this Instrument to that person or company as they would have if the person or company were the reporting issuer.

(3) Subsections (1) and (2) do not apply to sections 2.1, 2.2, subsections 2.3(1) and 2.5(1), section 2.18, paragraph 4.1(1)(c), section 5.4 .

(4) A person or company other than the reporting issuer to which the request relates that makes an intermediary search request under subsection 2.3(2) or a request for beneficial ownership information under subsection 2.5(2) shall concurrently send a copy of that request to the reporting issuer of the securities to which the request relates.

(5) A person or company other than the reporting issuer to which the request relates that makes an intermediary search request under subsection 2.3(2) or a request for beneficial ownership information under subsection 2.5(2) shall provide an undertaking in the form of Form 54-101F9.

PART 7 USE OF NOBO LIST

7.1 Use of NOBO List - No reporting issuer or other person or company shall use a NOBO list or a report prepared under section 5.3 relating to the reporting issuer and obtained under this Instrument, except in connection with

(a) sending securityholder materials to NOBOs in accordance with this Instrument;

(b) an effort to influence the voting of securityholders of the reporting issuer;

(c) an offer to acquire securities of the reporting issuer; or

(d) any other matter relating to the affairs of the reporting issuer.

PART 8 MISCELLANEOUS

8.1 Default of Party in Communication Chain - If a person or company fails to send information or materials in accordance with the requirements of this Instrument, the person or company whose required response or action under this Instrument is dependent upon receiving the information or materials shall use reasonable efforts to

obtain the information or materials from the other person or company, and in so doing is exempt from the timing provisions of this Instrument in connection with the response or action to the extent that the delay arose from the failure of the other person or company.

8.2 **Right to Proxy -** Nothing in this Instrument shall be interpreted to restrict in any way

(a) a beneficial owner's right to demand and to receive from an intermediary holding securities on behalf of the beneficial owner a proxy enabling the beneficial owner to vote the securities; or

(b) the right of a depository or intermediary to vary an omnibus proxy in respect of securities to properly reflect a change in the registered or beneficial ownership of the securities.

PART 9 EXCEPTIONS AND EXEMPTIONS

9.1 **Audited Annual Financial Statements or Annual Report -** The time periods applicable to sending of proxy-related materials prescribed in this Instrument do not apply to the sending of proxy-related materials that are annual financial statements or an annual report if the statements or report are sent directly or indirectly in accordance with the Instrument to beneficial owners of the securities within the time limitations established in applicable corporate law and securities legislation for the sending of the statements or report to registered holders of the securities.

9.2 **Exemptions**

(1) The regulator or the securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

(2) Despite subsection (1), in Ontario only the regulator may grant such an exemption.

PART 10 EFFECTIVE DATES AND TRANSITION

10.1 **Effective Date of Instrument -** This Instrument comes into force on July 1, 2002.

10.2 **Transition** - A reporting issuer that has filed a notice of a meeting and record date with the securities regulatory authority in accordance with the provisions of NP41 before the coming into force of this Instrument is, with respect to that meeting, exempt from the provisions of this Instrument if the reporting issuer complies with the provisions of NP41.

10.3 **Sending of Proxy-Related Materials -** Despite section 2.7, a reporting issuer sending proxy-related materials to beneficial owners of securities under section 2.7 for a meeting to be held before September 1, 2004 shall send those materials only indirectly to the beneficial owners under section 2.12.

10.4 **NOBO Lists -** No person or company shall be obliged to furnish a NOBO list under this Instrument before September 1, 2002.

NATIONAL INSTRUMENT 54-101
COMMUNICATION WITH BENEFICIAL OWNERS
OF SECURITIES OF A REPORTING ISSUER
FORM 54-101F1
EXPLANATION TO CLIENTS AND CLIENT RESPONSE FORM

Note: Terms used in this Form have the meanings given to them in National Instrument 54-101.
The use of this Form is referenced in sections 1.1, 3.2, 3.3, 3.4 and 3.5 of National Instrument 54-101.

EXPLANATION TO CLIENTS

[Letterhead of Intermediary]

Based on your instructions, the securities in your account with us are not registered in your name but in our name or the name of another person or company holding your securities on our behalf. The issuers of the securities in your account may not know the identity of the beneficial owner of these securities.

We are required under securities law to obtain your instructions concerning various matters relating to your holding of securities in your account.

Disclosure of Beneficial Ownership Information

Securities law permits reporting issuers and other persons and companies to send materials related to the affairs of the reporting issuer directly to beneficial owners of the reporting issuer's securities if the beneficial owner does not object to having information about it disclosed to the reporting issuer or other persons and companies. Part 1 of the client response form allows you to tell us if you **OBJECT** to the disclosure by us to the reporting issuer or other persons or companies of your beneficial ownership information, consisting of your name, address, electronic mail address, securities holdings and preferred language of communication. Securities legislation restricts the use of your beneficial ownership information to matters relating to the affairs of the reporting issuer.

If you **DO NOT OBJECT** to the disclosure of your beneficial ownership information, please mark the second box on Part 1 of the form. In those circumstances, you will not be charged with any costs associated with sending securityholder materials to you.

If you **OBJECT** to the disclosure of your beneficial ownership information by us, please mark the first box in Part 1 of the form. If you do this, all materials to be delivered to you as a beneficial owner of securities will be delivered by us. *[**Instruction**: Disclose particulars of any fees or charges that the intermediary may require an objecting beneficial owner to pay in connection with the sending of securityholder materials.]*

Receiving Securityholder Materials

For securities that you hold through your account, you have the right to receive proxy-related materials sent by reporting issuers to registered holders of their securities in connection with meetings of such securityholders. Among other things, this permits you to receive the necessary information to allow you to have your securities voted in accordance with your instructions at a securityholder meeting. [***Optional**: Revise this paragraph, if appropriate, to state that objecting beneficial owners will not receive materials unless they or the relevant issuers bear the costs.*]

In addition, reporting issuers may choose to send other securityholder materials to beneficial owners, although they are not obliged to do so.

Securities law permits you to decline to receive three types of securityholder materials. Securities law does not provide for you to decline to receive other types of securityholder materials. The three types of material that you may decline to receive are:

(a) proxy-related materials, including annual reports and financial statements, that are sent in connection with a securityholder meeting at which only "routine business"[5] is to be conducted;

(b) annual reports and financial statements that are not part of proxy-related materials; and

(c) materials that a reporting issuer or other person or company sends to securityholders that are not required by corporate or securities law to be sent to registered securityholders.

Part 2 of the client response form allows you to receive all materials sent to beneficial owners of securities or to decline to receive the three types of materials referred to above.

If you want to receive **ALL** materials that are sent to beneficial owners of securities, please mark the first box on Part 2 of the enclosed client response form. If you want to **DECLINE** to receive the three types of materials referred to above, please mark the second box in Part 2 of the form.

*(**Note**: Even if you decline to receive the three types of materials referred to above, a reporting issuer or other person or company is entitled to deliver these materials to you, provided that the reporting issuer or other person or company pays all costs associated with the sending of these materials. These materials would be delivered to you through your intermediary if you have objected to the disclosure of your beneficial ownership information to reporting issuers.)*

Preferred Language of Communication

Part 3 of the client response form allows you to tell us your preferred language of communication (English or French). You will receive materials in your preferred language of communication if the materials are available in that language.

Electronic Delivery of Documents

Securities law permits us to deliver some documents by electronic means if the consent of the recipient to the means of delivery has been obtained. Please provide your electronic mail address if you have one. *[**Instruction**: Either state (1) if the client wishes to receive documents by electronic delivery from the intermediary, the client should complete, sign and return the enclosed consent form with the client response form or (2) inform the client that electronic delivery of documents by the intermediary may be available upon his or her consent, and provide information as to how the client may provide that consent.]*

CONTACT

If you have any questions or want to change your instructions in the future, please contact [name] at [phone number] or [address, fax number, electronic mail address and/or website].

[5] "Routine business" means:
(i) consideration of the minutes of an earlier meeting;
(ii) consideration of financial statements of the reporting issuer or an auditors' report on the financial statements of the reporting issuer;
(iii) election of directors of the reporting issuer;
(iv) the setting or changing of the number of directors to be elected within a range permitted by corporate law if no change to the constating documents of the reporting issuer is required in connection with that action; or
(v) reappointment of an incumbent auditor of the reporting issuer.

CLIENT RESPONSE FORM

TO: [NAME OF INTERMEDIARY]

Account Number(s) _____

I have read and understand the explanation to clients that you have provided me in connection with this form and the choices indicated by me apply to all of the securities held in the above account(s).

PART 1 - Disclosure of Beneficial Ownership Information

*Please mark the corresponding box to show whether you **DO NOT OBJECT** or **OBJECT** to us disclosing your name, address, electronic mail address, securities holdings and preferred language of communication (English or French) to issuers of securities you hold with us and to other persons or companies in accordance with securities law. [**Optional:** For clients that **OBJECT**, disclose particulars of any fees or charges that the intermediary may require the client to pay in connection with the sending of securityholder materials.] [**Note:** The client response form may contain a place where an objecting beneficial owner can indicate its agreement to pay costs of delivery of securityholder materials that are not borne or required to be borne by another person or company.]*

☐ **I DO NOT OBJECT to you disclosing the information described above.**

☐ **I OBJECT to you disclosing the information described above.**

PART 2 - Receiving Securityholder Materials

*Please mark the corresponding box to show whether you **WANT** to receive **ALL** materials sent to beneficial owners of securities or whether you **DECLINE** to receive all of the following materials: (a) proxy-related materials for meetings at which only routine business is to be conducted; (b) annual reports and financial statements that are not part of proxy-related materials; and (c) materials sent to securityholders that are not required by corporate or securities law to be sent.*

☐ **I WANT to receive ALL securityholder materials sent to beneficial owners of securities.**

☐ **I DECLINE to receive all of the following materials: (a) proxy-related materials[6] that are sent in connection with a securityholder meeting at which only "routine business"[7] is to be conducted; (b) financial statements and annual reports that are not part of proxy-related materials; and (c) materials sent to securityholders that are not required by corporate or securities law to be sent. *(Even if I decline to receive these types of materials, I understand that a reporting issuer or other person or company is entitled to send these materials to me at its expense.)***

(Note: These instructions do not apply to any specific request you give or may have given to a reporting issuer concerning the sending of interim financial statements of the reporting issuer.)

PART 3 - Preferred Language of Communication

Please mark the corresponding box to show your preferred language of communication.

☐ **ENGLISH**

☐ **FRENCH**

I understand that the materials I receive will be in my preferred language of communication if the materials are available in that language.

---

6 This would include financial statements and annual reports that are proxy-related materials.

7 "Routine business" means:
(i) consideration of the minutes of an earlier meeting;
(ii) consideration of financial statements of the reporting issuer or an auditors' report on the financial statements of the reporting issuer;
(iii) election of directors of the reporting issuer;
(iv) the setting or changing of the number of directors to be elected within a range permitted by corporate law if no change to the constating documents of the reporting issuer is required in connection with that action; or
(v) reappointment of an incumbent auditor of the reporting issuer.

NATIONAL INSTRUMENT 54-101
COMMUNICATION WITH BENEFICIAL OWNERS
OF SECURITIES OF A REPORTING ISSUER
FORM 54-101F2
REQUEST FOR BENEFICIAL OWNERSHIP INFORMATION

Note: Terms used in this Form have the meanings given to them in National Instrument 54-101.
The use of this Form is referenced in sections 1.1, 2.5, 2.6, 2.9, 2.10, 2.12, 2.13, 2.14 and 4.1, 4.2, 4.3 and 6.2 of National Instrument 54-101.
References in this Form should be amended as appropriate to refer to any person or company using this Form in accordance with section 6.2 of National Instrument 54-101.

PART 1

REPORTING ISSUER INFORMATION

Item 1 - **Name and address of the reporting issuer.**

State the name and address of the reporting issuer.

Item 2 - Contact person(s)

State the name, address, telephone number, facsimile number and any electronic mail address or website of the contact person(s) of the reporting issuer, or of the reporting issuer's agent, if applicable, with whom the intermediary should deal.

State the billing address of the reporting issuer or of the reporting issuer's agent if different.

Item 3 - **Name and ISIN[8] number of each class or series of securities to be searched**

State the name and ISIN number of each class or series of securities of the reporting issuer for which information is requested.

Item 4 - **Purpose of the request for beneficial ownership information**

State whether the request is being made

(a) in connection with neither a meeting nor the sending of securityholder materials;

(b) for the purpose of obtaining a NOBO list, and in connection with sending securityholder materials, but not in connection with a meeting;

(c) for the purpose of obtaining a NOBO list, and in connection with a meeting;

(d) in connection with sending securityholder materials, not in connection with a meeting, and without a NOBO list being requested; or

(e) in connection with a meeting, without a NOBO list being requested.

Item 5 - Information to be Included or Requested if Item 4(a) is Applicable

5.1 If a NOBO list is desired, request a NOBO list without FINS number information.

5.2 If desired, request information on the number of OBOs and NOBOs of the reporting issuer, indicating the number of each that have declined to accept materials to the extent applicable and the number of OBOs and NOBOs who have consented to electronic delivery of documents.

8 "ISIN" means International Stock Identification Number.

5.3 Specify the date as of which the NOBO list or the information referred to in item 5.2 is to be prepared.

5.4 If a NOBO list is requested, confirm that an undertaking of the reporting issuer in the form of Form 54-101F9 is enclosed or is being concurrently provided with the request for beneficial ownership information.

Item 6 - Information to be Included or Requested if Item 4(b) is Applicable

6.1 Request a NOBO list without FINS number information.

6.2 Provide an itemized list of the securityholder materials to be sent.

6.3 Indicate whether the securityholder materials are available in English or French only or in both English and French.

6.4 State whether the reporting issuer will send the materials directly to NOBOs or whether the reporting issuer will send the materials to the proximate intermediary for sending to NOBOs.

6.5 State the date as of which information provided in response to the request, including the NOBO lists, is to be provided.

6.6 State the date when the reporting issuer anticipates that proximate intermediaries will receive the materials referred to in item 6.2.

6.7 State whether the materials are to be sent by first class mail to the beneficial owners of securities and if not, state what method is to be used to send the materials, bearing in mind the different timing requirements in section 2.12 of the National Instrument. *[If materials are to be sent electronically, the sender should bear in mind the principles of National Policy 11-201 and, in Quebec, Staff Notice 11-201.]*

6.8 Confirm that an undertaking of the reporting issuer in the form of Form 54-101F9 is enclosed or is being concurrently provided with the request for beneficial ownership information.

6.9 If the securityholder materials are to be sent to all beneficial owners of securities, including beneficial owners that have declined to receive them, so state.

Item 7 - Information to be Included or Requested if Item 4(c) is Applicable

7.1 Request a NOBO list. If the reporting issuer will send proxy-related materials directly to NOBOs and seek voting instructions from NOBOs, specify that the NOBO list will include FINS number information. Otherwise, specify that the NOBO list will exclude FINS number information.

7.2 Provide an itemized list of the proxy-related materials to be sent.

7.3 Indicate whether the proxy-related materials are available in English or French only or in both English and French.

7.4 State whether the reporting issuer will send the materials directly to NOBOs or whether the reporting issuer will send the materials to the proximate intermediary for sending to NOBOs. If the reporting issuer will send materials directly to NOBOs, state whether the reporting issuer will be seeking voting instructions from NOBOs in connection with the meeting.

7.5 State:

(a) the type of meeting (annual, special or annual and special) and whether only routine business is to be conducted at the meeting[9];

[9] "routine business" means, for a meeting,
(a) consideration of the minutes of an earlier meeting;
(b) consideration of the financial statements of the reporting issuer or an auditor's report on the financial statements of the reporting issuer;
(c) election of directors of the reporting issuer;
(d) setting or changing of the number of directors to be elected within a range permitted by corporate law, if no change to the constating documents of the reporting issuer is required in connection with that action; or
(e) reappointment of an incumbent auditor of the reporting issuer.

(b) the beneficial ownership determination date of the meeting;

(c) the date, time and place of meeting; and

(d) the cut-off date and time for proxy receipt, if applicable.

7.6 State the name and ISIN number of each class or series of securities that carry the right to receive notice of the meeting or the right to vote at the meeting.

7.7 State that the information to be provided in response to the request, including the NOBO list, is to be provided as at the beneficial ownership determination date of the meeting.

7.8 State the date when the reporting issuer anticipates that proximate intermediaries will receive the materials referred to in item 7.2.

7.9 State whether the materials are to be sent by first class mail to the beneficial owners of securities and if not, state what method is to be used to send the materials, bearing in mind the different timing requirements in section 2.12 of the National Instrument. *[If materials are to be sent electronically, the sender should bear in mind the principles of National Policy 11-201 and, in Quebec, Staff Notice 11-201]*

7.10 Confirm that an undertaking of the reporting issuer in the form of Form 54-101F9 is enclosed or is being concurrently provided with the request for beneficial ownership information.

7.11 If the securityholder materials are to be sent to all beneficial owners of securities, including beneficial owners that have declined to receive them, so state.

Item 8 - Information to be Included or Requested if Item 4(d) is Applicable

8.1 Provide an itemized list of the securityholder materials to be sent.

8.2 Indicate whether the securityholder materials are available in English or French only or in both English and French.

8.3 State the date as at which information provided in response to the request is to be provided.

8.4 State the date when the reporting issuer anticipates that proximate intermediaries will receive the materials referred to in item 8.1.

8.5 State whether the materials are to be sent by first class mail to the beneficial owners of securities, and, if not, state what method is to be used to send the materials, bearing in mind the different timing requirements in section 2.12 of the National Instrument. *[If materials are to be sent electronically, the sender should bear in mind the principles of National Policy 11-201 and, in Quebec, Staff Notice 11-201.]*

8.6 If the securityholder materials are to be sent to all beneficial owners of securities, including beneficial owners that have declined to receive them, so state.

Item 9 - Information to be Included or Requested if Item 4(e) is Applicable

9.1 Provide an itemized list of the proxy-related materials to be sent.

9.2 Indicate whether the proxy-related materials are available in English or French only or in both English and French.

9.3 State:

(a) the type of meeting (annual, special or annual and special) and whether only routine business is to be conducted at the meeting[10];

(b) the beneficial ownership determination date of the meeting;

(c) the date, time and place of meeting; and

(d) the cut-off date and time for proxy receipt, if applicable.

9.4 State the name and ISIN number of each class or series of securities that carry the right to receive notice of the meeting or the right to vote at the meeting.

9.5 State that the information to be provided in response to the request is to be provided as at the beneficial ownership determination date of the meeting.

9.6 State the date when the reporting issuer anticipates that proximate intermediaries will receive the materials referred to in item 9.1.

9.7 State whether the materials are to be sent by first class mail to the beneficial owners of securities and, if not, state what method is to be used to send the materials, bearing in mind the different timing requirements in section 2.12 of the National Instrument. *[If materials are to be sent electronically, the sender should bear in mind the principles of National Policy 11-201 and, in Quebec, Staff Notice 11-201.]*

9.8 If the securityholder materials are to be sent to all beneficial owners of securities, including beneficial owners that have declined to receive them, so state.

Item 10 - Payment of Costs of Sending to OBOs

10.1 State whether the reporting issuer will pay the costs associated with the delivery of the securityholder materials to OBOs by intermediaries.

Part 2

PROXIMATE INTERMEDIARY RESPONSE

Item 1 - **Name and address of proximate intermediary**

State the name and address of the proximate intermediary.

Item 2 - **Contact person**

State the name, telephone number, fax number and any electronic mail address and website of the contact person(s) of the proximate intermediary, or of the proximate intermediary's agent, if applicable, with whom the reporting issuer should deal.

[10] "routine business" means, for a meeting,
(a) consideration of the minutes of an earlier meeting;
(b) consideration of the financial statements of the reporting issuer or an auditor's report on the financial statements of the reporting issuer;
(c) election of directors of the reporting issuer;
(d) setting or changing of the number of directors to be elected within a range permitted by corporate law, if no change to the constating documents of the reporting issuer is required in connection with that action; or
(e) reappointment of an incumbent auditor of the reporting issuer.

Item 3 - Consolidation of replies

3.1 If applicable, provide a list of

(a) all nominees and depositories who hold securities on behalf of the proximate intermediary; and

(b) all nominees, depositories and other intermediaries for whom the proximate intermediary, directly or indirectly, holds securities.

3.2 Provide a list showing the number and class of securities held by each of the persons or companies referred to in Item 3.1.

3.3 Confirm that the information provided in the response includes securities held through those nominees, depositories and intermediaries holding, directly or indirectly, through the proximate intermediary.

Item 4 - Address for receipt of materials

If the request for beneficial ownership information was made either in connection with sending securityholder materials apart from a meeting, or in connection with a meeting, provide, if different from the information provided under Item 2, the name and municipal address to which the materials are to be sent for forwarding by the intermediary to beneficial owners or other intermediaries.

Also provide the name, telephone number, fax number and any electronic mail address and website of the contact person at that address if different from the information provided under item 2.

Item 5 - Number of sets of materials required for forwarding by proximate intermediary to beneficial owners

5.1 Unless the request for beneficial ownership information was made only to obtain NOBO lists, state the number, including the number required in each case in English and French, of materials specified in Part 1 of this form required for forwarding by the proximate intermediary to beneficial owners. If the proximate intermediary is in a foreign jurisdiction and the law in that jurisdiction requires the proximate intermediary to send securityholder materials to beneficial owners including NOBOs, this fact may be stated and the number of sets of materials specified may include the number required for such NOBOs.

5.2 If the reporting issuer has specified that it will send documents electronically, state the

(a) aggregate number of beneficial owners that hold securities, directly or indirectly, through the proximate intermediary; and

(b) the aggregate number of the beneficial owners referred to in paragraph (a) that have consented to electronic delivery of the documents by the intermediary through whom they hold the relevant securities.

5.3 State the number of OBOs with addresses, as shown in the records of the intermediary through which the OBO holds securities, in each jurisdiction.

Item 6 - Preliminary Search Information

If the request for beneficial ownership information was made to receive information under item 5.2 of the request, provide information on the number of OBOs and NOBOs of the reporting issuer, indicating the number of each that have declined to receive materials in accordance with the Instrument.

Item 7 - NOBO Lists

If a NOBO list was requested and if the proximate intermediary is able to provide the list in electronic form in the form of Form 54-101F5, confirm that the proximate intermediary shall send it electronically in that form. If a NOBO list was requested and if the proximate intermediary is unable to provide the list electronically in the form of Form 54-101F5, enclose the list with the response. Unless the request for beneficial ownership information stated that the request was being made for the purpose of obtaining NOBO lists and in connection with a meeting where the reporting issuer would

be sending materials to NOBOs and seeking voting instructions from NOBOs, exclude from the NOBO list the FINS number information.

Item 8 - Confirmation of the search

Confirm the completeness and accuracy of the foregoing information.

Item 9 - Warning

If NOBO lists were requested, the response shall contain the following statement:

WARNING: IT IS AN OFFENCE TO USE A NOBO LIST FOR PURPOSES OTHER THAN IN CONNECTION WITH:

a. sending securityholder materials to NOBOs in accordance with National Instrument 54-101;

b. an effort to influence the voting of securityholders of the reporting issuer;

c. an offer to acquire securities of the reporting issuer; or

d. any other matter relating to the affairs of the reporting issuer.

Item 10 - Non-Delivery to OBOs

10.1 State whether the proximate intermediary or any other intermediaries on whose behalf the proximate intermediary holds securities are entitled to decline to send, and will not send, securityholder materials to an OBO unless the OBO, or the relevant issuer, pays the costs of sending. *[This provision is not necessary if a reporting issuer has indicated in Form 54-102F2 that it will pay the costs of the intermediaries sending materials to OBOs.]*

10.2 Estimate the number of OBOs and their aggregate approximate holdings in securities of the reporting issuer that hold through the intermediaries referred to in item 10.1.

NATIONAL INSTRUMENT 54-101
COMMUNICATION WITH BENEFICIAL OWNERS
OF SECURITIES OF A REPORTING ISSUER
FORM 54-101F3
OMNIBUS PROXY (DEPOSITORIES

Note: Terms used in this Form have the meanings given to them in National Instrument 54-101.
The use of this Form is referenced in sections 1.1, 2.3, 5.4 and 8.2 of National Instrument 54-101.

[Letterhead of Depository]

OMNIBUS PROXY

Subject to the paragraph that follows, [the undersigned], being a registered holder or proxy holder in respect of securities of the reporting issuer specified below, as at the beneficial ownership determination date, hereby appoints each of the persons or companies identified in the attached schedule, in respect of the corresponding securities referred to below, with power of substitution in each, to attend, vote and otherwise act for and on behalf of [the undersigned] to the extent of the number of securities specified, in respect of all matters that may come before the meeting of securityholders described below, and at any adjournment or continuance thereof.

The appointees shall not vote, or give a proxy requiring or authorizing another person or company to vote, the securities represented by this omnibus proxy except in accordance with voting instructions received from the beneficial owners whose securities are represented by this omnibus proxy or in accordance with other legal authority to vote the securities.

This instrument supersedes and revokes any prior appointment of proxy made by [the undersigned] with respect to the voting of the securities specified below at such meeting, or at any adjournment thereof.

Reporting issuer: _____

Class/Series of Security: _____

ISIN Number: _____

Number of Securities: _____

Date of Meeting: _____

Beneficial Ownership Determination Date: _____

[Include date and signature]

Schedule to Form 54-101F3

[Letterhead of Depository]

SCHEDULE TO OMNIBUS PROXY

Participant Security Positions

Reporting issuer: _____

ISIN Number: _____

Effective Date/Beneficial Ownership Determination Date: _____

Participant	Total Number of Securities of the relevant class or series
[Name/address of participant]	[position held by participant]
[Name/address of participant]	[position held by participant]
[Name/address of participant]	[position held by participant]
Total Number of Securities held by Participants for the relevant class or series	[Total]

NATIONAL INSTRUMENT 54-101
COMMUNICATION WITH BENEFICIAL OWNERS
OF SECURITIES OF A REPORTING ISSUER
FORM 54-101F4
OMNIBUS PROXY (PROXIMATE INTERMEDIARIES)

Note: Terms used in this Form have the meanings given to them in National Instrument 54-101. The use of this Form is referenced in sections 1.1, 4.1 and 8.2 of National Instrument 54-101.

[Letterhead of Proximate Intermediary]

OMNIBUS PROXY

Subject to the paragraph that follows, [the undersigned], being a registered holder or proxy holder in respect of securities of the reporting issuer specified below, as at the beneficial ownership determination date, hereby appoints [*insert names from reporting issuer's management proxy*], with power of substitution, to attend, vote and otherwise act for and on behalf of [the undersigned] to the extent of the number of securities specified, in respect of all matters that may come before the meeting of securityholders described below, and at any adjournment or continuance.

The appointees shall not vote, or give a proxy requiring or authorizing another person or company to vote, the securities represented by this omnibus proxy except in accordance with voting instructions received from the beneficial owners whose securities are represented by this omnibus proxy or in accordance with other legal authority to vote the securities.

This instrument supersedes and revokes any prior appointment of proxy made by [the undersigned] with respect to the voting of the securities specified below at such meeting, or at any adjournment thereof.

Reporting issuer: _____

Class/Series of Security: _____

ISIN Number: _____

Number of Securities: _____

Name of Registered Holder of Securities[11]: _____

Date of Meeting: _____

Beneficial Ownership Determination Date: _____

[Include date and signature]

[11] *[Instruction: Specify if securities are held through more than one registered holder, and specify the number of securities held through each registered holder.]*

NATIONAL INSTRUMENT 54-101
COMMUNICATION WITH BENEFICIAL OWNERS
OF SECURITIES OF A REPORTING ISSUER
FORM 54-101F5
ELECTRONIC FORMAT FOR NOBO LIST

Note: Terms used in this Form have the meanings given to them in National Instrument 54-101. The use of this Form is referenced in sections 1.1, 1.3, 2.5, 2.9, 2.10, 2.11, 4.1, 6.1, 7.1 and 10.4 of National Instrument 54-101.

HEADER RECORD DESCRIPTION	TYPE	LENGTH	COMMENTS
RECORD TYPE	A	1	Header record = A
FINS NUMBER	A	4	Prefix T, M, V or C
ISIN[12]	A	12	
FILLER	X	3	Blank
SECURITY DESC.	A	32	Security Description
RECORD DATE	N	8	Format YYYYMMDD
CREATION DATE	N	8	Format YYYYMMDD
FILLER	X	250	Blank

DETAIL RECORD DESCRIPTION	TYPE	LENGTH	COMMENTS
RECORD TYPE	A	1	Detail Record = B
FINS NUMBER	A	4	Same as in Header record
ISIN[1]	A	12	
FILLER	X	3	Blank
FILLER	X	20	Blank
NAME	A	32	Holder Name
ADDRESS	A	32 x6	Occurs 6 times
FILLER	X	32	Blank
POSTAL CODE	A	9	
POSTAL REGION	A	1	C-Canada; U-USA; F-Foreign (other than USA); H-Hand Deliver
FILLER	X	2	Blank
E-MAIL ADDRESS	A	32	
LANGUAGE CODE	A	1	E-English; F-French
NUMBER OF SHARES	N	9	Shareholder Position
RECEIVE ALL MATERIAL	A	1	Y/N
AGREE TO ELECTRONIC DELIVERY BY INTERMEDIARY	A	1	Y/N

TRAILER RECORD DESCRIPTION	TYPE	LENGTH	COMMENTS
RECORD TYPE	A	1	Trailer record = C
FINS NUMBER	A	4	Same as in Header record
ISIN[1]	A	12	
FILLER	X	3	Blank
TOTAL SHAREHOLDERS	N	7	Number of "B" type records
TOTAL SHARES	N	11	Total shares on "B" records
FILLER	X	280	Blank

WARNING: IT IS AN OFFENCE TO USE A NOBO LIST FOR PURPOSES OTHER THAN IN CONNECTION WITH:

a. sending securityholder materials to NOBOs in accordance with National Instrument 54-101;

b. an effort to influence the voting of securityholders of the reporting issuer;

c. an offer to acquire securities of the reporting issuer; or

d. any other matter relating to the affairs of the reporting issuer.

[12] "ISIN" means International Stock Identification Number.

NATIONAL INSTRUMENT 54-101
COMMUNICATION WITH BENEFICIAL OWNERS
OF SECURITIES OF A REPORTING ISSUER
FORM 54-101F6
REQUEST FOR VOTING INSTRUCTIONS MADE BY REPORTING ISSUER

Note: Terms used in this Form have the meanings given to them in National Instrument 54-101.
The use of this Form is referenced in sections 1.1, 2.11, 2.17 and 2.19 of National Instrument 54-101.
References in this Form should be amended as appropriate to refer to the person or company using this Form, in accordance with section 6.2 of National Instrument 54-101.

[Letterhead of Reporting issuer]

REQUEST FOR VOTING INSTRUCTIONS

To our securityholders:

We are sending to you the enclosed proxy-related materials that relate to a meeting of the holders of the series or class of securities that are held on your behalf by the intermediary identified below. Unless you attend the meeting and vote in person, your securities can be voted only by management, as proxy holder of the registered holder, in accordance with your instructions.

[Include instructions for appointing alternative proxy.]

We are prohibited from voting these securities on any of the matters to be acted upon at the meeting without your specific voting instructions. In order for these securities to be voted at the meeting, **it will be necessary for us to have your specific voting instructions**. Please complete and return the information requested in this form to provide your voting instructions to us promptly.

[Specify how and to whom the voting instructions may be returned.]

Should you wish to attend the meeting and vote in person, please write your name in the place provided for that purpose in the voting instructions form provided to you and we will send to you a form of legal proxy which will grant you the right to attend the meeting and vote in person. If you require assistance in that regard, please contact [the undersigned].

[Insert proximate intermediary name, code or identifier; name, address and respective holdings of securities of the relevant series or class held for the NOBO.]

[Insert description of proposals to be voted upon, other instructions or explanations, etc.]

By providing voting instructions as requested, you are acknowledging that you are the beneficial owner of, and are entitled to instruct us with respect to the voting of, these securities.

(If these voting instructions are given on behalf of a body corporate set out the full legal name of the body corporate, the name and position of the person giving voting instructions on behalf of the body corporate and the address for service of the body corporate.)

NATIONAL INSTRUMENT 54-101
COMMUNICATION WITH BENEFICIAL OWNERS
OF SECURITIES OF A REPORTING ISSUER
FORM 54-101F7
REQUEST FOR VOTING INSTRUCTIONS MADE BY INTERMEDIARY

Note: Terms used in this Form have the meanings given to them in National Instrument 54-101.
The use of this Form is referenced in sections 1.1, 4.4 and 4.6 of National Instrument 54-101.
References in this Form should be amended as appropriate to refer to the person or company using this Form, in accordance with section 6.2 of National Instrument 54-101.

[Letterhead of Intermediary]

REQUEST FOR VOTING INSTRUCTIONS

To our clients:

We are sending to you the enclosed proxy-related materials that relate to a meeting of the holders of securities of the series or class held by us in your account but not registered in your name. Unless you attend the meeting and vote in person, your securities can be voted only by us, as registered holder or proxy holder of the registered holder, in accordance with your written instructions.

[Include instructions for appointing alternative proxy.]

We are prohibited from voting these securities on any of the matters to be acted upon at the meeting without your specific voting instructions. In order for these securities to be voted at the meeting, **it will be necessary for us to have your specific voting instructions**. Please complete and return the information requested in this form to provide your voting instructions to us promptly.

[Specify how and to whom the voting instructions may be returned.]

Should you wish to attend the meeting and vote in person, please write your name in the place provided for that purpose in the voting instructions form provided to you and we will send to you a form of legal proxy which will grant you the right to attend the meeting and vote in person. If you require assistance in that regard, please contact [the undersigned].

[Insert intermediary name, code or identifier; name, address and respective holdings of securities of the relevant series or class held for the beneficial owner.]

[Insert description of proposals to be voted upon, other instructions or explanations, etc.]

By providing voting instructions as requested, you are acknowledging that you are the beneficial owner of, and are entitled to instruct us with respect to the voting of, these securities.

(If these voting instructions are given on behalf of a body corporate set out the full legal name of the body corporate, the name and position of the person giving voting instructions on behalf of the body corporate and the address for service of the body corporate.)

NATIONAL INSTRUMENT 54-101
COMMUNICATION WITH BENEFICIAL OWNERS
OF SECURITIES OF A REPORTING ISSUER
FORM 54-101F8
LEGAL PROXY

Note: Terms used in this Form have the meanings given to them in National Instrument 54-101.
The use of this Form is referenced in sections 1.1, 2.18 and 4.5 of National Instrument 54-101.

LEGAL PROXY

Subject to the paragraph that follows, the undersigned, being a registered holder or proxy holder in respect of securities of the reporting issuer specified below, hereby appoints *[insert name(s) from beneficial owner request for a legal proxy]*, with power of substitution, to attend, vote and otherwise act for and on behalf of the undersigned to the extent of the number of securities specified, in respect of all matters that may come before the meeting of securityholders specified below, and at any adjournment or continuance.

This instrument supersedes and revokes any prior proxy made by the undersigned with respect to the voting of the securities specified below at such meeting, or at any adjournment thereof.

Issuer:
Class/Series of Security:
ISIN Number:
Number of Securities:
Name of Registered Holder of Securities and any Intermediaries through whom proxy is derived:
Date of Meeting:
Place of Meeting:
Beneficial Ownership Determination Date of Meeting:

By voting the securities represented by this legal proxy, you will be acknowledging that you are the beneficial owner of, and are entitled to vote, such securities.

_____
Registered Holder of Securities or Proxy holder

_____
Signing Officer

_____
Date

NATIONAL INSTRUMENT 54-101
COMMUNICATION WITH BENEFICIAL OWNERS
OF SECURITIES OF A REPORTING ISSUER
FORM 54-101F9
UNDERTAKING

Note: Terms used in this Form have the meanings given to them in National Instrument 54-101.
The use of this Form is referenced in sections 2.5, 6.1 and 6.2 of National Instrument 54-101.

I, _____,

(Full Residence Address) _____,

(If this undertaking is made on behalf of a body corporate, set out the full legal name of the body corporate, position of person signing and address for service of the body corporate).

SOLEMNLY DECLARE AND UNDERTAKE THAT:

1. I require a list in the required format of the non-objecting beneficial owners of securities of [*insert name of the reporting issuer*] on whose behalf intermediaries hold securities (a NOBO list), as shown on the records of the intermediaries.

2. I undertake that the information set out on the NOBO list will be used only for the purpose of

   (a) sending securityholder materials to NOBOs in accordance with National Instrument 54-101;

   (b) an effort to influence the voting of securityholders of the reporting issuer;

   (c) an offer to acquire securities of the reporting issuer; or

   (d) any other matter relating to the affairs of the reporting issuer.

3. I undertake that, except as permitted under National Instrument 54-101, the NOBO list will not be used to send securityholder materials to those NOBOs that are identified on the NOBO list as having chosen not to receive the materials, and that the materials sent shall include the following statement:

   "These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf."

4. I acknowledge that I am aware that it is an offence to use a NOBO list for purposes other than in connection with:

   (a) sending securityholder materials to NOBOs in accordance with National Instrument 54-101;

   (b) an effort to influence the voting of securityholders of the reporting issuer;

   (c) an offer to acquire securities of the reporting issuer; or

   (d) any other matter relating to the affairs of the reporting issuer.

_____
Signature

_____
Name of person signing

_____
Date

5.1.3 Companion Policy to National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer

COMPANION POLICY 54-101CP
TO NATIONAL INSTRUMENT 54-101
COMMUNICATION WITH BENEFICIAL OWNERS
OF SECURITIES OF A REPORTING ISSUER

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COMPANION POLICY 54-101CP
TO NATIONAL INSTRUMENT 54-101
COMMUNICATION WITH BENEFICIAL OWNERS
OF SECURITIES OF A REPORTING ISSUER

PART 1 BACKGROUND

1.1 History

(1) Obligations imposed on reporting issuers under corporate law and securities legislation to communicate with securityholders are typically cast as obligations in respect of registered holders and not in respect of beneficial owners. For purposes of market efficiency, securities are increasingly not registered in the names of the beneficial owners but rather in the names of depositories, or their nominees, who hold on behalf of intermediaries, such as dealers, trust companies or banks, who, in turn, hold on behalf of the beneficial owners. Securities may also be registered directly in the names of intermediaries who hold on behalf of the beneficial owners.

(2) Corporate law and securities legislation require reporting issuers to send to their registered holders information and materials that enable such holders to exercise their right to vote. To address concerns that beneficial owners who hold their securities through intermediaries or their nominees may not receive the information and materials, in 1987, the CSA approved National Policy Statement No. 41 ("NP41"), which has since been replaced by National Instrument 54-101 (the "Instrument").

(3) The purpose of this Policy is to state the views of the Canadian securities regulatory authorities on various matters relating to the Instrument in order to provide guidance and interpretation to market participants in the practical application of the Instrument.

1.2 Fundamental Principles - The following fundamental principles have guided the preparation of the Instrument:

(a) all securityholders of a reporting issuer, whether registered holders or beneficial owners, should have the opportunity to be treated alike as far as is practicable;

(b) efficiency should be encouraged; and

(c) the obligations of each party in the securityholder communication process should be equitable and clearly defined.

PART 2 GENERAL

2.1 Application of Instrument

(1) The securityholder communication procedures contemplated by the Instrument are applicable to all securityholder materials sent by a reporting issuer to holders of securities of the reporting issuer under Canadian securities legislation including, but not limited to, proxy-related materials. Securityholder materials include materials required by securities legislation or applicable corporate law to be sent to registered holders of securities of a reporting issuer, such as interim financial statements and issuer bid and directors circulars. Securityholder materials can also include materials sent to registered holders absent any legal requirement to do so; an example of these types of materials would be corporate communications containing product information.

(2) As provided in section 2.7 of the Instrument, compliance with the procedures set out in the Instrument is mandatory for reporting issuers when sending proxy-related materials to beneficial owners, and, under section 2.8 of the Instrument, is optional for the sending of other materials. Once a reporting issuer, or another person or company pursuant to Part 6 of the Instrument, chooses to use the communications procedures specified in the Instrument for a reporting issuer, depositories, intermediaries and other persons or companies must comply with their corresponding obligations under the Instrument.

2.2 Application to Foreign Securityholders and U.S. Issuers

(1) As provided in subsection 2.12(3) of the Instrument, a reporting issuer that is precluded from sending securityholder materials directly to NOBOs because of conflicting legal requirements in the United

States or elsewhere outside of Canada shall send the materials indirectly, i.e., by forwarding the materials to NOBOs through proximate intermediaries for those securities.

(2) National Instrument 71-101 *The Multijurisdictional Disclosure System* provides, in Part 18, that a "U.S. issuer", as defined in that Instrument, is considered to satisfy the requirements of National Instrument 54-101, other than in respect of fees, if the issuer complies with the requirements of Rule 14a-13 under the 1934 Act for any Canadian clearing agency and any intermediary whose last address as shown on the books of the issuer is in the local jurisdiction. Those requirements are designed to achieve the same purpose as the requirements of the Instrument.

(3) A Canadian reporting issuer may be exempt from complying with U.S. requirements under a reciprocal provision in the U.S. Multijurisdictional Disclosure regime.

2.3 **Interim Financial Statements** - Interim financial statements sent to beneficial owners in accordance with National Instrument 54-102 *Interim Financial Statement and Report Exemption* are "securityholder materials" under the Instrument. However, financial statements sent under National Instrument 54-102 need not be sent using the mechanisms of National Instrument 54-101 as the reporting issuer will send them directly to persons on a supplemental list.

2.4 **"Client" and "Intermediary" to be Distinguished From "Beneficial Owner"**

(1) Section 1.1 of the Instrument distinguishes between "client" and "beneficial owner". The two definitions recognize that, for many reporting issuers, there may be layers of intermediaries between the registered holder of a security and the ultimate beneficial owner. For example, a dealer could hold a security on behalf of another dealer that in turn holds the security for the beneficial owner.

(2) In the Instrument, "beneficial owner" refers to a person or company that, ultimately, has the right to vote, or exercise control or direction over, the securities that are held through intermediaries and that therefore originates the instructions that are contained in a client response form, or that would have the authority to originate those instructions. If an intermediary that holds securities has discretionary authority over the securities, and consequently has authority to provide instructions in a client response form, it will be the beneficial owner of those securities for purposes of the Instrument and would not also be an "intermediary" with respect to those securities.

(3) The term "client" refers to the person or company for whom an intermediary directly holds securities, regardless of whether the client is a beneficial owner. For example, if a dealer holds securities on behalf of a bank that in turn holds the securities on behalf of the beneficial owner, the bank is a client of the dealer, and the beneficial owner is a client of the bank. The beneficial owner is not a client of the dealer. Section 1.2 of the Instrument recognizes that, under the Instrument, an intermediary may "hold" securities for a client, even if another person or company is shown on the books or records of the reporting issuer or the records of another intermediary or depository as the holder of the securities.

2.5 **Definition of "Corporate Law"** - Section 1.1 of the Instrument defines "corporate law" as any legislation, constating instrument or agreement that governs the affairs of a reporting issuer. The term "corporate law" therefore encompasses Canadian and foreign laws, a declaration or deed of trust in the case of a trust, and the partnership agreement in the case of a partnership.

2.6 **Fees** - Section 1.4 provides that fees payable under the Instrument, unless prescribed by the regulator or securities regulatory authority, shall be a reasonable amount. Section 2.13 provides that a reporting issuer shall pay a fee to a proximate intermediary for furnishing the information requested in a request for beneficial ownership information (which would be used by reporting issuer to request a NOBO list) made by the reporting issuer. Paragraph 2.14(1)(a) provides that a reporting issuer that sends securityholder materials indirectly to NOBOs through a proximate intermediary shall pay to the proximate intermediary, upon receipt by the reporting issuer of a certificate of sending to NOBOs in accordance with the instructions specified by the reporting issuer and the request for beneficial ownership information, a fee for sending the securityholder materials to the NOBOs. In determining what is a reasonable amount the Canadian securities regulatory authorities expect that market participants will be guided by fees previously prescribed by Canadian securities regulatory authorities and by the fees payable for comparable services in other jurisdictions such as the United States, as well as by technological developments. In the case of fees for sending securityholder materials to NOBOs, referred to in paragraph 2.14(1)(a), the CSA would regard as currently reasonable an amount not exceeding $1 (being the amount previously specified in NP41).

2.7 **Agent** - A depository, intermediary or reporting issuer that uses an agent to comply with the requirements of the Instrument is reminded that it remains fully responsible for such compliance.

PART 3 REPORTING ISSUERS

3.1 Timing for Notice of Meeting and Record Dates and Intermediary Searches

(1) Subject to section 2.20, section 2.2 of the Instrument requires that, 25 days before the record date for notice of a meeting, a reporting issuer send to the entities named in that section a notification of meeting and record dates, and section 2.5 of the Instrument requires that 20 days before the record date for notice, a reporting issuer send a request for beneficial ownership information to proximate intermediaries. Section 2.20 allows these timing requirements to be abridged upon filing of an officer's certificate containing the information specified in section 2.20. Nevertheless, reporting issuers should commence the notice and searches referred to in sections 2.2, 2.3 and 2.5 at an early date and in sufficient time to allow the completion of all steps and actions required before the sending of materials, including allowing for the response time permitted for intermediaries in section 4.1 and depositories in section 5.3, so that the materials may be sent within the times contemplated by sections 2.9 and 2.12 of the Instrument.

(2) The time frames stipulated by sections 2.9 and 2.12 of the Instrument are minimum requirements. For a meeting that will deal with contentious matters, the CSA expect that good corporate practice will often require that materials be sent earlier than the minimum required dates to ensure that securityholders have a full opportunity to understand and react to the matters raised.

(3) It remains the reporting issuer's responsibility when planning a meeting timetable to factor in all timing considerations, including deadlines external to the Instrument. For example, reporting issuers that have obligations under corporate law to advertise in advance of a record date for notice, or satisfy other publication obligations, would need to comply with those obligations. Reporting issuers that intend to satisfy their advance publication obligation by relying upon publication by CDS of meeting and record dates under subsection 5.2(2) of the Instrument would need to factor in the timing of publication by CDS and the advance notice required by CDS, as described in section 3.4 of this Policy, in order to permit inclusion of meeting and record date information in the publication. Reporting issuers will also need to factor in the time needed to produce and assemble the relevant securityholder materials after quantities have been determined.

(4) Proximate intermediaries are required under section 4.1 of the Instrument to furnish the information requested in a request for beneficial ownership information, in certain circumstances, within three business days of receipt. It should be noted that this timing refers to receipt of the request by the proximate intermediary, which may not be the same date as the request was sent by the reporting issuer. The time necessary for a request for beneficial ownership information to be received by a proximate intermediary should be factored into a reporting issuer's planning.

3.2 Adjournment or Change in Meeting

(1) Under section 2.15, a reporting issuer that sends a notice of adjournment or other change for a meeting to registered holders of its securities shall concurrently send the notice, including any change in the beneficial ownership determination date, to the persons and companies listed in section 2.15. Issuers are reminded of a number of other potential implications associated with an adjournment or other change, including those set out below.

(2) If additional proxy-related materials are sent in connection with the meeting after proxy-related materials have previously been sent, a new intermediary search may be required if the beneficial ownership determination date for the meeting is changed.

(3) New intermediary searches may have to be conducted if the nature of the business to be transacted at the meeting is materially changed. If the nature of the business is changed to add business that is not routine business, it may be necessary to conduct new intermediary searches in order to ensure that beneficial owners that had elected not to receive proxy-related materials for meetings at which only routine business was to be conducted receive proxy-related materials for the meeting.

(4) If an adjournment or other change to the business of the meeting requires that new proxy-related materials be sent to securityholders, the meeting date or the date of the adjourned meeting may have to be delayed to satisfy the time periods specified in the Instrument, unless an exemption from the

time periods of the Instrument is obtained. If the change in the business of the meeting is significant, such as a change from only routine business to special business, Canadian securities regulatory authorities will not generally grant exemptions from timing requirements for sending proxy-related materials in the absence of exceptional circumstances.

3.3 Request for Beneficial Ownership Information

(1) A request for beneficial ownership information made under subsection 2.5(2) of the National Instrument may be for any class or series of securities and is not restricted to only those securities carrying the right to receive notice of, or to vote at, a meeting, as is the case with a request under subsection 2.5(1). A request under subsection 2.5(2) need not necessarily be addressed to all proximate intermediaries holding the class or series of securities.

(2) If it is able to do so, a proximate intermediary is required to respond to a request for a NOBO list by providing the NOBO list in electronic format. All requests for beneficial ownership information including NOBO lists are required to be made through a transfer agent. A reporting issuer that wishes to receive a NOBO list in non-electronic format may make arrangements with its transfer agent to have the electronic format received by the transfer agent converted to a paper copy.

3.4 **Depository's Index of Meetings** - CDS advises that the index referred to in section 5.2 of the Instrument is currently published in the Monday edition of *The Globe and Mail Report on Business* and in the Tuesday edition of *La Presse*. CDS advises that notices of meetings received by CDS by noon on Wednesday are usually published in *The Globe and Mail* on the following Monday and in *La Presse* on the following Tuesday. A reporting issuer should contact CDS for current forms and fee schedules of CDS.

3.5 **Voting Instructions** - Voting instructions that the reporting issuer requests directly from NOBOs will be returned directly to the reporting issuer. Management of the reporting issuer will then vote the securities beneficially owned by NOBOs in accordance with the instructions received from NOBOs to the extent that management has the corresponding proxy. That proxy is given to management by the proximate intermediary that provides the NOBO list under subsection 4.1(1) of the Instrument.

PART 4 INTERMEDIARIES

4.1 **Client Response Form** - By completing a client response form as provided in Part 3 of the Instrument, a beneficial owner gives notice of its choices concerning the receipt of materials and the disclosure of ownership information concerning it. Pursuant to section 3.4 of the Instrument, a beneficial owner may, by notice to the intermediary through which it holds, change any prior instructions given in a client response form. Proximate intermediaries should alert their clients to the costs and other consequences of the options in the client response form.

4.2 **Separate Accounts** - A client that wishes to make different choices concerning receipt of securityholder materials or disclosure of ownership information with respect to some of the securities beneficially owned by it should hold those securities in separate accounts.

4.3 Reconciliation of Positions

(1) The records of an intermediary must show which of its clients are NOBOs, OBOs or other intermediaries, and specify the holdings of each of those clients.

(2) In order that the Instrument work properly, it is important that the records of an intermediary be accurate. Its records must reconcile accurately with the records of the person or company through whom the intermediary itself holds the securities, which could either be another intermediary or a depository, or the security register of the relevant issuer, if the intermediary is a registered securityholder. This reconciliation must include securities held both directly and through nominees.

(3) A proximate intermediary should provide accurate responses to requests for beneficial ownership information. Information about the holdings of NOBOs, when added to the holdings of OBOs, the holdings of other intermediaries holding through the proximate intermediary and the holdings that the proximate intermediary holds as principal, must not exceed the total security holdings of the proximate intermediary, including its nominees, as shown on the register of the issuer or in the records of the depository.

(4) It is important as well that the total number of votes cast at a meeting by an intermediary or persons or companies holding through an intermediary not exceed the number of votes for which the intermediary itself is a proxyholder.

4.4 Identification of Intermediary

(1) A NOBO list with FINS numbers will only be provided where the list is sought by a reporting issuer in conjunction with a meeting of its securityholders in circumstances in which the issuer is sending proxy-related materials under paragraph 4.1(1)(c) of the Instrument. The FINS number should not be required in circumstances where it is not necessary to reconcile voting instructions and/or proxies.

(2) Identification of the intermediary and the holdings specified in the corresponding NOBO list on requests for voting instructions as required in Form 54-101F6 is necessary for the reporting issuer to be able to reconcile voting instructions received from a NOBO to the corresponding position registered in the name of the intermediary or its nominee or in respect of which the intermediary holds a proxy. In addition, should a NOBO wish to change its voting instructions, before or at a meeting of securityholders, knowledge of the corresponding intermediary and the NOBO's holdings is necessary.

4.5 Changes to Intermediary Master List - It is the obligation of intermediaries under section 3.1 of the Instrument to notify each depository of any changes in the information required to be provided under that section within five business days after the change. The five business days is a maximum requirement and it is expected that intermediaries will provide notice of such changes as soon as possible and, if possible in advance, in order that their clients not be prejudiced.

4.6 Incomplete or Late Deliveries - If sets of securityholder materials of a reporting issuer are incomplete or received after the prescribed time limits, the intermediary should advise the reporting issuer and request instructions.

4.7 Other Obligations of Intermediaries - The Instrument addresses the obligations of intermediaries in connection with the forwarding of securityholder materials. It is noted that intermediaries will have other obligations to the beneficial owners holding through them that arise from the nature of the relationship between the intermediary and the beneficial owners. These obligations will likely include advising the beneficial owners of the commencement of take-over bids, issuer bids, rights offerings and other events, and advising as to how the beneficial owners can obtain the relevant materials.

PART 5 MEANS OF SENDING

5.1 General - All parties should use the most efficient means of sending information or securityholder material, including, if practicable, sending materials in bulk.

5.2 Materials in Bulk for Sending to Beneficial Owners - Securityholder materials sent to intermediaries for sending to beneficial owners by mail should be in uncollated bulk form. All materials forming part of a set to be delivered to securityholders should be delivered together. The intermediary will collate the materials; if the materials are proxy-related materials the intermediary will substitute for any issuer proxy contained in the materials a request for voting instructions for matters to which the proxy-related materials relate.

5.3 Number of Sets of Materials - A proximate intermediary should not request sets of securityholder materials for NOBOs if the reporting issuer will be sending the materials directly to those NOBOs.

5.4 Electronic Communication

(1) It is expected that most communication for the purposes of the Instrument between or among depositories, reporting issuers and intermediaries will, as far as practicable, be by electronic means, including fax, electronic mail or data transfer. The Instrument is intended by the CSA to promote and facilitate the use of electronic communication, within the limits imposed by corporate law and securities legislation.

(2) The Instrument does not require manual signatures to the forms referred to in the Instrument. While manual signatures are permitted and may be included, the CSA are of the view that if the Instrument is to promote and facilitate the use of electronic communication, the obligation to include manual signatures would impede the promotion of this technology. Accordingly, the Instrument does not

require authentication by manual signature, and persons or companies should satisfy themselves as to the authenticity of instructions or other communications received in electronic form.

(3) In Quebec, Staff Notice 11-201, and, in the rest of Canada, National Policy 11-201 Delivery of Documents by Electronic Means (the "11-201 Documents") discuss the sending of materials by electronic means. The guidelines set out in the 11-201 Documents, particularly the suggestion that consent be obtained to an electronic transmission of a document, are applicable to documents sent under the Instrument. Under the 11-201 Documents, securityholder materials could be sent to beneficial owners by electronic means in satisfaction of the requirements of the Instrument if the beneficial owner has consented to receive them in that form.

(4) Section 3.2 of the Instrument requires intermediaries that hold securities on behalf of a client in an account to obtain the electronic mail address of the client, if available, and to enquire whether the client wishes to consent to electronic delivery of documents by the intermediary to the client. The client's electronic mail address and whether they have consented to electronic delivery by the intermediary forms part of the "ownership information" associated with a beneficial owner that will be contained in NOBO lists. The electronic form of NOBO list has a field for this information. Because the consent identified in the NOBO list relates to electronic delivery by the intermediary only, the reporting issuer cannot rely on the consent for its electronic delivery. However, the field in the NOBO list for this consent may be of interest to a reporting issuer. It may assist the reporting issuer in ascertaining whether the intermediary will forward electronically the securityholder materials that the reporting issuer elects to send indirectly through the intermediary. It may also assist the reporting issuer to determine the feasibility of sending materials directly to NOBOs and whether to use electronic delivery itself. Where the reporting issuer chooses to obtain consent for the purposes of satisfying the provisions of the 11-201 Documents, the Canadian securities regulatory authorities anticipate that the reporting issuer will use the electronic mail address contained in the NOBO list.

5.5 **Multiple Deliveries to One Person or Company** - It is noted that sometimes a single investor holds securities of the same class in two or more accounts with the same address. The Canadian securities regulatory authorities note that the delivery of a single set of securityholder materials to that person or company would satisfy the delivery requirements under the Instrument. The sending of a single document in those circumstances is encouraged in order to reduce the costs of securityholder communications.

PART 6 USE OF NOBO LIST

6.1 **Use of NOBO List** - Market participants are reminded that the trafficking of a NOBO list, contrary to Part 7 of the Instrument, will constitute a breach of the Instrument and securities legislation, and that the penalty provisions of securities legislation may be applied.

PART 7 EXEMPTIONS

7.1 **Materials Sent Less Than 21 Days Before Meeting** - In the absence of extraordinary circumstances, the Canadian securities regulatory authorities will generally not consider shortening the 21-day period for the sending of proxy-related materials to beneficial owners of securities referred to in sections 2.9 and 2.12 of the Instrument.

7.2 **Delay of Audited Annual Financial Statements or Annual Report** - Section 9.1 of the Instrument recognizes that corporate law or securities legislation may permit a reporting issuer to send its audited annual financial statements or annual report to registered holders of its securities later than other proxy-related materials. The Instrument provides that the time periods applicable to sending proxy-related materials prescribed in the Instrument do not apply to the sending of proxy-related materials that are annual financial statements or an annual report if the statements or report are sent by the reporting issuer to beneficial owners of the securities within the time limitations established in applicable corporate law and securities legislation for the sending of the statements or report to registered holders of the securities. Reporting issuers are nonetheless encouraged to send their audited annual financial statements or annual report at the same time as other proxy-related materials.

7.3 **Additional Costs If Time Limitations Shortened** - Section 4.2 of the Instrument allows a proximate intermediary three business days to prepare the securityholder materials for forwarding to beneficial owners after its receipt of the materials from the reporting issuer (four business days if the material is to be sent by mail other than first-class mail). Reporting issuers making arrangements with intermediaries to comply with the procedures in the Instrument within shorter time limits may wish to provide for recovery by the intermediary

of reasonable costs attributable to the shorter time limits that it would not otherwise incur (for example, courier, long distance telephone and overtime costs) to ensure forwarding of the materials to OBOs.

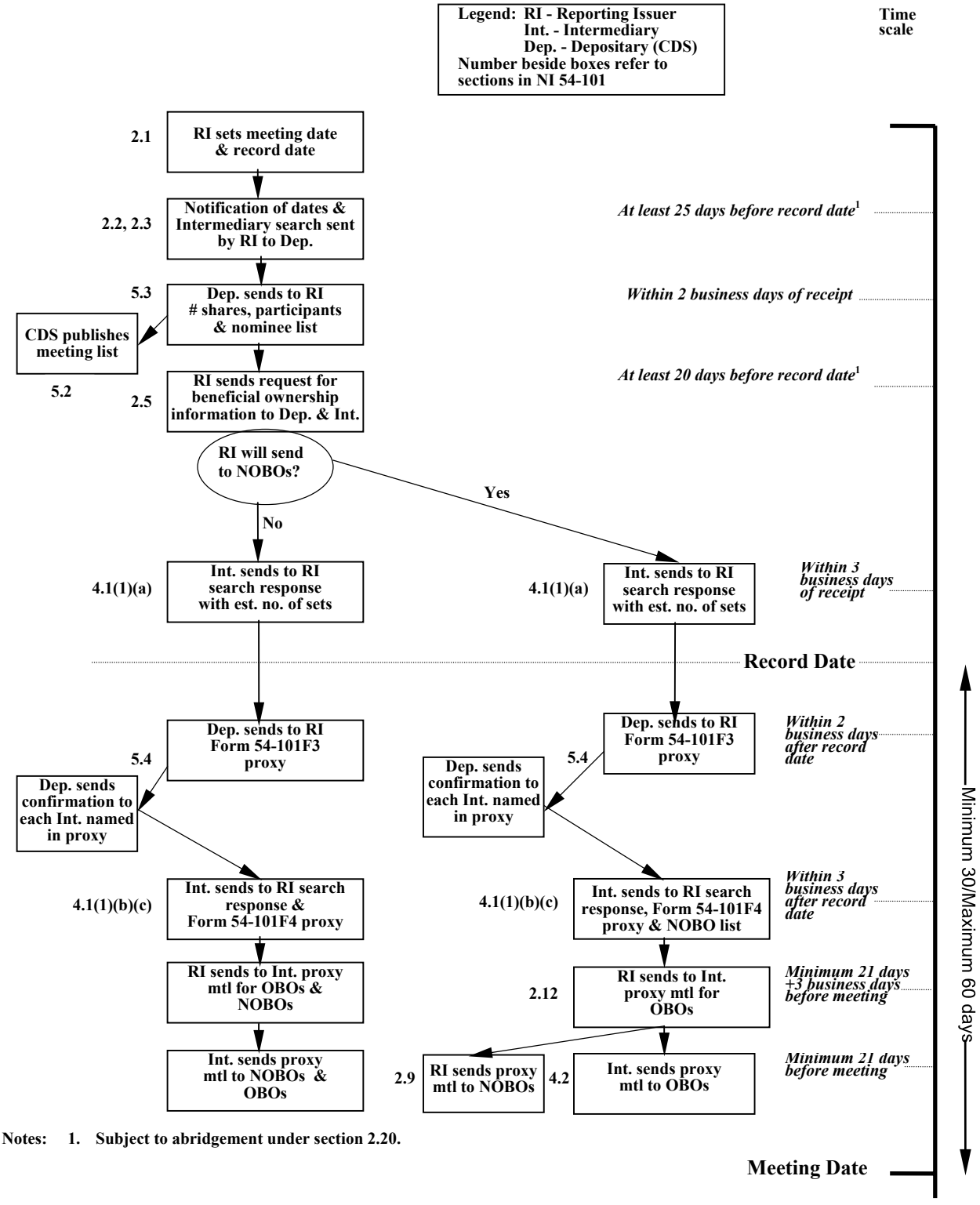
7.4 **Applications** - Applicants should be aware that major exemptions from the requirements of the Instrument will probably be granted infrequently. Exemptions to the predecessor policy statement to the Instrument that were granted typically involved reporting issuers that were incorporated or organized outside of Canada, that had only an insignificant connection to Canada in terms of the percentage of its securityholders that were resident in Canada and the percentage of its securities that were held by those securityholders, and in circumstances in which the reporting issuer was also subject to requirements imposed by securities or corporate legislation outside of Canada that served to ensure that beneficial owners would receive a comparable level of communication from the issuer.

PART 8 APPENDIX A

8.1 **Appendix A** - This Companion Policy contains, as Appendix A, a flow chart outlining the processes prescribed by the Instrument for the sending of proxy-related materials.

Appendix A

Proxy Solicitation under NI 54-101



Notes: 1. Subject to abridgement under section 2.20.

5.1.4 Notice of National Instrument 54-102 Interim Financial Statement and Report Exemption

NOTICE OF NATIONAL INSTRUMENT 54-102 INTERIM FINANCIAL STATEMENT AND REPORT EXEMPTION

The Commission has made, and the other members of the Canadian Securities Administrators (the "CSA" or "we") are planning to adopt National Instrument 54-102 *Interim Financial Statement and Report Exemption* ("the Instrument"). The full text of this Instrument follows this Notice and is also reproduced on the Commission's website at **www.osc.gov.on.ca**.

This Instrument deals with the sending of interim financial statements by a reporting issuer to registered and beneficial owners of its securities and is a reformulation of the portions of National Policy Statement No. 41 *Shareholder Communication* ("NP41") that pertain to supplemental mailing lists, including related blanket rulings, rules and other exemptions.

Effective Date

On March 26, 2002, the Commission made the Instrument as a rule under section 143 of the *Securities Act* (Ontario) (the "Act"). On April 3, 2002, the Instrument and the material required by the Act to be delivered to the Minister of Finance were delivered to the Minister. If the Minister approves the Instrument, or does not either reject the Instrument or return the Instrument to the Commission for further consideration, the Instrument will come into force on July 1, 2002.

The Commission has, concurrently with making the Instrument a rule, also made as a rule National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (including Forms 54-101F1 through 54-101F9) ("NI 54-101") and adopted Companion Policy 54-101CP *Communication with Beneficial Owners of Securities of a Reporting Issuer*, all of which collectively replace the provisions of NP41 pertaining to communication with beneficial owners of securities of a reporting issuer.

On April 3, 2002, NI 54-101 and the related material required by the Act to be delivered to the Minister of Finance were delivered to the Minister. If the Minister approves NI 54-101, or does not either reject NI 54-101 or return NI 54-101 to the Commission for further consideration, NI 54-101 will come into force on July 1, 2002.

Each of the Instrument and NI 54-101 is expected to be also implemented as a rule in each of British Columbia, Alberta, Manitoba, Newfoundland, Nova Scotia and Quebec, as Commission regulation in Saskatchewan and as a policy in all other jurisdictions represented by the CSA.

Purpose of Instrument

The Instrument provides to a reporting issuer an exemption from the requirement in securities legislation to send interim financial statements or reports[13] to holders of the issuer's securities if the reporting issuer satisfies alternative requirements of the Instrument related to: (i) the release and filing of a news release containing a summary of the information contained in the statement or report (if the reporting issuer is not a mutual fund), (ii) the filing of the statement or report with the securities regulatory authority, (iii) the filing of the statement or report on all exchanges on which securities of the reporting issuer are listed, and (iv) the sending of the statement or report to persons or companies on a supplemental list that is established by the reporting issuer in accordance with the Instrument.

The exemption in the Instrument is substantially similar to the arrangement currently in place under NP41 and its related blanket rulings, deemed rules and other exemptions.

Previous Version Published for Comment

The Instrument was published for comment on February 27, 1998 (the "1998 Proposal"). Following publication, we received three comments and all comments were considered. The names of the commenters, a summary of their comments and our responses are contained in Appendix "A" and Appendix "B" to this Notice. We thank all of those who made comments.

Summary of Changes to Instrument

The Instrument has been revised from the 1998 Proposal, but is essentially the same. We are of the view that republication of the Instrument for comment is not required.

The following changes have been made:

- Paragraph 1.1(1) has been changed to include a definition of "supplemental list";
- Section 1.2 has been deleted as it merely restates general principles of agency law;
- Paragraph 2.1(a) has been revised to eliminate from the conditions to the exemption the condition that a news release be issued in the case of a reporting issuer that is a mutual fund and to clarify that a reporting issuer must comply with the timing requirements of securities legislation for filing and sending interim financial statements to be entitled to rely on the exemption;
- Section 2.2 clarifies that a reporting issuer relying on the exemption must send the interim financial

[13] In Ontario, section 79 of the Securities Act refers only to interim financial statements and not reports.

statements to the holders set out in the supplemental list;

- Part 3 has been added to provide for transitional arrangements for a reporting issuer that has sent a return card to its security holders in accordance with NP 41 before the coming into force of the Instrument; and

- Part 4 has been added to provide for the effective date.

Rescission of NP41

Effective the date the Instrument and NI 54-101 come into force, NP41 will be rescinded.

Questions

Questions may be referred to:

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April 5, 2002.

Appendix "A"

National Instrument 54-102

List of Commenters

Canadian Depository for Securities Limited

Fiducie Desjardins

Canadian Bankers Association

Appendix "B"

National Instrument 54-102

Summary of Comments Received and CSA Response

Background

This is a summary of the comments received by the CSA during the comment period following the publication of the 1998 Proposal.

The CSA received submissions from three commenters (listed in Appendix "A"). The CSA have considered the comments received.

Below are the summarized versions of the submissions with the CSA response.

Comments Regarding the Rule and CSA Response

NI 54-101

Reporting issuers should be required to send all securityholder materials, including interim financial statements, in accordance with the procedures established under the related NI 54-101.

CSA Response

The CSA disagree with this proposal and reiterates the position expressed on the same point in its response to comments on NI 54-101.

Compliance with the procedures set out in NI 54-101 is mandatory for reporting issuers that send proxy-related materials to beneficial owners. However, as explained in section 2.1 of the Companion Policy 54-101CP, Communication with Beneficial Owners of Securities of a Reporting Issuer, nothing precludes a reporting issuer from using the procedures set out in NI 54-101 for sending other securityholder materials.

Request Form

The exemption regarding interim financial statements for reporting issuers who are not required to hold an annual meeting should apply if a reporting issuer sends to its securityholders a response card annually. It should not be required that the response card be sent with the annual report or annual financial statements.

CSA Response

The CSA disagree and is of the view that the effective operation of this exemption is best facilitated by requiring that the request form be sent with the annual financial statements or annual report.

News Release

Mutual fund reporting issuers should be exempted from the requirement to issue a press release to be able to use the exemption for delivering interim financial statements.

Response

The CSA agree and a corresponding change has been made.

5.1.5 National Instrument 54-102 Interim Financial Statement and Report Exemption

NATIONAL INSTRUMENT 54-102
INTERIM FINANCIAL STATEMENT AND REPORT EXEMPTION

TABLE OF CONTENTS

NATIONAL INSTRUMENT 54-102
INTERIM FINANCIAL STATEMENT AND REPORT EXEMPTION

PART 1 DEFINITIONS

1.1 (1) In this Instrument,

"interim financial statement or report" means, for a reporting issuer,

(a) the interim financial statement or quarterly financial statement, or

(b) any other report for the first, second or third fiscal quarter

required under securities legislation to be sent by the reporting issuer to registered holders of its securities;

"NI 54-101" means National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*;

"supplemental list" means the list referred to in Part 2.

(2) Terms defined in NI 54-101 and used in this Instrument have the meanings ascribed to them in NI 54-101.

PART 2 EXEMPTION FROM REQUIREMENT TO SEND INTERIM FINANCIAL STATEMENT OR REPORT

2.1 **Exemption from Requirement To Send Interim Financial Statement or Report** - A reporting issuer is exempt from the requirement of securities legislation to send an interim financial statement or report to registered holders of its securities if

(a) the reporting issuer, on or before the date the interim financial statement or report is filed under subparagraph (b)(i), issues a news release with a reasonable summary of the information contained in the interim financial statement or report, if the reporting issuer is not a mutual fund;

(b) the reporting issuer concurrently

(i) files the interim financial statement or report with the securities regulatory authority as required by securities legislation, together with the news release required by paragraph (a);

(ii) files the interim financial statement or report with all exchanges on which securities of the reporting issuer are listed;

(iii) sends the interim financial statement or report to the registered holders, and beneficial owners, of the securities whose names appear on the supplemental list established in accordance with section 2.2; and

(c) the interim financial statement or report is for a financial quarter that ended during the twelve-month period that commenced on

(i) the date of the meeting referred to in subparagraph 2.2(a)(i), if the reporting issuer sent a request form in accordance with that subparagraph; or

(ii) the date the reporting issuer sent the financial statements or annual report under paragraph 2.2(a)(ii), if the reporting issuer sent a request form in accordance with that subparagraph.

2.2 **Establishment of Supplemental List** - In order to establish a supplemental list for the purpose of section 2.1, a reporting issuer shall

(a) send a request form under which a registered holder or beneficial owner of the securities may make, at no cost to the registered holder or beneficial owner, a request to receive the reporting issuer's interim financial statements or reports, with

(i) its proxy-related materials for a meeting of the holders of the securities; or

(ii) its financial statements or annual report, for a financial year, that it sends to the holders of the securities, if the reporting issuer is not required under corporate law to hold an annual meeting for which proxy-related materials are required to be sent to the holders of the securities; and

(b) prepare a supplemental list that sets out the registered holders, and beneficial owners, of the securities that have requested its interim financial statements or reports by returning a completed request form to the reporting issuer.

PART 3 **TRANSITIONAL**

3.1 **Issuers That Hold Annual Meetings**

(1) A reporting issuer that is required by corporate law to hold annual meetings of holders of its securities is exempt from the requirement of securities legislation to send an interim financial statement to registered holders of its securities if the reporting issuer,

(a) before the coming into force of this Instrument, sent a return card in accordance with NP 41 with the proxy-related materials for a meeting of the holders of its securities, permitting the holder to request that the holder be placed on a list of every person or company that requested the reporting issuer's interim financial statements;

(b) prepared or prepares a list that sets out every person or company that requested its interim financial statements by returning a completed return card to the reporting issuer; and

(c) sends the interim financial statement to each person or company whose name appears on the list prepared under paragraph (b), in accordance with the timing requirements of securities legislation that would otherwise apply for sending the interim financial statement to registered holders of the securities.

(2) The exemption provided in subsection (1) only applies in respect of sending interim financial statements for financial quarters that end during the twelve-month period that commences on the date of the meeting for which the proxy-related materials included a return card in accordance with subsection (1).

3.2 **Issuers That Do Not Hold Annual Meetings**

(1) A reporting issuer that is not required under corporate law to hold annual meetings is exempt from the requirement of securities legislation to send an interim financial statement to registered holders of its securities if the reporting issuer

(a) before the coming into force of this Instrument, sent a return card in accordance with NP 41 with the financial statements or annual report, for a financial year, that it sent to the holders of the securities, permitting the holder to request that the holder be placed on a list of every person or company that requested the reporting issuer's interim financial statements;

(b) prepared or prepares a list that sets out every person or company that requested its interim financial statements by returning a completed return card to the reporting issuer; and

(c) sends the interim financial statement to each person or company whose name appears on the list prepared under paragraph (b) in accordance with the timing requirements of securities legislation that would otherwise apply for sending the interim financial statement to registered holders of the securities.

(2) The exemption provided in subsection (1) only applies in respect of sending interim financial statements for financial quarters that end during the twelve-month period that commences on the date the reporting issuer sent the financial statements or annual report, for a financial year, together with the return card in accordance with subsection (1).

PART 4 EFFECTIVE DATE

4.1 Effective Date of Instrument - This Instrument comes into force on July 1, 2002.

5.1.6 Notice of Amendment and Amendment to Rules Under the Securities Act in the Matter of Certain Reporting Issuers

NOTICE OF AMENDMENT TO RULES UNDER THE SECURITIES ACT
IN THE MATTER OF CERTAIN REPORTING ISSUERS

Notice of Amendments

The Commission has, under section 143 of the *Securities Act* (the "Act"), amended two rules, each entitled *In the Matter of Certain Reporting Issuers* (1997), 20 OSCB 1218 and *In the Matter of Certain Reporting Issuers* (1997), 20 OSCB 1219, each as amended by (1999), 22 OSCB 151, (2000), 23 OSCB 289, and (2000) 23 OSCB 8244 (the "Rules"). The amendments extend the expiration date of each of the Rules from July 1, 2002 to December 31, 2003. These amendments, however, do not materially change the Rules and, accordingly, under section 143.2 of the Act, the Commission has not published the amendments for comment.

The amendments and the material required by the Act to be delivered to the Minister of Finance were delivered on April 3, 2002. If the Minister does not approve the amendments, reject the amendments, or return them to the Commission for further consideration by June 2, 2002, the amendments will come into force on June 17, 2002. If the Minister approves the amendments, they will come into force 15 days after they are approved.

Substance and Purpose of Amendments

The Rules replace the three deemed rules entitled *In the Matter of Certain Reporting Issuers* (1980), OSCB166, as amended, *In the Matter of Certain Reporting Issuers* (1984), 7 OSCB 1913, as amended, and *In the Matter of Certain Reporting Issuers* (1984), 7 OSCB 3247, as amended. Each of the Rules provides that it will expire on the earlier of the date on which a new rule intended to replace it comes into force and July 1, 2002.

The Commission had planned on implementing a new rule, proposed Rule 72-502 Continuous Disclosure and other Exemptions relating to Foreign Issuers (proposed Rule 72-502), that would have replaced and updated the Rules, before July 1, 2002. Proposed Rule 72-502 was published for comment on October 12, 2001. The Commission no longer intends to implement proposed Rule 72-502 as the members of the Canadian Securities Administrators (the CSA) have agreed to implement a national rule substantially the same as proposed Rule 72-502. It is in the interest of issuers and investors to have one national approach rather than a local rule in Ontario and other rules elsewhere. The Commission is working with the other members of the CSA to implement a similar national rule. This proposed national rule is expected to be in place in the first half of 2003.

The purpose of the amendments is to extend the expiration date of each of the Rules from July 1, 2002 to December 31, 2003 in order to allow the Commission time to publish the proposed national rule, consider the comments received, if any, and finalize the proposed national rule.

Text of Amendments

The text of the amendments follows.

April 5, 2002.

AMENDMENT TO ONTARIO SECURITIES COMMISSION RULE
IN THE MATTER OF CERTAIN REPORTING ISSUERS

1.1 **Amendment -** The two Rules entitled *In the Matter of Certain Reporting Issuers* (1997) 20 OSCB 1218 and *In the Matter of Certain Reporting Issuers* (1997) 20 OSCB 1219, each as amended by (1999) 22 OSCB 151, (2000) OSCB 287, (2000) 23 OSCB 289, and (2000) 23 OSCB 8244 are each amended by deleting "July 1, 2002" in the last sentence and replacing it with "December 31, 2003".

Chapter 6

Request for Comments

6.1.1 Request for Comments Regarding Statement of Priorities for Fiscal Year Ending March 31, 2003

REQUEST FOR COMMENTS

REGARDING STATEMENT OF PRIORITIES FOR FISCAL YEAR ENDING MARCH 31, 2003

The *Securities Act* requires the Commission to deliver to the Minister and publish in its Bulletin by June 30 of each year a statement of the Chairman setting out the proposed priorities of the Commission for its current fiscal year in connection with the administration of the Act, the regulations and rules, together with a summary of the reasons for the adoption of the priorities.

In an effort to obtain feedback and specific advice on the proposed objectives and initiatives, the Commission is publishing a draft of the Statement of Priorities which follows this Request for Comments. The Commission will consider the feedback, and make any necessary revisions prior to finalizing and publishing its 2002/2003 Statement of Priorities.

The Statement of Priorities, once approved by the Minister of Finance, will serve as the guide for the Commission's ongoing operations.

Comments

Interested parties are invited to make written submissions by June 3, 2002 to:

Robert Day
Manager, Business Planning
Ontario Securities Commission
20 Queen Street West
Suite 1900, Box 55
Toronto, Ontario M5H 3S8
[416] 593-8179

6.1.2 OSC Statement of Priorities for Fiscal 2002/2003 – Request for Comments

THE ONTARIO SECURITIES COMMISSION

STATEMENT OF PRIORITIES
FOR
FISCAL 2002/2003

Request For Comments

Introduction

The *Securities Act* requires the Ontario Securities Commission (OSC) to deliver to the Minister, and to publish in its Bulletin by June 30 of each year, a statement by the Chair setting out the proposed priorities for the Commission for its current financial year.

In the May 2, 2000 Ontario Budget, the Minister of Finance announced that the Ontario Securities Commission and the Financial Services Commission of Ontario (FSCO) will be merged to provide regulation of the capital markets and financial services sectors. The legislation required to create the proposed new organization and specify its regulatory responsibilities and powers is expected to be introduced during 2002. This merged entity will provide more integrated regulation of capital markets and financial services sectors and will provide strong consumer and investor protection and education across all financial sectors. It will also contribute to timely regulatory responses to the changing structures of the capital markets and financial services industries.

In a separate initiative, the OSC has set up a working group to advise the Commission on ways to restructure its activities to eliminate impediments to efficiency and reduce costs. The Commission remains committed to delivering its regulatory services in a businesslike manner and to working closely with its CSA colleagues and market participants to ensure that the regulatory system remains relevant to the changing marketplace. The 2002/2003 Statement of Priorities articulates the business strategy and priorities the Commission has set to accomplish these goals.

Business Strategy

Our Vision Canadian financial markets that are attractive to domestic and international investors, issuers and intermediaries because they are safe and cost efficient.

Our Mandate *To provide protection to investors from unfair, improper or fraudulent practices and to foster fair and efficient capital markets and confidence in their integrity.*

Our Approach *We will be:*

- *Proactive, innovative and cost effective in carrying out our mandate,*
- *Rigorous and fair in applying the rules to the marketplace, and*
- *Timely, flexible and sensible in applying our regulatory powers to a rapidly changing marketplace.*

Key Challenges

The OSC recognizes that it must address a number of key trends and changes affecting our business environment, capital markets, market participants and the global regulatory framework.

Global Integration of Markets and Market Participants

Financial markets are global. Borders no longer serve as barriers to capital flows. Those seeking to invest and those seeking capital go where they see the opportunity for the best returns for the risks assumed. As capital flows become global, so do the market intermediaries and infrastructure servicing the business. Many of the largest intermediaries are global conglomerates combining banking, insurance and securities services in one entity.

Changing Investor Demographics

The past decade has seen significant growth in the investor community in Canada. Institutional investors are becoming larger and more sophisticated, while investment in the markets by retail investors has grown explosively, both directly and through the

purchase of investment funds. Both groups need to have confidence in the integrity of the capital markets, but their informational and educational needs may be very different.

Rapid Pace of Innovation

Competition is driving market innovation and the creation of ever more sophisticated financial products, trading techniques and strategies. Technology facilitates these changes, making innovative products and services easier and cheaper to design, market and deliver to the consumer. The functions of intermediaries are changing. Trades can be executed directly from any location. The emergence of direct links into existing trading platforms, bypassing investment dealers, and the proliferation of alternative marketplaces has fundamentally altered the structure of the financial environment.

What This Means for the OSC

For Canadian financial markets to be attractive to all market participants, they must be, and be seen to be, fair and efficient while maintaining protection for investors. Given the trends and challenges outlined above, the OSC needs to find creative and innovative solutions to new issues and be willing to re-evaluate existing practices in light of changing circumstances. In particular, we need to focus on:

- Making decisions at the pace at which our markets are changing,
- Building on our relationships in the regulatory community, both domestic and international, making use of the best lessons from each and relying on their expertise where practicable,
- Educating consumers so they can help protect themselves,
- Insisting that investors receive the understandable, accurate and complete disclosure they need to make informed investment decisions,
- Enforcing clear rules in a consistent and visible manner, and
- Facilitating the safe and efficient operation of exchanges, clearing and settlement functions and other elements of the market infrastructure.
- We need to be able to deliver efficient and effective regulation that is integrated seamlessly into the global market.

Our Goals

The OSC is committed to achieving our vision. To do so, we have developed a four-year strategic plan. In implementing it, we will at all times act consistently with our mandate.

Fundamentally, the OSC will focus on making our capital markets safer, more efficient and easier to access and use for market participants. Our plan calls for stepping up our efforts in the following areas:

- Promoting harmony and less overlap between regulators,
- Undertaking prevention-oriented activities, including proactive public education,
- Taking a risk-based approach to regulation, and
- Being less prescriptive where doing so promotes efficiency without undermining safety.

Across the planning horizon we will strive to achieve the following outcomes:

1. **Ontario's capital markets and financial services regulatory system will be fully consolidated, harmonized nationally and coordinated internationally**.

We will continue the following key initiatives to achieve this outcome:

a) Complete the CSA project to develop a proposed Uniform Securities Law,
b) Develop legislative proposals to permit delegation of powers and duties among Canadian securities regulators and a comprehensive delegation model in support of it,
c) Support implementation of the merger of the OSC and the FSCO,
d) Participate actively in International Organization of Securities Commissions (IOSCO) and Council of Securities Regulators of the Americas (COSRA) initiatives and, where appropriate, provide leadership.
e) With the Joint Forum of Financial Regulators (Joint Forum), develop and propose harmonized financial services regulatory solutions in the following areas:

    i) proficiency standards for financial intermediaries,
    ii) common licensing requirements,

iii) capital accumulation plans, and
iv) individual variable insurance contracts and mutual funds.

We will measure success in achieving this outcome by the following:

- Market participants will utilize one "window" to access the regulatory system in Canada.
- Regulatory impediments to market access will be minimized.

2. Regulatory interventions in Ontario will be timely, balanced and proportionate to the risks involved.

We will undertake the following key initiatives towards achieving this outcome:

a) Initiate and foster initiatives which reduce the use of off shore trading to circumvent securities laws,

b) Reduce inter-jurisdictional impediments to information sharing and enforcement support,

c) Make appropriate changes to our practices as a result of the recommendations of the Regulatory Burden Task Force, and

d) Work with the provincial government and our CSA colleagues to implement legislative changes that may be made as a result of the recommendations of the Five-Year Review Committee.

We will measure success in achieving this outcome by the following:

- It will be clear to investors, issuers and intermediaries that the benefits of regulation appreciably outweigh the costs of regulation.
- There will be numerous examples of the OSC fostering and implementing non-regulatory alternatives where such action is supported by a better cost/benefit relationship than new regulation.
- The effective cost and burden of regulation will be consistently below the average of our peers, but investor protection will not be undermined.
- Impediments to investigation and enforcement initiatives created by international boundaries will be substantially reduced as a result of increased harmonization of international disclosure laws and procedures.

3. Investors, issuers and other market participants who use the Ontario capital markets will be afforded access, protection, education and information at levels similar or superior to those of the best of our peer group.

We will undertake the following key initiatives towards achieving this outcome:

a) Foster the implementation of the Industry Analyst's Standards Report (Setting Analyst Standards: Recommendations for the Supervision and Practice of Canadian Securities Industry Analysts) recommendations, where appropriate.

b) Foster the implementation of the Saucier Report (Beyond Compliance: Building a Governance Culture) recommendations, where appropriate.

c) Tailor the form and method of access to OSC communications to the needs of OSC constituents, including implementing predominantly electronic-based communications vehicles and redesigning the OSC Website.

We will measure success in achieving this outcome by the following:

- Domestic and international investor confidence in the integrity of the Ontario regime continues to improve.
- 100% of OSC communications will be accessible electronically by 2005.

2002/2003 Financial Outlook

The Commission revenue forecast for 2002/2003 is $63.3 million, which is 19% lower than the $78.2 million collected in 2001/2002. The Commission plans to implement a restructured fee schedule during 2002/2003, however, as the timing is uncertain no provision has been made in the forecast. The forecast includes an estimated impact of a further proposed 10% fee decrease that will be presented to the Minister of Finance for approval during 2002/2003. The forecast also reflects a reduction in fee revenues due to an expected continued decline in market activity, particularly in the mutual funds sector. Registration revenue will also be lower as 2001/2002 revenues were artificially high due to partial implementation of uniform registration dates.

The Commission has budgeted total 2002/2003 operating expenditures of $53.7 million, a 3.1% increase over the 2001/2002 budget. The key budget component is salaries and benefits costs, which are projected to rise by 9.7% to $37.4 million. This

increase primarily reflects the annualized cost impact of previous hiring. Total staffing is projected to reach 367 by March 2003. The budget includes a substantial reduction in professional services costs reflecting greater reliance on internal resources. The Commission has budgeted $3.6 million for professional services costs in 2002/2003, a 38.4% decrease from the 2001/2002 budget.

Report on 2001/2002 Organizational Priorities

A summary of the performance of the Commission in meeting the goals and priorities identified in the 2001/2002 Statement of Priorities is provided below.

1. Redefine Approaches to the Financial Regulatory Framework

Significant progress was achieved towards completing the reformulation of major OSC rules and policies. The following rules/policies came into force during 2001/2002:

41-502: Prospectus Requirements for Mutual Funds,
44-801: Implementing NI 44-101 Short Form Prospectus Distributions,
55-101: Exemption from Certain Insider Reporting Requirements,
45-101: Rights Offerings,
33-102: Regulation of Certain Registrant Activities,
51-601: Reporting Issuer Defaults,
33-105: Underwriting Conflicts,
11-715: Policy Reformulation Project - Table of Concordance,
11-601: The Securities Advisory Committee to the OSC
45-102: Resale,
45-501: Exempt Distributions,
57-603: Cease Trade Order Policy

The following rules/policies were published for comment during 2001/2002:

72-502: Continuous Disclosure and Other Exemptions Relating to Foreign Issuers,
33-109: Registration Information Requirements (under the Securities Act),
81-104: Commodity Pools,
62-501: Prohibited Transactions in Connection with Take-Over Bids,
51-101: Standards of Disclosure for Oil and Gas Activities (and Proposed Repeal of National Policy Statement No. 2-B and Proposed Consequential Amendments)
41-601: Capital Pool Companies
12-602: Deeming a Reporting Issuer in Ontario
46-201: National Escrow Policy

- Frequently Asked Questions on New Rules (FAQs): During the year FAQs were issued on NI 43-101 (Mining), 41-501 (Long Form Prospectuses), NI 44-101 (Short form prospectuses)

- Small Business Financing: The Exempt Distributions Rule 45-501 was amended to incorporate the recommendations of the Task Force on Small Business Financing. The regime includes two new registration and prospectus exemptions, the “accredited investor” and the “closely-held issuer” exemptions. A number of pre-existing exemptions were also removed.

- A Memorandum of Understanding regarding oversight of the Canadian Venture Exchange (CDNX) and a CDNX Exemption was completed in December.

- A survey of registrants was completed to quantify the estimated benefits of the National Registration Database project. Terms and conditions of registration were posted on the OSC Website. Implementation of the Registration Database has been delayed.

- In consultation with Ontario Ministry staff, it was decided that an interim conflicts of law measure should be achieved through the current Hague Conference on Private International Law process rather than through technical amendments to the *Ontario Business Corporations Act* or *Personal Property Security Act*. Staff have been very involved, as observers on behalf of IOSCO and through participation with the Canadian delegation led by the Federal Department of Justice, in the deliberations and drafting of the proposed convention. It is expected that a final draft will be presented for approval to a Diplomatic Conference of the Hague in December 2002.

- A draft Uniform Securities Transfer Act (USTA) was prepared and consequential amendments to the PPSA, to implement changes to Conflict of Law re: tiered holdings and T+1, have been drafted for consultation. Publication of a consultative draft USTA and CSA position paper is planned for September 2002.

- At year-end 2001, the Five Year Legislative Review Committee had completed its review and consultation process relating to the list of identified issues. Work on the draft report continued throughout this year to publish for comment in Summer 2002.

- The recommendations of the Analysts Standards Report have been analyzed and those requiring actions by the Commission are being addressed.

- The following rules were completed to address issues related to the growing usage of Alternative Trading Systems:
  23-501 Designation as a Market Participant,
  21-201 Marketplace Operations and 23-101 Trading Rules.

- The OSC, through its role as a member of the Joint Forum, supported the creation of a national Financial Services OmbudService. This new service, which is planned to be in place by July 1, 2002 will provide more than 95 per cent of Canada's financial services consumers with single-window access to recourse for concerns or complaints.

- On December 5, 2001, the Responsible Choices for Growth and Fiscal Responsibility Act (Budget Measures), 2001 received Royal Assent. This Act included amendments to the *Securities Act* which harmonize with the requirements of other Canadian securities regulators.

2. Strengthen the Compliance - Enforcement Continuum

- Compliance staff completed the development of the risk assessment model for market participants. The next phase of the risk assessment project is implementation. In order to implement the model, Compliance staff developed and distributed a questionnaire to gather information from market participants. Data will be collected by May 2002.

- The OSC Surveillance team has been fully staffed. The Intelligence database has been created and all documents have been scanned with key-coding continuing. Three matters have been referred to the Investigation Team as a result of matters reviewed by the Intelligence Analysts. Enforcement has seconded two investigators to joint criminal investigations involving organized crime groups in the Ontario capital markets. Several presentations have been made to various law enforcement agencies and market participants on the mandate of the new unit.

- The CSA has commenced quarterly status meetings with the Investment Dealers Association (IDA) to obtain updates on the IDA's regulatory activities and to discuss potential improvements.

- Memoranda of Understanding (MOU) with the IDA, Canadian Investor Protection Fund (CIPF) and for CSA oversight of RS Inc. were finalized. MOU's for oversight of exchanges and Quotation Trade Reporting Systems are expected to be completed by April.

- A joint CSA oversight program for the Mutual Fund Dealers Association (MFDA) is currently being drafted.

- The OSC is continuing to actively monitor MFDA membership status. Staff have received an application from the Mutual Fund Dealers Investment Protection Corp. for approval of an investor protection plan. Staff have drafted criteria for approval and are currently discussing potential issues with other CSA members.

3. Enhance the Quality of Continuous Disclosure by Reporting Issuers

- The reporting issuer Default list is now published on the OSC's Website (osc.gov.on.ca). The list is consistently in the top five "hits" on the Website.

- Additional staffing for the continuous disclosure team allowed almost twice as many reviews to be conducted during 2001/2002. The reviews of revenue recognition and interim reporting were completed and the continuous disclosure (CD) review program met its target of reviewing 20% of Ontario based reporting issuers.

- NP 51-201, which provides guidance on selective disclosure, corporate disclosure practices and related issues, was issued for comment during the year. A finalized policy will be published in April 2002.

- Staff completed a series of consultations with stakeholders on proposed Rules 54-101 Communications with Beneficial Owners of a Reporting Issuer and 54-102 Interim Financial Statement and Report Exemptions. The comments received were considered and appropriate revisions were made. The proposed rules were approved by the Commission and have been forwarded to the Minister for review.

- Implementation of the System for Electronic Disclosure by Insiders (SEDI) was delayed several times due to system development issues. While SEDI was fully launched in January 2002, it was brought down after 10 days due to system performance issues. Significant progress was made on further refinements to the insider reporting regime in the areas of "title inflation" and equity monetization".

- A draft national rule to harmonize and update continuous disclosure requirements (CD rule) across the CSA will be issued in May 2002. Work on developing an integrated disclosure system has been deferred until completion of this initiative.

- OSC staff worked with other CSA staff to develop a proposed rule to improve financial disclosure for investment funds. The proposed rule may also be expanded to include all continuous disclosure requirements for investment funds. The proposed rule is expected to be published for comment in Spring 2002.

4. Improve Secondary Market Regulation

- A concept paper outlining options related to the filing of financial statements using U.S. or international accounting standards was published for comment in Spring 2001. Resulting proposals will be included in the CD rule to be issued for comment in May 2002.

- Proposed amendments related to the staff notice on the revocation of cease trade orders were completed and will be presented to the Commission in Spring 2002

5. Foster the Development of Harmonized Regulation and Cooperative Review Mechanisms among Canadian Financial Regulators

- The prospectus Mutual Reliance Review System (MRRS) policy was amended early in 2002. The applications MRRS committee is planning to request approval of non-material amendments to National Policy 12-201 early in fiscal 2002/03. The Chairs approved the development of an MRRS training program scheduled for Fall 2002.

- The Continuous Disclosure MRRS committee has finalized a notice on harmonized cease trade order procedures and is now studying harmonized procedures more generally.

- The re-architecture of the System for Electronic Document Analysis and Retrieval (SEDAR) was deferred as additional resources were focussed on implementing SEDAR Release 7 (released Fall 2001).

- The Joint Forum published a concept paper outlining proposed regulatory principles for capital accumulation plans in April 2001. More than 40 comment letters were received. Members of the Joint Forum working committee met with market participants to discuss the proposals. Recommendations on next steps are to be presented to the Joint Forum in April 2002.

6. Implement Fee Reduction Strategy

- Work continued on the proposed re-engineering of the OSC fee structure. Based on impact analysis, proposed fees have been adjusted to improve efficiency and fairness as well as to minimize the potential volatility of OSC revenue. A finalized draft rule is expected to be released for comment by May 2002.

7. Enhance Investor Protection Through Education

- Staff are working closely with the Investor Education Fund (IEF) to enhance the Commission's efforts to protect investors through education. To ensure the best use of resources and avoid duplication, OSC resources are targeted on outreach and communications, while the IEF is focussed on working with third-parties to develop new tools for investors and educational programs geared towards enhancing financial literacy.

- The Communications Branch took the lead in establishing a Plain Language training program for staff, which will continue into the next fiscal year. In order to ensure follow-through on the training, staff are working with other CSA jurisdictions to create a Plain Language reference manual and a mentoring program.

- OSC staff increased the amount of print and Website resources available to investors. Examples include the development of various brochures such as “Borrowing to Invest” and the “Spot the Bull” investment fraud quiz on the OSC Website. Planning began during the current fiscal year to expand Investor Education Week to a full month in April 2002. Projects are also underway to dramatically increase outreach activities by working more closely with established community groups, who will serve as local agents to market OSC material.

8. Foster Development of an Improved Mutual Fund Regulatory Framework

- CSA Concept Proposal 81-402 titled "*Striking a New Balance: A Framework for Regulating Mutual Funds and their Managers"* was released for comment March 2002. Comments are due by June 2002.

- Changes to Proposed National Instrument 81-104 Commodity Pools were published for comment December 2001. Comments are due by March 2002.

- Proposed amendments to NI 81-101 and 81-102 concerning funds of funds have also been developed. The amendments are expected to be published for comment in Spring 2002.

- Rule 45-501 Exempt Distributions came into force November 2001. This Rule creates an exemption for private pooled funds to maintain the status quo for trading in these securities. A request for comments on the nature and use of pooled funds and if these pooled funds should be subject to a unique regulatory regime is being developed.

9. Support the Implementation of the OSC/FSCO Merger

- The Ministry released draft legislation for comment until June 29, 2001. OSC staff met with Ministry of Finance staff to discuss comments received and options for addressing them. The draft legislation outlines the corporate governance model of the new entity, enforcement powers, and the ability to collect fees and assessments and the proposed parameters of rule-making authority.

10. Continue the Role of OSC as a Key Member of the International Securities Regulatory Community.

- OSC staff led the development of a COSRA working party project on securities settlement systems in the Americas. Staff coordinated meetings, prepared various working documents and completed a final draft COSRA report for approval at the COSRA general meeting in February 2002.

- Based on the comments received in response to the discussion paper “Financial Reporting in Canada’s Capital Markets”, the OSC is developing proposed rules to permit foreign issuers coming to Canada to file financial statements prepared in accordance with International Accounting Standards without reconciliation to Canadian standards.

- Foreign Issuers: Rule 72-502 was published for comment. This proposed rule is expected to be incorporated into a national rule to be published Spring 2002 concurrent with the Continuous Disclosure rule. A review of the IOSCO International Disclosure Standards was completed by staff. The national long form prospectus committee is currently considering allowing foreign issuers to use these standards to offer securities in Canada.

- OSC Chair, David Brown, has played a key role in the international regulatory community for the past two years as Chair of the Technical Committee of IOSCO. The Technical Committee, comprised of 16 senior securities regulators from developed markets, is the principal policy arm of IOSCO. He is also a member of the IOSCO Executive Committee and represents IOSCO on the Financial Stability Forum, a group assembled by the G-7 Finance Ministers to help identify and respond to vulnerabilities in world financial markets.

- OSC staff participates actively in all five IOSCO Standing Committees: Multinational Disclosure and Accounting, Regulation of Secondary Markets, Regulation of Financial Intermediaries, Enforcement, and Investment Funds. The Standing Committees are a forum for sharing information among jurisdictions but also undertake work assignments to examine issues and produce papers providing either information or guidance to both regulators and market participants. OSC staff also participate on project teams examining issues related to the Internet and the role of securities analysts.

  Through participation in these Committees, OSC staff gain useful knowledge and insights to apply to their work and share with their colleagues at the Commission, cultivate important contacts that can be valuable sources of information and assistance, and contribute to the international body of knowledge in the area of securities regulation. The increased communication and sharing of experiences and ideas with international colleagues contributes to the gradual evolution of an international consensus on key areas of regulatory concern.

- OSC Staff has been an active participant in the international Joint Forum of Financial Regulators since its inception in 1996. This Forum unites representatives from securities regulators (IOSCO), banking regulators (the Basle Committee on Banking Supervision – BCBS), and insurance regulators (the International Association of Insurance Supervisors – IAIS). As financial regulatory frameworks continue to evolve world-wide, the Joint Forum is the ideal venue for assessing cross-sectoral issues, making cross-sectoral comparisons and sharing experiences in merging supervisors or dealing with regulatory overlap.

11. Continue to Develop and Implement Accountability Mechanisms

- Ipsos-Reid completed a survey of OSC stakeholders. The survey results indicated a positive perception and a high degree of satisfaction among registrants and issuers. Significant improvements were noted in OSC customer service ratings. For example, 74% of those who had contact with the Inquiries & Contact Centre rated our overall customer service as excellent representing a 14% improvement from the last survey.

12. Foster the Continued Development of the OSC as an "Employer of Choice".

- The OSC's annual employee satisfaction survey was conducted by the HayGroup in November, 2001. Seventy three percent of staff completed the survey, indicating a high level of engagement. On nine of the ten factors measured, the OSC results exceeded the private sector norm. The OSC results exceeded the public sector norm on all ten factors.

- The OSC commissioned a comprehensive custom compensation survey in December, 2001 to ensure its compensation package remains competitive. The results were received in February 2002 and changes to the compensation system will be implemented at the beginning of the 2002/03 fiscal year.

- The Commission completed work on its competency dictionary in the spring of 2001. To assess training requirements, all management staff took part in a 360 review process in the early summer. During 2001/02, eight competency training modules were delivered as part of the Commission's integrated management training program, "Focus". In addition, performance contracts for 2001/02 were redesigned to include measures on key aspects of behaviour to support the competency program.

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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 27 of the *Securities Act* and OSC Rule 45-501 ("Exempt Distributions").

REPORTS OF TRADES SUBMITTED ON FORM 45-501F1

Transaction Date	Purchaser	Security	Price ($)	Amount_num
12-Mar-2002	RoyNat Capital Inc.	516134 N.B. Ltd. - Common Shares	1,000,000.00	1,000,000.00
12-Mar-2002	Unigistix Inc.	516134 N.B. Ltd. - Common Shares	2,281,870.00	211,640.00
12-Mar-2002	Unigistix Inc.	516134 N.B. Ltd. - Common Shares	25,572,795.00	27,572,795.00
20-Mar-2002	6	Alcon, Inc. - Common Shares	8,834,752.00	169,400.00
06-Feb-2002	Gunner Holdings Limited	Alexander Gourmet Imports Ltd. - Common Shares	225,000.00	70,833.00
28-Feb-2002	Alternum Capital	Alternum Capital - Global Health Sciences Hedge Fund - Limited Partnership Units	1,528.00	3.00
28-Feb-2002	7	Alternum Capital - North American Value Hedge Fund - Limited Partnership Units	300,655.00	1,935.00
13-Mar-2002	3	Amerigo Resources Ltd. - Common Shares	40,000.00	200,000.00
22-Feb-2002	1196659 Ontario Limited	Arrow Capital Advance Fund - Trust Units	38,383.00	4,732.00
22-Feb-2002	3	Arrow Global Multimanager Fund - Trust Units	365,219.00	36,731.00
01-Mar-2002 08-Mar-2002	Huguette Cass	Arrow Global Multimanager Fund - Units	35,000.00	3,531.00
08-Mar-2002	Maddalena Bonura and Giacomo Bonura	Arrow Global Multimanager Fund - Units	100,000.00	10,010.00
22-Feb-2002	2	Arrow Global RSP Multimanager Fund - Trust Units	55,000.00	5,577.00

01-Mar-2002 22-Feb-2002	5	Arrow Goodwood Fund - Trust Units	175,000.00	13,901.00
01-Mar-2002	5	Arrow Goodwood Fund - Trust Units	140,000.00	13,365.00
22-Feb-2002	5	Arrow WF Asia Fund - Trust Units	177,657.00	13,030.00
01-Mar-2002 08-Mar-2002	NB Holdings	Arrow WF Asia Fund - Units	53,938.00	4,465.00
01-Feb-2002	B.H. Capital Investment; L.P.	Artemis Partners II, L.P. - Limited Partnership Units	1,589,100.00	1,589,100.00
17-Jan-2002	Nick Malcolm	Birim Goldfields Inc. - Loans	500,000.00	500,000.00
06-Mar-2002	19 Purchasers	BlackRock Ventures Inc. - Common Shares	10,875,000.00	12,000,000.00
15-Feb-2002	W. H. Stuart Mutuals Ltd.	BPI American Opportunities Fund - Units	100,000.00	833.00
15-Feb-2002	4	BPI Global Opportunites III Fund - Units	160,637.00	1,704.00
27-Feb-2002	31	Cambior Inc. - Special Warrants	20,896,698.00	16,074,384.00
27-Feb-2002	3	Carrington Park Project Limited Partnership - Limited Partnership Units	198,891.00	3.00
21-Feb-2002	5 Purchasers	CastleHill Ventures Limited Partnership II Annex Fund - Limited Partnership Units	630,000.00	63.00
20-Mar-2002 14-Mar-2002	11 Purchasers	CA Nasic Communications Corporation - Preferred Shares	8,858,096.00	20,824,327.00
15-Mar-2002	CIBC World Markets Inc.	CIBC Employee Private Equity Fund (Canada) I, L.P. - Limited Partnership Units	173,037.00	173,037.00
21-Mar-2002	Eugene Karadjian	Communicorp Corporation - Common Shares	700,000.00	1,000,000.00
18-Mar-2002	York Capital Funding Inc.	Consolidated Mercantile Incorporated - Debentures	668,904.00	668,904.00
15-Jan-2002	Creststreet 2000 Limited Partnership	Creststreet Resource Fund Limited - Shares	7,286,890.00	728,689.00
26-Feb-2002	Gary Solway	Digital Fairway Corporation - Preferred Shares	103,000.00	643,750.00
07-Jan-2002	RoyNat Capital Inc.	Dumex Medical Inc. - Common Shares	2.00	1,600,000.00
07-Jan-2002	7	Dumex Medical Inc. - Notes	538,000.00	538,000.00
07-Jan-2002	RoyNat Capital Inc.	Dumex Medical Inc. - Promissory note	750,000.00	750,000.00

07-Jan-2002	RoyNat Capital Inc.	Dumex Medical Inc. - Warrants	2.00	2.00
28-Feb-2002	3	eStation Network Services, Inc. - Special Warrants	1,200,000.00	40,000,000.00
27-Feb-2002	3	EdgeStone Affiliate 2002 Mezzanine Fund, L.P. - Limited Partnership Units	100.00	2,000.00
12-Mar-2002	Primaxis Technology Ventures Inc.	Elumina Lighting Technologies Inc. - Debentures	300,000.00	300,000.00
04-Dec-2002	1	Excalibur Limited Partnership - Limited Partnership Units	3,102,457.00	23.00
11-Mar-2002	Ron Frisch	Excalibur Limited Partnership - Limited Partnership Units	235,587.00	1.00
08-Mar-2002	3	Flag Resources (1985) Limited - Units	16,250.00	125,000.00
19-Mar-2002	Outokumpu Mining Oy	Inmet Mining Corporation - Common Shares	18,000,000.00	18,000,000.00
28-Feb-2002	12	Jefferson Partners Fund IV, L.P. - Limited Partnership Units	36,384,616.00	36,384,616.00
13-Mar-2002	Bank of Montreal	Joy Global, Inc. - Notes	798,350.00	798,350.00
01-Mar-2002	Protibha Gupta	J. Zechner Pooled Balanced Fund - Common Shares	159,358.00	21,366.00
01-Mar-2002	Sydney McMorran	KBSH Private - International Fund - Units	331,450.00	31,781.00
28-Feb-2002	Sydney McMorran	KBSH Private - Money Market Fund - Units	672,900.00	67,290.00
01-Mar-2002	Sydney McMorran	KBSH Private - U.S. Equity Fund - Units	331,450.00	20,539.00
15-Feb-2002	6	Landmark Global Opportunites RSP Fund - Units	186,915.00	1,859.00
15-Feb-2002	15	Landmark Global Opportunities Fund - Units	1,164,003.00	10,734.00
06-Mar-2002	14	Lydia Diamond Explorations of Canada Ltd. - Common Shares	335,000.00	335,000.00
05-Mar-2002	2	LymphoSign Inc. - Preferred Shares	800,000.00	800,000.00
07-Mar-2002	13	MacMillan Gold Corp. - Units	148,500.00	1,485,000.00
15-Mar-2002	National Bank of Canada Inc.	Mavrix Fund Managment Inc. - Common Shares	7,500.00	5,000.00
21-Feb-2002	MacKenzie Financial Corporation	Midnight Oil & Gas Ltd. - Common Shares	500,000.00	400,000.00

11-Mar-2002	20 Purchasers	Miramar Mining Corporation - Flow-Through Shares	1,027,848.00	685,232.00
07-Mar-2002	Richard Kennedy and Bernie Kafka	Nexus Group International Inc. - Common Shares	1,000,000.00	9,090,910.00
26-Feb-2002	2007733 Ontario Limited	Ozz Corporation - Common Shares	150,000.00	176,470.00
21-Mar-2002	Bank of Montreal	Penton Media, Inc. - Notes	2,356,430.00	2,356,430.00
11-Mar-2002	BMO Nesbitt Burns Inc.	Ramezay Investments Corporation - Debentures	42,103,215.00	42,103,215.00
28-Feb-2002	Inter.Act Venture Fund Inc.	RealityClick inc. - Common Shares	175,000.00	761.00
21-Mar-2002	7	Rio Narcea Gold Mines, Ltd., - Special Warrants	6,550,000.00	8,187,500.00
28-Feb-2002	Zenon Potoczny	Shelton Canada Corporation - Flow-Through Shares	51,000.00	51,000.00
08-Mar-2002	Canadian Science and	SiGe Semiconductor Inc. - Technology Growth Fund Inc.	793,330.00 Preferred Shares	793,330.00
01-Mar-2002	8	The McElvaine Investment Trust - Trust Units	463,858.00	26,982.00
04-Mar-2002	1	The Upper Circle Equity Fund - Units	87,000.00	7,067.00
15-Feb-2002	6 Purchasers	Trident Global Opportunities Fund - Units	518,005.00	4,894.00
31-Jan-2002	3	Twenty-First Century Funds Inc. - Units	126,161.00	19,430.00
31-Jan-2002	Helen Light	Twenty-First Century Funds Inc. - Units	75,000.00	15,111.00
19-Mar-2002	Tuscarora Investment Managment and McCutcheon Steinbach Comber Investment Management Inc.	Virtus Energy Inc. - Common Shares	950,000.00	2,375,000.00
20-Mar-2002	MacDougal Consultants	Western Copper Holdings Limited - Stock Option	80,000.00	80,000.00
28-Feb-2002	Mary Kay	YMG Institutional Fixed Income Fund - Units	288,000.00	29,466.00
28-Feb-2002	Bryna Steiner	YMG Institutional Fixed Income Fund - Units	100,000.00	10,231.00

RESALE OF SECURITIES - (FORM 45-501F2)

Transaction Date	Seller	Security	Price	Amount_num
08-Mar-2002 07-Mar-2002	792523 Ontario Limited	Canmine Resources Corporation - Common Shares	44,380.00	115,500.00
01-Feb-2002 01-Mar-2002	792532 Ontario Limited	Canmine Resources Corporation - N/A	100,850.00	102,500.00
31-Oct-2001	Nortel Networks Limited	Research in Motion Limited - Common Shares	15,598,130.00	486,913.00

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_num
Southern Gold Resources Ltd.	Doublestar Resources Ltd.- N/A	150,000.00
Agnico_Eagle Mines Limited	Langis Silver & Cobalt Mining Company Limited - Common Shares	2,380,700.00

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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:
Brascan Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated April 3rd, 2002
Mutual Reliance Review System Receipt dated April 3rd, 2002
Offering Price and Description:
$125,000,000 - 8.3% Preferred Securities due June 30, 2051
($25 principal amount per Security)
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
Trilon Securities Corporation
National Bank Financial Inc.
Promoter(s):
-
Project #433360

Issuer Name:
Clarington Canadian Income Fund II
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated March 28th, 2002
Mutual Reliance Review System Receipt dated March 28th, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
ClaringtonFunds Inc.
Promoter(s):
ClaringtonFunds Inc.
Project #432015

Issuer Name:
Cool Brands International Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated March 31st, 2002
Mutual Reliance Review System Receipt dated April 3rd, 2002
Offering Price and Description:
$15,000,000 - 3,750,000 Class A Subordinate Voting Shares issuable upon the exercise
of previously issued Special Warrants
Underwriter(s) or Distributor(s):
Sprott Securities Inc.
Canaccord Capital Corporation
Standard Securities Capital Corporation
Thomson Kernaghan & Co. Limited
Promoter(s):
-
Project #433274

Issuer Name:
Crescent Point Energy Ltd.
Principal Regulator - Alberta
Type and Date:
Preliminary Prospectus dated March 26th, 2002
Mutual Reliance Review System Receipt dated March 28th, 2002
Offering Price and Description:
6,932,837 Class A Shares Issuable upon the Exercise of Special Warrants
Underwriter(s) or Distributor(s):
Griffiths McBurney & Partners
National Bank Financial Inc.
Firstenergy Capital Corp.
Haywood Securities Inc.
Octagon Capital Corporation
Promoter(s):
Paul Colborne
Project #431912

Issuer Name:
Eldorado Gold Corporation
Principal Regulator - British Columbia
Type and Date:
Preliminary Prospectus dated March 25th, 2002
Mutual Reliance Review System Receipt dated March 26th, 2002
Offering Price and Description:
Cdn $25,000,000.20
(US$15,728,216.55)
59,523,810 Common Shares
Underwriter(s) or Distributor(s):
Sprott Securities Inc.
Promoter(s):
-
Project #431389

Issuer Name:
ENERGY CONVERSION TECHNOLOGIES INC.
Type and Date:
Preliminary Prospectus dated March 26th, 2002
Receipt dated March 27th, 2002
Offering Price and Description:
826,000 Special Warrants @ $0.05 per Special Warrant
Underwriter(s) or Distributor(s):
-
Promoter(s):
Ervin Weisz
Project #431320

Issuer Name:
FP Newspapers Income Fund
Principal Regulator - Manitoba
Type and Date:
Preliminary Prospectus dated March 26th, 2002
Mutual Reliance Review System Receipt dated March 26th, 2002
Offering Price and Description:
$ * - * Units @ $10.00 per Unit
Underwriter(s) or Distributor(s):
TD Securities Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Wellington West Capital Inc.

Promoter(s):
Canstar Publications Ltd.
R.I.S. Media Ltd.
Project #431299

Issuer Name:
Hemosol Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated April 1, 2002
Mutual Reliance Review System Receipt dated April 1st, 2002
Offering Price and Description:
$22,050,000 - 4,900,000 Common Shares and 2,450,000 Common Share Purchase Warrants
Offered in Units, each consisting of one Common Share and one-half of one Common Share
Purchase Warrant
Underwriter(s) or Distributor(s):
Sprott Securities Inc.
Yorkton Securities Inc.
Promoter(s):
-
Project #432680

Issuer Name:
Hydro One Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated March 28th, 2002
Mutual Reliance Review System Receipt dated March 28th 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
Goldman Sachs Canada Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
TD Securities Inc.
Credit Suisse First Boston Canada Inc.
Merrill Lynch Canada Inc.
Morgan Stanley Canada Limited
Salomon Smith Barney Canada Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Griffiths McBurney & Partners
Raymond James Ltd.
Yorkton Securities Inc.
Dundee Securities Corporation
Research Capital Corporation
Promoter(s):
Eleonor Clitheroe
Ken Hartwick
Sir Graham Day
Radcliffe Latimer
Project #432112

Issuer Name:
Imperial Oil Limited
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Shelf Prospectus dated March 28th, 2002
Mutual Reliance Review System Receipt dated April 1st, 2002
Offering Price and Description:
1,000,000,000 Medium Term Notes (Unsecured)
Underwriter(s) or Distributor(s):
TD Securities Inc.
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
Promoter(s):
-
Project #432140

Issuer Name:
MacDonald, Dettwiler and Associates Ltd.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated March 28th, 2002
Mutual Reliance Review System Receipt dated March 28th, 2002
Offering Price and Description:
$27.00 per Common Share; 5,000,000 Common Shares
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
TD Securities Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
Raymond James Ltd.
Promoter(s):
-
Project #432348

Issuer Name:
Menu Foods Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated March 26th, 2002
Mutual Reliance Review System Receipt dated April 1st, 2002
Offering Price and Description:
$ * - * Units @ $10.00 per Unit
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
Promoter(s):
Menu Foods Corporation
Project #432525

Issuer Name:
Provident Energy Trust
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated March 28th, 2002
Mutual Reliance Review System Receipt dated March 28th, 2002
Offering Price and Description:
$60,000,000
10.5% Convertible Unsecured Subordinated Debentures
$30,300,00
3,000,000 Trust Units at a Price of $10.10 per Trust Unit
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
National Bank Financial Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Canaccord Capital Corporation
Yorkton Securities Inc.
Promoter(s):
-
Project #432454

Issuer Name:
Rock Creek Resources Ltd.
Principal Regulator - Alberta
Type and Date:
Preliminary Prospectus dated March 22nd, 2002
Mutual Reliance Review System Receipt dated March 26th, 2002
Offering Price and Description:
$5,000,000 to 8,000,000 - 5,000 to 8000 Units @ $1,000.00 per Unit
Minimum Subscription : 5 Units ($5,000.00)
Underwriter(s) or Distributor(s):
Griffiths McBurney & Partners

Promoter(s):
Dary H. Connolly
Milford Taylor
Project #431349

Issuer Name:
Royal Group Technologies Limited
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Shelf Prospectus dated April 3rd, 2002
Mutual Reliance Review System Receipt dated April 3rd, 2002
Offering Price and Description:
$400,000,000 - Medium Term Notes
(Senior Unsecured)

Underwriter(s) or Distributor(s):

Promoter(s):

Project #433550

Issuer Name:
Scotiabank Capital Trust
Bank of Nova Scotia, The
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectuses dated March 28, 2002
Mutual Reliance Review System Receipt dated April 1st, 2002
Offering Price and Description:
$ * - * Scotiabank Trust Securities - Series 2002-1 (Scotia BaTS II)
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
Promoter(s):
The Bank of Nova Scotia
Project #432244 & 432266

Issuer Name:
Stratic Energy Corporation
Principal Regulator - Alberta
Type and Date:
Preliminary Prospectus dated March 25th, 2002
Mutual Reliance Review System Receipt dated March 28th, 2002
Offering Price and Description:
5,100,000 Common Shares and 2,550,000 Warrants Issuable upon the Exercise of 4,636,364
Previously Issued Special Warrants and 189,090 Compensation Options
Underwriter(s) or Distributor(s):
First Associates Investments Inc.
Haywood Securities Inc.
Octagon Capital Corporation
Promoter(s):
-
Project #431887

Issuer Name:
TVX GOLD INC.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated March 27th, 2002
Mutual Reliance Review System Receipt dated March 27th, 2002
Offering Price and Description:
Cdn. $75,075,000 - 71,500,000 Common Shares @ $1.05 per Common Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Griffiths McBurney & Partners
Canaccord Capital Corporation
Scotia Capital Inc.
TD Securities Inc.
Sprott Securities inc.

Promoter(s):
-
Project #431667

Issuer Name:
UEX Corporation
Principal Regulator - British Columbia
Type and Date:
Preliminary Prospectus dated March 20th, 2002
Mutual Reliance Review System Receipt dated March 26th, 2002
Offering Price and Description:
$ *
Minimum: * Common Shares ($4,000,000)
Maximum: * Common Shares ($ *,000,000)
at a price of $ * per Common Share
Underwriter(s) or Distributor(s):
Northern Securities Inc.
Griffiths McBurney & Partners
Promoter(s):
-
Project #429922

Issuer Name:
Fidelity Disciplined Equity Fund
Fidelity Focus Consumer Industries Fund
Fidelity Focus Financial Services Fund
Fidelity Focus Health Care Fund
Fidelity Focus Natural Resources Fund
Fidelity Focus Technology Fund
Fidelity Global Asset Allocation Fund
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated March 22nd, 2002 to Simplified Prospectus and Annual Information Form
dated September 28th, 2001
Mutual Reliance Review System Receipt dated 27th day of March, 2002
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
Fidelity Investments Canada Limited
Promoter(s):
-
Project #383052

Issuer Name:
Royal Select Choices Aggressive Growth Portfolio
Royal Select Choices Growth Portfolio
Royal Select Choices Balanced Portfolio
Royal Select Choices Income Portfolio
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated March 15th, 2002 to Simplified Prospectus and Annual Information Form
dated May 25th, 2001
Mutual Reliance Review System Receipt dated 28th day of March, 2002
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
Royal Mutual Funds Inc.
Promoter(s):
RBC Funds Inc.
Project #346662

Issuer Name:
Breakwater Resources Ltd.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated March 25th, 2002
Mutual Reliance Review System Receipt dated 28th day of March, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #422250

Issuer Name:
COMPASS Income Fund
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated March 27th, 2002
Mutual Reliance Review System Receipt dated 28th day of March, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
HSBC Securities Inc.
Desjardins Securities Inc.
Yorkton Securities Inc.
Middlefield Securities Limited
Dundee Securities Corporation
Raymond James Ltd.
Wellington West Capital Inc.
Canaccord Capital Corporation
Research Capital Corp.
Promoter(s):
Middlefield Group Limited
Middlefield Compass Management Limited
Project #421560

Issuer Name:
Rally Energy Corp.
Principal Regulator - Alberta
Type and Date:
Final Prospectus dated March 26th, 2002
Mutual Reliance Review System Receipt dated 27th day of March, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
John G. F. McLeod
Blair Coady
Lamont Tolley
Project #418889

Issuer Name:
Skylon Capital Yield Trust
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated March 27th, 2002
Mutual Reliance Review System Receipt dated 28th day of March, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
TD Securities Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Dundee Securities Corporation
Raymond James Ltd.
Yorkton Securities Inc.
Promoter(s):
Skylon Capital Corp.
Project #420306

Issuer Name:
Luxell Technologies Inc
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated April 1st, 2002
Mutual Reliance Review System Receipt dated 3rd day of April, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
CIBC World Markets Inc.
National Bank Financial Inc.
Promoter(s):
-
Project #422634

Issuer Name:
Newalta Corporation
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated March 26th, 2002
Mutual Reliance Review System Receipt dated 27th day of March, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Sprott Securities Inc.

Promoter(s):
-
Project #429163

Issuer Name:
Talisman Energy Inc.
Type and Date:
Final Short Form Shelf Prospectus dated March 27th, 2002
Mutual Reliance Review System Receipt dated 27th day of March, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #428002

Issuer Name:
ACCUMULUS NORTH AMERICAN INDEX MOMENTUM RSP FUND
Type and Date:
Final Simplified Prospectus and Annual Information Form dated March 26th, 2002
Receipt dated 1st day of April, 2002
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
Accumulus Investment Management Ltd.

Promoter(s):
Accumulus Investment Management Ltd.
Project #403950

Issuer Name:
AGF U.S. Value Class
AGF Global Resources Class
AGF Global Technology Class
AGF MultiManager Class
AGF Global Health Sciences Class
AGF Global Financial Services Class
AGF Aggressive Japan Class
AGF Global Real Estate Equity Class
AGF International Stock Class
AGF Canada Class
AGF Global Equity Class
AGF Short-Term Income Class
AGF Germany Class
AGF European Equity Class
AGF China Focus Class
AGF Asian Growth Class
AGF Japan Class
AGF Special U.S. Class
AGF American Growth Class
(of AGF All World Tax Advantage Group Limited)
AGF RSP MultiManager Fund
AGF Global Total Return Bond Fund
AGF RSP International Value Fund
AGF RSP World Companies Fund
AGF RSP World Balanced Fund
AGF RSP European Equity Fund
AGF RSP American Tactical Asset Allocation Fund
AGF RSP American Growth Fund
AGF RSP Japan Fund
AGF Canadian Stock Fund
AGF World Opportunities Fund
AGF Canadian Aggressive All-Cap Fund
AGF Latin America Fund
AGF India Fund
AGF Emerging Markets Value Fund
AGF Aggressive Growth Fund
AGF Aggressive Global Stock Fund
AGF World Equity Fund
AGF World Companies Fund
AGF Precious Metals Fund
AGF RSP World Equity Fund
AGF Canadian Small Cap Fund
AGF Canadian Value Fund
AGF Canadian Total Return Bond Fund
AGF RSP International Equity Allocation Fund
AGF International Value Fund
AGF Canadian Dividend Fund
AGF World Balanced Fund
AGF U.S. Dollar Money Market Account
AGF RSP Global Bond Fund
AGF Canadian Money Market Fund
AGF Canadian High Income Fund
AGF European Asset Allocation Fund
AGF Canadian Tactical Asset Allocation Fund
AGF American Tactical Asset Allocation Fund
AGF Canadian Balanced Fund
AGF Global Government Bond Fund
AGF Canadian Bond Fund
AGF Canadian Resources Fund Limited
AGF Canadian Growth Equity Fund Limited

Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated March 21st, 2002
Mutual Reliance Review System Receipt dated 2nd day of April, 2002
Offering Price and Description:
(Mutual Fund Series and Series F Securities)
Underwriter(s) or Distributor(s):
AGF Funds Inc.
Promoter(s):
-
Project #423733

Issuer Name:
AIC World Equity Corporate Class
AIC World Advantage Corporate Class
AIC Value Corporate Class
AIC Money Market Corporate Class
AIC Canadian Balanced Corporate Class
AIC Global Technology Corporate Class
AIC Global Science & Technology Corporate Class
AIC Global Medical Science Corporate Class
AIC Global Diversified Corporate Class
AIC Global Developing Technologies Corporate Class
AIC Global Advantage Corporate Class
AIC Diversified Canada Corporate Class
AIC Canadian Focused Corporate Class
AIC American Balanced Corporate Class
AIC American Focused Corporate Class
AIC American Advantage Corporate Class
AIC Advantage II Corporate Class
(Mutual Fund Shares and Series F Shares)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated March 20th, 2002
Mutual Reliance Review System Receipt dated 28th day of March, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
AIC Limited
Project #421065

Issuer Name:
McLean Budden Global Equity Fund
McLean Budden Canadian Equity Value Fund
McLean Budden International Equity Fund
McLean Budden American Equity Fund
McLean Budden Balanced Growth Fund
McLean Budden Canadian Equity Growth Fund
McLean Budden Fixed Income Fund
McLean Budden Money Market Fund

Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated March 28th, 2002
Mutual Reliance Review System Receipt dated 2nd day of April, 2002
Offering Price and Description:
(Class A Units and Class B Units)
Underwriter(s) or Distributor(s):
McLean Budden Limited

Promoter(s):
McLean Budden Limited
Project #424831

Issuer Name:
TD Private Global Strategic Opportunities Fund
TD Private Canadian Strategic Opportunities Fund
TD Private Canadian Corporate Bond Fund
TD Private RSP U.S. Equity Fund
TD Private RSP International Equity Fund
TD Private U.S. Equity Income Fund
TD Private U.S. Equity Growth Fund
TD Private Small/Mid-Cap Equity Fund
TD Private North American Equity Income Fund
TD Private North American Equity Growth Fund
TD Private International Equity Fund
TD Private Canadian Dividend Fund
TD Private Canadian Equity Income Fund
TD Private Canadian Equity Growth Fund
TD Private Canadian Bond Return Fund
TD Private Canadian Bond Income Fund

Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated March 26th, 2002
Mutual Reliance Review System Receipt dated 2nd day of April, 2002
Offering Price and Description:
(Units)
Underwriter(s) or Distributor(s):
TD Asset Management Inc.
Promoter(s):
-
Project #416740

Issuer Name:
MIST Inc.
Type and Date:
Rights Offering dated March 25th, 2002
Accepted on 25th day of March, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #426562

Issuer Name:
Asia Pacific Resources Ltd.
Principal Jurisdiction - British Columbia
Type and Date:
Amendment to Final Prospectus dated February 21st, 2002
Withdrawn on 26th day of March, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #412654

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Partners in Planning Financial Services Ltd. Attention: Melody Anne Potter 93 Glendale Lane Stouffville ON L4A 1W5	Mutual Fund Dealer	Mar 26/02
New Registration	Woodstone Capital Inc. Attention: Mahmood Sultanali Ahamed 601 West Cordova Street Suite 310 Vancouver BC V6B 1G1	Investment Dealer Equities Options	Mar 27/02
New Registration	Canada Life Securities Inc. Attention: Terry Maureen Pollock 438 University Avenue 19th Floor Toronto ON M5G 2K8	Investment Dealer Equities	Apr 01/02
Change of Name	RBC Dain Rauscher Inc. Attention: Linda Liabraaten 60 South Sixth Street Minneapolis MN 55402-4422	From: Dain Rauscher Incorporated To: RBC Dain Rauscher Inc.	Nov 01/01
Change of Name	CFG Financial Group Inc. Attention: Robert M. Dzisiak 360 Main Street Suite 610 Winnipeg MB R3C 3Z3	From: CFG Futures Canada Inc. To: CFG Financial Group Inc.	Mar 08/02
Change in Category (Categories)	Family Investment Planning Inc. Attention: Katherine Anne Dooley 195 Franklin Blvd. Unit 6 Cambridge ON N1R 8H3	From: Mutual Fund Dealer To: Mutual Fund Dealer Limited Market Dealer	Apr 01/02

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 Disciplinary Hearing in the Matter of Gerry Le Ramos – IDA Notice to Public

NEWS RELEASE
FOR IMMEDIATE RELEASE

NOTICE TO PUBLIC: DISCIPLINARY HEARING

IN THE MATTER OF GERRY LE RAMOS

April 3, 2002 (Toronto, Ontario) – The Investment Dealers Association of Canada announced today that a date has been set for a penalty hearing before a panel of the Ontario District Council of the Association in respect of matters for which Gerry Le Ramos may be disciplined by the Association.

The penalty hearing relates to admissions that while a Registered Representative at RBC Dominion Secuities, Mr. Ramos:

1. failed to used due diligence to ensure that the recommendations made for a client account were appropriate for the client and in keeping with the client's investment objectives, contrary to Association Regulation 1300.1(c);

2. facilitated a loan between two clients without the knowledge, consent, or authorization of his Member employer, and thereby engaged in business conduct or practice unbecoming a Registered Representative or detrimental to the public interest, contrary to By-law 29.1;

3. solicited a personal loan from a client without the knowledge, consent, or authorization of his Member employer, and thereby engaged in business conduct or practice unbecoming a Registered Representative or detrimental to the public interest, contrary to By-law 29.1; and

4. failed to disclose to a client that a loan between the client and another client had been repaid through the Respondent, and thereby engaged in business conduct or practice unbecoming a Registered Representative or detrimental to the public interest, contrary to By-law 29.1.

The hearing is scheduled to commence at 9:30 am on Monday April 15, 2002 at the offices of the Investment Dealers Association of Canada, 121 King Street West, Suite 1600, in Toronto, Ontario. The hearing is open to the public except as may be required for the protection of confidential matters.

The Investment Dealers Association of Canada is the national self-regulatory organization and representative of the securities industry. The Association's role is to foster fair, efficient and competitive capital markets by encouraging participation in the savings and investment process and by ensuring the integrity of the marketplace. The IDA enforces rules and regulations regarding the sales, business and financial practices of its Member firms. Investigating complaints and disciplining Members are part of the IDA's regulatory role.

For further information, please contact:

Kenneth J. Kelertas
Enforcement Counsel
(416) 943-5781
or kkelertas@ida.ca

Shannon Skelley
Public Affairs Specialist
(416) 943-5858
or sskelley@ida.ca

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Chapter 25

Other Information

25.1 Approvals

25.1.1 Acuity Funds Ltd. - Loan and Trust Corporations Act - s. 213(3)(b)

April 2, 2002

Borden Ladner Gervais

Attention: Kyle S. Pohanka

Dear Sirs/Mesdames:

RE: Application by Acuity Funds Ltd. for approval to act as trustee of Acuity Canadian Equity Fund, Acuity Fixed Income Fund, Acuity Balanced Investment Fund, Acuity Short Term Fund, Acuity Global Equity Fund, Acuity Global Balanced Fund, Acuity Asset Allocation Fund, Acuity Environmental Technology Fund, Acuity High Income Fund, Acuity Pooled Venture Fund and other similar mutual funds that Acuity Investment Management Inc. may establish and manage from time to time (collectively the "Pooled Funds") - App. No. 222/02

Further to your letter dated March 5, 2002 and supplemented by letter dated March 28, 2002 (together the "Application") filed on behalf of Acuity Funds Ltd., and based on the facts set out in the Application, pursuant to the authority conferred on the Ontario Securities Commission (the "Commission") in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that Acuity Funds Ltd. act as trustee of the Pooled Funds.

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

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