The Ontario Securities Commission

OSC Bulletin

May 10, 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

MAY10, 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
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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

May 30 & 31/02 9:30 a.m. - 4:30 p.m. May 28/02 2:00 p.m. May 29/02 9 a.m. - 12:00 p.m.	**YBM Magnex International Inc., Harry W. Antes, Jacob G. Bogatin, Kenneth E. Davies, Igor Fisherman, Daniel E. Gatti, Frank S. Greenwald, R. Owen Mitchell, David R. Peterson, Michael D. Schmidt, Lawrence D. Wilder, Griffiths McBurney & Partners, National Bank Financial Corp., (formerly known as First Marathon Securities Limited)**
June 3, 24, 26 & 27/02 9:30 a.m.	s.127
June 10/02 1 p.m. - 4 p.m.	K. Daniels/M. Code/J. Naster/I. Smith in attendance for staff.
June 11 & 25/02 2:00 - 4:30 p.m.	Panel: HIW / DB / RWD
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.	

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.	Brian K. Costello s. 127 H. Corbett in attendance for Staff
June 25 2:00 - 4:00 p.m.	Panel: PMM
July 8 - 12/02 July 15 - 19/02 10:00 a.m. -	
August 20/02 2:00 p.m.	**Mark Bonham and Bonham & Co. Inc.**
August 21 to 31/02 9:30 a.m.	s. 127 M. Kennedy in attendance for staff Panel: PMM / KDA / HPH

ADJOURNED SINE DIE

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

DJL Capital Corp. and Dennis John Little

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

First Federal Capital (Canada) Corporation and Monter Morris Friesner

Global Privacy Management Trust and Robert Cranston

Irvine James Dyck

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

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

Offshore Marketing Alliance and Warren English

Philip Services Corporation

Rampart Securities Inc.

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

S. B. McLaughlin

Southwest Securities

Terry G. Dodsley

1.1.2 CSA Notice 13-310, Securities Regulatory Authority Closed Dates 2002

CSA STAFF NOTICE 13-310

SECURITIES REGULATORY AUTHORITY CLOSED DATES 2002

We have a mutual reliance review system ("MRRS") for prospectuses (including long form, short form and mutual fund prospectuses), prospectus amendments, waiver applications, pre-filings, and initial and renewal annual information forms. It is described in National Policy 43-201 Mutual Reliance Review System for Prospectuses and Annual Information Forms.

The principal regulator will only issue a MRRS decision document confirming the receipt of non-principal regulators that are open on the date of the MRRS decision document. The principal regulator will issue a MRRS decision document confirming the receipt of the remaining non-principal regulators on the next day that they are open. These procedures are described in section 7.8 of the Policy.

A dealer may only solicit expressions of interest in a non-principal jurisdiction after a receipt has been issued by that jurisdiction. In addition, an issuer may only distribute its securities in the non-principal jurisdiction at that time.

The following is a list of the closed dates of the securities regulatory authorities for 2002. These dates should be noted by issuers in structuring their affairs.

Securities Regulatory Authority Closed Dates 2002

1. Saturdays and Sundays (all)*****
2. Tuesday January 1 (all) **(2002)**
3. Wednesday January 2 (Que)
4. Friday February 22 (YT)
5. Monday March 18 (Nfld)
6. Friday March 29 (all)
7. Monday April 1 (all except Alta, Sask, Ont, Nfld)
8. Monday April 22 (Nfld)
9. Monday May 20 (all)
10. Friday June 21 (NWT)
11. Monday June 24 (Que, Nfld)
12. Monday July 1 (all)
13. Monday July 8 (Nfld)
14. Tuesday July 9 (Nun)
15. Friday August 2 (Sask)
16. Monday August 5 (all except Que, PEI, Nfld, YT, Nun)
17. Wednesday August 7 (Nfld) (may change due to weather)
18. Friday August 16 (PEI)
19. Monday August 19 (YT)
20. Monday September 2 (all)
21. Monday October 14 (all)
22. Monday November 11 (all except Alta, Ont, Que)
23. Tuesday December 24 (Que)
24. Tuesday December 24 after 12:00pm (Man, NS, PEI)
25. Wednesday December 25 (all)
26. Thursday December 26 (all)
27. Tuesday December 31 (Que)
28. Wednesday January 1 (all) **(2003)**
29. Thursday January 2 (Que)

*****Bracketed information indicates those jurisdictions which are closed on the particular date.

1.1.3 OSC Staff Notice 31-705, Common Renewal Date

ONTARIO SECURITIES COMMISSION STAFF NOTICE 31-705

COMMON RENEWAL DATE

The Ontario Securities Commission, in conjunction with other Canadian securities regulators, is developing a web-based registration system called the National Registration Database ("NRD"). Pursuant to the rules under which NRD will be implemented, all registrants will have a common renewal date of December 31st.

In order to make the adjustment to a common renewal date, all registrations and renewals occurring under the *Securities Act* and the *Commodity Futures Act* between January 1, 2001 and November 30, 2002 will be effective until December 31, 2002. Registration fees will be prorated accordingly. All registrants that have been renewed past December 31, 2002 will have their renewal date changed to December 31, 2002 and fees will be refunded in due course.

"David M. Gilkes"

1.2 Notices of Hearing

1.2.1 Piergiorgio Donnini et al.

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

AND

IN THE MATTER OF
PIERGIORGIO DONNINI

AMENDED NOTICE OF HEARING

WHEREAS a Notice of Hearing and related Statement of Allegations was issued on December 17, 2001 in respect of Yorkton Securities Inc., Gordon Scott Paterson, Piergiorgio Donnini, Roger Arnold Dent, Nelson Charles Smith and Alkarim Jivraj.

AND WHEREAS by Order dated December 19, 2001 the Commission approved proposed settlement agreements entered into between Staff of the Commission and each of the respondents Yorkton, Paterson, Dent, Smith and Jivraj.

AND WHEREAS by Order of the Commission dated January 24, 2002 the proceeding in respect of Piergiorgio Donnini was adjourned for a hearing to be held on May 13, 14, 15, 16, and 17, 2002.

TAKE NOTICE that the Commission will hold a hearing pursuant to sections 127(1) and 127.1 of the *Securities Act*, R.S.O. 1990, c.S.5, as amended (the "Act") at the offices of the Commission located at 20 Queen Street West, Toronto, Ontario, in the Large Hearing Room, 17th Floor, on Monday, the 13th day of May 2002 to Friday, the 17th day of May, 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 that trading in securities by Donnini cease permanently or for such other period as specified by the Commission;

(b) to make an order that the registration of Donnini be suspended for such period as is specified in the order or be terminated, or that terms and conditions be imposed on the registration of Donnini;

(c) to make an order that Donnini be prohibited from becoming or acting as director or officer of any issuer;

(d) to make an order that Donnini resign one or more positions which Donnini may hold as an officer or director of any issuer;

(e) to make an order that the respondent Donnini be reprimanded;

(f) to make an order that the respondent Donnini 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

(g) such other order or orders as Staff may request and the Commission consider appropriate.

BY REASON OF the allegations set out in the related Statement of Allegations of Staff dated December 17, 2001, as amended, 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 TAKE FURTHER NOTICE that upon failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of that party and such party is not entitled to any further notice of the proceeding.

May 7, 2002.

"John Stevenson"

To: Mr. Alan Lenczner, Q.C.
Lenczner Slaght Royce Smith Griffin
2600-130 Adelaide Street West
Toronto
M5H 3P5

Counsel for Piergiorgio Donnini

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

AND

**IN THE MATTER OF
YORKTON SECURITIES INC.,
GORDON SCOTT PATERSON, PIERGIORGIO DONNINI,
ROGER ARNOLD DENT, NELSON CHARLES SMITH
AND ALKARIM JIVRAJ**

**AMENDED STATEMENT OF ALLEGATIONS
OF STAFF OF THE ONTARIO SECURITIES
COMMISSION**

Staff of the Ontario Securities Commission ("Staff") make the following allegations:

THE RESPONDENTS

1. The conduct of the Respondents that is the subject matter of this proceeding occurred prior to February 2001 (the "Material Time").

2. Yorkton is registered as, among other things, a broker and investment dealer under the Act and is a member of, among other things, the Toronto Stock Exchange (the "TSE") and the Investment Dealers Association of Canada (the "IDA"). Yorkton is an employee-owned firm with over 600 employees. Yorkton is a wholly-owned subsidiary of Yorkton Financial Inc. ("Yorkton Financial").

3. Gordon Scott Paterson ("Paterson") was registered as a trading officer and the Chairman and Chief Executive Officer of Yorkton since October 1998, and President of Yorkton from May 20, 1997 to October 1, 1998. During the Material Time, Paterson owned approximately 15% of Yorkton Financial. Paterson was registered as a trading officer with the title of Executive Vice-President and Director from May 16, 1995 to May 20, 1997.

4. Piergiorgio Donnini ("Donnini") was Yorkton's Head Institutional and Liability Trader during the Material Time, with the exception of the period from September 1998 to April 1999 as indicated herein. Donnini's employment with Yorkton was terminated in April 2001. From November 14, 1995 to April 5, 2001, Donnini was registered as a sales representative with Yorkton, with the exception from September, 1998 to April, 1999 when Donnini was not employed with Yorkton.

5. Roger Arnold Dent ("Dent") has been registered since September 1998 as a trading officer and director with the titles of Vice-Chairman, Executive Vice-President and Director of Research of Yorkton. Dent was registered as a trading officer with the title of Vice-President and Director from March 19, 1997 to March 9, 1998, and as Executive Vice-President from March 9, 1998 to September 8, 1998.

6. Nelson Charles Smith ("Smith") is, and has been registered since March 26, 2001, as a trading officer with the titles of Vice-President and Managing Director, Head of Investment Banking. Smith was registered as a trading officer with the title of Vice-President from November 9, 1995 to January 30, 1997, and from January 30, 1997 to March 26, 2001 as Vice-President and Director of Investment Banking for the Media, Entertainment & Leisure Group.

7. Alkarim Jivraj ("Jivraj") has been employed with Yorkton as an investment banker since 1996. Jivraj was registered as an approved, non-trading officer with the title of Vice-President and Director from May 24, 2000 to March 12, 2001. Since March 12, 2001 Jivraj has been registered as an approved, non-trading officer with the title of Vice-President and Managing Director, Technology Investment.

FACTS

GTR Group Inc.

8. GTR Group Inc. ("GTR") was the continuing company formed through the reverse take-over (the "RTO") by Games Trader Inc. ("GTI") of the listed "shell" then known as Xencet Investments Inc. ("Xencet") in October 1998 and the concurrent exchange of securities with shareholders of 1308129 Ontario Inc. ("1308129"). Effective September 5, 2001, GTR changed its name to Mad Catz Interactive Inc. During the Material Time GTR was a reporting issuer in British Columbia, Alberta and Ontario and its common shares were listed and posted for trading on the TSE under the symbol GTR.

9. During the Material Time GTR carried on business through two operating subsidiaries. Through the first of those subsidiaries (which carried on business under the name "Games Trader"), GTR was a supplier of video games to mass merchant and specialty retailers in the United States and Canada, with its principal business activity being the sourcing, refurbishing, repackaging and distribution of previously played video game software. Through the second of those subsidiaries, GTR designed, developed, manufactured (through third parties) and marketed interactive video game control devices and accessories.

10. GTI was, until it was taken public through the RTO, a closely-held company that carried on the business later operated under the "Games Trader" name.

1. Investments by Yorkton Group in GTI

11. In March 1997, Capital Canada Limited ("CCL") made a presentation to representatives of Yorkton concerning an opportunity to participate in the acquisition and financing of GTI. In this presentation, CCL expressed the view that individuals at Yorkton should acquire shares in GTI as a sign of their good faith.

12. In response to this presentation, ultimately Yorkton acquired 250,000 common shares, representing approximately 6% of the outstanding common shares of GTI. Yorkton then transferred those shares to the various persons and entities including Smith, Dent and Patstar Inc., a corporation owned by Paterson (collectively, the "Yorkton Group").

2. Yorkton/Paterson Relationship with Xencet

13. Xencet was incorporated in 1993 as a "junior capital pool" under the name Patch Ventures Inc. ("Patch") at the initiative of, among others, Paterson. In 1994, Patch acquired all of the issued and outstanding shares of Legacy Manufacturing Corporation pursuant to a reverse take-over, following which the name of the company was changed to Legacy Storage Systems International Inc. ("Legacy"). In 1995, Paterson joined the board of directors of Legacy and its shares were listed and posted for trading on the TSE. Paterson has since 1995 also been a shareholder of Legacy and its successor companies.

14. Since 1995, Yorkton has regularly acted as underwriter and financial advisor for Xencet and its predecessor companies and was also a security holder. In particular, Yorkton was the underwriter in respect of two special warrant offerings of Legacy completed in May 1995 and December 1995, and the underwriter in respect of the unit offering of Legacy completed in March 1996. Yorkton also acted as financial advisor to Legacy in connection with the acquisition by Legacy of shares and assets of Rexon Inc., completed in March 1996. Legacy subsequently changed its name to Tecmar Technologies International Inc. in December 1996. In January 1998, its name again was changed to Xencet Investments Inc. ("Xencet") in connection with the proposed sale of the last of its operating businesses. Paterson remained on the board of Xencet (and its predecessor companies as of August 1995) until his resignation from the board on September 30, 1998.

15. Upon completion of the sale of the last of Xencet's operating businesses, in mid-February 1998, Xencet had no significant operations. It held cash and cash equivalents in excess of $7.5 million. Its only other asset was a listing on the TSE. To preserve this listing, the TSE required that Xencet enter into a legally binding agreement by August 18, 1998 to acquire an operating business that, if completed, would result in Xencet meeting the original listing requirements of the TSE. Failing that, the shares of Xencet would be de-listed. The board of directors of Xencet asked Paterson and other firms and individuals and firms to search out business opportunities.

16. In late March 1998, notwithstanding that Xencet had no apparent need or use for additional cash, Paterson proposed to the two other directors of Xencet a transaction pursuant to which Paterson and certain other investors identified by him would acquire for $0.65 per unit approximately 1,150,000 units. Each unit was to consist of one common share in the capital of Xencet and one common share purchase warrant exercisable for $0.70 per share for a period of two years from the date of issue. On March 31, 1998, the closing price of the common shares of Xencet on the TSE was $0.70 per share.

17. The proposed private placement was announced by Xencet on April 30, 1998 (the "Xencet Private Placement"). The Xencet Private Placement closed in late May 1998 at which time 460,000 units were issued to Yorkton in trust for Paterson, and 690,000 units were issued to two Yorkton institutional clients.

18. Xencet's press release of April 30, 1998 did not disclose the identity of the subscribers to the Xencet Private Placement, and certain Yorkton personnel assisting with the RTO were not made aware that Paterson had participated in the Xencet Private Placement until such disclosure was made in the Xencet Information Circular dated August 26, 1998 in connection with the RTO. Paterson signed his subscription agreement in relation to the Xencet Private Placement on May 21, 1998 and filed his insider report on September 16, 1998, reporting his acquisition of 460,000 units of Xencet effective May 22, 1998.

3. The RTO – Role of Yorkton's Officers and Investment Bankers

19. In March 1998, Paterson committed to the board of Xencet resources of Yorkton. In particular, Paterson committed employees of Yorkton to review possible merger or RTO candidates and to report the results of the review to the Xencet Board. As a director of Xencet, Paterson was informed of all business opportunities presented to the Xencet board, and the development of any proposed transaction. Although Paterson committed Yorkton resources to help search out proposed business opportunities, Paterson did not cause Yorkton to enter into an engagement agreement with Xencet. Xencet was not placed

on the grey list (also referred to as a watch list) in March 1998. Yorkton did not place Xencet on its grey list until August 13, 1998.

20. During the Material Time, other Yorkton senior officers and investment bankers acted as financial advisors to GTI, including Smith, the Director of Investment Banking for the Media, Entertainment & Leisure Group.

21. Through 1997 and into 1998, representatives of GTI met with Smith, and others at Yorkton, on various occasions to discuss the timing of an initial public offering of GTI and the company's financing requirements.

22. On or about April 16, 1998, Smith, Dent and other employees on behalf of Yorkton, met with the President of GTI for a general business update on GTI. Smith arranged for the GTI President to give a presentation to Paterson on or about April 24, 1998.

23. After that presentation, Paterson advised representatives of GTI that it was Yorkton's view that, given GTI's recent operating results and financial condition, an initial public offering was not likely to be successfully completed until 1999 or later. Paterson indicated that he was aware, however, of a TSE-listed company that was looking for merger or acquisition candidates and that he would take the information provided by GTI and consider whether there could be a deal between GTI and that listed company. Shortly after this meeting, discussions ensued concerning a possible transaction, and the identity of Xencet was disclosed to GTI.

24. During April and May 1998, GTI was in discussions with Movies & Games 4 Sale, L.P. ("M4S"), a Dallas-based private limited partnership engaged in the same type of business as GTI, with respect to the possible combination of the businesses of GTI and M4S.

25. Paterson introduced GTI to the Board of Directors of Xencet on or about May 5, 1998.

26. In early May, 1998, Paterson, on behalf of Xencet, and a representative of GTI, negotiated the share exchange ratio in respect of the three businesses, such that Xencet, GTI and M4S were agreed to be valued as one-third interests of the proposed business combination. The share exchange ratio agreed to by the parties was not publicly available. In or about early May, 1998, Smith was informed of the share exchange ratio agreed to by Xencet and GTI in relation to the interests of Xencet, GTI and M4S. This information was made available to Dent in or about early May, 1998 by virtue of his role.

27. On or about June 12, 1998, it was determined by the interested parties that the proposed merger/RTO would no longer include M4S as a party to the transaction.

28. On or about June 16, 1998, Paterson, on behalf of Xencet, and representatives of GTI reached an agreement in respect of the share exchange ratio for the proposed RTO of GTI and Xencet. The parties agreed to a 50/50 share exchange ratio. The share exchange ratio agreed to by the parties was not publicly announced at this time. The information concerning the share exchange ratio agreed to by Xencet and GTI was available to each of Dent and Smith in or about mid-June, 1998 by virtue of their roles. On Friday, June 19, 1998, Xencet and GTI also entered into a confidentiality agreement, and began to exchange information under that agreement on Monday, June 22, 1998.

29. In order to proceed with the proposed RTO, GTI also approached the shareholders of GTI and requested that the original shareholders (which included Patstar Inc., Smith and Dent) purchase shares from the founder of GTI.

30. On June 30, 1998, Paterson, Smith and Dent, purchased common shares of GTI. Paterson, through Patstar Inc., purchased 55,627 shares of GTI. Dent and certain of his relatives purchased 30,990 shares of GTI. Smith purchased 2,660 shares of GTI.

31. On July 31, 1998, Xencet and GTI entered into an acquisition agreement (the "Acquisition Agreement"), as amended and restated on August 20, 1998, providing for the acquisition of all the issued and outstanding common shares of GTI, pursuant to securities exchange agreements to be entered into with the holders of GTI common shares in exchange for units of Xencet comprised of common shares and a fractional number of common share purchase warrants.

32. The share ratio agreed to by Xencet and GTI, as reflected in the Acquisition Agreement, was as follows:

> "On the terms and subject to the conditions set out herein and in the Securities Exchange Agreement, the transactions contemplated by this Agreement shall be effected by the implementation of the following steps on the Closing Date:
>
> (a) Xencet shall acquire all of the GTI Securities from the GTI Securityholders in exchange for an aggregate of:

(i) 10,300,000 Xencet Common Shares: and

(ii) 1,000,000 Xencet Series A Warrants;

(b) Peter Kozicz shall receive options to purchase 514,884 common shares of Xencet exercisable until April 7, 2000 for the Kozicz Options held by him, it being the intent that the options to be granted to Peter Kozicz will be granted at the market price of the common shares of Xencet, as agreed to with the TSE, and that the accrued gain in the Kozicz Options, being the excess of the exercise price per share of the options to be granted by Xencet to Peter Kozicz over $0.4017 (the "Excess Amount") will be treated as a pre-payment of a portion of the exercise price per share payable under such options equal to the Excess Amount per share of the options to be granted to Peter Kozicz, so that Peter Kozicz is in the same economic position as if he continued to hold the Kozicz Options, and the TSE shall have approved the issuance of such options on the foregoing terms on or before August 12, 1998."

The Acquisition Agreement and the terms contained therein were not then made publicly available.

33. In or about late July 1998, Jivraj was formally assigned to the Xencet, GTI RTO transaction, although Jivraj had information regarding the RTO prior to that date. Jivraj's primary responsibility was to close the financing transaction concurrent with the RTO. In mid 1998, Jivraj became aware that several senior Yorkton officers had recently purchased shares in GTI.

34. In mid 1998, Jivraj approached Paterson and proposed that Paterson sell to him common shares in GTI. Paterson agreed to sell a portion of his position in GTI.

35. On August 19, 1998 Jivraj purchased 2,217 common shares of GTI from Patstar Inc. for $1,441.05.

36. The RTO transaction was publicly announced by Xencet on August 26, 1998, which announcement included disclosure of the share exchange ratio agreed to by Xencet and GTI as reflected in the Acquisition Agreement, as amended and restated on August 20, 1998. The RTO was completed by October 30, 1998, and the name of the company was changed to GTR as of November 11, 1998. Following the RTO, the common shares of Xencet/GTR traded on the TSE at prices substantially above the price at which the units were sold to Paterson and the two Yorkton institutional clients, pursuant to the Xencet Private Placement, and substantially above the price of the GTI shares purchased by Paterson, Smith, Dent and Jivraj in the summer of 1998.

Kasten Chase Applied Research Limited

37. Kasten Chase Applied Research Limited ("KCA") is a corporation incorporated under the *Business Corporations Act* (Ontario). KCA develops and applies technology to provide secure remote access to computer networks. KCA was a privately held company up until 1994 at which time Yorkton structured the reverse take over by KCA of the reporting issuer known as Dysis Corp. KCA is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec. The common shares of KCA are listed and posted for trading on the TSE under the symbol KCA. Since 1994 Yorkton has acted as underwriter in respect of several financings and private placements for KCA.

1. First KCA Special Warrant Financing

38. In early February 2000, Yorkton and KCA engaged in discussions about a possible financing of KCA. On February 10, 2000, KCA sought "price protection" from the TSE for an offering of special warrants based on the $1.37 closing price of its common shares on February 9, 2000.

39. On February 11, 2000, KCA executed an engagement agreement with Yorkton under which KCA proposed to raise $5 million by issuing 4 million special warrants priced at $1.25 each (referred to as the "SWI"). Pursuant to subsections 619(a) and (b) and 622 of the TSE Company Manual, special warrants exchangeable into listed common shares may be issued at a discount to the closing price of the common shares on the TSE on the day before the date on which price protection is sought. Each special warrant was to entitle the holder to acquire one common share of KCA and one warrant to acquire one-half of one common share at an exercise price equal to $1.75 per common share.

40. Pursuant to the engagement agreement, Yorkton was entitled to receive an underwriter's commission equal to 8% of the gross proceeds of the offering (or $400,000 in cash commission) and compensation options to acquire 400,000 units at an exercise price of $1.37 per unit. Each unit was

to be exchangeable for one common share of KCA and one warrant to acquire one-half of one common share at an exercise price equal to $1.75 per common share. Yorkton did not own freely tradeable shares of KCA at this time.

41. The arrangements between Yorkton and KCA set out in the engagement agreement were confirmed in an underwriting agreement dated February 24, 2000. The financing closed on February 24, 2000.

2. Subscriptions For First KCA Special Warrants

42. During the pre-marketing of SWI, Yorkton's institutional clients expressed a greater demand for the purchase of SWI units than the proposed 4 million units. These clients were prepared to purchase close to 6.5 million KCA units.

43. Accordingly, on February 11, 2000, Yorkton received sufficient orders to purchase the special warrants that resulted in the offering being oversubscribed.

44. Among others, a Yorkton institutional client (the "Yorkton Institutional Client"), subscribed for 340,000 special warrants and a Yorkton retail client (the "Yorkton Retail Client") subscribed for 78,000 special warrants, respectively.

45. Each subscriber was required to complete a subscription agreement and a private placement questionnaire and undertaking in a form prescribed by the TSE. Pursuant to the undertaking, each subscriber undertook to the TSE that, except with the "prior consent" of the TSE, it would not "sell or otherwise dispose of any of the said securities so purchased or any securities derived therefrom for the lesser of" six months or the date that a receipt for a final prospectus in respect of those securities was issued by the Commission.

3. Purchases by Yorkton of KCA Special Warrants

46. The trading price of KCA common shares on the TSE increased substantially from $2.05 per KCA common share at the close of business on February 11, 2000 to $6.75 per common share by the close of business on February 28, 2000. As a result, subscribers for the special warrants enjoyed a substantial unrealized appreciation in value.

47. Commencing in mid-February 2000, certain Yorkton salespersons spoke with some of the subscribers for the special warrants to determine their interest in realizing a profit by selling some or all of their special warrants. The clients approached were pleased to have the opportunity to sell the special warrants and realize a profit on the sale.

48. On or about February 28, 2000, Yorkton agreed to purchase from the Yorkton Institutional Client, for Yorkton's own account, 80,000 of the KCA special warrants at a price of $5.00 per warrant.

49. On or about February 29, 2000, Yorkton agreed to purchase from the Yorkton Retail Client, for Yorkton's own account, 78,000 of the KCA special warrants at a price of $7.65 per warrant. Yorkton charged the Yorkton Retail Client an aggregate commission of $19,500 on this sale and Yorkton did not disclose to the Yorkton Retail Client that Yorkton was purchasing the special warrants as principal. Yorkton has agreed to credit $19,500 to the account of this client.

50. On or about February 29, 2000, Yorkton agreed to purchase from the Yorkton Institutional Client, for Yorkton's own account, 60,000 of the KCA special warrants at a price of $7.00 per warrant and 100,000 special warrants at a price of $7.75 per warrant.

51. On March 2, 2000, Yorkton sought and obtained the TSE's consent to these purchases of KCA special warrants from the Yorkton Institutional Client and the Yorkton Retail Client, conditional upon, among other things, Yorkton filing a questionnaire and undertaking in the prescribed form. Yorkton failed to file the questionnaire and undertaking as required.

52. Yorkton did not maintain an itemized daily record of the purchases from the Yorkton Institutional Client and the Yorkton Retail Client. The purchases were not recorded, and the trades were not ticketed, until March 3, 2000, the day after TSE consent was received.

4. Yorkton's Borrowing and Short Sales[1] in KCA Common Shares

53. Commencing on or about February 15, 2000, with the knowledge and approval of Paterson, Donnini began executing short sales of common shares of KCA for Yorkton's own account.

54. On or about February 17, 2000, Donnini, on behalf of Yorkton, began to borrow KCA common shares from various registered dealers. Between February 15, 2000 and February 28, 2000, Yorkton sold short for its own account

[1] A short sale is the sale of a security which the seller does not own. This is a speculative practice done in the belief that the price of a stock is going to fall and the seller will then be able to cover the sale by buying it back later at a lower price, thereby making a profit on the transactions. (Source: Canadian Securities Course Textbook Volume 3, September 1998, prepared and published by the Canadian Securities Institute).

approximately 355,000 common shares of KCA. These transactions were transparent to the market as Donnini traded from Yorkton's inventory account.

55. The short sales carried out prior to February 29, 2000, were effected as part of a strategy to lock in Yorkton's profits in relation to compensation options and special warrants from SWI, which could not be freely traded.

5. Second KCA Special Warrant Financing Proposal

56. On February 29, 2000, Paterson presented a financing proposal to the Chief Financial Officer of KCA. Paterson informed Donnini on February 29, 2000 that the proposed second KCA financing was a $10 million special warrant offering at $6.75 per special warrant, and was to have a structure similar to the SWI financing. Given the nature of the information provided by Paterson to Donnini, which was not publicly available, Paterson should have instructed or directed Donnini to cease his short selling of KCA common shares on February 29, 2000, but failed to do so. Having regard to the status of the negotiations, Paterson should have informed Yorkton's compliance department that KCA be placed on the grey list on February 29, 2000, but failed to do so.

57. Prior to the discussion between Paterson and Donnini referred to above, Donnini had discussed with the Chief Financial Officer of KCA on February 29, 2000 matters related to a proposed transaction involving KCA.

58. Donnini was in a special relationship with KCA within the meaning of subsection 76(5) of the Act, and in particular, subsection 76(5)(d) of the Act. The information provided by Paterson to Donnini on February 29, 2000 that the proposed second KCA financing was a $10 million special warrant offering at $6.75 per special warrant, and was to have a structure similar to the SWI financing, was a material fact which had not been generally disclosed on February 29 or March 1, 2000.

59. Following receipt of information from Paterson, as described above, Donnini traded in common shares of KCA for Yorkton's account through jitney[1] trades. By the close of business on February 29, 2000, Donnini had sold short on February 29, 2000 for Yorkton's account approximately 579,400 common shares of KCA, of which 333,500 KCA common shares were jitneyed through another investment dealer.

60. On the morning of March 1, 2000, the CFO of KCA continued to negotiate the terms of the special warrant offering with Paterson, and by mid-day, KCA had reached an agreement in principle with Yorkton in relation to the following terms of the second warrant financing (subject to board approval of KCA and negotiation of the engagement letter with Yorkton):

- the pricing of the special warrants II offering;
- the size of the special warrants II offering (including the common share purchase warrants and the exercise period and exercise price of the warrants);
- the Commission to be paid to Yorkton in respect of the special warrants II offering, and the number, exercise price and exercise period of the compensation warrants to be issued to Yorkton in respect of the underwriting.

61. On March 1, 2000 KCA sought price protection from the TSE for an offering of special warrants at $6.75 per special warrant based on the $6.90 closing price of KCA's common shares on February 29, 2000.

62. At the close of the day on March 1, 2000, the board of directors of KCA approved the second special warrant financing.

63. On March 1, 2000, Donnini sold short for Yorkton's account a further 440,200 common shares of KCA, of which over 400,000 shares were jitneyed through another investment dealer, which had the effect of concealing Yorkton's involvement in the trade. By the close of trading on the TSE on March 1, 2000, Donnini had sold short for Yorkton's account approximately 1,019,600 common shares of KCA for the period February 29 and March 1, 2000. Paterson took no steps to restrict Donnini's trading in KCA common shares. All of the short sales from February 29 and March 1 were made at prices in excess of the $6.75 price for the KCA SW2 warrants. The average price of these trades (i.e. short sales) executed by Donnini beginning on the afternoon of February 29 at approximately 2:45 p.m., and continuing on March 1, was approximately $7.46.

64. Yorkton's "bought deal" committee approved Yorkton's participation in the second special warrants financing at about 8:00 a.m. on March 2, 2000. KCA and Yorkton then executed an engagement agreement pursuant to which KCA agreed to raise, and Yorkton agreed to underwrite, $10 million by issuing 1.483 million special warrants priced at $6.75 each. Each special

[1] Jitney: The execution and clearing of orders by one member of a stock exchange for the account of another member. (Source: Canadian Securities Course Textbook Volume 3, September 1998, prepared and published by the Canadian Securities Institute).

warrant was to entitle the holder to acquire one common share of KCA and one warrant to acquire one-half of one common share at an exercise price equal to $7.75 per common share.

65. Pursuant to the engagement agreement, Yorkton was entitled to receive an underwriter's commission equal to 8% of the gross proceeds of the offering and compensation options to acquire 148,399 units at an exercise price of $6.90 per unit. Each unit was to be exchangeable for one common share of KCA and one warrant to acquire one-half of one common share at an exercise price equal to $7.75 per common share.

66. After Yorkton's "bought deal" committee approved the financing, KCA was placed on Yorkton's "restricted list", which was distributed by e-mail shortly before markets opened on March 2, 2000.

67. The arrangements between Yorkton and KCA set out in the engagement agreement were formalized in an underwriting agreement dated March 15, 2000. The financing closed on March 15, 2000.

68. Yorkton's retail salespersons advised Yorkton's syndication department that they had received indications of interest from sophisticated retail clients in purchasing a total of 609,500 special warrants. Retail sales were allocated 431,000 of the 1.483 million special warrants that were to be distributed. Except for some hedge fund clients, Yorkton's institutional clients were not interested in purchasing KCA units in the second warrant financing. Yorkton purchased, as principal, the remaining 650,000 special warrants at a price of $4,387,500, with the result that fewer special warrants were allocated to sophisticated retail clients.

Book4golf.com Corporation

69. Book4golf.com Corporation ("Book4golf") has since September 22, 1999 been incorporated pursuant to the *Canada Business Corporations Act*. Book4golf is the developer and owner of Book4golf.com, an e-commerce Web portal that allows golfers to book tee times at various types of golf courses over the Internet. Book4golf is a reporting issuer in British Columbia and Ontario. The common shares of Book4golf are listed and posted for trading on the Canadian Venture Exchange ("CDNX") under the symbol BFG.

70. Dent, Yorkton's Director of Research, became a director of Book4golf on September 22, 1999 and resigned as a director effective January 10, 2001.

1. Book4golf Research Reports

71. Yorkton commenced research coverage of Book4golf effective February 1, 2000. On February 1, 2000, Yorkton issued a "Research Comment" about Book4golf authored by a Yorkton Research Analyst (the "Yorkton Research Analyst"), that contained a "strong buy" recommendation. The Research Comment disclosed that Yorkton had acted as "agent for financing of or financial advisor for" Book4golf within the preceding three years, but did not disclose that Dent was a director of Book4golf.

72. The strong buy recommendation was repeated in research documents on Book4golf authored by the Yorkton Research Analyst dated March 17, 2000; March 22, 2000; April 11, 2000; April 28, 2000; May 3, 2000; June 5, 2000; June 26, 2000; July 17, 2000 and July 31, 2000, variously titled as "Online", "The Wake-Up Call" and "Research Comment". The Yorkton Research Analyst authored two further research documents dated September 26, 2000 and October 16, 2000 in which Yorkton's recommendations changed from "strong buy" to "speculative buy". Each of the foregoing documents (collectively, referred to as the "Research Reports") disclosed that Yorkton had acted as "agent for financing of or financial advisor for" Book4golf, but did not disclose that Dent was a director of Book4golf.

73. The research document dated January 11, 2001, titled "The Wake-Up Call" authored by the Yorkton Research Analyst disclosed that Dent had stepped down as director of Book4golf.

74. At no time did Yorkton or Dent instruct the Yorkton Research Analyst to disclose in the Research Reports that Dent was a director of Book4golf, or instruct the Yorkton Research Analyst to disclose in the Research Reports the existence of a conflict of interest arising from Dent's position as a Book4golf director and Yorkton's research coverage of Book4golf.

2. Book4golf off CDNX Trade

75. Paterson and Yorkton played a major role in the affairs of Somerville Capital Inc., a junior capital pool ("JCP") company, and they continued to play a major role after the RTO transaction that transformed the JCP into Book4golf. Yorkton acted as underwriter and financial advisor. Paterson and other Yorkton employees were shareholders and Paterson publicly supported Book4golf. Yorkton provided research coverage on Book4golf and the Director of Research reported directly to Paterson. Yorkton was the dominant trading member firm in Book4golf shares.

76. On January 24, 2000, Book4golf opened at a price of $17.30, reached a high of $18.05 and a low of $14.00, and closed at $15.85. The following day Book4golf opened at a price of $17.00.

77. On January 24, 2000, a U.S. client of Yorkton's Chicago office wished to sell 100,000 shares of Book4golf. The Chicago office relayed the information to Donnini, the Head of Institutional Trading in Yorkton's Toronto office. Donnini, who reported directly to Paterson, approached Paterson and together they decided to offer a bid price of $13.75 per share, a 25¢ discount to the lowest transaction price on that date. Of the 100,000 Book4golf shares, Donnini purchased 25,000 Book4golf shares in his personal account and Paterson purchased the remaining 75,000 Book4golf shares through the account of his personal holding company.

78. Donnini failed to disclose the 100,000 sale of the Book4golf shares to CDNX and the transactions were only recorded on the books and records of Yorkton on January 25, 2000 "as of January 24, 2000". The size and nature of this transaction would have depressed the market price of Book4golf if it had been placed through the facilities of the CDNX.

79. Paterson actively traded Book4golf shares on January 24, 2000 prior to buying the 75,000 Book4golf shares.

80. From January 26, 2000 to February 18, 2000, Paterson sold 75,000 shares of Book4golf at prices ranging from $16.00 to $23.25. On a "last in, first out" basis, he made a profit of over $400,000.

81. Donnini and Yorkton were sanctioned by the CDNX for failing to report the transaction involving the 100,000 shares of Book4golf. The settlement agreement was approved on June 4, 2001 by a Disciplinary Hearing Panel of the CDNX.

3. Missing Trade Tickets

82. In the course of its investigation giving rise to this settlement agreement, on September 5, 2001, Staff requested that Yorkton provide certain trade tickets in Book4golf.

83. Yorkton was unable to provide to Staff the requested documents as required under Ontario securities law.

84. Yorkton has advised Staff that Yorkton's former external records retention service provider lost the requested documents.

Storage One Inc.

1. Establishment of Storage One

85. Storage One Inc. ("Storage One") was incorporated under the *Business Corporations Act* (Ontario) as Storage Express Inc. on October 18, 1993 as a subsidiary of Tecmar Technologies Incorporated ("Tecmar"). Storage Express Inc. changed its name to Storage One effective November 10, 1993 and to EcomPark Inc. effective May 19, 1999.

86. Tecmar was a wholly owned subsidiary of Tecmar Technologies International Inc. As noted above in paragraph 17, Tecmar Technologies International Inc. was formerly Legacy Storage Systems International Inc. Paterson was a shareholder of Legacy Storage Systems International Inc. (and the successor companies, including Xencet) from 1995 to date, and a director of Legacy Systems International Inc. (and its successor companies) from 1995 until his resignation from the Xencet board on September 30, 1998.

87. Storage One did not carry on active business until April 14, 1997, when it acquired certain inventory, fixed assets, prepaid expenses and goodwill of the computer storage hardware business carried on by Tecmar. On the advice of Paterson to the board of Tecmar Technologies International Inc., Storage One became a separate company in April, 1997.

88. Effective August, 1997, Storage One became a reporting issuer in British Columbia, Alberta and Ontario. Effective October, 1997, the common shares of Storage One were listed and posted for trading on the Alberta Stock Exchange (as it then was) under the symbol SOJ.

2. August 18, 1997 Prospectus

89. Pursuant to a prospectus dated August 18, 1997, Storage One made an initial public offering (the "August IPO") by which it raised $800,000 by offering 3,200,000 units consisting of a common share and common share purchase warrant. The same prospectus qualified for distribution common shares and warrants issuable upon the exercise of special warrants issued in April 1997 for proceeds of $2,893,500. These investments were described in the prospectus as speculative and involving a high degree of risk.

90. As described in the prospectus under the heading "Management of Storage", each of the four managers of Storage One identified in the prospectus had held management positions with Tecmar or with its computer storage hardware business before that business was acquired by Storage One. Under the heading "Risk Factors", the prospectus stated that Storage One was substantially dependent on the services of a few key personnel, including three of the four managers identified in the prospectus. The prospectus disclosed no concerns about the quality or abilities of management.

91. The financing agreement dated April 14, 1997 between Storage One and Yorkton relating to the

offering of the special warrants of Storage One (the "April Private Placement"), required Storage One to deposit into a segregated bank account the majority of the proceeds of that financing and the net proceeds of the sale of units later issued under the prospectus. These funds could be released only with the consent of two Yorkton nominees.

92. In connection with the April Private Placement, these restrictions were required because Paterson had concerns in relation to management's use of funds, and management's ability to manage its cash. Paterson assumed the lead role in respect of Yorkton's underwriting of the April Private Placement.

93. These restrictions remained in place at the time of the August IPO, and are disclosed in the prospectus as follows:

> "Pursuant to the Underwriting Agreement, the Corporation agreed to deposit the net proceeds from the offering of Special Warrants in excess of $1,700,000, as well as the net proceeds from this Offering and from the exercise of the Warrants, the New Warrants and the Compensation Options into a segregated bank account of the Subsidiary that requires two signing officers, both of whom are nominees of Yorkton. As long as any funds remain in this bank account of the Subsidiary, the Corporation has also agreed: (i) other than certain existing liens, not to create or permit any lien, claim, security interest or other encumbrance whatsoever against or in respect of the Subsidiary; (ii) to ensure a majority of the board of directors of the Subsidiary are nominees of Yorkton; and (iii) to ensure the Subsidiary does not conduct any active business without the consent of Yorkton. The purpose of the funds deposited to the bank account of the Subsidiary is to identify and pursue future acquisition and expansion opportunities".

94. Paterson's knowledge, information and belief in respect of the management of Storage One, giving rise to the imposition and continuation of these restrictions, was not disclosed in the Storage One prospectus.

3. Paterson's Undisclosed Views About Management

95. In the course of an interview by staff of the CDNX held on June 6, 2000, Paterson testified that in 1997 he had serious concerns about management of Storage One and about management's use of funds when employed by Tecmar. Paterson told the CDNX that the restrictions on the proceeds of the 1997 financings were adopted for this reason. Paterson did not share these views with the Yorkton prospectus due diligence team.

4. Storage One March 1999 Private Placement

96. On February 2, 1999, Storage One announced a proposed private placement offering up to a maximum of 2,920,000 units of Storage One at a price of $0.10 per unit. Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase one additional common share at an exercise price of $.15 per share for a period of two years from the closing date. The private placement closed on March 5, 1999, (the "Storage One Placement"). The Storage One Placement was completed under several private placement exemptions.

97. Following the completion of the Storage One Placement, Yorkton Staff approached Paterson and expressed their disappointment that their clients did not have an opportunity to participate in the recent offering. Paterson contacted Alberta counsel to Storage One to determine if certain investors in the Storage One Placement would consider selling their units.

98. As a result of Paterson's request, arrangements were made on or about July 7, 1999, through Storage One's Alberta counsel, for the sale of approximately 1,062,500 shares of Storage One from an offshore corporation to 17 persons, 12 of which were clients of Yorkton. Paterson advised Yorkton personnel including Dent, that the Storage One shares could only be sold to a non pro client.

99. Dent nonetheless arranged for the sale of 40,000 Storage One shares to a close relative and loaned his close relative funds to purchase the shares.

YORKTON'S CONDUCT CONTRARY TO THE PUBLIC INTEREST

100. The conduct of Yorkton was contrary to the public interest for the reasons set out below.

GTI and Xencet RTO

101. Yorkton permitted a culture of non-compliance, and therefore failed to prevent conflicts of interest in circumstances where Paterson:

(a) played multiple roles as a director and shareholder of Xencet, as a shareholder of GTI, and as a registrant and the then President of Yorkton;

(b) initiated a private placement by Xencet in advance of the RTO when Xencet had no apparent need for additional cash;

(c) caused the private placement to be made available only to Paterson and two institutional clients and not to other Yorkton clients;

(d) purchased units of Xencet on May 22, 1998, having knowledge of undisclosed information in respect of the proposed RTO, in circumstances where Paterson should not have purchased Xencet units;

(e) purchased common shares of GTI on June 30, 1998, having knowledge of undisclosed information in respect of the proposed RTO, in circumstances where Paterson should not have purchased the GTI shares; and

(f) sold GTI shares to Jivraj on or about August 19, 1998 in circumstances where Paterson should not have sold GTI shares to Jivraj, and in circumstances where Paterson should have directed Jivraj not to purchase shares in GTI from Yorkton or any other person.

102. Yorkton permitted a culture of non-compliance in circumstances where:

(a) Smith's purchase of GTI shares on June 30, 1998 placed Smith in a conflict of interest given his position as a registrant, the nature of his involvement in assisting GTI with its financing, and either Smith's knowledge of undisclosed information in respect of the proposed RTO or the availability to Smith of such undisclosed information by virtue of his role in assisting GTI on the proposed RTO;

(b) Dent's purchase of GTI shares on June 30, 1998 placed Dent in a conflict of interest, given his position as a registrant, the nature of his involvement on the proposed RTO, and either Dent's knowledge of undisclosed information in respect of the proposed RTO or the availability to Dent of such undisclosed information by virtue of Dent's position in Yorkton; and

(c) Jivraj's purchase of GTI shares on August 19, 1998 was contrary to the public interest, given his position as an investment banker, the nature of his involvement in assisting GTI with its financing, and either his knowledge of undisclosed information, including in relation to the share exchange ratio on the reverse takeover transaction between GTI and Xencet and other terms of the Acquisition Agreement, or availability to Jivraj of such undisclosed information.

Kasten Chase

103. Yorkton failed to properly supervise Paterson and Donnini and permitted a culture of non-compliance in connection with the second KCA financing in circumstances where:

(a) Yorkton's head trader, Donnini, traded (i.e. sold short) in excess of 500,000 KCA common shares for the benefit of Yorkton's inventory account on February 29 and March 1, 2000, while Donnini had knowledge of undisclosed information in relation to the price and size of the proposed KCA second warrant financing, and in circumstances where Donnini should not have traded KCA common shares on February 29 and March 1, 2000;

(b) Paterson provided to Donnini undisclosed information in relation to the price and size of the proposed KCA second financing, and failed to direct or instruct Donnini to cease trading in KCA common shares commencing on February 29, 2000. Paterson further failed to notify Yorkton's compliance department that KCA be placed on the grey list on February 29, 2000, having regard to the status of the negotiations between Yorkton and KCA in relation to the proposed KCA second financing; and

(c) Yorkton failed to place KCA on Yorkton's grey list on February 29, 2000.

104. Yorkton permitted a culture of non-compliance and acted in conflict with an issuer client by selling short common shares of KCA while Yorkton was negotiating the second KCA financing, failing to disclose to KCA that Yorkton was trading in KCA common shares on February 29, 2000 when KCA inquired about trading in its securities, and concealing Yorkton's trading in KCA common shares from KCA and the market by jitneying the short sales with another dealer, beginning on February 29, 2000 and continuing on March 1, 2000.

105. Yorkton permitted a culture of non-compliance and acted in conflict of interest with its retail and institutional clients in connection with:

(a) the purchase of special warrants from the Yorkton Retail Client on February 28, 2000 in circumstances where Yorkton did not disclose that it was purchasing as principal and, in connection with those trades for its own account, charged a commission to its client; and

(b) the allocation to its principal account of a larger portion of the second financing, resulting in certain of its sophisticated retail clients not receiving requested allocation.

106. Yorkton failed to maintain appropriate books and records by:

(a) failing to contemporaneously record and ticket the purchases from two Yorkton clients; and

(b) failing to file with the TSE a questionnaire and undertaking in the prescribed form in connection with the purchases by Yorkton of special warrants from the two Yorkton clients.

Book4golf

107. Yorkton failed to properly supervise its research function to ensure that for so long as Dent was a director of Book4golf, Dent should not have supervised or reviewed the Research Analyst's Research Reports in relation to Book4golf. Further, Yorkton failed to disclose in the Research Reports the existence of a conflict of interest arising from the research coverage provided by Yorkton in the Research Reports contemporaneous with an officer and employee of Yorkton (in this case, Dent) serving as a director of Book4golf.

108. Yorkton permitted a culture of non-compliance in relation to the purchase of 100,000 Book4golf shares by Paterson and Donnini on January 24, 2000, in respect of the following:

(i) Having regard to Paterson's multiple roles with Yorkton and Book4golf, and in relation to the purchase by Paterson of 75,000 shares of Book4golf on January 24, 2000, Paterson failed to employ prudent business practices in respect of real or potential conflicts of interest regarding his personal trading, by reason of the following:

(a) as Donnini's supervisor, Paterson failed to ensure Donnini properly reported a transaction from which Paterson personally profited;

(b) Paterson knew or ought to have known that the Book4golf transaction had not been reported to the CDNX in light of other trades in Book4golf that Paterson made on January 24, 2000; and

(c) as the then CEO of Yorkton, Paterson failed to ensure the appearance of fair and equitable trading, having regard to the involvement of Paterson and Yorkton in heavily promoting Book4golf and having regard to the profit made by Paterson from this transaction.

109. Yorkton failed to maintain appropriate books and records, and in particular, trade tickets for Book4golf, and to provide such records to Staff, as required under Ontario securities law.

Storage One

110. Yorkton failed to properly supervise Paterson, and failed to do sufficient prospectus due diligence to ensure that Paterson's knowledge, information and belief relating to the quality and ability of management of Storage One, was disclosed to the prospectus due diligence team.

111. Yorkton permitted a culture of non-compliance in relation to the sale of Storage One shares by Dent to a close relative, and the loan of funds to the close relative to purchase the shares, in conflict with the interests of Yorkton's clients.

PATERSON'S CONDUCT CONTRARY TO THE PUBLIC INTEREST

112. Paterson's conduct was contrary to the public interest for the reasons set out below.

GTI and Xencet RTO

113. Paterson's conduct in relation to the GTI and Xencet RTO was contrary to the public interest by reason of the following:

(a) Paterson played multiple roles as a director and shareholder of Xencet, as a shareholder of GTI, and as a registrant and President of Yorkton;

(b) Paterson initiated a private placement by Xencet in advance of the transaction required to meet the TSE listing requirements when Xencet had no apparent need for additional cash;

(c) Paterson caused the private placement, which was not underwritten by Yorkton,

to be made available only to Paterson and two institutional clients and not to other Yorkton clients;

(d) Paterson closed the purchase of units of Xencet on May 22, 1998, having knowledge of undisclosed information in respect of the proposed RTO;

(e) Paterson purchased common shares of GTI on June 30, 1998, having knowledge of undisclosed information in respect of the proposed RTO; and

(f) Paterson sold GTI shares to Jivraj on or about August 19, 1998 where by reason of the foregoing, Paterson should not have done so. Paterson should have directed Jivraj not to purchase shares in GTI from Yorkton or any other person.

Kasten Chase

114. Paterson's conduct in relation to the second KCA financing was conduct contrary to the public interest by reason of the following:

(a) Paterson provided to Donnini undisclosed information in relation to the price and size of the proposed KCA second financing on February 29, 2000, and failed to direct or instruct Donnini to cease trading in KCA common shares commencing on February 29, 2000. Paterson further failed to notify Yorkton's compliance department that KCA be placed on the grey list commencing on February 29, 2000, having regard to the status of the negotiations between Yorkton and KCA in relation to the proposed KCA second financing.

Book4golf

115. Having regard to Paterson's multiple roles with Yorkton and Book4golf, and in relation to the purchase by Paterson of 75,000 shares of Book4golf on January 24, 2000, Paterson failed to employ prudent business practices in respect of real or potential conflicts of interest regarding his personal trading, by reason of the following:

(a) Paterson, as Donnini's supervisor, is accountable for Donnini's failure to have properly reported a transaction from which Paterson personally profited;

(b) Paterson knew or ought to have known that the Book4golf transaction had not been reported to the CDNX in light of other trades in Book4golf that Paterson made on January 24, 2000; and

(c) as the then CEO of Yorkton, Paterson failed to ensure the appearance of fair and equitable trading, having regard to the involvement of Paterson and Yorkton in publicly supporting Book4golf and having regard to the profit made by Paterson from this transaction.

Storage One

116. Paterson's conduct was contrary to the public interest in that he failed to disclose to the Yorkton due diligence team his knowledge, information and belief relating to the quality and ability of management of Storage One. As a result of this failure, Paterson's knowledge, information and belief relating to the quality and ability of management of Storage One was not disclosed in the Storage One prospectus.

DONNINI'S CONDUCT CONTRARY TO THE PUBLIC INTEREST

Kasten Chase

117. Donnini's conduct was contrary to the public interest and contrary to section 76(1) of the Act by reason of the following:

(a) Pursuant to subsection 76(1) of the Act, no person or company in a special relationship with a reporting issuer shall purchase or sell securities of the reporting issuer with knowledge of a material fact or material change with respect to the reporting issuer that has not been generally disclosed. Donnini was in a special relationship with KCA within the meaning of subsection 76(5) of the Act, and in particular, subsection 76(5)(d) of the Act. The information provided to Donnini by Paterson on February 29, 2000 that the proposed second KCA financing was a $10 million special warrant offering at $6.75 per special warrant and was to have a structure similar to the SWI financing, was a material fact which had not been generally disclosed on February 29 or March 1, 2000; and

(b) Donnini, as Yorkton's head trader, traded (i.e. sold short) in excess of 500,000 KCA common shares for the benefit of Yorkton's inventory account on February 29 and March 1, 2000, while Donnini had knowledge of a material fact in relation to the price and size of the proposed KCA second warrant financing, contrary to subsection 76(1) of the Act and contrary to the public interest.

117A. Having regard to the foregoing, Donnini's conduct was unbecoming of a registrant and contrary to the public interest.

DENT'S CONDUCT CONTRARY TO THE PUBLIC INTEREST

118. Dent's conduct was contrary to the public interest for the reasons set out below.

Xencet and GTI RTO

119. Dent's purchase of GTI shares on June 30, 1998 placed Dent in a conflict of interest, given his position as a registrant, and either Dent's knowledge of undisclosed information in respect of the proposed RTO or the availability to Dent of such undisclosed information by virtue of Dent's position in Yorkton.

Book4golf

120. Dent's conduct was contrary to the public interest in that he failed to direct or instruct the Yorkton Research Analyst to disclose in the Research Reports Dent's position as a director of Book4golf. Dent further failed to direct or instruct the Yorkton Research Analyst that the Research Reports disclose the existence of a conflict of interest arising from Dent's position as a director of Book4golf and the research coverage provided by Yorkton in the Research Reports.

Storage One

121. As described above, Dent's conduct was contrary to the public interest in that Dent arranged for the sale of Storage One shares to a close relative, and loaned his close relative funds to purchase shares, in conflict with the interests of Yorkton's clients.

SMITH'S CONDUCT CONTRARY TO THE PUBLIC INTEREST

Xencet and GTI RTO

122. Smith's conduct was contrary to the public interest by reason of the following:

Smith's purchase of GTI shares on June 30, 1998, placed Smith in a conflict of interest given his position as a registrant, the nature of his involvement in assisting GTI with its financing, and either Smith's knowledge of undisclosed information in respect of the proposed RTO or the availability to Smith of such undisclosed information by virtue of his role in assisting GTI on the proposed RTO.

JIVRAJ'S CONDUCT CONTRARY TO THE PUBLIC INTEREST

Xencet and GTI RTO

123. Jivraj's purchase of GTI shares was contrary to the public interest given his position as an investment banker, the nature of his involvement in assisting GTI with its financing, and either Jivraj's knowledge of undisclosed information in respect of the proposed RTO or the availability to Jivraj of such undisclosed information by virtue of his role in assisting GTI on the proposed RTO.

Other

124. Such additional allegations as Staff may submit and the Commission may permit.

1.3 News Releases

1.3.1 OSC Proceedings in Respect of James Frederick Pincock

FOR IMMEDIATE RELEASE
May 3, 2002

OSC PROCEEDINGS IN RESPECT OF JAMES FREDERICK PINCOCK

ADJOURNED FOR HEARING TO JUNE 25, 26 and 27, 2002

TORONTO - At a hearing on May 1, 2002 before the Ontario Securities Commission (the "Commission"), the proceeding against James Frederick Pincock ("Pincock") was adjourned for a hearing on the merits to be held on June 25, 26 and 27, 2002.

Copies of the Notice of Hearing and Statement of Allegations are available at **www.osc.gov.on.ca** or from the Commission, 19th Floor, 20 Queen Street West, Toronto, Ontario.

For Media Inquiries: Eric Pelletier
Manager, Media Relations
416-595-8913

Michael Watson
Director, Enforcement Branch
416-593-8156

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

For more information, visit **www.osc.gov.on.ca**.

1.3.2 OSC to Establish Continuous Disclosure Advisory Committee

FOR IMMEDIATE RELEASE
May 7, 2002

OSC TO ESTABLISH CONTINUOUS DISCLOSURE ADVISORY COMMITTEE

TORONTO – The Ontario Securities Commission is seeking volunteers for an advisory group it plans to establish. The Continuous Disclosure Advisory Committee (CDAC) will advise OSC staff on such matters as the planning, implementation and communication of its continuous disclosure review program, the impact of policy- and rule-making initiatives, emerging issues, and the OSC's procedures.

"The quality of corporate disclosure has become an increasingly significant topic for investors, and we as regulators recognize the importance of receiving regular, informed input from the marketplace," said OSC Manager of Continuous Disclosure John Hughes, who will serve as the initial chair of the CDAC. "We're particularly interested in hearing from the corporate officers who generate the disclosure and the investors who rely on it."

The CDAC is the latest instance of a committee of stakeholders being established by the OSC to provide input on securities regulation issues. Other groups are already in place to advise staff on compliance issues, the fair dealing model, commodity futures, bond market transparency, institutional equity trading, and reducing the regulatory burden. The Securities Advisory Committee comments on legal, regulatory and market implications of OSC policies, operations, and administration. The new CDAC will be complementary to established committees, and will focus on continuous disclosure practices and procedures.

The CDAC will be made up of approximately twelve individual members who will serve two-year terms and meet four to six times each year. Members are expected to have extensive knowledge of continuous disclosure issues and a strong interest in securities regulatory policy as it relates to these issues.

Representatives of reporting issuers, industry associations, investors and other interested persons are invited to apply in writing for membership on the CDAC indicating their areas of practice and relevant experience. Interested parties should submit their application by June 15, 2002. Applications and any queries regarding this announcement may be forwarded to:

John Hughes
Manager, Continuous Disclosure Team
Ontario Securities Commission
416-593-3695
jhughes@osc.gov.on.ca

For Media Inquiries: Eric Pelletier
Manager, Media Relations
416-595-8913

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

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Scotia Capital Inc. et al. - MRRS Decision

Headnote

MRRS - Revocation of original MRRS decision documents granting relief from suitability review requirements, which will no longer be relied upon now that IDA suitability exempt regime has been adopted.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am s. 21.1(4), 144.

IDA Regulations Cited

IDA Regulation 1300.1(e) and (f), Policy 9.

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

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN
AND ONTARIO

AND

IN THE MATTER OF
SCOTIA CAPITAL INC.,
CHARLES SCHWAB CANADA, CO. AND
SCOTIA DISCOUNT BROKERAGE INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Saskatchewan and Ontario (the "Jurisdictions") has received an application from Scotia Capital Inc. (the "Filer"), Charles Schwab Canada, Co. (the "Schwab Filer") and Scotia Discount Brokerage Inc. (the "SDBI Filer"), to revoke in the Jurisdictions the MRRS Decision Document dated November 1, 2000 IN THE MATTER OF CHARLES SCHWAB CANADA, CO. (the "Schwab Suitability Relief Order") and the MRRS Decision Document dated January 17, 2001 IN THE MATTER OF SCOTIA DISCOUNT BROKERAGE INC. (the "SDBI Suitability Relief Order"), which provided, subject to terms and conditions, relief from suitability obligations under the securities legislation of the Jurisdictions and decided, subject to terms and conditions, that the suitability requirements of the Investment Dealers Association of Canada ("IDA") do not apply to the Schwab Filer and the SDBI Filer;

AND WHEREAS the terms "Suitability Requirements", "IDA Suitability Requirements" and "Registered Representatives" shall each have the respective meanings ascribed thereto under the SDBI Suitability Relief Order and Schwab Suitability Relief Order;

AND WHEREAS, subsequent to the granting of the Schwab Suitability Relief Order and the SDBI Suitability Relief Order, the IDA enacted amendments in September, 2001 to the IDA Suitability Requirements and enacted IDA Policy No. 9, allowing member firms approved under revised IDA Regulation 1300.1(e) and (f) to accept orders from customers without a suitability determination where no recommendation was provided by the member ("Amended IDA Suitability Requirements");

AND WHEREAS under the securities legislation of British Columbia, Alberta, Saskatchewan and Ontario, a member of the IDA may comply with its Suitability Requirements by complying with the Amended IDA Suitability Requirements;

AND WHEREAS the Schwab Filer wishes to revoke in the Jurisdictions the Schwab Suitability Relief Order, upon IDA approval of the Filer in respect of its division, to be known as ScotiaMcLeod Direct Investing (the "Division"), pursuant to revised IDA Regulation 1300.1(e) and (f), as an order-execution only service;

AND WHEREAS the SDBI Filer wishes to revoke in the Jurisdictions the SDBI Suitability Relief Order upon approval of the Filer in respect of the Division as an order-execution only service;

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

AND WHEREAS the Filer has represented, on its behalf and on behalf of the Division, to the Decision Makers that:

1. the Filer is a corporation incorporated under the *Business Corporations Act* (Ontario), and is an indirect wholly-owned subsidiary of The Bank of Nova Scotia ("BNS");

2. the Filer is registered under the Legislation as an investment dealer or equivalent and is a member of the IDA;

3. BNS acquired the shares of the Schwab Filer indirectly through a share purchase of Charles Schwab Canada Holdings, Limited (“Holdings”) a Nova Scotia company that owned all of the outstanding equity interest of the Schwab Filer;

4. on April 30, 2002, pending regulatory approval, SDBI Filer, the Filer, the Schwab Filer and Holdings will amalgamate (the “Amalgamation”) under the laws of the Province of Ontario under the name “Scotia Capital Inc.” ("Amalco");

5. post-Amalgamation, ScotiaMcLeod Direct Investing (the “Division”) will be created as a new division of Amalco. The discount brokerage businesses and accounts of the SDBI Filer and the Schwab Filer will become the discount brokerage business and accounts of the Division. The Division will be an unincorporated business unit of Amalco;

6. the “ScotiaMcLeod Direct Investing” name of the Division is a trade name of the Filer currently being registered with each of the provinces and territories of Canada;

7. the Filer in respect of the Division has applied to the IDA for approval as an order-execution service pursuant to the Amended IDA Suitability Requirements; and

8. subject to receipt of the necessary approval from the IDA, the Division will operate in accordance with the Amended IDA Suitability Requirements.

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 in British Columbia, Alberta, Saskatchewan and Ontario is that the SDBI Suitability Relief Order and the Schwab Suitability Relief Order are revoked on the date of the approval by the IDA, pursuant to revised IDA Regulation 1300.1(e) and (f), of the Filer in respect of the Division as an order-execution only service.

April 30, 2002.

“Howard I. Wetston”
“H. Lorne Morphy”
“David M. Gilkes”

2.1.2 Merrill Lynch Financial Assets Inc. and Merrill Lynch Canada Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - National Instrument 33-105, section 5.1 and equivalent Quebec legislation - issuer is related issuer and therefore connected issuer of sole underwriter - no independent underwriter involvement subject to certain conditions, including participation of an arm’s length party in the negotiation of the material terms of the offering, the drafting of the prospectus, the due diligence relating to the offering, the pricing of the securities and the disclosure of such information and the relationship between the issuer and the underwriter in the prospectus.

Rules Cited

National Instrument 33-105 Underwriting Conflicts, ss. 5.1, 2.1.
Form 44-101F3 Short Form Prospectus.

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

AND

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

AND

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

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Ontario, British Columbia, Alberta, Québec, Nova Scotia, Prince Edward Island and Newfoundland and Labrador (the "Jurisdictions") has received an application from Merrill Lynch Financial Assets Inc. (formerly Merrill Lynch Mortgage Loans Inc.) (the "Issuer") and Merrill Lynch Canada Inc. ("ML Canada") (the Issuer and ML Canada are collectively referred to herein as the "Filer") for a decision pursuant to section 5.1 of National Instrument 33-105 Underwriting Conflicts (the “National Instrument”) and section 263 of the Securities Act (Quebec) (the “Quebec Act”) (collectively, the "Legislation") that the provision contained in section 2.1 of the National Instrument and sections 236.1 and 237.1 of the regulation to the Quebec Act mandating independent underwriter involvement shall not apply to ML Canada and the Issuer in respect of the

proposed offering (the "Offering") of the AmeriCredit Certificates (as defined below);

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

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

1. the Issuer was incorporated under the laws of Canada on March 13, 1995; effective March 15, 2001, the Issuer changed its name from Merrill Lynch Mortgage Loans Inc. to Merrill Lynch Financial Assets Inc.; the authorized share capital of the Issuer consists of an unlimited number of common shares, of which 1,000 common shares are issued and outstanding, all of which are held by Merrill Lynch & Co., Canada Ltd. ("ML & Co."); the head office of the Issuer is located in Toronto, Ontario;

2. to date the Issuer has issued 600,000,000 S&P BULLS (the "S&P 500 Bulls"), $182,083,237 (initial certificate balance) of pass-through certificates of which $163,874,000 (initial certificate balance) were designated as Exchangeable Commercial Mortgage Pass-Through Certificates, Series 1998 - Canada 1, $163,874,000 (initial certificate balance) Commercial Mortgage Pass-Through Certificates, Series 1998-Canada 1 (the "C-1 Certificates"), $193,741,000 (initial certificate balance) of Commercial Mortgage Pass-Through Certificates, Series 1999-Canada 2 (the "C-2 Certificates"), $220,000,000 (initial certificate balance) of 1st Street Tower Pass-Through Certificates (the "Tower Certificates"), approximately $227,324,000 (initial certificate balance) of Commercial Mortgage Pass-Through Certificates, Series 2000-Canada 3 (the "C-3 Certificates"), approximately $115,500,000 (initial certificate balance) of BMCC Corporate Centre Pass-Through Certificates, Series 2000-BMCC (the "BMCC Certificates"), approximately $255,981,000 (initial certificate balance) of Commercial Mortgage Pass-Through Certificates, Series 2000-Canada 4 (the "C-4 Certificates"), approximately $187,680,000 (initial certificate balance) of Commercial Mortgage Pass-Through Certificates, Series 2001-LBC (the "LBC Certificates"), approximately $221,990,000 (initial certificate balance) of Commercial Mortgage Pass-Through Certificates, Series 2001-Canada 5 (the "C-5 Certificates") and approximately $236,954,000 (initial certificate balance) of Commercial Mortgage Pass-Through Certificates, Series 2001-Canada 6 (the "C-6 Certificates");

3. on January 28, 2002, the Issuer filed a preliminary short form base PREP prospectus and on February 5, 2002 the Issuer filed a prospectus supplement in connection with the offering of $100,000,000 (initial certificate balance) of Commercial Mortgage Pass-Through Certificates, Series 2002-BC2P;

4. the Issuer filed a renewal annual information form on May 18, 2001;

5. the Issuer has been a "reporting issuer" pursuant to the securities legislation in each of the provinces of Canada for over 12 calendar months and is not in default of the Legislation. Pursuant to a decision dated November 30, 2000 of the Decision Makers of Ontario, British Columbia, Alberta, Newfoundland, Nova Scotia and Saskatchewan, as amended, (the "November 30, 2000 Decision"), the Issuer has been granted certain relief in connection with the requirement in securities legislation of such jurisdictions to make continuous disclosure of its financial results, and from other forms of continuous disclosure required under such legislation, provided that the Issuer complies with the conditions set out in the November 30, 2000 Decision;

6. the Issuer currently has no assets or liabilities other than its rights and obligations under certain of the material contracts related to the C-1 Certificates, the C-2 Certificates, the C-3 Certificates, the C-4 Certificates, the C-5 Certificates, the C-6 Certificates, the LBC Certificates, the Tower Certificates and the BMCC Certificates transactions and does not presently carry on any activities except in relation to the C-1 Certificates, the C-2 Certificates, the C-3 Certificates, the C-4 Certificates, the C-5 Certificates, the C-6 Certificates, the LBC Certificates, the Tower Certificates and the BMCC Certificates;

7. the officers and directors of the Issuer are employees of ML Canada or its affiliates;

8. ML Canada was continued and amalgamated under the laws of Canada on August 26, 1998; the authorized share capital of ML Canada consists of an unlimited number of common shares; the common shares of ML Canada are owned by ML & Co. and Midland Walwyn Inc; the head office of ML Canada is located in Toronto, Ontario;

9. ML Canada is not a reporting issuer in any Canadian province;

10. ML Canada is registered as a dealer in the categories of "broker" and "investment dealer" and is a member of the Investment Dealers Association of Canada;

11. the Issuer proposes to offer AmeriCredit Canada Automobile Receivables Pass-Through Certificates, Series 2002-A (the "AmeriCredit Certificates"), issuable in classes, with an

Approved Rating by an Approved Rating Organization, as those terms are defined in the Legislation with respect to short form prospectus distributions, to the public in Canada, to finance the purchase by the Issuer from AmeriCredit Financial Services of Canada Limited ("AmeriCredit") or an affiliate or subsidiary thereof and from other originators of automobile loans as may be specified in the prospectus in respect of the AmeriCredit Certificates of ownership interests in particular automobile loans deposited with BNY Trust Company of Canada as custodian; each AmeriCredit Certificate will represent an undivided co-ownership interest in a particular pool of automobile loans;

12. AmeriCredit is a corporation incorporated under the laws of Ontario and is not a reporting issuer pursuant to the securities legislation in any of the provinces or territories in Canada. AmeriCredit is an independent arm's length party of ML Canada and the Issuer.

13. the proceeds of the sale of the automobile loans by AmeriCredit will be used by AmeriCredit to finance its existing business;

14. ML Canada proposes to act as the underwriter in connection with the distribution of 100% of the dollar value of the distribution for the proposed Offering;

15. all material terms of the AmeriCredit Certificates and the Offering will be negotiated on an arm's length basis between AmeriCredit and ML Canada; AmeriCredit will participate in the drafting of the preliminary prospectus and prospectus in connection with the Offering, the due diligence relating to the Offering and in the pricing of the Offering;

16. the only financial benefits which ML Canada will receive as a result of the proposed Offering are the normal arm's length underwriting commission, structuring fee and reimbursement of expenses associated with a public offering in Canada, which commissions and reimbursements shall for the purposes of this Decision be deemed to include the increases or decreases contemplated by Section 1.5(b) of Form 44-101F3 Short Form Prospectus and by the applicable securities legislation in Québec;

17. ML Canada administers the ongoing operations and pays the ongoing operating expenses of the Issuer, for which ML Canada receives no additional compensation;

18. the Issuer may be considered to be a related (or equivalent) issuer (as defined in the Legislation) and therefore a connected (or equivalent) issuer (as defined in the Legislation) of ML Canada for the purposes of the proposed Offering because:

(a) both ML Canada and the Issuer are subsidiaries of ML & Co.;

(b) the officers of the Issuer are employees of ML Canada or its affiliates;

(c) ML Canada administers the on-going operations of the Issuer;

19. in connection with the proposed distribution by ML Canada of 100% of the AmeriCredit Certificates of the Issuer, the preliminary and final prospectus and the prospectus supplement of the Issuer shall contain the following information:

(a) on the front page of each such document,

(i) a statement, naming ML Canada, in bold type which states that the Issuer is a related or connected issuer of ML Canada in connection with the distribution,

(ii) a summary, naming ML Canada, stating the basis upon which the Issuer is a related or connected issuer of ML Canada, and

(iii) a cross-reference to the applicable section in the body of the document where further information concerning the relationship between the Issuer and ML Canada is provided,

(b) in the body of each such document,

(i) a statement, naming ML Canada, setting out that the Issuer is a related or connected issuer of ML Canada in connection with the distribution,

(ii) the basis on which the Issuer is a related or connected issuer to ML Canada, including details of the common ownership by ML & Co. of ML Canada and the Issuer, and other aspects of the relationship between ML Canada and the Issuer,

(iii) disclosure regarding the involvement of ML Canada in the decision to distribute the AmeriCredit Certificates and the determination of the terms of the distribution,

(iv) details of the financial benefits described in paragraph 16 of this Decision Document which ML Canada will receive from the proposed Offering, and

(v) disclosure detailing the arm's length negotiation between AmeriCredit and ML Canada and participation of AmeriCredit in the drafting of the preliminary prospectus and prospectus in connection with the Offering, the due diligence relating to the Offering and the pricing of the Offering as described in paragraph 15 above;

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the requirement contained in the Legislation mandating independent underwriter involvement shall not apply to ML Canada and the Issuer in connection with the Offering provided:

(a) AmeriCredit participates in the Offering as stated in paragraph 15 above; and

(b) AmeriCredit's participation on the Offering and the relationship between the Issuer and ML Canada are disclosed in the preliminary prospectus, the prospectus and the prospectus supplement as stated in paragraph 19 above.

April 2, 2002.

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

2.1.3 ReQuest Income Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Decision declaring corporation to be no longer a reporting issuer following the acquisition of all of its outstanding securities by another issuer.

Applicable Ontario Statutory Provisions

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

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ALBERTA, SASKATCHEWAN,ONTARIO,
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
REQUEST INCOME TRUST

MRRS DECISION DOCUMENT

1. WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Saskatchewan, Ontario, Québec, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions") has received an application from ReQuest Income Trust ("ReQuest") for a decision under the securities legislation of the Jurisdictions (the "Legislation") deeming ReQuest to have ceased to be a reporting issuer under the Legislation;

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

3. AND WHEREAS ReQuest has represented to the Decision Maker that:

3.1 ReQuest is an open-ended mutual fund trust governed by the laws of the Province of Alberta.;

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

3.3 the authorized capital of ReQuest consists of classes of trust units ("Trust Units") and "special voting units", of which, as at December 24, 2001, 10,984,846 Trust Units and no "special

voting units" were issued and outstanding;

3.4 ReQuest is a reporting issuer under the Legislation;

3.5 ReQuest is not in default of any requirement of the Legislation or the rules made under the Legislation;

3.6 pursuant to an offer to purchase dated December 24, 2001 and a subsequent compulsory acquisition under the provisions of the ReQuest's Declaration of Trust dated February 5, 2001, Pulse Data Inc. ("Pulse") acquired all of the issued and outstanding Trust Units;

3.7 Pulse is the sole security holder of ReQuest and there are no securities of ReQuest, including debt obligations, currently outstanding other than the Trust Units;

3.8 the Trust Units were delisted from The Toronto Stock Exchange on February 5, 2002 and there are no securities of ReQuest listed on any stock exchange or traded on any market;

3.9 ReQuest does not intend to seek public financing by way of an offering of securities;

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

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

6. AND WHEREAS the Decision of the Decision Makers under the Legislation is that ReQuest is deemed to have ceased to be a reporting issuer.

April 29, 2002.

"Patricia M. Johnston"

2.1.4 The Second Cup Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - issuer has 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
THE SECOND CUP LTD.

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 The Second Cup Ltd. (the "Issuer") for:

(i) a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the Issuer be deemed to have ceased to be a reporting issuer 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 under the Mutual Reliance Review System for Exemptive Relief Applications (the "System") the Ontario Securities Commission is the principal regulator for this application;

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

1. The Issuer is a corporation governed by the OBCA with its registered office located at 175 Bloor Street East, South Tower, Suite 801, Toronto, Ontario, M4W 3R8.

2. The Issuer is a reporting issuer in all of the Jurisdictions and is not in default of any requirements under the Legislation.

3. The Issuer's authorized capital consists of an unlimited number of common shares (the "Common Shares") of which 9,760,274 are issued and outstanding, and an unlimited number of preference shares of which none are issued and outstanding.

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

5. As a result of a take-over bid and the subsequent compulsory acquisition procedures, Cara Operations Limited beneficially owns all of the issued and outstanding securities of the Issuer.

6. The Common Shares were de-listed from The Toronto Stock Exchange as of the close of business on March 4, 2002 and no securities, including debt securities, of the Issuer are listed or traded on any market or exchange.

7. Other than the Common Shares, the Issuer has no securities, including debt securities, outstanding

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

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

THE DECISION OF the Decision Makers under the Legislation is that the Issuer is deemed to have ceased to be a reporting issuer under the Legislation.

April 30, 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.

April 30, 2002.

"Howard I. Wetston" "Theresa McLeod"

2.1.5 Merrill Lynch & Co., Inc. et al. - MRRS Decision

Headnote

MRRS - relief granted to wholly-owned Canadian subsidiary of MJDS eligible U.S. issuer proposing to issue approved-rating debt, guaranteed by U.S. parent, using a short from prospectus - relief granted in respect of annual financial statement requirements, interim financial statement requirements, material change requirements, proxy requirements, insider reporting requirements, AIF requirement, Canadian GAAP requirement, Canadian GAAS reconciliation requirement and independent underwriter requirement.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., s. 75, 77, 78, 79, 80(b)(iii), 81(2), 88(2)(b), 107, 108, 109, 121(2), 147.

Regulations Cited

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

National Instruments

NI 33-105 Underwriting Conflicts.
NI 44 -101 Short Form Prospectus Distributions, Form 44-101F3.

Ontario Rules

OSC Rule 51-501 - AIF and MD&A.

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

AND

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

AND

IN THE MATTER OF
MERRILL LYNCH & CO., INC.,
MERRILL LYNCH CANADA FINANCE COMPANY AND
MERRILL LYNCH CANADA INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Newfoundland and Labrador and Prince Edward Island (the

"Jurisdictions") has received an application from Merrill Lynch & Co., Inc. ("ML&Co"), Merrill Lynch Canada Finance Company (the "Issuer") and Merrill Lynch Canada Inc. ("ML Canada") (collectively, the "Applicants") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the Applicants be exempted from the following requirements of the Legislation:

(a) the requirement that the Issuer file and send to its security holders audited annual financial statements or annual reports, where applicable, and annual management's discussion and analysis ("MD&A") (collectively, the "Annual Financial Statement Requirements");

(b) the requirement that the Issuer file and send to its security holders unaudited interim financial statements and interim MD&A (collectively, the "Interim Financial Statement Requirements");

(c) the requirement that the Issuer issue and file press releases with respect to material changes and file material change reports (collectively, the "Material Change Requirements");

(d) the requirement that the Issuer satisfy the shareholder communication, proxy and proxy solicitation requirements contained in National Policy 41 ("NP 41"), including the requirement to file an information circular or report in lieu thereof annually (the "Proxy Requirements");

(e) the requirement that the insiders of the Issuer file insider reports (the "Insider Reporting Requirements");

(f) the requirement that the Issuer file an annual information form with the Decision Makers in the provinces of Ontario, Québec and Saskatchewan (the "AIF Requirement");

(g) the requirement pursuant to National Instrument 44-101 ("NI 44-101") to reconcile financial statements included in a prospectus and prepared in accordance with generally accepted accounting principles ("GAAP") of a foreign jurisdiction to Canadian GAAP (the "Canadian GAAP Requirement");

(h) the requirement to provide, where financial statements are audited in accordance with generally accepted auditing standards ("GAAS") of a foreign jurisdiction, a statement by the auditor (a) disclosing any material differences in the form and content of the auditor's report as compared to a Canadian auditor's report and (b) confirming that the auditing standards of the foreign jurisdiction are substantially equivalent to Canadian GAAS (the "Canadian GAAS Reconciliation Requirement"); and

(i) the requirement in National Instrument 33-105 ("NI 33-105") mandating a specified level of independent underwriter involvement in connection with the distribution of securities of a related issuer of an underwriter (the "Independent Underwriter Requirement").

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

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

1. ML&Co was incorporated under the laws of Delaware on March 27, 1973 and has been a reporting issuer in each of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Québec and Nova Scotia for greater than 12 months, beginning in Nova Scotia on August 26, 1998 and most recently becoming a reporting issuer in Alberta as of October 22, 1999;

2. ML&Co is a reporting company under the *Securities Exchange Act* of 1934, as amended (the "1934 Act") and has filed with the Securities and Exchange Commission (the "SEC") annual and quarterly reports on Form 10-K and Form 10-Q, respectively, since the date it first became a reporting company, in accordance with the filing obligations set out in the 1934 Act;

3. As at January 16, 2002, ML&Co had approximately U.S.$77.2 billion in long term debt outstanding, all of which is currently rated "AA-" by Standard & Poor's Corporation, "Aa3" by Moody's Investors Service, Inc., "AA(low)" by Dominion Bond Rating Service Limited and "AA" by Fitch IBCA, Inc.;

4. The Issuer was incorporated under the laws of Nova Scotia on August 25, 1999 and is an indirect wholly-owned subsidiary of ML&Co;

5. The Issuer was incorporated solely for the purpose of undertaking financing activities, including the issuance of medium term notes ("Notes"), to raise funds for ML&Co's Canadian operations, and will not carry on any operating or other business activities;

6. The Issuer became a reporting issuer or the equivalent in the Jurisdictions by virtue of filing a short form shelf prospectus dated November 8,

1999 with the Decision Makers in connection with the establishment in Canada of a medium term note program under the provisions of former National Policy 47 and former National Policy 44, which program was permitted to lapse on December 8, 2001;

7. ML Canada was continued and amalgamated under the laws of Canada on August 26, 1998, is an indirect wholly-owned subsidiary of ML&Co and is not a reporting issuer or the equivalent in any Canadian province;

8. ML Canada is registered as a dealer in the categories of "broker" and/or "investment dealer" under the securities legislation of each of the Jurisdictions (and each of the territories of Canada) and is a member of the Investment Dealers Association of Canada;

9. The Issuer proposes to establish a new medium term note program to raise up to Cdn. $2,000,000,000 in Canada through the issuance of Notes (the "Offering") from time to time over a twenty-five month period pursuant to NI 44-101 and National Instrument 44-102 (collectively, the "Shelf Requirements");

10. The Notes will be fully and unconditionally guaranteed by ML&Co as to payment of principal, interest and all other amounts due thereunder. All Notes will have an approved rating (as defined in NI 44-101) and will be rated by a recognized security evaluation agency in one of the categories determined by the Commission des valeurs mobilières du Québec (an "Approved Rating");

11. ML&Co satisfies the criteria set forth in paragraph 3.1(a) of National Instrument 71-101 ("NI 71-101") and is eligible to use the multi-jurisdictional disclosure system ("MJDS") described therein for the purpose of distributing investment grade rated debt ("Approved Debt") in Canada based on compliance with U.S. prospectus requirements with certain additional Canadian disclosure and with the benefit of the relief from compliance with certain continuous and timely disclosure, shareholder communication, proxy solicitation and insider reporting requirements afforded to MJDS issuers;

12. Except for the fact that the Issuer is not incorporated under U.S. law, the Offering would, in substance, comply with the alternative eligibility criteria for offerings of Approved Debt under the MJDS as set forth in paragraph 3.2(a) of NI 71-101;

13. In connection with the Offering:

(a) a short form base shelf prospectus and a prospectus supplement or supplements (the "Prospectus") will be prepared pursuant to the Shelf Requirements, with the disclosure required by item 12 of Form 44-101F3 being addressed by incorporating by reference ML&Co's public disclosure documents, including ML&Co's annual report on Form 10-K, and the disclosure required by Item 7 of Form 44-101F3 being addressed by fixed charge coverage ratio disclosure with respect to ML&Co in accordance with U.S. requirements;

(b) the Prospectus will include all material disclosure concerning the Issuer;

(c) the Prospectus will incorporate by reference disclosure made in ML&Co's most recent annual report on Form 10-K filed under the 1934 Act, together with its most recent quarterly report on Form 10-Q and current reports on Form 8-K relating to results of operations and interim financial information filed subsequently under the 1934 Act, will incorporate by reference any documents of the foregoing type filed after the date of the Prospectus and prior to termination of the Offering and will state that purchasers of the Notes will not receive separate continuous disclosure information regarding the Issuer;

(d) the consolidated annual and interim financial statements of ML&Co and its subsidiaries that will be included in or incorporated by reference into the Prospectus are prepared in accordance with U.S. GAAP and otherwise comply with the requirements of U.S. law, and in the case of audited annual financial statements, such financial statements are audited in accordance with U.S. GAAS;

(e) ML&Co will fully and unconditionally guarantee payment of the principal and interest on the Notes, together with any other amounts that may be due under any provisions of the trust indenture relating to the Notes, such that the Note holders shall be entitled to receive payment from ML&Co within 15 days of any failure by the Issuer to make a payment as stipulated;

(f) the Notes will have an Approved Rating; and

(g) ML&Co will sign the Prospectus as credit supporter;

14. ML&Co will undertake to file with the Decision Makers all documents that it files under sections

13 (other than sections 13(d), (f) and (g) which relate, inter alia, to holdings by ML&Co of securities of other public companies) and 15(d) of the 1934 Act (provided that the 8-Ks to be filed will include only such reports relating to results of operations and material changes of ML&Co) until such time as the Notes are no longer outstanding;

15. In the circumstances, if the Issuer were to effect the Offering under the MJDS, it would be unnecessary for it to reconcile to Canadian GAAP its financial statements included in or incorporated by reference into the Prospectus in connection with the Offering and to provide a statement from its auditor pursuant to the GAAS Reconciliation Requirement;

16. The Issuer is considered to be a "related issuer" and is also a "connected issuer" (as such terms are defined in NI 33-105) of ML Canada in connection with the Offering because both ML Canada and the Issuer are indirect wholly-owned subsidiaries of ML&Co;

17. The Issuer proposes to offer Notes from time to time through an alternative syndicate structure pursuant to which ML Canada would act as an underwriter (either on a firm commitment or an agency basis) in respect of up to 49% of the distribution (based on either the dollar value of the distribution or the total management fees for the distribution, as applicable) for certain issuances of Notes by the Issuer pursuant to the Offering (the "Minority Offerings");

18. Pursuant to NI 33-105, ML Canada is permitted to act as an underwriter in connection with the distribution of up to 80% of the distribution (based on either the dollar value of the distribution or the total management fees for the distribution, as applicable) for each Offering by the Issuer provided that an independent underwriter that is not a related issuer or a connected issuer (an "Independent Underwriter") distributes a percentage that is equal to the lesser of (i) the largest percentage of the distribution underwritten by a non-Independent Underwriter or (ii) 20% of the distribution (based on either the dollar value of the distribution or the total management fees for the distribution, as applicable);

19. The Issuer expects that, based on ML&Co's U.S. experience, not less than 90% of each Minority Offering made under the alternative syndicate structure, in which the minimum subscription will be $500,000, will be purchased by Canadian institutions, pension funds, endowment funds or mutual funds, who can be expected to be knowledgeable about the appropriate pricing parameters for securities of the type offered under the Minority Offerings and to independently determine the appropriateness of the price in making a purchase decision with respect to any such Minority Offering;

20. Other than the proceeds of the Offering, which are intended for general corporate purposes (including ML&Co's Canadian operations), the only financial benefits which ML Canada will receive as a result of each Offering are the normal arm's length underwriting commissions and reimbursement of expenses associated with a public offering in Canada and, because the net proceeds from the sale of Notes may be loaned to or otherwise invested in various affiliates of the Issuer or of ML&Co, ML Canada may also receive inter-company financing;

21. In connection with the proposed distribution by ML Canada of the Notes for each Minority Offering under the alternative syndicate structure:

    (a) the Prospectus and each Prospectus Supplement of the Issuer will be prepared and filed in accordance with the Shelf Requirements, and will contain the information required to be disclosed pursuant to Appendix C of NI 33-105, including:

        (i) on the front page of each such document:

            (A) a statement in bold type that the Issuer is a connected issuer and a related issuer of ML Canada in connection with the distribution,

            (B) a statement that the Issuer is a connected issuer and a related issuer of ML Canada based on the common ownership by ML&Co of ML Canada and the Issuer,

            (C) a cross-reference to the applicable section in the body of the document where further information concerning the relationship between the Issuer and ML Canada is provided, and

            (D) a statement that the minimum subscription for each subscriber of Notes under the Offering is $500,000;

(ii) in the body of each such document:

(A) a statement that the Issuer is a connected issuer and a related issuer of ML Canada in connection with the distribution,

(B) disclosure regarding the basis on which the Issuer is a connected issuer and a related issuer of ML Canada, including details of the common ownership by ML&Co of ML Canada and the Issuer, and other aspects of the relationship between ML Canada and the Issuer,

(C) disclosure regarding the involvement of ML Canada and of each related issuer of ML Canada in the decision to distribute the Notes being offered and the determination of the terms of the distribution, including disclosure concerning whether the issue was required, suggested or consented to by ML Canada or a related issuer of ML Canada and, if so, on what basis,

(D) details of the financial benefits described in paragraph 20 hereof which ML Canada or a related issuer of ML Canada will receive, directly or indirectly, from the applicable Offering; and

(E) details of the method of distribution under the applicable Offering, including the name of any underwriter involved in such Offering and the amount of any underwriting fee, discount or commission;

(b) one or more Independent Underwriters will underwrite, in the aggregate, at least 51% of such Offering (based on either the dollar value of the distribution or the total management fees for the distribution, as applicable) will participate in the structuring and pricing of the distribution of such Offering and in the due diligence activities performed by the underwriters for the distribution, and will sign a Prospectus certificate required by the Legislation; and

(c) each Prospectus Supplement will, to the extent not disclosed in the Prospectus, identify the Independent Underwriters and disclose the role of the Independent Underwriters in the structuring and pricing of the distribution of the applicable Offering and in the due diligence activities performed by the underwriters for the distribution.

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 in connection with the Offering (and, for greater clarity, provided that the requirements under the Legislation shall continue to apply to the Issuer in respect of any securities offered by the Issuer other than pursuant to the Offering or pursuant to separate relief granted by the Decision Makers) is that:

A. the Annual Financial Statement Requirements shall not apply to the Issuer, provided that (i) ML&Co files with the Decision Makers two copies of the annual reports on Form 10-K filed by it with the SEC promptly after they are filed with the SEC; and (ii) such documents are provided to security holders whose last address as shown on the books of the Issuer is in Canada ("Canadian security holders") in the manner and at the time as would be required by applicable U.S. law if the Canadian security holders were holders of debt securities of ML&Co resident in the U.S.;

B. the Interim Financial Statement Requirements shall not apply to the Issuer, provided that (i) ML&Co files with the Decision Makers two copies of the

quarterly reports on Form 10-Q filed by it with the SEC promptly after they are filed with the SEC; and (ii) such documents are provided to Canadian security holders in the manner and at the time as would be required by applicable U.S. law if the Canadian security holders were holders of debt securities of ML&Co resident in the U.S.;

C. the Material Change Requirements shall not apply to the Issuer, provided that

(i) ML&Co files with the Decision Makers two copies of each of the current reports on Form 8-K relating to the financial condition of, or disclosing a material change in the affairs of, ML&Co which are filed by it with the SEC promptly after they are filed with the SEC;

(ii) ML&Co complies with the requirements of the New York Stock Exchange in respect of making public disclosure of material information on a timely basis and forthwith issues in each Jurisdiction any press release issued in this regard;

(iii) ML&Co forthwith issues in each Jurisdiction and files any press release which discloses a material change in ML&Co's affairs; and

(iv) if there is a material change in respect of the business, operations or capital of the Issuer that is not a material change in respect of ML&Co, the Issuer will comply with the requirements of the Legislation to issue a press release and file a material change report notwithstanding that the change may not be a material change in respect of ML&Co;

D. the Proxy Requirements shall not apply to the Issuer, provided that

(i) ML&Co complies with the requirements of the 1934 Act and the rules and regulations thereunder relating to proxy statements, proxies and proxy solicitations in connection with any meetings of its note holders;

(ii) ML&Co files with the Decision Makers two copies of the proxies and proxy solicitation materials prepared in connection with any meetings of ML&Co's note holders and filed by it with the SEC promptly after they are filed with it by the SEC;

(iii) such documents are provided to Canadian security holders in the manner and at the time as would be required by applicable U.S. law if the Canadian security holders were holders of debt securities of ML&Co resident in the U.S.; and

E. the Insider Reporting Requirements shall not apply to insiders of the Issuer, provided that each insider (as defined in the Legislation) files with the SEC, on a timely basis, the reports, if any, required to be filed with the SEC pursuant to subsection 16(a) of the 1934 Act and the rules and regulations thereunder;

for so long as

(i) the Notes maintain an Approved Rating;

(ii) ML&Co remains the direct or indirect sole beneficial owner of the voting shares, and any securities of the Issuer other than debt securities which are offered to the public, in each case as the same may be issued and outstanding from time to time;

(iii) ML&Co maintains a class of securities registered pursuant to section 12 of the 1934 Act;

(iv) ML&Co continues to satisfy the criteria set forth in paragraph 3.1 of NI 71-101 (or any successor provision) and remains eligible to use MJDS (or any successor instrument) for the purpose of distributing Approved Debt in Canada based on compliance with U.S. prospectus requirements with certain additional disclosure;

(v) the Issuer carries on no other business than set out in paragraph 5 hereof;

(vi) ML&Co. continues to fully and unconditionally guarantee payment of the principal and interest on the Notes, together with any other amounts that may be due under any provisions of the trust indenture relating to the Notes, such that the Note holders shall be entitled to

receive payment from ML&Co within 15 days of any failure by the Issuer to make a payment as stipulated; and

(vii) all filing fees that would otherwise be payable by the Issuer in connection with the requirements described in paragraphs A to E, inclusive, are paid.

"Paul Moore" "Theresa McLeod"

THE FURTHER DECISION of the Decision Makers pursuant to the Legislation is that, in connection with the Offering, the AIF Requirement shall not apply to the Issuer, provided that (i) ML&Co complies with the AIF requirements of NI 44-101 as if it is the issuer; and (ii) the Applicants comply with all of the conditions in the Decisions above and below.

"Margo Paul"

THE FURTHER DECISION of the Decision Makers pursuant to the Legislation is that, in connection with the Offering (and, for greater clarity, provided that the requirements under the Legislation shall continue to apply to the Issuer in respect of any securities offered by the Issuer other than pursuant to the Offering or pursuant to separate relief granted by the Decision Makers)**,** the Applicants be exempted from the Canadian GAAP Requirement and the Canadian GAAS Reconciliation Requirement provided that:

(i) each of the Issuer and ML&Co complies with paragraph 13 above;

(ii) the Issuer complies with all of the filing requirements and procedures set out in NI 44-101 except as varied by the Decision;

(iii) ML&Co remains the direct or indirect beneficial owner of all of the issued and outstanding voting securities of the Issuer; and

(iv) ML&Co continues to satisfy the criteria set forth in paragraph 3.1 of NI 71-101 (or any successor provision) and remains eligible to use MJDS (or any successor instrument) for the purposes of distributing Approved Debt in Canada based on compliance with U.S. prospectus requirements with certain additional Canadian disclosure.

"Margo Paul"

THE FURTHER DECISION of the Decision Makers of British Columbia, Alberta, Ontario, Québec, Nova Scotia, Prince Edward Island and Newfoundland and Labrador pursuant to the Legislation is that ML Canada shall be exempted from the independent underwriter requirements contained in NI 33-105 (or, in the case of Québec, the independent underwriter requirements contained in sections 236.1 and 237.1 of the Regulation Concerning Securities and the requirements of Décision générale – 33-105 A dated December 11, 2001; and, in the case of Newfoundland, the requirements of section 188(1)(b) of the regulations promulgated under the Newfoundland Securities Act, in each such case until such time as NI 33-105 has been adopted in Québec and Newfoundland, respectively) in respect of the Minority Offerings, provided that:

(i) the Issuer complies with subparagraphs 21(a) and (c); and

(ii) the Independent Underwriters participate in each proposed Minority Offering as stated in subparagraph 21(b) hereof.

"Margo Paul"

May 3, 2002.

2.1.6 Trizec Hahn Corporation et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief from prospectus and registration requirements in respect of trades made pursuant to a statutory arrangement; relief from strict application of resale provisions requiring twelve month reporting issuer history - reporting issuer history of predecessor issuer considered in granting relief following plan of arrangement; relief granted to "successor issuer" as defined in the rule regarding the Prompt Offering Qualification System, from requirement to file an annual information form promptly after a reorganization; issuer granted relief from form and legislative requirements to allow issuer's short form prospectus and 2002 and 2003 financial statements to be prepared on the basis of combined results of the issuer and the predecessor issuer; Subsection 59(1) of Schedule 1 - issuers granted exemption from the payment of fees in respect of certain trades in securities pursuant to a statutory arrangement, where the issuers will not acquire new or additional capital from the public as a result of such trades, or where such trades would merely reorganize interests represented by currently outstanding securities; relief from mutual fund requirements in legislation; two issuers in the arrangement be deemed reporting issuers in Quebec for 12 months before effective date of arrangement.

Applicable Ontario Statutory Provisions

Statute Cited

Securities Act, R.S.O. 1990, c.S.5, as am. ss. 25, 53,74(1), 80(b).

Regulation Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., ss. 23(3)(b), 59(1) of Schedule 1.

Rules Cited

Rule 45-501 Exempt Distributions, s. 2.8.

National and Multilateral Instruments Cited

National Instrument 44-101 Short Form Prospectus Distributions, ss. 2.1, 3.2.
Multilateral Instrument 45-102 Resale of Securities, s. 2.6.

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

AND

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

AND

IN THE MATTER OF
TRIZEC HAHN CORPORATION,
TRIZEC CANADA INC.,
4007069 CANADA INC. AND
TRIZEC PROPERTIES, INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities authority or regulator (the "Decision Maker") in each of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, the Northwest Territories, the Yukon Territory and the Territory of Nunavut (collectively, the "Jurisdictions") has received an application (the "Application") from Trizec Hahn Corporation ("TrizecHahn"), on its own behalf and on behalf of Trizec Properties, Inc. ("Trizec Properties"), and from Trizec Canada Inc. ("Trizec Canada") on its own behalf and on behalf of 4007069 Canada Inc. ("Trizec Subco"), for a decision under the securities legislation of the Jurisdictions (the "Legislation") that:

1. except in British Columbia, the provisions relating to mutual funds in the Legislation shall not apply to Trizec Canada;

2. the requirements contained in the Legislation to be registered to trade in a security and to file a preliminary prospectus and a prospectus and receive receipts therefor (the "Registration and Prospectus Requirements") shall not apply to certain intended trades in connection with an arrangement involving TrizecHahn, Trizec Canada, Trizec Subco and Trizec Properties (the "Arrangement") which are not otherwise exempt from such requirements;

3. certain requirements contained in the Legislation relating to the first trades of securities shall not apply to first trades in Trizec Canada Shares, shares of Trizec Properties Common Stock, Trizec Properties Warrants and Exchange Certificates (all as defined below) acquired pursuant to the

Arrangement and the exercise of certain securities;

4. Trizec Canada and Trizec Properties be deemed to have been reporting issuers in Québec for a twelve-month period preceding the effective date of the Arrangement (the "Effective Date);

5. Trizec Canada be granted a waiver from the provisions of section 2.1 of National Instrument 44-101 ("NI 44-101") so as to permit Trizec Canada to make distributions of securities using a short form prospectus pursuant to NI 44-101 without having to file an initial AIF (as defined in NI 44-101);

6. Trizec Canada be permitted to modify certain form requirements applicable to short form prospectuses as set out in NI 44-101 on the basis described under "Short Form Prospectus" below;

7. Trizec Canada be permitted to file with the Decision Makers and deliver to its shareholders its interim and annual financial statements for 2002 and 2003 on the basis described below under "2002 Financial Statements" and "2003 Financial Statements"; and

8. TrizecHahn, Trizec Canada, Trizec Subco and Trizec Properties be exempt from the requirements contained in the Legislation to pay fees in Ontario associated with the Arrangement;

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 TrizecHahn and Trizec Canada have represented to the Decision Makers that:

Trizec Hahn Corporation

1. TrizecHahn is a corporation incorporated under the Business Corporations Act (Ontario) is a reporting issuer (and has been for a period of at least twelve months) in each of the Jurisdictions in which such concept exists and, to the best of its knowledge, is not in default of any of the requirements of the Legislation. TrizecHahn is one of the largest public real estate companies in North America.

2. The authorized share capital of TrizecHahn consists of an unlimited number of preferred shares, issuable in one or more series, an unlimited number of subordinate voting shares ("TrizecHahn Subordinate Voting Shares"), without par value, carrying one vote per share, and 7,522,283 multiple voting shares ("TrizecHahn Multiple Voting Shares"), carrying 50 votes per share. As at February 28, 2002, no preferred shares, 142,061,665 TrizecHahn Subordinate Voting Shares and 7,522,283 TrizecHahn Multiple Voting Shares were issued and outstanding. The TrizecHahn Multiple Voting Shares and TrizecHahn Subordinate Voting Shares are hereinafter collectively referred to as the "TrizecHahn Shares".

3. Options ("TrizecHahn Stock Options") have been granted under the amended and restated 1987 stock option plan of TrizecHahn. As at February 28, 2002, options to acquire 17,322,350 TrizecHahn Subordinate Voting Shares were outstanding.

4. TrizecHahn is currently eligible to make distributions under a preliminary short form prospectus and short form prospectus (collectively, a "Short Form Prospectus") pursuant to NI 44-101 and the eligibility criteria set forth therein which permit issuers which meet specified market capitalization thresholds and certain other criteria to utilize NI 44-101.

5. The TrizecHahn Subordinate Voting Shares are listed and posted for trading on the Toronto Stock Exchange (the "TSE") and the New York Stock Exchange (the "NYSE").

Trizec Canada Inc.

6. Trizec Canada is a corporation incorporated under the *Canada Business Corporations Act* ("CBCA") on January 29, 2002.

7. The authorized share capital of Trizec Canada consists of an unlimited number of subordinate voting shares ("Trizec Canada Subordinate Voting Shares"), of which no shares will be outstanding prior to the Arrangement and an estimated 52,295,296 shares are expected to be outstanding after giving effect to the Arrangement; and 7,522,283 multiple voting shares ("Trizec Canada Multiple Voting Shares"), of which no shares will be outstanding prior to the Arrangement and all of which are expected to be outstanding after giving effect to the Arrangement. The Trizec Canada Subordinate Voting Shares and Trizec Canada Multiple Voting Shares are hereinafter collectively referred to as "Trizec Canada Shares".

8. Conditional listing approval has been granted by the TSE to have the Trizec Canada Subordinate Voting Shares listed and posted for trading on the TSE.

9. It is intended that Trizec Canada will be a "mutual fund corporation" under the Income Tax Act (Canada) upon completion of the Arrangement. Trizec Canada's articles will include restrictions on ownership that are intended to prevent it from becoming majority foreign-owned.

4007069 Canada Inc.

10. Trizec Subco is a corporation incorporated under the CBCA on January 29, 2002 and is a wholly-owned subsidiary of Trizec Canada.

Trizec Properties, Inc.

11. Trizec Properties, an indirect subsidiary of TrizecHahn, was incorporated under the laws of the State of Delaware as Trizec (USA) Holdings, Inc. on October 25, 1989 and changed its name to TrizecHahn (USA) Corporation in 1996 and to Trizec Properties, Inc. in February 2002.

12. The outstanding share capital of Trizec Properties as at February 25, 2002 consisted of 38,220,000 shares of common stock ("Trizec Properties Common Stock"), 100 shares of special voting stock ("Trizec Properties Special Stock"), 1,100,000 shares of series B convertible preferred stock ("Trizec Properties Series B Convertible Preferred Stock"), 376,504 shares of class C convertible preferred stock ("Trizec Properties Class C Convertible Preferred Stock") and 100,000 shares of class F convertible stock ("Trizec Properties Convertible Stock").

13. The authorized share capital of Trizec Properties as of the Effective Date is expected to consist of 300 million shares of Trizec Properties Common Stock, of which approximately 150 million shares will be outstanding, 100 shares of Trizec Properties Special Stock, all of which are expected to be outstanding, and 100,000 shares of Trizec Properties Convertible Stock, all of which are expected to be outstanding. There will be no shares of the Series B Convertible Preferred Stock, and it is expected that there will be no shares of Class C Convertible Preferred Stock, outstanding as of the Effective Date.

14. The NYSE has approved the listing of the Trizec Properties Common Stock and Exchange Certificates (as hereinafter defined). The TSE has conditionally approved the listing of the Exchange Certificates.

Summary of and Effects of the Arrangement

15. Under the Arrangement, Trizec Canada and its wholly-owned subsidiary, Trizec Subco, will acquire all of the TrizecHahn Shares from their holders in exchange for Trizec Canada Shares, shares of Trizec Properties Common Stock (some of which may be represented by Exchange Certificates) or a combination thereof. All holders of TrizecHahn Subordinate Voting Shares may elect in the letter of transmittal and share election form that accompanied the Circular (the "Share Election Form") to exchange their TrizecHahn Shares (i) with Trizec Subco for shares of Trizec Properties Common Stock, (ii) with Trizec Subco for Trizec Canada Subordinate Voting Shares or (iii) in certain cases, with Trizec Canada for Trizec Canada Subordinate Voting Shares, in each case to the extent they are available and subject to pro-ration. Holders of TrizecHahn Subordinate Voting Shares who do not elect a particular exchange in the Share Election Form will be deemed to have elected to exchange such shares for Trizec Canada Subordinate Voting Shares. Any holder of TrizecHahn Subordinate Voting Shares who is a "Qualifying U.S. Person" and who validly completes the required information in the Share Election Form will have first priority to exchange TrizecHahn Shares for shares of Trizec Properties Common Stock. A "Qualifying U.S. Person" is a U.S. person who falls within certain categories of eligibility for the purposes of the U.S. Internal Revenue Code of 1986, as amended. Subject to this priority and ensuring that the allocation of Trizec Canada Shares results in at least 55% of the Trizec Canada Shares being owned by Canadian Residents, over-elections for either shares of Trizec Properties Common Stock or Trizec Canada Subordinate Voting Shares will be satisfied on a pro rata basis. Any TrizecHahn Shareholder who exchanges its TrizecHahn Shares with Trizec Subco for shares of Trizec Properties Common Stock and who has not delivered the Share Election Form duly completed and validly certifying that the shareholder is a Qualifying U.S. Person will receive exchange certificates ("Exchange Certificates") representing any shares of Trizec Properties Common Stock it acquires. Additionally, if there is an over-election for Trizec Canada Subordinate Voting Shares, then, as a result of pro ration, TrizecHahn Shareholders electing to exchange TrizecHahn Subordinate Voting Shares for Trizec Canada Subordinate Voting Shares may receive Exchange Certificates representing their pro rata number of shares of Trizec Properties Common Stock.

16. The plan of arrangement relating to the Arrangement (the "Plan of Arrangement") also provides that TrizecHahn Shareholders who hold TrizecHahn Shares indirectly through a holding company (a "Holding Company") meeting certain requirements (including that the number of outstanding shares of such Holding Company is equal to the number of TrizecHahn Shares owned by such Holding Company) and who are electing to exchange their shares for Trizec Canada Subordinate Voting Shares have the option of participating in the Arrangement by exchanging their common shares in the capital of the Holding Company (the "Holding Company Shares") for Trizec Canada Subordinate Voting Shares. Pursuant to the terms of the Plan of Arrangement, all Holding Company Shares held by the TrizecHahn Shareholder will be exchanged in the Arrangement such that the TrizecHahn Shareholder will receive the identical consideration that would have been received by

the Holding Company in the Arrangement if the TrizecHahn Shares held by such Holding Company were acquired directly by Trizec Canada or Trizec Subco, as applicable, under the Arrangement.

17. Pursuant to the Arrangement, the TrizecHahn Stock Options will be cancelled and the holders thereof will be issued, in consideration for each cancelled TrizecHahn Stock Option, one of: (i) an option (a "Trizec Canada Stock Option") exercisable to acquire one Trizec Canada Subordinate Voting Share; (ii) an option (a "Trizec Properties Stock Option") exercisable to acquire one share of Trizec Properties Common Stock; or (iii) a warrant (a "Trizec Properties Warrant") exercisable to acquire one share of Trizec Properties Common Stock. Whether a holder of a TrizecHahn Stock Option will receive a Trizec Canada Stock Option, Trizec Properties Stock Option or a Trizec Properties Warrant has been determined by the compensation committee of the TrizecHahn Board.

18. On and after the Effective Date, the following trades involving the issuance of underlying securities upon the exercise of exchangeable securities issued under the Arrangement may occur: (i) the issuance of Trizec Canada Subordinate Voting Shares pursuant to the exercise of Trizec Canada Stock Options; (ii) the issuance of shares of Trizec Properties Common Stock pursuant to the exercise of Trizec Properties Stock Options; (iii) the issuance of shares of Trizec Properties Common Stock pursuant to the exercise of Trizec Properties Warrants; and (iv) the delivery of shares of Trizec Properties Common Stock pursuant to the exercise of Exchange Certificates.

19. The following definitions are used herein in respect of all trades made in connection with or subsequent to the Arrangement (collectively, the "Trades"):

(a) all trades in securities made in connection with the Arrangement are referred to herein as "Type 1 Trades";

(b) all trades involving the issuance of underlying securities upon the exercise of exchangeable securities issued under the Arrangement are referred to herein as "Type 2 Trades";

(c) the delivery of shares of Trizec Properties Common Stock upon a redemption of Trizec Canada Shares is referred to herein as a "Type 3 Trade";

(d) first trades in securities issued under the Arrangement are referred to herein as "Type 4 Trades";

(e) first trades of underlying securities issued upon the exercise of exchangeable securities issued under the Arrangement are referred to herein as "Type 5 Trades"; and

(f) first trades in shares of Trizec Properties Common Stock delivered upon a redemption of Trizec Canada Shares are referred to herein as "Type 6 Trades".

Miscellaneous

20. The Arrangement is subject to shareholder approval at the meeting on April 23, 2002 with respect to the Arrangement and requires the final approval of the Superior Court of Justice of Ontario.

21. In connection with the shareholder meeting to approve the Arrangement, the Circular was prepared in conformity with the provisions of the Legislation and the OBCA, contained prospectus level disclosure regarding the particulars of the Arrangement and was mailed to TrizecHahn shareholders.

22. TrizecHahn shareholders who do not vote in favour of the Arrangement will be entitled to exercise their right to dissent and seek to be paid the fair value of their shares in accordance with section 185 of the OBCA as modified by the Plan of Arrangement.

AND WHEREAS under the System this MRRS Decision Document evidences the decision of the Decision Makers (the "Decision");

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

THE DECISION of the Decision Makers under the Legislation is that the Registration and Prospectus Requirements shall not apply to the Type 4 Trades, Type 5 Trades and Type 6 Trades provided that:

(a) except in Québec, the conditions in subsection (4) of section 2.6 of Multilateral Instrument 45-102 are satisfied; and

(b) in Québec:

(i) the issuer or one of the parties to the Arrangement is a reporting issuer and has complied with the applicable requirements for 12 months immediately preceding the trade;

(ii) no unusual effort is made to prepare the market or to create a demand for the securities that are the subject of the trade;

(iii) no extraordinary commission or consideration is paid to a person or company in respect of the trade; and

(iv) if the seller of the securities is an insider or officer of the issuer the selling shareholder has no reasonable grounds to believe that the issuer is in default of any requirement of securities legislation;

THE DECISION of the Decision Makers under NI 44-101 and the Legislation is that Trizec Canada be granted a waiver from the provisions of section 2.1 of NI 44-101 so as to permit Trizec Canada, until the earlier of May 20, 2003 and the date that Trizec Canada files an AIF in respect of its 2002 financial year, to make distributions of securities using a Short Form Prospectus pursuant to NI 44-101 without having to file an initial AIF (as defined in NI 44-101), in reliance upon the renewal AIF of TrizecHahn expected to be filed no later than May 20, 2002 under section 3.2 of NI 44-101; and

THE DECISION of the Decision Makers under NI 44-101 and the Legislation is that Trizec Canada be permitted to:

Short Form Prospectus

1. incorporate by reference in any Short Form Prospectus filed by Trizec Canada prior to the approval by the directors of Trizec Canada of its financial statements for the year ended December 31, 2002:

   (a) the audited financial statements relating to TrizecHahn for the year ended December 31, 2001, giving effect to reclassifications, if any, to make such financial statements consistent with the presentation of Trizec Canada's financial statements, together with the report of the auditor thereon;

   (b) the interim financial statements of TrizecHahn for the three-month periods ended March 31, 2002 and March 31, 2001, and, if applicable, the interim financial statements of TrizecHahn for the six-month period ended June 30, 2001 and the interim financial statements of TrizecHahn for the nine-month period ended September 30, 2001, giving effect to reclassifications, if any, to make such financial statements consistent with the presentation of Trizec Canada's financial statements; and

   (c) any material change reports and annual filings filed by TrizecHahn from January 1, 2002 to April 30, 2002, including the Circular;

2. calculate the coverage ratios required by the form of Short Form Prospectus specified in NI 44-101 (the "Prospectus Form"), to the extent that the calculation would include information from the period pre-dating the Effective Date, on the basis of the combined results of the operations of TrizecHahn during such periods; and

3. include in any Short Form Prospectus of Trizec Canada, in lieu of information in respect of Trizec Canada, the description of the business, financial information and management's discussion and analysis of financial condition and results of operation in respect of TrizecHahn for periods pre-dating the Effective Date to the extent that such information would otherwise be required by the Prospectus Form in respect of Trizec Canada.

May 3, 2002.

“Iva Vranic”

THE DECISION of the Decision Makers under the Legislation is that, except in British Columbia, the provisions in the Legislation applicable to mutual funds shall not apply to Trizec Canada;

THE DECISION of the Decision Makers under the Legislation is that the Registration and Prospectus Requirements contained in the Legislation shall not apply to Type 1 Trades, Type 2 Trades or Type 3 Trades to the extent that there are no Registration and Prospectus Requirement exemptions available in the Legislation for such trades and any notification required by the Legislation in respect of the Type 3 Trades may be satisfied by one notification filed by Trizec Canada upon the Arrangement becoming effective;

THE DECISION of the Decision Maker in Québec under the Québec Legislation is that Trizec Canada and Trizec Properties shall be deemed to have been reporting issuers in Québec for a twelve-month period preceding the Effective Date;

THE DECISION of the Decision Makers under the Legislation is that Trizec Canada be permitted to:

2002 Financial Statements

(a) provided that the Effective Date is prior to June 30, 2002, prepare interim financial statements for the six-month period ended June 30, 2002 based on TrizecHahn's results from January 1 to the Effective Date and Trizec Canada's

results from the Effective Date to June 30 which will be compared to TrizecHahn's results for the comparable period in 2001, giving effect to reclassifications, if any, to make such results consistent with the presentation of Trizec Canada's results;

(b) provided that the Effective Date is prior to September 30, 2002, prepare interim financial statements for the nine-month period ended September 30, 2002 based on TrizecHahn's results from January 1 to the Effective Date and Trizec Canada's results from the Effective Date to September 30 which will be compared to TrizecHahn's results for the comparable period in 2001, giving effect to reclassifications, if any, to make such results consistent with the presentation of Trizec Canada's results; and

(c) provided that the Effective Date is prior to December 31, 2002, prepare audited financial statements for the year ended December 31, 2002 based on TrizecHahn's results from January 1 to the Effective Date and Trizec Canada's results from the Effective Date to December 31 which will be compared to TrizecHahn's results for the year ended 2001, giving effect to reclassifications, if any, to make such results consistent with the presentation of Trizec Canada's results;

2003 Financial Statements

(d) prepare interim financial statements for the three-month period ended March 31, 2003 based on a comparison of Trizec Canada's actual results to TrizecHahn's results for the comparable period in 2002, giving effect to reclassifications, if any, to make such results consistent with the presentation of Trizec Canada's results;

(e) prepare interim financial statements for the six-month period ended June 30, 2003 based on a comparison of Trizec Canada's actual results to the combined financial statements for the six-month period ended June 30, 2002, as described above under "2002 Financial Statements";

(f) prepare interim financial statements for the nine-month period ended September 30, 2003 based on a comparison of Trizec Canada's actual results to the combined financial statements for the nine-month period ended September 30, 2002, as described above under "2002 Financial Statements"; and

(g) prepare audited 2003 year-end financial statements based on a comparison of Trizec Canada's actual results to the combined annual financial statements for the year ended December 31, 2002 as described above under "2002 Financial Statements";

provided that the basis of presentation note to the financial statements includes an explanation in the cases where the financial statements of TrizecHahn and Trizec Canada are combined; and

THE DECISION of the Decision Maker in Ontario is that TrizecHahn, Trizec Canada, Trizec Subco and Trizec Properties are exempt from the requirements contained in the Legislation to pay the fees payable in Ontario in respect of the trades made in securities in connection with the Arrangement.

May 3, 2002.

“Howard I. Wetston” “H. Lorne Morphy”

2.1.7 LEED NT Corp. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - as a result of a redemption of its securities, issuer has only one 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., s.83.
Business Corporations Act, R.S.O. 1990, c.B.16, as am., s.1(6).

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

AND

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

AND

IN THE MATTER OF
LEED NT CORP.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Ontario, Alberta, Newfoundland and Labrador, Nova Scotia, Quebec and Saskatchewan (the "Jurisdictions") has received an application from LEED NT Corp. ("LEED") for:

(i) a decision under the securities legislation of the Jurisdictions (the "Legislation") that LEED be deemed to have ceased to be a reporting issuer under the Legislation; and

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

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 LEED has represented to the Decision Makers that:

1. LEED was incorporated under the laws of the Province of Ontario on July 19, 1996.

2. The head office of LEED is located at 1 First Canadian Place, 4th Floor, Toronto, Ontario M5X 1H3.

3. Other than the failure to file its annual financial statements for the fiscal period ended September 30, 2001 and its interim financial statements for the period ended December 31, 2001, to the best of our knowledge, LEED is not in default of any of the requirements of the Legislation.

4. LEED does not currently intend on seeking public financing in Canada.

5. LEED is a mutual fund corporation whose investment portfolio consisted of common shares of Canadian Imperial Bank of Commerce, The Bank of Nova Scotia, The Toronto-Dominion Bank, Enbridge Inc. and TransCanada PipeLines Limited (the "Portfolio Shares") for the purpose of enabling investors in its capital shares (the "Capital Shares") and equity dividend shares (the "Equity Dividend Shares") to satisfy separately the investment objectives of capital appreciation or dividend income with respect to the Portfolio Shares held by LEED.

6. The Articles of LEED were amended on August 27, 1996 to create the Capital Shares and Equity Dividend Shares. LEED invested the net proceeds from the issue of Capital Shares and Equity Dividend Shares in Portfolio Shares. The Capital Shares and the Equity Dividend Shares were listed on The Toronto Stock Exchange ("TSE") under the stock symbol XLN.

7. On September 7, 2001, all of LEED's outstanding Capital Shares and Equity Dividend Shares were redeemed.

8. LEED's Capital Shares and Equity Dividend Shares were delisted from the TSE on September 7, 2001 and no securities, including debt securities, of LEED are listed or quoted on any exchange or market.

9. LEED's issued and outstanding securities currently consist of 1,000 class A shares and 1,000 class B shares.

10. As a result of the redemption, all of the issued and outstanding securities of LEED are beneficially owned by 1066918 Ontario Inc.

11. Other than the class A shares and the class B shares, LEED has no securities, including debt securities, outstanding.

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

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that

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

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

April 30, 2002.

"John Hughes"

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

April 30, 2002.

"Howard I. Wetston" "Mary Theresa McLeod"

2.1.8 VOXCOM Incorporated - s. 9.1 of Rule 61-501

Headnote

Rule 61-501 - Related party transactions - Applicant proposes to issue new shares and enter into various related party transactions with a debentureholder/shareholder of the Applicant that beneficially owns approximately 50% of its common shares due to holding of out of the money warrants - the proposed transactions are a consequence of a recapitalization agreement involving an arm's length party pursuant to which arm's length party will end up holding approximately 61% of Applicant's voting securities - the proposed transactions are supported by a holder of approximately 19.8% of the common shares of the Applicant - the supporting shareholder is not a party to the transaction, deals at arm's length from the shareholder whose affiliate is involved in the transactions and will be treated identically with all holders of affected securities - proposed transactions are subject to minority approval - transactions exempt from requirement to prepare valuation.

Ontario Rules Cited

Rule 61-501 - Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions, ss. 5.5, 5.6 - 6, and 9.1.

IN THE MATTER OF
ONTARIO SECURITIES COMMISSION RULE 61-501
("RULE 61-501")

AND

IN THE MATTER OF
VOXCOM INCORPORATED

(SECTION 9.1 of RULE 61-501)

UPON the application (the "Application") of VOXCOM Incorporated ("VOXCOM" or the "Corporation") to the Director for a decision pursuant to Section 9.1 of Rule 61-501 that, in connection with the Related Party Transactions (as defined in paragraph 10 below), the Corporation be exempt from the formal valuation requirements in section 5.5 of Rule 61-501;

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

AND UPON VOXCOM having represented to the Director as follows:

1. The Corporation is a corporation incorporated under the *Canada Business Corporations Act.*

2. The Corporation is a reporting issuer in Ontario and is not on the list of defaulting reporting issuers maintained by the Ontario Securities Commission.

3. The Corporation is authorized to issue an unlimited number of common shares (the

"Common Shares"), 40,000 Class "A" Performance Shares, Series I (non-voting), 40,000 Class "A" Performance Shares, Series II (non-voting), 40,000 Class "A" Performance Shares, Series III (non-voting), 40,000 Class "A" Performance Shares, Series IV (non-voting), and 40,000 Class "A" Performance Shares, Series V (non-voting) (collectively the "Class "A" Shares"). As at April 1, 2002 there were 5,061,576 Common Shares and 200,000 Class "A" Shares issued and outstanding.

4. The Common Shares are listed on the TSX Venture Exchange (the "TSX"). The closing price of the Common Shares on the TSX on April 5, 2002 was $0.75.

5. Clairvest Group Inc. ("Clairvest") is a corporation incorporated under the laws of the Province of Ontario.

6. Clairvest is a reporting issuer in Ontario and is not on the list of defaulting reporting issuers maintained by the Commission.

7. Catterton Oilers Investment LLC ("Catterton") is an affiliate of Catterton Partners IV, L.P., a series of related private equity investment funds formed to make private equity investments in companies with a primary focus on the consumer product and services industry. Catterton Partners IV, L.P. is one of the largest private equity funds in the United States focussing on consumer product and services companies with over U.S.$400 million of capital.

8. Clairvest is a related party of the Corporation for the purposes of Rule 61-501, and beneficially owns, directly or indirectly, the following securities of the Company:

   a) 230,000 Common Shares;

   b) an option to acquire an additional 200,000 Common Shares at a price of $1.95 per share exercisable at any time up to and including February 28, 2006 (the "Clairvest Options");

   c) warrants to acquire up to 3,813,631 Common Shares at a price of $1.80 per share exercisable at any time, expiring on November 30, 2006; and

   d) warrants to acquire up to 873,418 Common Shares at a price of $3.95 per share exercisable at any time, expiring on March 1, 2006.

   (The warrants set out in (c) and (d) above will hereinafter jointly be referred to as the "Clairvest Warrants".)

   In the event that the Clairvest Options and Clairvest Warrants were fully converted (along with Clairvest's current 230,000 Common Shares of the Corporation), Clairvest would hold approximately 51.4% of the issued and outstanding Common Shares of the Corporation, assuming no other convertible securities are converted to Common Shares. In the past six (6) months, the closing price of the Corporation's Common Shares on TSX has not been higher than $0.70, and the closing price of the Corporation's Common Shares on TSX on March 25, 2002 (the last day the Corporation's shares traded before the transaction was announced) was $0.70. Accordingly, the exercise prices of $1.95 per share in respect of the Clairvest Options and $1.80 and $3.95 per share in respect of the Clairvest Warrants are significantly out of the money. Without taking into account these securities, Clairvest's ownership interest of voting securities is 4.5%.

9. VOXCOM entered into a recapitalization agreement (the "Recapitalization Agreement") dated April 1, 2002 with Catterton and Clairvest pursuant to which:

   a) The Corporation has agreed to amend its articles so as to create Class "B" Convertible Retractable Shares of the Corporation (the "Preferred Shares"), which are convertible at any time (at the option of the holder) into common shares at a conversion rate of 1:1, are retractable commencing on the 4th anniversary of the date of issue, are entitled to vote, and are entitled to a preference with respect to return of capital in certain circumstances including the dissolution of the Corporation;

   b) Catterton has agreed to subscribe for 25,300,000 Preferred Shares at a price of $1.00 per share, for an aggregate purchase price of $25,300,000;

   c) Clairvest has agreed to subscribe for 10,600,000 Preferred Shares at a price of $1.00 per share, for an aggregate purchase price of $10,600,000;

   d) The Corporation has agreed to certain specific conditions relating to the use of the net proceeds of the transaction, including:

      i) repayment of all amounts owed to Clairvest under the debentures held by it (being $8,617,999 as at February 28, 2002). The result of the foregoing is that Clairvest is increasing its investment in the

Corporation by only $2 million and, in order to satisfy a requirement of Catterton that Catterton and Clairvest be pari passu, Clairvest is moving from a holder of secured debt of the Corporation to a preferred shareholder;

ii) repayment of the balance owing under a $10 million subordinated secured loan with SCC Canada Inc. ("SCC") (such balance, as of April 1, 2002, being in the amount of $10,249,860) pursuant to the terms of a letter agreement between the Corporation and SCC dated March 22, 2002;

iii) subject to the prior consent of Clairvest and Catterton, to use the balance of the net proceeds to repay certain indebtedness owing under the Corporation's $70 million secured credit facility with a syndicate of lenders led by Toronto Dominion Bank (the "Senior Credit Facility"), of which $55,625,000 was outstanding as at April 1, 2002;

e) Clairvest has agreed to transfer certain of its interest in the Clairvest Options and the Clairvest Warrants to Catterton & SCC (there is no additional payment to Clairvest with regard to the transfer of the Clairvest Options and Clairvest Warrants to Catterton). The effect of the foregoing is that the holdings of Clairvest and Catterton in the Clairvest Options and the Clairvest Warrants is proportional to each of their initial holdings of Preferred Shares;

f) The Corporation will enter into a right of first offer agreement with Catterton (the "Right of First Offer Agreement") wherein the Corporation will grant to Catterton, under certain circumstances, the right to acquire up to an additional 15,000,000 Preferred Shares of the Corporation at a price of not less than one ($1.00) dollar per share for a period of eighteen (18) months from the closing date;

g) The Corporation will enter into a shareholders agreement with Catterton, Clairvest and senior Management setting out various agreements made between the parties with respect to corporate governance issues relating to the Corporation and its Board of Directors;

h) The Corporation will enter into a registration rights agreement with Clairvest and Catterton setting out the terms and conditions of various short and long-term registrations and/or qualifications, in both Canada and the United States, which the Corporation may be required to complete with respect to the Common and Preferred Shares of the Corporation;

i) The Corporation will enter into a management services agreement with each of Catterton and Clairvest pursuant to which the Corporation will pay Catterton and Clairvest annual fees of $229,000 and $96,000 respectively (plus all applicable goods and services or other applicable provincial taxes as required) for the provision of various corporate finance and financial planning services to be provided by each of them to the Corporation; and

j) On closing, the Corporation will pay to Catterton a closing fee of $705,000, and to Clairvest a closing fee of $295,000.

On closing, (without giving effect to the exercise of Catterton's right of first refusal), Catterton will hold 25.3 million voting shares, or 61.8% of the voting securities (non-diluted) of the Corporation. Clairvest will hold 10.8 million voting shares, or 26.4% of the voting securities (non-diluted) of the Corporation.

The Board of Directors of VOXCOM unanimously approved this transaction on January 28, 2002, with the Clairvest nominees declaring their interest and refraining from voting thereon. On March 28, 2002 the Board of Directors met again to confirm their resolve to proceed with this transaction.

10. The transactions contemplated between the Corporation and Clairvest in paragraphs 9(d)(i), 9(g), 9(h), 9(i), and 9(j) above pursuant to the Recapitalization Agreement constitute related party transactions under and pursuant to Rule 61-501 (the "Related Party Transactions").

11. Aliant Horizons Inc. (“Aliant”) holds just under 20% of the outstanding Common Shares. Aliant is not a party to the Related Party Transactions and is dealing at arm’s length with Clairvest. Aliant supports the Related Party Transactions and is being treated identically to all other holders of the Common Shares and the Class “A” Shares of the Corporation, and it will not receive, directly or indirectly, as a consequence of the transaction, a benefit that is not also being received on a pro rata basis by all such other shareholders.

12. Without taking into account the Clairvest Options and Clairvest Warrants, all of which are significantly out of the money, Clairvest beneficially owns less than 5% of the voting securities of the Corporation and significantly less than the number of common shares owned by Aliant.

13. The initial negotiations with respect to this transaction were conducted at arm's length between the Corporation and members of the management of Catterton Partners IV, L.P. The subsequent negotiations between Clairvest and members of the management of Catterton Partners IV, L.P. were at arm's length and did not involve the participation of the Corporation.

14. The management proxy circular for the Annual and Special Shareholders meeting to be held in June, 2002 will provide appropriate disclosure (including disclosure in accordance with Section 5.4 of Rule 61-501) of the Recapitalization Agreement and the transactions contemplated thereby (including the Related Party Transactions).

15. The shareholders of the Corporation will be required to approve the Recapitalization Agreement and the transactions contemplated thereby (including the Related Party Transactions) in accordance with the *Canada Business Corporations Act*, the requirements of TSX and the minority approval requirements of Rule 61-501.

16. The Preferred Shares are being purchased by both Catterton and Clairvest at a price of $1.00 per share. This reflects a significant premium to the market price for the Common Shares, into which the Preferred Shares are convertible on a 1:1 basis.

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

IT IS DECIDED pursuant to Section 9.1 of Rule 61-501 that VOXCOM shall not be subject to the valuation requirements in Section 5.5 of Rule 61-501 in connection with the Related Party Transactions initiated pursuant to the Recapitalization Agreement, provided that VOXCOM complies with the other applicable provisions of Rule 61-501.

May 3, 2002.

"Ralph Shay"

2.1.9 Roseworth Group Ltd. and Cell-Loc Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - distribution of securities by an issuer by way of an equity line of credit - an equity line of credit is an agreement with a public company under which a purchaser makes a commitment at signing to purchase a specified dollar amount of securities on terms that enable the company to determine the timing and dollar amount of securities the purchaser will receive - the company has the right, but not the obligation, to sell the securities which are the subject of the equity line to the purchaser, up to a specified maximum dollar amount, in a series of draw downs over a specified period of time (in general, 12 to 24 months) - purchaser purchases at a predetermined percentage discount (the "discount to market") from the volume weighted average price of the company's securities over a period of trading days - as a result of the discount to market, purchaser has strong economic incentive to resell (or sell short, or otherwise hedge) the securities which are the subject of a draw down to convert the discount to cash and to reduce as much as possible investment risk - purchaser may be considered to be acting as an "underwriter" - a draw down under an equity line of credit may be considered to be an indirect distribution of securities by the company to subsequent purchasers of securities from the equity line purchaser - relief granted to issuer and equity line purchaser from certain registration and prospectus requirements of securities legislation, subject to terms, including a 10% restriction on the number of securities that may be distributed under an equity line in any 12 month period, prospectus disclosure relating to the first purchasers from the equity line purchaser, and certain notification and disclosure requirements.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 25(1)(a), 59(1), 71(1), 74 and 147.

Applicable Ontario Rules

OSC Rule 45-501 Exempt Distributions s. 1(1) "accredited investor".

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA AND ONTARIO

AND

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

AND

IN THE MATTER OF
THE ROSEWORTH GROUP LTD. AND CELL-LOC INC.

MRRS DECISION DOCUMENT

1. WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of Alberta and Ontario (collectively, the "Jurisdictions") has received an application from The Roseworth Group Ltd. (the "Filer") and Cell-Loc Inc. ("Cell-Loc") in connection with a proposed "equity line of credit" arrangement (the "Equity Line") for:

   1.1. a decision under the securities legislation of each of the Jurisdictions (the "Legislation") that the requirements of the Legislation, in particular those requiring the Filer to be registered as a dealer and its officers, directors and certain of its employees to be registered as salespersons, officers or directors of a registered dealer in connection with acting as an underwriter on the Equity Line (such requirements, the "Registration Requirements") do not apply to the Filer and its employees, officers and directors; and

   1.2 a decision under the Legislation that the requirements of the Legislation, in particular:

      1.2.1 those requiring Cell-Loc to include and the Filer to execute a certificate as part of the Prospectus (as hereinafter defined) do not apply to the Filer or Cell-Loc, as the case may be;

      1.2.2 those requiring the Filer to send or deliver to a First Purchaser (as hereinafter defined) the Prospectus, as amended, within two business days of a sale do not apply to the Filer;

      1.2.3 those granting First Purchasers the statutory right to withdraw from a purchase of Cell-Loc Shares (as hereinafter defined) resold by the Filer within two business days after receipt by the First Purchaser of the Prospectus, as amended, do not apply;

      1.2.4 those granting First Purchasers the statutory right to elect to rescind a purchase of Cell-Loc Shares resold by the Filer if the Prospectus, as amended, contains a misrepresentation do not apply to the Filer; and

      1.2.5 the statutory liability of the Filer to purchasers of Cell-Loc shares from the Filer within 40 days from each respective Settlement Dates (as hereinafter defined) will not apply, (but Cell-Loc will have statutory liability to such purchasers, on the modified basis as provided herein),

   all in connection with the Equity Line (such requirements, the "Prospectus Requirements");

2. AND WHEREAS the relief requested herein from the Registration Requirements and the Prospectus Requirements is a result of the unique nature of an "equity line of credit". An "equity line of credit" is an agreement with a public company under which a purchaser makes a commitment at signing to purchase a specified dollar amount of securities on terms that enable the company to determine the timing and dollar amount of securities the purchaser will receive. Specifically, the company has the right, but not the obligation, to sell the securities which are the subject of the equity line to the purchaser, up to a specified maximum dollar amount, in a series of draw downs over a specified period of time. Following receipt of a notice of a draw down, a purchaser under an equity line may seek to finance the purchase of the securities which are the subject of the draw down notice, in whole or in part, directly or indirectly, through the sale of the same or equivalent securities of the company in the secondary market. Consequently, the purchaser may be considered to be acting as an "underwriter" as that term is defined in the Legislation, and a draw down under an "equity line of credit" may be considered to be an indirect distribution of securities of the company by the company to purchasers of the securities from the purchaser with the purchaser acting as the underwriter of the distribution;

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

4. AND WHEREAS the Filer and Cell-Loc have represented to the Decision Makers that:

4.1 the Filer is a corporation incorporated under the laws of the British Virgin Islands and is resident in the British Virgin Islands. The head office of the Filer is located c/o Harbour House, 2nd Floor, Waterfront Drive, Road Town, Tortola, British Virgin Islands;

4.2 the Filer is not a "reporting issuer" (or its equivalent) under the securities legislation of any province or territory of Canada or in any other jurisdiction. The Filer is not registered under the securities legislation of any province or territory of Canada or in any other jurisdiction as a dealer, advisor or underwriter (or their equivalents) and is not a participating organization, approved participant or member, as the case may be, of any stock exchange, over-the-counter market or securities regulatory authority. None of the Filer, its associates, affiliates and insiders, either individually or collectively (the "Filer's Group") are registered under U.S. securities legislation;

4.3 the Filer is an "accredited investor" as defined in Ontario Securities Commission Rule 45-501;

4.4 Cell-Loc is a corporation amalgamated under the *Business Corporations Act* (Alberta) having its head office in the City of Calgary in the Province of Alberta. Cell-Loc is a "reporting issuer" (or its equivalent) under the securities legislation of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland. Cell-Loc is not currently subject to the reporting requirements of the United States Securities Exchange Act of 1934, as amended. As at March 28, 2002, there were 28,497,438 Cell-Loc Shares issued and outstanding. The outstanding Cell-Loc Shares are listed and posted for trading on The Toronto Stock Exchange (the "TSE") under the symbol "CLQ";

4.5 the Filer and Cell-Loc propose, upon the filing of the Prospectus (as hereinafter defined) by Cell-Loc, to enter into a subscription agreement (the "Subscription Agreement") pursuant to the terms of which Cell-Loc would have the right, from time to time, to require the Filer to purchase from treasury a certain number of common shares in the capital of Cell-Loc (the "Cell-Loc Shares"), the principal terms of which will be as follows:

4.5.1 subject to paragraph 7 below, the maximum number of Cell-Loc Shares that may be issued pursuant to the Subscription Agreement will be (i) 3,000,000 Cell-Loc Shares during the first twelve month period of the subscription commitment, and (ii) up to 10% of the issued and outstanding Cell-Loc Shares, as at the last trading day of the first twelve month period, during the second twelve month period of the subscription commitment; provided that no additional Cell-Loc Shares may be issued during the Term (as hereinafter defined) if US$40 million aggregate gross proceeds have been realized by Cell-Loc in respect of prior issuances of Cell-Loc Shares pursuant to Draw Downs (as defined below);

4.5.2 for a period of 24 months (the "Term"), Cell-Loc will be entitled, in its sole discretion, to complete draw downs (each a "Draw Down") by serving a draw down notice (a "Draw Down Notice") on the Filer pursuant to which the Filer will be required to subscribe for and purchase (subject to a minimum and maximum and certain adjustments and conditions for the benefit of the Filer) that number of Cell-Loc Shares as is equal to the dollar amount set forth in the subject Draw Down Notice (the "Draw Down Amount");

4.5.3 the Draw Down Amount for a Draw Down will be allocated *pro rata* over a set number of consecutive trading days (the "Period") beginning on the date selected in the Draw Down Notice;

4.5.4 the applicable purchase price (the "Purchase Price") to be paid by the Filer on each trading day during the Period will be based on the volume-weighted average price of the Cell-Loc Shares on the TSE for that trading day, less a discount as

agreed to by the Filer and Cell-Loc. The number of Cell-Loc Shares purchased by the Filer on each trading day during the Period will be the *pro rata* Draw Down Amount allocated to such trading day divided by the Purchase Price for that trading day;

4.5.5 the purchase and sale with respect to each Draw Down will be completed in two settlements (the "Settlement Dates");

4.5.6 Cell-Loc will be required to set a minimum price (the "Threshold Price") with respect to each Draw Down (which shall not be less than 80% of the daily volume-weighted average price of the Cell-Loc Shares over the five trading days immediately preceding the date of the applicable Draw Down Notice) and for each trading day during the Period in which the daily volume-weighted average price per Cell-Loc Share on the TSE is less than the Threshold Price, the Draw Down Amount is appropriately reduced and that trading day is withdrawn from the Period;

4.5.7 immediately following the closing of a Draw Down, Cell-Loc will forthwith issue a press release (i) announcing the closing of a Draw Down under the Subscription Agreement; (ii) stating that the Prospectus (as hereinafter defined) relating to the Draw Down is available on the SEDAR website; and (iii) stating that the First Purchasers (as hereinafter defined) of Cell-Loc Shares under the Prospectus prior to the expiration of the date that is 40 days from the respective Settlement Dates of the Filer's purchases of Cell-Loc Shares pursuant to the applicable Draw Down have certain statutory rights described in the Prospectus;

4.5.8 a copy of the Draw Down Notice will be filed by Cell-Loc with the Market Surveillance department of the TSE, and if requested to do so, with the Decision Makers, prior to or immediately upon delivery of each Draw Down Notice; and

4.5.9 immediately upon entering into the Subscription Agreement, Cell-Loc will: (A) pay to the Filer an expense reimbursement for legal, administrative and due diligence fees and expenses incurred by the Filer in connection with the Equity Line; and (B) issue to the Filer warrants (the "Warrants") having a term of exercise of three years to subscribe for up to 350,000 Cell-Loc Shares at an exercise price of 100% of the weighted average trading price of the Cell-Loc Shares on the TSE on the last trading day prior to issuance of the Warrants;

4.6 the Subscription Agreement will provide that if a Draw Down Notice specifies a Draw Down Amount which would require Cell-Loc to sell to the Filer's Group, a number of Cell-Loc Shares in connection with a particular Draw Down which, when added to the aggregate number of Cell-Loc Shares beneficially owned by the Filer's Group at such time (and, for the purposes of such calculation, the Filer's Group shall be deemed to own the shares issuable upon the exercise of the Warrants), would result in beneficial ownership by the Filer's Group of more than 9.9% of the then issued and outstanding Cell-Loc Shares, the Draw Down Amount will be reduced accordingly, so that the Filer's Group will not be required to purchase more than such number of Cell-Loc Shares such that the aggregate number of Cell-Loc Shares beneficially owned by the Filer's Group (including the shares issuable upon the exercise of the Warrants) after completion of the purchase would result in beneficial ownership by the Filer's Group of 9.9% of the then issued and outstanding Cell-Loc Shares;

4.7 as required by the Decision Makers, the Subscription Agreement will provide that Cell-Loc will not issue or make subject to issuance any Cell-Loc Shares issued or made issuable as a result of a Draw Down Notice having been delivered by it to the Filer, if as a result of such issuance or proposed issuance, the aggregate number of Cell-Loc Shares issued or made issuable in accordance with all Draw Down Notices delivered in any

twelve month period exceeds 10% of the Cell-Loc Shares issued and outstanding at the beginning of any such twelve month period. The Subscription Agreement will further provide that Cell-Loc and the Filer will not amend the foregoing covenant without the prior written consent of the Decision Makers;

4.8 the Filer will covenant in the Subscription Agreement that neither it nor any member of the Filer's Group will, during the Term, hold a short position of Cell-Loc Shares. For the purposes of determining the net position of Cell-Loc Shares held by the Filer and its affiliates, on each trading day during a Period, the Subscription Agreement will provide that the Filer will be deemed to own the Cell-Loc Shares which the Filer is required to purchase for that day pursuant to the applicable Draw Down Notice, irrespective of whether the Filer has received delivery of such shares, and the shares issuable upon the exercise of the Warrants;

4.9 the Filer will undertake to the TSE to provide the TSE with the details in respect of the trading and hedging activities of the Filer's Group relating to the Cell-Loc Shares during the applicable Period, within five Trading Days following the end of each Period, including, for each Trading Day in the subject Period, the number of securities so purchased or sold and the purchase or sale price therefor on such day. The Filer will also undertake to provide such information to the Decision Makers, upon the request of staff at either of such commissions;

4.10 the Cell-Loc Shares to be issued during the first twelve months pursuant to Draw Downs, and the Warrants issued to the Filer upon execution of the Subscription Agreement, will be qualified by filing a (final) long-form prospectus (the "First Prospectus") with the Decision Makers. Immediately following issuance of all receipts for the First Prospectus, Cell-Loc and the Filer will enter into the Subscription Agreement and the Warrants will be issued to the Filer. After the end of the first twelve month period, if additional Draw Downs may be made pursuant to the Subscription Agreement, the Cell-Loc Shares to be issued pursuant to such Draw Downs will be qualified by filing a (final) long-form prospectus (the "Second Prospectus") with the Decision Makers (the First Prospectus and the Second Prospectus are collectively referred to as the "Prospectus");

4.11 on or prior to each Settlement Date, Cell-Loc will, if required by the Legislation, file an amended and restated Prospectus such that the Prospectus is current at such date;

4.12 if the Filer, within 40 days of a Settlement Date,

4.12.1 resells any of the Cell-Loc Shares acquired by it pursuant to a Draw Down through the TSE or otherwise into the secondary market in Canada, or

4.12.2 directly or indirectly, hedges the investment risk associated with the acquisition of any of the Cell-Loc Shares by means of short sales or similar strategies involving the sale of Cell-Loc Shares (or securities convertible into, exchangeable for or economically equivalent to Cell-Loc Shares) through the TSE or otherwise into the secondary market in Canada,

Cell-Loc will recognize such transactions as being in the course of or incidental to a distribution, will recognize the first purchasers thereof (the "First Purchasers") as having purchased pursuant to such distribution and will provide each First Purchaser with "constructive delivery" of the Prospectus, as amended, pursuant to the terms of this MRRS Decision Document;

4.13 in the event there is a misrepresentation in the Prospectus, as amended, each First Purchaser will be entitled to certain statutory rights pursuant to the Legislation, which rights shall be described in the Prospectus; and

4.14 Cell-Loc will file the Prospectus and each amendment thereto if required under the Legislation in accordance with National Instrument 13-101 - System for Electronic Document Analysis and Retrieval (SEDAR) - and, immediately after receiving all receipts therefor: (a) Cell-Loc will issue a press release outlining the special arrangements regarding the rights of a First Purchaser as set forth in 13 above; (b) the Filer will send a letter to each First Purchaser or its broker (for and on behalf of the First Purchaser) advising it that it is in fact a

First Purchaser or is acting on behalf of a First Purchaser and as such has certain rights as set forth in 13 above and directing the First Purchaser to the SEDAR website at *www.sedar.com* where it may obtain a copy of the Prospectus.

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

6. 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;

7. IT IS THE DECISION of the Decision Makers that the Registration Requirements and Prospectus Requirements contained in the Legislation shall not apply to the Filer, its employees, officers and directors or Cell-Loc, as applicable, in connection with the distribution or distributions of Cell-Loc Shares by Cell-Loc made under a prospectus through the Filer, as underwriter, pursuant to the Equity Line, so long as:

7.1 the number of Cell-Loc Shares distributed by Cell-Loc under one or more equity lines of credit, including the equity line facility pursuant to the Subscription Agreement, in any 12-month period does not exceed 10 percent of the number of Cell-Loc Shares issued and outstanding as at the start of such period;

7.1.1 Cell-Loc provides a copy of each Draw Down Notice to the TSE, and, if requested to do so, the Decision Makers, prior to or immediately upon its issuance;

7.1.2 immediately following the closing of a Draw Down, Cell-Loc forthwith issues a press release (i) announcing the closing of a Draw Down under the Subscription Agreement; (ii) stating that the Prospectus relating to the Draw Down is available on the SEDAR website; and (iii) stating that the First Purchasers of Cell-Loc Shares under the Prospectus prior to the expiration of the date that is 40 days from the respective Settlement Dates of the Filer's purchases of Cell-Loc Shares pursuant to the applicable Draw Down have certain statutory rights described in the Prospectus;

7.1.3 the Filer does not solicit offers to purchase the Cell-Loc Shares and effects all sales of Cell-Loc Shares through a dealer unaffiliated with the Filer and Cell-Loc and registered under the applicable Legislation; and

7.1.4 the Filer agrees to make available to the Decision Makers, upon request, full particulars of its trading and hedging activities (and if relevant the trading and hedging activities of other member of the Filer's Group) relating to securities of Cell-Loc during the Term.

April 26, 2002.

"Glenda A. Campbell" "Wendy E. Best"

2.1.10 Provident Energy Trust - MRRS Decision

Headnote

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

Statues Cited

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 25, 53, 72(5), 74(1).

Rules Cited

Rule 45-502 Dividend or Interest Reinvestment and Stock Dividend Plans 21 OSCB 3685.

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

AND

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

AND

IN THE MATTER OF
PROVIDENT ENERGY TRUST

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Yukon, Nunavut and Northwest Territories (the "Jurisdictions") has received an application from Provident Energy Trust ("Provident") for a decision, pursuant to the securities legislation of the Jurisdictions (the "Legislation"), that the requirements contained in the Legislation to be registered to trade in a security and to file and obtain a receipt for a preliminary prospectus and a prospectus (the "Registration and Prospectus Requirements") shall not apply to certain trades in units of Provident issued pursuant to a distribution reinvestment plan;

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 Provident has represented to the Decision Makers that:

1) Provident is an unincorporated open-ended investment trust formed under the laws of the Province of Alberta pursuant to a Trust Indenture dated January 25, 2001, as amended pursuant to a Supplemental Trust Indenture dated as of March 5, 2001 (the "Trust Indenture").

2) Provident has been a reporting issuer in Alberta, British Columbia, Ontario, Québec, Saskatchewan and Manitoba for more than 12 months and is currently a reporting issuer in each of the Provinces of Canada. To its knowledge Provident is not in default of any requirements under the legislation of any of the Jurisdictions.

3) Provident is a "qualifying issuer" within the meaning of Multilateral Instrument 45-102 *Resale of Securities*.

4) The trustee of Provident is Computershare Trust Company of Canada. The entire beneficial interest in Provident is held by the holders of trust units ("Units") issued by Provident.

5) The Units are listed and posted for trading on The Toronto Stock Exchange (the "TSE") and the American Stock Exchange.

6) Provident currently makes and expects to continue to make monthly distributions of distributable income, if any, to the holders of Units ("Unitholders"). The distributable income of Provident for any month is a function of the amounts received by Provident pursuant to certain royalties, other income and certain expenses.

7) Provident is not a "mutual fund" under the Legislation as the holders of Units are not entitled to receive on demand an amount computed by reference to the value of a proportionate interest in the whole or in part of the net assets of Provident, as contemplated by the definition of "mutual fund" in the Legislation.

8) Provident intends to establish a plan (the "Plan") pursuant to which eligible Unitholders may, at their option, purchase additional Units ("Additional Units") of Provident by directing that Cash Distributions be applied to the purchase of Additional Units (the "Distribution Reinvestment Option") or by making optional cash payments (the "Cash Payment Option").

9) The Plan also enables eligible Unitholders who wish to reinvest cash distributions paid on their

existing Units ("Cash Distributions") to authorize and direct Computershare Trust Company of Canada, in its capacity as agent under the Plan (in such capacity, the "Plan Agent"), to presell through a designated broker (the "Plan Broker") that number of Additional Units issuable on such reinvestment for the account of such Unitholders who so elect and to transfer the Additional Units to the Plan Broker for the purposes of settling such presales in exchange for a cash payment equal to 102% of the reinvested Cash Distributions (the "Premium Distribution Option"). The Plan Broker will be entitled to retain for its own account the difference between the proceeds realized in connection with presales of such Units and the cash payment equal to 102% of reinvested Cash Distributions.

10) All Additional Units purchased under the Plan will be purchased by the Plan Agent directly from Provident on the relevant distribution payment date at a price determined by reference to the Average Market Price (defined in the Plan as the arithmetic average of the daily volume weighted average trading prices of the Units on the TSE for the trading days from and including the second business day following the distribution record date to and including the second business day prior to the distribution payment date on which at least a board lot of Units was traded such period not to exceed 20 trading days).

11) Additional Units purchased under the Distribution Reinvestment Option or the Premium Distribution Option will be purchased at a 5% discount to the Average Market Price. Additional Units purchased under the Cash Payment Option will be purchased at the Average Market Price.

12) Under the Premium Distribution Option the Plan Broker's *prima facie* return will be approximately 3% of the reinvested Cash Distributions (based on presales of Units having a market value of approximately 105% of the reinvested Cash Distributions and a cash payment to the Plan Agent for the account of applicable Unitholders of 102% of the reinvested Cash Distributions). The Plan Broker may, however, realize more or less than this *prima facie* amount, as the actual return will depend on intervening movements in the market price of the Units. We note in this regard that the Plan Broker bears the entire risk of adverse changes in the market, as Participants under the Premium Distribution Option are assured a premium cash payment equal to 102% of the reinvested Cash Distributions.

13) All activities of the Plan Broker on behalf of the Plan Agent which relate to the presales of Units for the account of Unitholders who elect the Premium Distribution Option will be in compliance with applicable Legislation and the rules and policies of the TSE (subject to any exemptive relief granted). The Plan Broker will also be a member of the Investment Dealers Association of Canada.

14) Eligible Unitholders who choose to participate in the Plan ("Participants") may elect either the Distribution Reinvestment Option or the Premium Distribution Option in respect of their Cash Distributions. The Cash Payment Option is available to eligible Unitholders who elect to reinvest their Cash Distributions under either the Distribution Reinvestment Option or the Premium Distribution Option. Eligible Unitholders may elect to participate in the Premium Distribution Option at their sole option and are free to terminate their participation in the Premium Distribution Option in accordance with the terms of the Plan.

15) Under the Distribution Reinvestment Option, Cash Distributions will be paid to the Plan Agent and applied by the Plan Agent to the purchase of Additional Units, which will be held under the Plan for the account of appropriate Participants.

16) Under the Premium Distribution Option, Cash Distributions will be paid to the Plan Agent and applied by the Plan Agent to the purchase of Additional Units for the account of applicable Participants, but the Additional Units purchased thereby will be automatically transferred to the Plan Broker to settle presales of Units made by the Plan Broker on behalf of the Plan Agent for the account of such Participants in exchange for a cash payment equal to 102% of the reinvested Cash Distributions.

17) Under the Cash Payment Option, a Participant may, through the Plan Agent, purchase Additional Units up to a stipulated maximum dollar amount per month and subject to a minimum amount per remittance. The aggregate number of Additional Units that may be purchased under the Cash Payment Option by all Participants in any financial year of Provident will be limited to a maximum of 2% of the number Units issued and outstanding at the start of the financial year.

18) No brokerage fees or service charges will be payable by Participants in connection with the purchase of Additional Units under the Plan.

19) Additional Units purchased and held under the Plan will be registered in the name of the Plan Agent or its nominee as agent for the Participants, and all cash distributions on Units so held for the account of a Participant will be automatically reinvested in Additional Units in accordance with the terms of the Plan and the election of the Participant.

20) The Plan permits full investment of reinvested Cash Distributions and optional cash payments because fractions of Units, as well as whole Units,

may be credited to Participants' accounts with the Plan Agent.

21) Provident reserves the right to determine for any distribution payment date how many Additional Units will be available for purchase under the Plan.

22) If, in respect of any distribution payment date, fulfilling all of the elections under the Plan would result in Provident exceeding either the limit on Additional Units set by Provident or the aggregate annual limit on Additional Units issuable pursuant to the Cash Payment Option, then elections for the purchase of Additional Units on such distribution payment date will be accepted: (i) first, from Participants electing the Distribution Reinvestment Option; (ii) second, from Participants electing the Cash Payment Option; and (iii) third, from Participants electing the Premium Distribution Option. If Provident is not able to accept all elections in a particular category, then purchases of Additional Units on the applicable distribution payment date will be pro rated among all Participants in that category according to the number of Additional Units sought to be purchased.

23) If Provident determines that no Additional Units will be available for purchase under the Plan for a particular distribution payment date, then all Participants will receive the Cash Distribution announced by Provident for that distribution payment date.

24) A Participant may terminate its participation in the Plan at any time by submitting a termination form to the Plan Agent. A termination form received between a distribution record date and a distribution payment date will become effective after that distribution payment date.

25) Provident reserves the right to amend, suspend or terminate the Plan at any time, provided that such action shall not have a retroactive effect which would prejudice the interests of the Participants. All Participants will be sent written notice of any such amendment, suspension or termination.

26) Pending receipt of the appropriate U.S. regulatory approvals, the Plan will not be available to Unitholders who are residents of the United States. Provident expects to seek such approvals and expects to be able to make the Plan available to residents of the United States later in 2002;

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

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

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

1) at the time of the trade Provident is a reporting issuer or the equivalent under the Legislation and is not in default of any requirements of the Legislation;

2) no sales charge is payable in respect of the trade;

3) Provident has caused to be sent to the person or company to whom the Additional Units are traded, not more than 12 months before the trade, a statement describing:

   a) their right to withdraw from the Plan and to make an election to receive cash instead of Units on the making of a distribution of income by Provident, and

   b) instructions on how to exercise the right referred to in paragraph 6.3.1 above;

4) the aggregate number of Additional Units issued under the Cash Payment Option of the Plan in any financial year of Provident shall not exceed 2% of the aggregate number of Units outstanding at the start of that financial year;

5) except in Québec, the first trade in Additional Units acquired pursuant to this Decision will be a distribution or primary distribution to the public unless the conditions in subsections 2.6(3) or (4) of Multilateral Instrument 45-102 Resale of Securities are satisfied; and

6) in Québec, the first trade in Additional Units acquired pursuant to this Decision will be a distribution unless:

   a) the issuer is and has been a reporting issuer in Québec for the 12 months preceding the alienation;

   b) no unusual effort is made to prepare the market or to create a demand for the securities that are the subject of the alienation;

   c) no extraordinary commission or other consideration is paid in respect of the alienation;

   d) if the seller of the securities is an insider of the issuer, the seller has no reasonable grounds to believe that the

issuer is in default of any requirement of securities legislation;

7) disclosure of the initial distribution of Additional Units pursuant to this Decision is made to the relevant Jurisdictions by providing particulars of the date of the distribution of such Additional Units, the number of such Additional Units and the purchase price paid or to be paid for such Additional Units in:

   a) an information circular or take-over bid circular filed in accordance with the Legislation; or

   b) a letter filed with the Decision Maker in the relevant Jurisdiction by a person or company certifying that the person or company has knowledge of the facts contained in the letter;

8) when Provident distributes such Additional Units for the first time Provident will provide disclosure to the relevant Jurisdictions which sets forth the date of such distribution, the number of such Additional Units and the purchase price paid for such Additional Units, and thereafter not less frequently than annually, unless the aggregate number of Additional Units so distributed in any month exceeds 1 % of the aggregate number of Units outstanding at the beginning of the month in which the Additional Units were distributed, in which case the disclosure required under this paragraph shall be made in each relevant Jurisdiction (other than Québec) in respect of that month within ten days of the end of such month.

May 3, 2002.

"Howard I. Wetston" "H. Lorne Morphy"

2.1.11 MSV Resources Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Decision declaring corporation to be no longer a reporting issuer following the acquisition of all of its outstanding securities by another issuer.

Applicable Ontario Statutory Provisions

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

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

AND

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

AND

IN THE MATTER OF
MSV RESOURCES INC.

MRRS DECISION DOCUMENT

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

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

AND WHEREAS MSV has represented to the Decision Makers that:

1. MSV was amalgamated under the Companies Act (Quebec) by letters patent dated November 10, 1959, under the original name Massval Mines Limited. On October 10, 1986, the name of the company was changed to Resources MSV Inc.

2. the head office of MSV is located in Montréal and its mining office is located in Chibougamau, Québec;

3. MSV is a reporting issuer or the equivalent under the Legislation, and apart from the failure to file its interim financial statements for the period ended June 30 and September 30, 2001, MSV is not in

default of any other requirements of the Legislation;

4. the authorized share capital of MSV consists of an unlimited number of common shares without par value, of which 44,657,533 shares are issued and outstanding. There are no other securities, including debt obligations, currently issued and outstanding other than the Shares and the private debentures, which are now convertible into shares of Campbell Resources Inc. ("Campbell");

5. Campbell is listed for trading on the Toronto Stock Exchange;

6. at the Annual and Special Meeting held on June 13, 2001, the shareholders of MSV have approved the Merger with Campbell and GéoNova Explorations Inc., by which MSV and GéoNova had become on June 30, 2001, wholly owned subsidiaries of Campbell;

7. on June 30, 2001, MSV's Articles of Incorporation were amended to give effect to the exchange of all MSV's Shares for Campbell shares on the basis of one Campbell shares for every 4.1 MSV's common shares;

8. on July 8, 2001, the common shares were delisted from the Toronto and Montreal Stock exchanges, and as result, there are no securities of MSV listed or quoted on any exchange or market in Canada or elsewhere;

9. MSV does not intend to seek public financing by way of an offering of its securities to the public;

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 MSV is deemed to have ceased to be a reporting issuer or the equivalent under the Legislation.

May 3, 2002.

"Edvie Élysée"

2.1.12 Hollinger Canadian Publishing Holdings Co. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - issuer has only two beneficial security holders - issuer deemed to have cease to be a reporting issuer.

Applicable Ontario Statutory Provisions

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

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

AND

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

AND

IN THE MATTER OF
HOLLINGER CANADIAN PUBLISHING HOLDINGS CO.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the **"Decision Maker"**) in each of the Provinces of Ontario, Alberta, Nova Scotia, Québec and Saskatchewan (the "Jurisdictions") has received an application from Hollinger Canadian Publishing Holdings Co. (the "Filer") for a decision under the securities legislation of each of the Jurisdictions (the "Legislation") that the Filer 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 the Filer has represented to the Decision Maker that:

1. The Filer is a corporation existing under the laws of the Province of Nova Scotia, is a reporting issuer in each of the Jurisdictions and is not in default of any requirements of the Legislation.

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

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

4. The authorized capital of the Filer currently consists of 1,000,000,000 Non-Voting Special

Shares, of which 6,546,265 are issued and outstanding, 1,000,000,000 Class A Voting Common Shares, of which 65,467,823 are issued and outstanding, 1,000,000,000 Class B Non-Voting Shares of which 10,519,789 are issued and outstanding and 10,000,000,000 Preference Shares, issuable in series, the issued series of which are 1,000,000,000 Series A Preference Shares, of which 50 are issued and outstanding and 1,000,000,000 Series B Preference Shares, of which 35,714,000 are issued and outstanding (collectively, the "Shares").

5. All of the issued and outstanding Shares are held by Hollinger International (Canada) Holdings Co. and Hollinger International Publishing Inc.

6. Effective as at the close of business on February 7, 2002, the Series B Preference Shares were delisted from the Canadian Venture Exchange and no securities of the Filer are listed on quoted on any exchange or market.

7. Other than the Shares, the Filer has no other 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 Decision Maker is of the opinion 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 Filer is deemed to have ceased to be a reporting issuer under the Legislation.

May 1, 2002.

"John Hughes"

2.1.13 The Procter & Gamble Company - MRRS Decision

Headnote

MRRS - Relief from registration and prospectus requirements for trades involving employees, former employees and designated beneficiaries pursuant to equity investment plan B Relief from issuer bid requirements for acquisition by issuer of securities in connection with exercise mechanisms under equity investment plan B Issuer with *de minimis* Canadian presence.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am. ss. 25, 53, 35(1)(12)(iii), 72(1)(f)(iii), 74(1) and 144.

Policies Cited

Rule 45-503 - Trades to Employees, Executives and Consultants.

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

AND

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

AND

IN THE MATTER OF
THE PROCTER & GAMBLE COMPANY

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Ontario, British Columbia and Alberta (the "Jurisdictions") has received an application from The Procter & Gamble Company ("P&G" or the "Company") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that (i) the requirement contained in the Legislation to be registered to trade in a security (the "Registration Requirements") will not apply to certain trades in securities of P&G made in connection with The Procter & Gamble 2001 Stock and Incentive Compensation Plan (the "Plan"); (ii) the Registration Requirements will not apply to first trades of shares ("Shares") acquired under the Plan executed on an exchange or market outside of Canada; and (iii) the requirements contained in the Legislation relating to the delivery of an offer and issuer bid circular and any notices of change or variation thereto, minimum deposit periods and withdrawal rights, take-up and payment for securities tendered to an issuer bid, disclosure, restrictions upon purchases of securities, financing, identical consideration, collateral benefits, together with the requirement to file a reporting form within ten (10) days of an exempt issuer bid and pay a related fee

(the "Issuer Bid Requirements") will not apply to certain acquisitions by the Company of Shares pursuant to the Plan in each of the Jurisdictions;

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 P&G has represented to the Decision Makers as follows:

1. P&G is presently a corporation incorporated under the laws of the State of Ohio.

2. P&G is registered with the Securities and Exchange Commission (the "SEC") in the United States under the United States Securities Exchange Act of 1934 (the "Exchange Act") and is not exempt from the reporting requirements of the Exchange Act pursuant to Rule 12g3-2 made thereunder.

3. The authorized share capital of P&G consists of 5,000,000,000 shares of common stock ("Shares"), 600,000,000 shares of Class A Preferred Stock and 200,000,000 shares of Class B Preferred Stock, of which as of February 28, 2002, there were 1,298,790,995 Shares, 51,883,755 shares of Series A Class A Preferred Stock, 36,184,836 shares of Series B Class A Preferred Stock and no Class B Preferred Stock issued and outstanding.

4. The Shares are listed on the New York Stock Exchange (the "NYSE") and on exchanges in Cincinnati, Amsterdam, Paris, Basle, Geneva, Lausanne, Frankfurt, Antwerp, Brussels and Tokyo (collectively, the "Exchanges").

5. P&G is not a reporting issuer in any of the Jurisdictions and P&G does not have a present intention of becoming a reporting issuer in any of the Jurisdictions.

6. P&G uses the services of an agent for the Plan (an "Agent"). Initially, Merrill Lynch & Co., Inc. ("Merrill Lynch") has been appointed as an Agent for the Plan. Merrill Lynch is, and any Agent appointed in addition to or in replacement of Merrill Lynch is expected to be, a corporation registered under applicable U.S. securities or banking legislation and has been, or will be, authorized by P&G to provide services as an Agent under the Plan. Merrill Lynch is not and any replacement or additional Agent is not expected to be a registrant in any of the Jurisdictions.

7. The role of the Agent may include: (a) assisting with the general administration of the Plan and providing various record keeping services; (b) holding Shares on behalf of Participants, former Participant who have undergone Retirement or a Special Separation as defined by the Plan ("Former Employees") and, in the case of the death of a Participant, the approved recipient of an Option Award under a will or pursuant to the laws of intestacy (a "Beneficiary"), in the Plan; (c) facilitating exercises of options over Shares ("Options") (including cashless exercises) under the Plan; (d) maintaining record keeping and brokerage accounts on behalf of Participants, Former Employees and Beneficiaries under the Plan; (e) holding Shares acquired under the Plan on behalf of Participants, Former Employees and Beneficiaries in limited purpose brokerage accounts; (f) facilitating the payment of withholding taxes; and (g) facilitating the resale of Shares acquired under the Plan through the Exchanges or such other stock exchange or market upon which the Shares may be listed.

8. The Shares to be issued under the Plan will be previously authorized but unissued Shares or treasury Shares.

9. The purposes of the Plan are to strengthen the alignment of interests between those Participants who are largely responsible for the success of the business and P&G's shareholders through ownership behaviour and increased ownership of Shares, and to encourage the Participants to remain in the employ of the P&G Companies.

10. As of February 28, 2002, the distribution of Participants in the Jurisdictions was as follows: 156 Participants in Ontario, 4 Participants in Alberta and 3 Participants in British Columbia.

11. Under the Plan, Options, stock appreciation rights ("SARs"), performance related awards ("Performance Awards") and restricted or unrestricted Shares (collectively, "Awards") may be issued to those Participants selected by the Compensation Committee (the "Committee") of P&G's board of directors (the "Board"), or such other committee as is designated by the Board.

12. Options and SARs granted to Participants under the Plan are not transferable other than by will or the laws of intestacy and shall be exercisable, during a recipient Participant's lifetime, only by the Participant or, in the event of legal incompetence of the Participant, his or her legal guardian.

13. Generally, except in the case of death, Retirement or certain Special Separations, when a Participant holding an Award ceases to be an employee of the P&G Companies, outstanding Options or SARs will be void regardless of whether such Options or SARs were exercisable or unexercisable on the date upon which the Participant ceased to be an employee. In the case of Retirement or a Special Separation, Former Employees may continue to have rights in

respect of the Plan ("Post-Termination Rights"). In addition, in the event of a Participant's death, a Beneficiary may have Post-Termination Rights. Post-Termination Rights may include, among other things, the right to exercise an Option or SAR and to receive Shares underlying an Award for a period determined in accordance with the Plan following termination and the right to sell Shares acquired under the Plan through the Agent.

14. The Committee shall establish procedures governing the exercise of Options and SARs. Generally, in order to exercise an Option or SAR, the Participant, Former Employee or Beneficiary must submit to P&G a written notice of exercise in the form prescribed by the Committee from time to time ("Notice of Exercise").

15. Upon exercise of a SAR, the Participant, Former Employee or Beneficiary will be entitled to receive a redemption differential for each SAR being exercised which will be calculated as the difference between the then fair market value of a Share and the exercise price of the SAR. The Committee, in its sole discretion, may determine to pay a SAR in Shares, cash or a combination of Shares and cash.

16. Upon the exercise or granting of any Award, P&G shall have the right to deduct an appropriate amount of cash in order to satisfy any applicable withholding tax obligations or to take such other action as may be necessary in the opinion of P&G or the Committee to satisfy all obligations for the withholding of such taxes.

17. The Committee may authorize any Participant to convert cash compensation otherwise payable to such Participant into Options or Shares under the Plan upon such terms and conditions as the Committee, in its discretion, shall determine. Notwithstanding the foregoing, in any such conversion the Shares shall be valued at no less than one hundred percent (100%) of their fair market value.

18. Canadian resident shareholders of P&G do not own, directly or indirectly, more than 10% of the issued and outstanding Shares and do not represent in number more than 10% of the total number of shareholders of P&G. If at any time, during the duration of the Plan, Canadian shareholders own, in the aggregate, greater than 10% of the total number of issued and outstanding Shares or if such shareholders represent in number more than 10% of all shareholders of P&G, P&G will not grant further Awards without first applying to the regulators in the relevant Jurisdictions for a decision with respect to such further grants under the Plan.

19. A prospectus prepared in accordance with U.S. securities laws describing the terms and conditions of the Plan will be delivered to each Participant who is granted an Award under the Plan. The annual report, proxy materials and other materials, which P&G is required to file with the SEC will be provided or made available to Canadian resident Participants at the same time and in the same manner as the documents are provided or made available to U.S. resident Participants.

20. Participants, Former Employees or Beneficiaries may exercise Options and sell Shares acquired under the Plan through the Agent.

21. As there is no market for the Shares in Canada and none is expected to develop, it is expected that the resale by Participants, Former Employees or Beneficiaries of Shares acquired under the Plan will be effected through the NYSE or one of the other Exchanges.

22. The Legislation of certain of the Jurisdictions does not contain exemptions from the Registration Requirements for Award exercises by Employees, Former Employees or Beneficiaries through the Agent where the Agent is not a registrant.

23. Where the Agent sells Shares on behalf of Employees, Former Employees or Beneficiaries, none of the Employees, Former Employees, Beneficiaries or the Agent is able to rely on the exemption from the Registration Requirements contained in the Legislation of certain Jurisdictions to effect such sales.

24. The exemptions in the Legislation from the Issuer Bid Requirements are not available for certain acquisitions by the Company of its Shares from Employees, Former Employees or Beneficiaries in accordance with the terms of the Plan, since acquisitions relating to Share Reacquisitions may occur at a price that is not calculated in accordance with the "market price," as that term is defined in the Legislation; under the Plan, the Company will acquire such Shares at their fair market value, as determined in accordance with the Plan.

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

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

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

(a) the Registration Requirements shall not apply to any trade or distribution of Shares or Awards made in connection with the Plan, including trades or distributions involving P&G or its affiliates, the Agent, Employees, Former Employees or Beneficiaries, provided that the first trade in Shares acquired under the Plan pursuant to this Decision shall be deemed a distribution unless the conditions in subsection 2.14(1) of Multilateral Instrument 45-102 "Resale of Securities" are satisfied;

(b) the first trade by Employees, Former Employees or Beneficiaries in Shares acquired pursuant to this Decision, including first trades effected through the Agent, shall not be subject to the Registration Requirements, provided such first trade is executed through a stock exchange or market outside of Canada; and

(c) the Issuer Bid Requirements shall not apply to the acquisition by P&G of Shares from Employees, Former Employees and Beneficiaries in connection with the Plan provided such acquisitions are made in accordance with the provisions of the Plan.

May 7, 2002.

"Robert W. Korthals" "H. Lorne Morphy"

2.2 Orders

2.2.1 James Frederick Pincock - s. 127

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

AND

IN THE MATTER OF
JAMES FREDERICK PINCOCK

ORDER
(Section 127)

WHEREAS this proceeding was commenced by a Notice of Hearing and related Statement of Allegations dated August 16, 2001;

AND WHEREAS Staff of the Commission ("Staff") and the respondent jointly requested that this matter be heard in May 2002, or as soon thereafter as a panel may be constituted;

AND WHEREAS the Ontario Securities Commission (the "Commission") made an Order on December 17, 2001 that the matter be adjourned to hearing dates on May 1, 2, and 3, 2002, or as soon thereafter as a panel may be constituted;

AND WHEREAS Staff advised the Commission, by motion record filed by Staff returnable May 1, 2002, that the respondent Pincock requested an adjournment of the hearing from May 1 to 3, 2002 to dates between December 15, 2002 and January 15, 2003;

AND WHEREAS Staff filed a motion returnable on May 1, 2002 requesting that the hearing before the Commission be re-scheduled from May 1 to May 3, 2002 to three days in the weeks of June 17 or June 24, 2002, or such other dates as the Commission may advise are available for a hearing;

AND WHEREAS the respondent Pincock did not appear at the hearing before the Commission on May 1, 2002, although duly served with Staff's motion returnable on May 1, 2002;

AND WHEREAS the Commission considers it to be in the public interest to make this order;

IT IS ORDERED THAT this matter be adjourned to hearing dates on June 25, 26 and 27, 2002, or as soon thereafter as a panel may be constituted.

May 1, 2002.

"Paul Moore"

2.2.2 Seabridge Resources Inc. - ss. 83.1(1)

Headnote

Subsection 83.1(1) - issuer deemed to be a reporting issuer in Ontario - issuer has been a reporting issuer in British Columbia since 1980 and in Alberta since 1999 - issuer listed and posted for trading on the Canadian Venture Exchange - continuous disclosure requirements of British Columbia and Alberta substantially identical to those of Ontario - Director grants exemption from subsection 4.1(1) of NI 43-101 and certain fee relief.

Statutes Cited

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

National Instruments Cited

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

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

AND

IN THE MATTER OF
SEABRIDGE RESOURCES INC.

ORDER
(Subsection 83.1(1))

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

AND UPON the application of the Company to the Director of the Commission for a decision that the Company be exempt from the requirement contained in subsection 4.1(1) of NI 43-101 to file a technical report upon first becoming a reporting issuer in Ontario and pursuant to subsection 59(2) of Schedule I to the Regulation for a decision that the Company be exempt from the requirement contained in subsection 53(1) of Schedule I to the Regulation to pay a fee in connection with this Application;

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

AND UPON the Company representing to the Commission and the Director that:

1. The Company was incorporated under the *Company Act* (British Columbia) on September 14, 1979 under the name of Chopper Mines Ltd., which was changed to Dragoon Resources Ltd. on November 9, 1984 and changed again to Seabridge Resources Inc. on May 20, 1998.

2. The Company's head office is located at 172 King Street East, 3rd Floor, Toronto, Ontario M5A 1J3 and its registered office is located at Suite 600, 580 Hornby Street, Vancouver, British Columbia, V6C 3B6.

3. The authorized and issued share capital of the Company consists of: (i) an unlimited number of common shares, of which 14,755,699 common shares were issued and outstanding as of February 14, 2002, and (ii) an unlimited number of preferred shares issuable in series, of which no series has been authorized and none was issued and outstanding as of February 14, 2002. The Company has outstanding convertible securities, including options, warrants and convertible debentures, entitling holders thereof to acquire a total of 5,402,000 common shares of the Company, as of February 14, 2002.

4. A demographic summary report (the "**IICC Report**") obtained by the Company from Independent Investor Communications Corporation in respect of the provincial holdings of its shares as of July 12, 2001, reflected that the Company had beneficial shareholders resident in Ontario who collectively held 2,236,860 common shares of the Company which, together with registered shareholders in Ontario, represented approximately 15.2% of the Company's outstanding common shares as of February 14, 2002.

5. The Company has been a reporting issuer under the *Securities Act* (British Columbia) (the "**BC Act**") since May 6, 1980 and a reporting issuer under the *Securities Act* (Alberta) (the "**Alberta Act**") since November 26, 1999 as a result of the merger of the Vancouver Stock Exchange and the Alberta Stock Exchange to form the Canadian Venture Exchange (the "**CDNX**"). The Company is not in default of any filing requirements of the BC Act or the Alberta Act.

6. The common shares of the Company are listed on the CDNX and the Company is in compliance with all of the requirements of the CDNX.

7. The Company has a significant connection to Ontario in that: (i) the President of the Company and three of its directors (including the President) are resident in Ontario; (ii) the Company's head office is in Ontario; and (iii) based on the IICC Report, approximately 15.2% of the Company's outstanding common shares are held by beneficial and registered holders resident in Ontario. Accordingly, the mind and management of the Company is principally located in Ontario and more than 10% of the Company's outstanding common shares are held by beneficial and registered holders resident in Ontario.

8. The Company is not a reporting issuer in Ontario, and is not a reporting issuer, or equivalent, in any jurisdiction other than BC and Alberta.

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

10. The continuous disclosure materials filed by the Company under the BC Act since May 6, 1980 and under the Alberta Act since November 26, 1999 are available on the System for Electronic Document Analysis and Retrieval.

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

12. The Company does not have current technical reports for all of its material properties and has agreed to file all technical reports required to be filed by NI 43-101 with its next annual information form as soon as possible, and in any event no later than May 20, 2002.

13. There have been no penalties or sanctions imposed against the Company by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority, and the Company has not entered into any settlement agreement with any Canadian securities regulatory authority.

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

15. Neither the Company nor any of its directors, officers nor, to the knowledge of the Company, its directors and officers, any of its controlling shareholders, is or has been subject to: (i) any known ongoing or concluded investigations by: (a) a Canadian securities regulatory authority, or (b) a court or regulatory body, other than a Canadian securities regulatory authority, that would be likely to be considered important to a reasonable investor making an investment decision; or (ii) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with

creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years.

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

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

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

May 1, 2002.

"Iva Vranic"

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

AND IT IS FURTHER DECIDED pursuant to subsection 59(2) of Schedule I to the Regulation that the Company is exempt from the requirement contained in subsection 53(1) of Schedule I to the Regulation to pay a fee in connection with the making of the application under subsection 9.1(1) of NI 43-101.

May 1, 2002.

"Iva Vranic"

2.2.3 CFM Corporation

Headnote

Direct and indirect issuer bids resulting from a reorganization transaction involving issuer and largest shareholder holding company, followed by the holding company's dissolution - issuer bids exempt from sections 95, 96, 97, 98 and 100 where the purpose of the transaction is to enable shareholders to directly own shares previously held indirectly through their holding company - beneficial shareholders to provide indemnity and reimbursement to the issuer and its directors - transaction unanimously approved by disinterested board of directors - assessment of tax consequences provided by issuer's auditor - no adverse economic or tax impact or prejudice to issuer or public shareholders.

Subsection 59(1) of Schedule I - issuer is exempt from payment of the fee otherwise payable pursuant to clause 32(1)(b) of Schedule I to the Regulation in respect of reorganization transaction exempted from the issuer bid requirements pursuant to an order under clause 104(2)(c), where the transaction did not result in any change to the share ownership structure of the issuer, subject to the requirement that a minimum fee of $800 be paid.

Applicable Ontario Statute

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 93(1)(c), 95, 96, 97, 98, 100, and 104(2)(c).

Applicable Ontario Regulation

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., ss 32(1)(b) and 59(1) of Schedule I.

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 ACT, R.R.O. 1990,
REGULATION 1015, AS AMENDED (the "Regulation")

AND

IN THE MATTER OF
CFM CORPORATION

ORDER

UPON the application (the "Application") of CFM Corporation ("CFM") to the Ontario Securities Commission (the "Commission") for an order:

(i) pursuant to subsection 104(2)(c) of the Act that the acquisition by CFM of certain of its common shares pursuant to a proposed share exchange transaction (the "Share Exchange") and subsequent

winding up transaction (the "Winding Up") described below, shall not be subject to the requirements of sections 95, 96, 97, 98 and 100 of the Act (the "Issuer Bid Requirements"); and

(ii) pursuant to subsection 59(1) of Schedule I of the Regulation ("Schedule I") that CFM be exempt from the requirements under subsection 32(1)(b) of Schedule I to pay a fee in connection with the filing of a report of an issuer bid in respect of the Share Exchange and the Winding Up (the "Fee Requirement"), provided that a minimum fee of $800 prescribed by Schedule I is paid.

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

AND UPON CFM having represented to the Commission as follows:

1. CFM is a reporting issuer in Ontario and is not in default under the Act or the Regulation.

2. The authorized capital of CFM consists of an unlimited number of common shares. As of March 31, 2002, there were 40,427,953 common shares of CFM issued and outstanding (the "Common Shares").

3. The Common Shares are listed for trading on The Toronto Stock Exchange (the "TSE").

4. 1422602 Ontario Inc. ("1422602") currently owns 6,000,000 Common Shares, representing approximately 15% of the issued and outstanding Common Shares (the "1422602 CFM Shares").

5. 1422602 is a private holding company owned by Adamson House Inc. and The Mercury Trust (collectively, the "1422602 Holders"). The Mercury Trust, a Barbados resident trust, whose trustee is Royal Bank of Canada Financial Corporation, a company registered in Barbados, holds 100 common shares of 1422602, the voting of such common shares being directed by Colin Adamson. 1422602's preferred shares, of which there are 6,000,000 issued and outstanding, are held by Adamson House Inc., a holding company owned and controlled by Colin Adamson, Jane Adamson and the Adamson Family Trust, for the benefit of the Adamson family. Colin Adamson is the Chairman and Chief Executive Officer of CFM.

6. 1422602 has no assets other than the 1422602 CFM Shares, no liabilities and does not carry on any active business.

7. The Share Exchange will be effected pursuant to the terms of a share purchase agreement among CFM, the 1422602 Holders and Colin Adamson (the "Share Purchase Agreement") under which CFM will acquire from the 1422602 Holders all of the outstanding shares of 1422602 and will issue 6,000,000 new common shares of CFM (the "Treasury Shares") to the 1422602 Holders in consideration therefor. The effect of the Share Exchange will be that, upon completion, 1422602 will be a wholly-owned subsidiary of CFM and the 1422602 Holders will hold 6,000,000 Common Shares of CFM directly, rather than indirectly through 1422602.

8. Immediately after the completion of the Share Exchange, 1422602 will distribute its assets, including the 6,000,000 Common Shares held by 1422602, to CFM in connection with the Winding Up, being the voluntary winding up of 1422602 pursuant to the provisions of Part XVI of the *Business Corporations Act* (Ontario). As the 1422602 CFM Shares will be cancelled, the number of issued and outstanding shares of CFM will not be altered by the Share Exchange.

9. The purpose of the Share Exchange is to achieve a structure whereby each 1422602 Holder will have direct ownership over Common Shares, rather than indirect ownership of Common Shares through 1422602.

10. Immediately following the Share Exchange, the number of issued and outstanding Common Shares will be the same. In addition, the 1422602 Holders, as well as the public shareholders of CFM (the "Public Shareholders"), will beneficially own the same aggregate number and the same relative percentages of Common Shares that they owned immediately prior to the Share Exchange and will have the same rights and benefits in respect of such Common Shares that they currently have.

11. CFM's disinterested directors have determined that the Share Exchange will not be prejudicial to CFM or its shareholders from a legal or financial point of view. CFM's board of directors (the "Board"), with Mr. Adamson declaring his interest, abstaining from voting in respect thereof and excusing himself from all deliberations related thereto, have approved CFM's participation in the Share Exchange. In making its determination to proceed with the Share Exchange, the Board has considered an assessment of the tax consequences of the Share Exchange prepared by Ernst & Young LLP, the auditors of CFM.

12. Pursuant to the terms of the Share Purchase Agreement, Mr. Adamson and the 1422602 Holders have agreed to jointly and severally indemnify and save harmless CFM from all losses or liabilities that CFM may suffer as a result of the Share Exchange and Winding Up. As security for these indemnification obligations, on completion of the Share Exchange, the 1422602 Holders will

deposit such number of Treasury Shares as have a value equal to $30,000,000 (based on the trading price of the Common Shares on the TSE as of such date) with a third party escrow agent to be held in escrow pursuant to the terms of a separate escrow agreement for four years, such escrow agent having the authority to sell such Treasury Shares and use the proceeds thereof to satisfy claims made by CFM against the 1422602 Holders pursuant to the indemnification provisions of the Share Purchase Agreement.

13. Pursuant to the terms of the Share Purchase Agreement, Mr. Adamson and the 1422602 Holders have agreed to pay all costs (including legal and accounting costs) incurred by CFM in effecting the Share Exchange and Winding Up.

14. The issuance of the Treasury Shares is subject to approval by the TSE.

15. The Share Exchange and Winding Up will have no adverse economic effect on, or adverse tax consequences to, and will in no way prejudice CFM or the Public Shareholders.

16. The acquisition by CFM of the shares of 1422602 in connection with the Share Exchange will constitute an indirect issuer bid within the meaning of section 92 and subsection 89(1) of the Act. Furthermore, the acquisition by CFM of Common Shares in connection with the Winding Up will also constitute an issuer bid within the meaning of section 89(1) of the Act. In neither case would the exemptions from the requirements of Part XX of the Act generally available to issuer bids be available.

17. The Share Exchange will also constitute a related party transaction for the purposes of the Commission's Rule 61-501; however, the size of the transaction will fall below 25% of CFM's market capitalization determined in accordance with Rule 61-501, thereby exempting CFM from the independent valuation and shareholder approval requirements of Rule 61-501.

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

IT IS ORDERED pursuant to subsection 104(2)(c) of the Act that the acquisition by CFM of all of the issued and outstanding shares of 1422602 pursuant to the Share Exchange is exempt from the Issuer Bid Requirements;

IT IS FURTHER ORDERED pursuant to subsection 104(2)(c) of the Act that the acquisition by CFM of 6,000,000 Common Shares pursuant to the Winding Up is exempt from the Issuer Bid Requirements; and

IT IS FURTHER ORDERED that CFM is exempt from the Fee Requirement in connection with the Share Exchange and Winding Up, provided that a minimum fee of $800 prescribed by Schedule I is paid.

April 30, 2002.

"Robert W. Korthals" "Lorne Morphy"

2.2.4 BrokerTec USA LLC - s. 211 of Reg.

Headnote

Application in connection with application for registration as an international dealer, for an order pursuant to section 211 of the Regulation exempting the applicant from the requirement in subsection 208(2) of the Regulation that it carry on the business of an underwriter in a country other than Canada to be able to register in Ontario as an international dealer.

Statutes Cited

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

Regulations Cited

Regulation made under the Securities act, R.R.O., Reg. 1015, as am., ss.100(3), 208(2) and 211.

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

AND

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

AND

IN THE MATTER OF
BROKERTEC USA LLC

ORDER
(Section 211 of the Regulation)

UPON the application (the "Application") of BrokerTec USA LLC (the "Applicant") to the Ontario Securities Commission (the "Commission") for an order (the "Order"), pursuant to section 211 of the Regulation, exempting the Applicant from the requirement in subsection 208(2) of the Regulation that the Applicant carry on the business of an underwriter in a country other than Canada, for the Applicant to be registered under the Act as a dealer in the category of "international dealer";

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant has filed an application for registration as a dealer under the Act in the category of "international dealer" in accordance with section 208 of the Regulation. The Applicant is not presently registered in any capacity under the Act.

2. The Applicant is a corporation organized under the laws of the State of Delaware with its registered office in the Jersey City, New Jersey.

3. The Applicant is registered in the United States of America (the "United States") as a broker-dealer under the Securities Exchange Act of 1934, and is a category 2 inter-dealer broker member of the Government Securities Clearing Corporation. The Applicant is also registered as a broker-dealer in the states of New York and New Jersey.

4. The Applicant is a member in good standing of the National Association of Securities Dealers in the United States and a participant in the Securities Investor Protection Corporation.

5. The Applicant carries on the business of a "dealer" (as defined in subsection 1(1) of the Act) in the United States.

6. The Applicant operates an inter-dealer brokerage system that allows institutional subscribers to trade United States Government debt securities. Subscribers connect to its inter-dealer brokerage system through interfaces between the Applicant's trading system and subscribers' order management systems.

7. The Applicant does not currently act as an "underwriter" (as defined in subsection 1(1) of the Act) in the United States or in any jurisdiction outside of the United States.

8. In the absence of the relief requested in this Application, the Applicant would not meet the requirements of the Regulation for registration as an "international dealer" as it does not carry on the business of an underwriter in a country other than Canada.

9. The Applicant does not currently act as an underwriter in Ontario and will not act as an underwriter in Ontario if it is registered under the Act as an "international dealer", despite the fact that subsection 100(3) of the Regulation provides that an "international dealer" is deemed to have been granted registration as an underwriter for the purposes of a distribution which it is permitted to make.

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

IT IS ORDERED, pursuant to section 211 of the Regulation, that, in connection with the registration of the Applicant as a dealer under the Act in the category of "international dealer", the Applicant is exempt from the provisions of subsection 208(2) of the Regulation requiring that the Applicant carry on the business of an underwriter in a country other than Canada, provided that, so long as the Applicant is registered under the Act as an "international dealer":

(a) the Applicant carries on the business of a dealer in a country other than Canada; and

(b) notwithstanding subsection 100(3) of the Regulation, the Applicant shall not act as an underwriter in Ontario.

May 7, 2002.

"Paul M. Moore" "Harold P. Hands"

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 Reasons for Decisions

3.1.1 Sohan Singh Koonar et al.

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

AND

IN THE MATTER OF
SOHAN SINGH KOONAR,
SPORTS & INJURY REHAB CLINICS INC.,
SELECTREHAB INC., SHAKTI REHAB CENTRE INC.,
NIAGARA FALLS INJURY REHAB CENTRE INC.,
962268 ONTARIO INC.,
APNA HEALTH CORPORATION AND APNA CARE INC.

Hearing: April 16, 2002

Panel:	**Paul M. Moore, Q.C.**	**- Vice-Chair (Chair of the Panel)**
	Kerry D. Adams, FCA	**- Commissioner**
	Robert L. Shirriff, Q.C.	**- Commissioner**
Counsel:	**Johanna Superina**	**- For the Staff of the Ontario Securities Commission**
	Alexandra S. Clark	
Sohan Singh Koonar		**- Unrepresented**

EXCERPT FROM THE SETTLEMENT HEARING CONTAINING THE ORAL REASONS FOR DECISION

The following statement has been prepared for purposes of publication in the Ontario Securities Commission Bulletin and is based on the transcript of the hearing, including oral reasons delivered at the hearing, in the matter of Sohan Singh Koonar, Sports & Injury Rehab Clinics Inc., Selectrehab Inc., Shakti Rehab Centre Inc., Niagara Falls Injury Rehab Centre Inc., 962268 Ontario Inc., Apna Health Corporation and Apna Care Inc. The transcript has been edited, supplemented and approved by the panel for the purpose of providing a public record of the panel's decision in the matter. This decision should be read together with the settlement agreement and order reproduced in the Bulletin commencing (2002), 25 OSCB 2232.

CASES REFERRED TO BY STAFF COUNSEL:

In the Matter of Kinlin (2002), 23 OSCB 6535; *In the Matter of Slipetz* (2002), 23 OSCB 5322; *In the Matter of Andrus* (1998), 21 OSCB 4777; *In the Matter of St. John* (1998), 21 OSCB 3851; *In the Matter of First Investments Ltd.* (1994), 17 OSCB 5858; *In the Matter of Hudec* (1993), 16 OSCB 2663; *In the Matter of Sussman et al.* (1993), 16 OSCB 2211; *In the Matter of Heidary* (2000), 23 OSCB 590; *In the Matter of Prydz* (2000), 23 OSCB 909; *In the Matter of Koman Info-Link Inc.* (2000), 23 OSCB 3973; *In the Matter of RT Capital Management Inc.* (2002), 23 OSCB 5117; *In the Matter of Belteco* (1998) 21 OSCB 7743; *In the Matter of Linden Dornford* (1998) 21 OSCB 7345.

. . . . .

Vice-Chair Moore:

We approve the settlement as being in the public interest.

The only matter that was argued at length was the appropriateness of the agreed sanctions against Mr. Koonar: a life ban on becoming a registrant, a 15 year prohibition on acting as a director or officer of any company, and a 10 year cease trade.

We, first of all, turn to the argument that Mr. Koonar was not a registrant and, therefore, should not be expected to be held to the same high standard to which we would hold registrants in reviewing their conduct. We acknowledge that the duties and obligations of a registrant who becomes part of the system are more onerous than those of members of the public who are not registrants.

But we do not think the reverse of that is true: that people who are not market participants but who perform the role of a registrant in dealing with members of the public are not subject to the same kind of considerations that apply to the conduct of registrants.

In *In the Matter of St. John*, (1998), 21 OSCB 3851 it was stated:

> "Although these proceedings do not involve a registrant or the restriction, suspension or termination of registration, in our view similar considerations apply in the circumstances of these proceedings."

We feel the same comment applies in this case before us because Mr. Koonar was acting in the role of a registrant in issuing securities, promoting companies, and doing what required him to be registered to do. Consequently, in reviewing the appropriateness of sanctions based on past cases we do not think it appropriate to distinguish between cases where the respondents were registrants and those cases where the respondents were not registrants but were selling securities without registration or through fraudulent, manipulative or unfair means.

We also considered the fact that this was a first time offence; but on the agreed statement of facts Mr. Koonar did continue to sell securities illegally after he knew about

the staff investigation, although the agreed statement of facts showed that that only continued for several months. The agreed statement of facts did not refer to any infractions of the Securities Act after the spring of 1998.

We were troubled by the fact that Mr. Koonar could not account for the moneys he raised from selling securities, the fact that investors were harmed, the fact that there were over 300 investors involved, and the fact that he was either incapable of keeping books and records and, therefore, shouldn't be dealing in the capital markets at all, or was very clever and somehow caused the books and records to disappear.

Whether he was incompetent in keeping books, or clever at making them disappear, we were concerned as to whether Mr. Koonar should ever be allowed back into the capital markets.

Our role is not to penalise Mr. Koonar but to protect the public. Our first mandate under the Securities Act is to protect the public against fraudulent, manipulative and unfair practises. We are to do this pursuant to section 127 in a way that doesn't penalize or punish but in a way that is prophylactic and preventative.

Our second mandate under the Securities Act is to foster fair and efficient capital markets and confidence in them. We determined that because what Mr. Koonar has done was not done as a registrant (and was so clearly offside acceptable conduct - it was obviously reprehensible and egregious), it would not be viewed as the conduct of someone who is a market participant. Therefore, the mandate of relevance to us in this case is the first mandate: to protect the public against fraudulent, manipulative and unfair trade practices.

We are satisfied that the undertaking of Mr. Koonar in the settlement agreement to never apply for registration under the Act is, in effect, a permanent ban on his being a market participant. That is quite appropriate.

The 15-year prohibition against Mr. Koonar acting as a director or officer of any company applies not only to acting as a director and officer of a registrant or of a reporting issuer but to acting as a director or officer of any issuer including a private company. We believe that is quite appropriate although we are concerned that 15 years is on the short side.

The cease trade period staff originally asked for in the Notice of Hearing was for life. We believe that a permanent cease trade, on the facts before us, is something that we would have been comfortable with had this matter gone to a contested hearing and facts in the agreed statement of facts were established. While we feel uncomfortable that ten years is on the short side, we believe that it is still within an acceptable range when we look at the precedents.

The role of a panel reviewing a settlement agreement is not to substitute the sanctions it would impose in a contested hearing for what is proposed in the settlement agreement, but rather to make sure the agreed sanctions are within acceptable parameters.

We were not privy to all the considerations that staff had to face in arriving at the settlement agreement. We recognize that only facts that are agreed are put forward. However, all essential facts are required for us to make an appropriate decision. We are satisfied in this case that essential facts that we needed to know in order to come to a decision that this agreement is in the public interest were included in the settlement agreement. Consequently, although this was a difficult case we have concluded that the agreement is in the public interest.

If Mr. Koonar re-offends it is likely that he would do so within the next ten years. We would hope that enforcement staff will keep a file on Mr. Koonar, and that staff will treat this ten-year period, in some respects, as a probationary period. If there is no improper activity in violation of the cease trade order in the ten-year period and Mr. Koonar never does apply to be a registrant, perhaps after that period of time he will either be too old or disinterested to get back into the market, or he will have learned his lesson.

But, as I said earlier, we are not here to punish. We are here to send the right message. We believe that although we feel a certain discomfort with the length of time of the cease trade prohibition, under all the circumstances, it is in the acceptable range.

Mr. Koonar, in the settlement agreement, said that he had no funds but that when he was in funds he would be willing to pay the $50,000 costs that the order provides for. I want to observe that we are issuing an order that these costs be paid; and if they are not paid in a reasonable period of time, regardless of Mr. Koonar's financial position, we anticipate that staff would take whatever action is available to staff to enforce the order. In other words, we do not anticipate Mr. Koonar being given an unreasonable length of time in order to find funds.

What concerned us most about Mr. Koonar's conduct was not just the fact that he failed to register as a registrant or that he issued securities without a prospectus, but that some of his statements to investors were untrue, some of the statements he made to staff were untrue; those parts of his conduct, we believe, show bad ethics and morality, as opposed ignorance of the law. For these reasons also we consider his conduct to be an egregious violation of the public interest.

Mr. Koonar has admitted that he did not file any income tax returns, that the companies involved did not file any income tax returns, and that Mr. Koonar is being prosecuted by Revenue Canada for failure to file. This is a further indication to us that either Mr. Koonar has a blasé disregard for the law or is unduly crafty in trying to avoid his obligations. This adds to our concern that Mr. Koonar be monitored during the time that this cease trade is outstanding.

If during what I am terming the "probationary" period, or indeed after the period, Mr. Koonar breaches the Securities

Act again or breaches the cease trade order, I can assure you that the Commission would view that most seriously. We would then be faced with a second offence and the parameters of acceptable sanctions would move dramatically.

One of the difficulties in any decision on sanctions is to determine the message that is being sent to market participants, to members of the public, to staff and to our fellow Commissioners who in the future will be required to determine appropriate sanctions based on precedent.

We realize, in reviewing the cases that counsel for staff of the Commission presented to us, that each case is dependent on its particular facts, and that it is difficult to analogize the facts of this particular case with the precedents. We would be concerned if the ten-year cease trade and the 15-year ban on acting as an officer and director in our case were to be taken out of context and applied as the standard for other cases, especially for contested hearings. Consequently, we warn, as other Commissioners have warned in other cases, that every situation is fact specific. While what is decided in other cases is helpful, it certainly is not binding in the sense that legal decisions may be.

The settlement agreement in clause 38(a) provides:

> "If for any reason whatsoever this settlement is not approved by the Commission or the order set forth in Schedule A is not made by the Commission, each of the staff and the respondents will be entitled to proceed to a hearing of the allegations in the Notice of Hearing and related statement of allegations unaffected by the settlement agreement or the settlement negotiations, and the respondents agree that such hearing may be held before any or all of the Commissioners of the hearing panel who presided at the hearing to consider this proposed settlement."

We believe that the provision allowing this panel to conduct a contested hearing, if we had rejected the settlement, would be difficult to respect. The difficulty arises, principally, because Mr. Koonar is not represented by counsel. We believe that waiving a procedure is one thing, but waiving a procedure or rule of practice that is designed to protect against the appearance of bias on the part of the Commission is another matter. Generally, one has to be extremely careful about consent to waive a rule to protect against bias where the respondent is representing himself.

We caution that this particular term is one that probably should not find its way into future settlement agreements, or at least should be used only in special circumstances. We ignored it as not being relevant in coming to our decision to approve this settlement agreement as being in the public interest.

Commissioner Shirriff:

As I expressed yesterday, I had considerable difficulty in coming to my decision. The facts of this case which have been agreed to and the conduct that they show I find to be egregious; and it did suggest to me that a lifetime ban on being an officer and director of an issue and a similar ban on trading would be more appropriate.

However, the facts as agreed to did raise questions in my mind which really cannot be answered without a hearing; and what was important to me was the fact that staff has approved putting forth this settlement agreement on these facts. This suggests to me that the answers that might be provided by a hearing could be mitigating.

Consequently, it is with, as I say, some reluctance, and having regard to all of the circumstances, that I see the sanctions contained in the agreement as being within the range of acceptability. And so I concur in the decision. However, I would not want this decision or the order to be taken as a precedent.

I would like to compliment staff on their presentation yesterday which, from my point of view, was very helpful.

Commissioner Adams:

I too feel that the cease trade might have been somewhat longer. But I recognize that we do not have all the facts a full hearing might bring out and we must rely on staff who do have more facts, although not agreed to, than we have for the proposed sanctions.

I want to reiterate what my two colleagues have said: that because of these circumstances, I would not like to see the ten-year cease trade to be considered as a general precedent. And I would reiterate that a more fulsome hearing and an examination of all of the facts are necessary to reach greater certainty than we've been able to reach in this case.

Vice-Chair Moore:

Thank you, Commissioner Adams. I, too, would like to compliment staff on the presentation, and especially the response to our request for cases to help guide us in this difficult decision. Thank you very much.

Mr. Koonar, would you please stand. Mr. Koonar, on behalf of the Commission panel I am formally reprimanding you for your conduct. It was totally unacceptable and we consider it egregious. We anticipate that you will abide by the cease trade order and the other terms of the order we are making and that in the future we will not have any trouble from you. You may sit down.

April 16, 2002.

"Paul M. Moore"

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Extending & Rescinding Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Rescinding Order
Consolidated Grandview Inc.	06 May 02	17 May 02		
Leader Industries Inc.	22 Apr 02	03 May 02	03 May 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
DiamondWorks Ltd.	25 Apr 02	08 May 02			
Outlook Resources Inc.	26 Apr 02	09 May 02			
Sirit Technologies Inc.	23 Apr 02	06 May 02		08 May 02	

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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
17-Apr-2002	The Bank of Nova Scotia	3901602 Canada Inc. - Debentures	160,857,000.00	160,857,000.00
28-Mar-2002	5 Purchasers	Absolute Diversified Growth and Income Focus Trust Fund - Trust Units	335,000.00	33,500.00
25-Apr-2002	N/A	Acuity Pooled Canadian Equity Fund - Trust Units	150,000.00	9,529.00
30-Apr-2002	N/A	Acuity Pooled High Income Fund - Trust Units	150,000.00	10,263.00
01-May-2002	N/A	Acuity Pooled High Income Fund - Trust Units	150,000.00	10,246.00
24-Apr-2002	N/A	Acuity Pooled High Income Fund - Trust Units	200,000.00	13,502.00
22-Apr-2002	NA	Acuity Pooled High Income Fund - Units	270,000.00	18,273.00
04-Oct-2000	N/A	Advanced Switching Communications, Inc. - Common Shares	1,449,982.00	65,200.00
15-May-2002	16 Purchasers	Aeroports de Montreal - Bonds	62,200,000.00	62,200,000.00
15-Apr-2002	13 Purchasers	Aeroports de Montreal - Bonds	164,500,000.00	164,500,000.00
26-Apr-2002	7 Purchasers	Afton Food Group Ltd. - Debentures	5,174,000.00	5,174,000.00
17-Apr-2002	United Therapeutics	AltaRex Corp. - Common Shares Corporation	6,600,000.00	8,150,000.00
17-Apr-2002	United Therapeutics	AltaRex Corp. - Debentures Corporation	80,000.00	80,000.00
29-Apr-2002	Investor Co.	American Gold Corporation Corporation - Common Shares	200,000.00	500,000.00

17-Apr-2002	Falconbridge Limited	Amerigo Resources Ltd. - Common Shares	10,000.00	50,000.00
15-Apr-2002	OPG Ventures Inc.	Angstrom Power Incorporated - Units	953,520.00	120,000.00
19-Apr-2002	Canada Pension Plan Investment Board	Apollo Investment Fund V, L.P. - Limited Partnership Interest	236,190,000.00	1.00
12-Apr-2002	5 Purchasers	Arrow Global Multi-Strategy Fund - Trust Units	446,274.00	43,966.00
12-Apr-2002	Killarney Capital Corporation	Arrow Milford Capital Fund - Trust Units	150,141.00	1,441.00
08-Apr-2002	Compu-Quote Inc.	AscendantOne, Inc. - Preferred Shares	79,625.00	79,625.00
18-Apr-2002	4 Purchasers	Aurizon Mines Ltd. - Units	792,000.00	1,320,000.00
22-Apr-2002	United Reef Limited	AXMIN Inc. - Common Shares	50,000.00	50,000.00
15-Apr-2002	Clem J. Baker	Boulder Mining Corporation - Common Shares	7,500.00	50,000.00
15-Apr-2002	Steve Brunelle	Boulder Mining Corporation - Flow-Through Shares	20,000.00	100,000.00
15-Apr-2002	Richard Dale Ginn and Steve S. Brunelle	Boulder Mining Corporation - Units	42,000.00	280,000.00
15-Apr-2002	9 Purchasers	Boulder Mining Corporation - Units	109,999.00	733,333.00
19-Apr-2002	N/A	Brandera Inc. - Common Shares	454,702.00	721,750.00
01-Jan-2002	N/A	Brinson Canada American Equity Fund - Units	15,984,661.00	973,721.00
3/31/02 01-Jan-2002	N/A	Brinson Canada Balanced Capped Fund - Units	979,570.00	108,249.00
3/31/02 01-Jan-2002	N/A	Brinson Canada Bond Fund - Units	26,812,287.00	3,067,458.00
3/31/02 01-Jan-2002	N/A	Brinson Canada Canadian Equity Fund - Units	197,280,042.00	2,184,470.00
3/31/02 01-Jan-2002	N/A	Brinson Canada Canadian Equity Fund - Units	72,384,301.00	764,753.00
3/31/02 01-Jan-2002	N/A	Brinson Canada Conventional Mortgage Fund - Units	400,000.00	46,972.00
3/31/02 01-Jan-2002	N/A	Brinson Canada Diversified Fund - Units	5,772,467.00	354,354.00
3/31/02 01-Jan-2002	N/A	Brinson Canada Emerging Technologies Fund - Units	36,770.00	6,513.00
01-Jan-2002 3/31/02	N/A	Brinson Canada Global Bond Fund - Units	368,614.00	35,504.00

01-Jan-2002 3/31/02	N/A	Brinson Canada Government of Canada Money Market Fund - Units	2,525,000.00	252,500.00
01-Jan-2002 3/31/02	N/A	Brinson Canada Money Market Fund - Units	44,458,016.00	4,445,802.00
01-Jan-2002 3/31/02	N/A	Brinson Canada Small Capitalization Fund - Units	16,118,653.00	996,686.00
01-Jan-2002 3/31/02	N/A	Brinson Canada U.S. Equity Growth Fund - Units	38,526,860.00	568,336.00
01-Jan-2002 3/31/02	N/A	Brinson Canadian Income Fund - Units	255,489.00	25,469.00
01-Jan-2002	N/A	Brinson Global Equity Fund - Units	1,681,010.00	131,251.00
01-Jan-2002 3/31/02	N/A	Brinson International Equity Fund - Units	37,407,276.00	824,468.00
17-Apr-2002	Sprint Communications Company L.P.	Call-Net Enterprises Inc. - Shares	25,000,000.00	1,191,987.00
24-Apr-2002	Toronto Dominion Bank and CI Mutual Funds Group	Calpine Corporation - Common Shares	7,212,800.00	400,000.00
24-Apr-2002	Vertex One Asset Management and Banfield Capital Mangement	Calpine Corporation - Shares	1,796,875.00	100,000.00
24-Apr-2002	Gulskin Sheff & Associates	Calpine Corporation - Shares	450,800.00	25,000.00
29-Apr-2002	Investor Co.	Canabrava Diamond Corporation - Common Shares	175,000.00	500,000.00
24-Apr-2002	3 Purchasers	Country Style Food Services Holdings Inc. - Debentures	2,694,703.00	2,694,703.00
18-Apr-2002	18 Purchasers	Crescent Point Energy Ltd. - Special Warrants	4,994,341.00	2,270,155.00
18-Apr-2002	Web Dream Inc.	Davidson Tisdale Ltd. - Common Shares	203,000.00	812,000.00
14-Mar-2002	24 Purchasers	Digital Fairway Corporation - Preferred Shares	630,000.00	3,937,500.00
3/26/02 22-Apr-2002	Sprott Asset Management Inc.	Flexible Solutions International Inc. - Common Shares	US$1,000,000.00	400,000.00
28-Feb-2002	Polar and Altamira Management	General Motors Corporation - Debentures	5,216115	129,000.00
01-Apr-2002	Echelon General Insurance Co.	Gladiator Limited Partnership - Limited Partnership Units	333,333.00	2.00
17-Apr-2002	3 Purchasers	Grocery Gateway Inc. - Notes	4,250,000.00	4,250,000.00
28-Mar-2002	Mr. Arnett	Haussmann Holdings N.V. Reg. -B- - Common Shares	400,534.00	170.00

10-Apr-2002	Jefferson Partners Technologies Fund;L.P.	Horizonlive.com, Inc. - Promissory note	61,368.00	61,368.00
19-Apr-2002	N/A Units	Houston Lake Mining Inc. -	224,000.00	112,000.00
29-Apr-2002	High River Gold Mines Ltd. Units	Intrepid Minerals Corporation -	150,000.00	333,333.00
25-Apr-2002	Sector 7G Capital Corporation	Intrigue Technologies Inc. - Common Shares	517,100.00	95,403.00
09-Apr-2002	Ventures West 7 Limited Partnership	INEA Corporation - Common Shares	351,296.00	400,000.00
09-Apr-2002	Ventures West 7 Limited Partnership	INEA Corporation - Common Shares	263,472.00	300,000.00
09-Apr-2002	Venture West 7 Limited Partnership	INEA Corporation - Common Shares	439,120.00	500,000.00
09-Apr-2002	Ventures West 7 Limited Partnership	INEA Corporation - Common Shares	263,472.00	263,472.00
09-Apr-2002	Ventures West 7 Limited Partnership	INEA Corporation - Debentures	3,578,612.00	3,578,612.00
17-Apr-2002	Dynamic Mutual Funds	Ivanhoe Energy Inc. - Special Warrants	15,800,000.00	5,000,000.00
19-Apr-2002	Francois Ameye	KBSH - Canadian Bond Fund - Units	152,000.00	6,723.00
18-Apr-2002	Francois Ameye	KBSH Money Market Fund - Units	304,000.00	30,400.00
22-Feb-2002	Carol McDonald	KBSH Private - Balanced Registered Fund - Units	13,500.00	1,518.00
19-Feb-2002	Grant McDonald	KBSH Private - Balanced Registered Fund - Units	13,500.00	1,517.00
19-Apr-2002	Francois Ameye	KBSH Private - Canadian Equity Fund - Units	152,000.00	9,683.00
19-Apr-2002	Jacqueline Ameye	KBSH Private - Canadian Equity Fund - Units	149,000.00	149,000.00
24-Apr-2002	Joyce Collis	KBSH Private - Money Market Fund - Units	1,000,000.00	100,000.00
18-Apr-2002	Jacqueline Ameye	KBSH Private - Money Market Fund - Units	149,000.00	14,900.00
17-Apr-2002 Fund - Units	Gordon Fehr	KBSH Private - U.S. Equity	328,359.00	20,263.00
19-Feb-2002	Grant and Carol McDonald	KBSH Private - U.S. Equity Fund - Units	50,000.00	3,214.00
15-Apr-2002	5 Purchasers	Kingwest Avenue Portfolio - Units	683,100.00	32,717.00

21-Mar-2002	De Nova Capital Inc.	Kohl's Corporation - Notes	2,258,368.00	2,258,368.00
31-Jan-2002	N/A	Loews Corporation - Shares	1,608,163.00	36,000.00
03-Apr-2002	Aquapellor Inc.	Maple PPF Market Neutral Trust No. 1 - Units	1,200,675.00	1,200,675.00
26-Apr-2002	13 Purchasers	Maxim Power Corp. - Units	1,589,000.00	13,333,334.00
01-May-2002	Carole F. Sherkin and Fallbrook Holdings Limited	MCAN Performance Strategies - Limited Partnership Units	1,000,000.00	6,184.00
24-Apr-2002	5 Purchasers	MCCI Multi-Channel Communications Inc. - Preferred Shares	7,000,000.00	7,000,000.00
23-Apr-2002	Rogan Holdings Corporation	Meta Health Services Inc. - Common Shares	178,014.00	358,030.00
16-Apr-2002	12 Purchasers	Metallica Resources Inc. - Units	6,350,400.00	3,528,000.00
15-Apr-2002	Millennium Insurance Fund III;L.P.	Millennium Financial Management Ltd. - Notes	3,500,000.00	3,500,000.00
02-Apr-2002	Mr. Arnett	Miralt Sicav Europe Z EUR - Common Shares	98,779.00	1,395.00
25-Mar-2002	Toronto Dominion Bank	Mohawk Industries, Inc. - Notes	11,105,858.00	7,000,000.00
18-Apr-2002	23 Purchasers	NovaGold Resources Inc. - Units	8,872,500.00	2,535,000.00
18-Apr-2002	CODAV Holdings Inc.	OceanLake Commerce Inc. - Warrants	2,451,000.00	725,300.00
06-Mar-2002	De Novo Capital Inc. and Allstate Insurance Co.	Olin Corporation - Common Shares	64,335.00	3,300.00
21-Feb-2002	American Growth Fund	PETCO Animal Supplies, Inc. - Common Shares	303,886.00	10,000.00
09-Apr-2002	PO FCPR Limited	Private Equity Partners Europe - Units	107,061,200.00	7,600.00
31-Mar-2002	Absolute Return Concepts Fund	RBC Global Investment Management Inc. - Units	4,485,000.00	43,931.00
18-Apr-2002	N/A	Resolution Resources Ltd. - Common Shares	1,097,250.00	2,887,500.00
19-Apr-2002	4 Purchasers	Richtree Inc. - Shares	1,000,000.00	1,666,666.00
29-Apr-2002	Bistra Kileva	Romios Gold Resources Inc. - Units	10,200.00	60,000.00
04-Apr-2002	5 Purchasers	Sabre Holdings Corporation - Common Shares	895,487.00	12,570.00
20-Feb-2002	Altimira Management	SeeBeyond - Common Shares	153,253.00	10,000.00
26-Apr-2002	4 Purchasers	SpaceBridge Semiconductor Corporation - Common Shares	2,000,000.00	2,109,704.00
24-Apr-2002	9 Purchasers	Speedware Corporation Inc. -	4,999,999.00	8,333,333.00

		Units		
10-Jan-2002	N/A	Stonestreet Limited Partnership - Units	10,321,387.00	744,445.00
4/17/02 01-May-2002	Tania Charles Heintzman	Thales Active Asset Allocation Fund - Limited Partnership Units	77,595.00	77,595.00
19-Apr-2002	Alexander R. Aird	The KBSH Goodwood Canadian Long/Short Fund - Units	50,000.00	4,835.00
26-Apr-2002	Joseph V. Butler	The KBSH Goodwood Canadian Long/Short Fund - Units	150,000.00	14,669.00
04-Mar-2002	Ivy Management Inc.	Thomson Multi Media - Shares	1,331,608.00	24,000.00
19-Nov-2001	N/A	Turkiye Cumhuriyeti - Notes	4,763,896.00	300,000.00
18-Apr-2002	5 Purchasers	ViXS Systems Inc. - Units	11,337,668.00	8,540,870.00
23-Apr-2002	10 Purchasers	Western Oil Sands Inc. - Notes	63,706,000.00	63,706,000.00
06-Mar-2002	Canada Life Assurance Co.	Weyerhaeuser Company - Notes	1,997,340.00	2,000,000.00
24-Apr-2002	19 Purchasers	Wolfden Resources Inc. - Special Warrants	1,062,525.00	1,416,700.00
18-Apr-2002	3914399 Canada Inc.	Xceed Mortgage Corporation - Common Shares	300,000.00	9,000,000.00

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
Aidan S. Bolger Common Shares	Asset Management Software Systems Corp. -	1,890,000.00
Discovery Capital Corporation	CardioComm Solutions Inc. - Common Shares	1,500,000.00
Larry Melnick	Champion Natural Health.com Inc. - Shares	119,765.00
Communipro Ltee	Cossette Communications Group Inc. - Shares	255,550.00
John H. Kruzick	DRC Resoures Corporation - Common Shares	600,000.00
James M. Brady	Hornby Bay Exploration Limited - Common Shares	2,000,000.00
Mustang Minerals Corp.	JML Resources Ltd. - Common Share Purchase Warrant	500,000.00
Mustang Minerals Corp.	JML Resources Ltd. - Common Shares	500,000.00
NorthField Inc.	NFX Gold Inc. - Common Shares	1,498,000.00
Hans-Jorg Reichert	Richtree Inc. - Shares	100,000.00

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Basis100 Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 6th, 2002
Mutual Reliance Review System Receipt dated May 6th, 2002
Offering Price and Description:
$7,000,002 - 2,333,334 Units (Each Unit Consisting of One Common shares and One Share Purchases
Warrant) . Price 3.00 per Unit
Underwriter(s) or Distributor(s):
Griffiths McBurney & Partners
CIBC World Markets Inc.
Haywood Securities Inc.
Promoter(s):
-
Project #443577

Issuer Name:
Belzberg Technologies Inc.
Type and Date:
Preliminary Prospectus dated May 7th, 2002
Receipt dated on May 7th, 2002
Offering Price and Description:
$14,332,500 - 2,730,000 Units of Securities to be issued on the exercise of Special Warrants
@$5.25 per Special Warrants
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Sprott Securities Inc.
Promoter(s):
-
Project #443946

Issuer Name:
Cambior Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated May 2nd, 2002
Mutual Reliance Review System Receipt dated May 2nd, 2002
Offering Price and Description:
$40,000,002 - 18,181,819 Units consisting of 18,181,819 Common Shares and
9,090,909 Series B Common Shares Purchase Warrants
Underwriter(s) or Distributor(s):
Sprott Securities Inc.
National Bank Financial Inc.
Scotia Capital Inc.
Dundee Securities Corporation
Promoter(s):
-
Project #442664

Issuer Name:
Cell-Loc Inc.
Principal Regulator - Alberta
Type and Date:
Amended and Restated Preliminary Prospectus dated May 6th, 2002
Mutual Reliance Review System Receipt dated May 6th, 2002
Offering Price and Description:
Up to US$40,000,000 - 3,000,000 Common Shares and 350,000 Warrants
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #361553

Issuer Name:
Concert Industries Ltd.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated May 1st, 2002
Mutual Reliance Review System Receipt dated May 1st, 2002
Offering Price and Description:
$23,000,000 - 8.5% Convertible Unsecured Debentures due June 29th, 2007
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Loewen, Ondaatje, McCutcheon Limited
Scotia Capital Inc.

Promoter(s):
-
Project #442479

Issuer Name:

Fidelity American Disciplined Equity Class
Fidelity Global Disciplined Equity Class
Fidelity Global Equity Class

Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated April 30th, 2002
Mutual Reliance Review System Receipt dated May 2nd, 2002
Offering Price and Description:
(Series A and F Shares)
Underwriter(s) or Distributor(s):
Fidelity Investments Canada Limited

Promoter(s):
Fidelity Investments Canada Limited
Project #442333

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Issuer Name:
Fidelity American Disciplined Equity Fund
Fidelity RSP American Disciplined Equity Fund
Fidelity RSP Small Cap America Fund
Fidelity Global Disciplined Equity Fund
Fidelity RSP Global Disciplined Equity Fund
Fidelity Global Equity Fund
Fidelity RSP Global Equity Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated April 30th, 2002
Mutual Reliance Review System Receipt dated May 2nd, 2002
Offering Price and Description:
(Series A, F and O Units)
Underwriter(s) or Distributor(s):
Fidelity Investments Canada Limited
Promoter(s):
Fidelity Investments Canada Limited
Project #442394

Issuer Name:
High Income Preferred Shares Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated May 1st, 2002
Mutual Reliance Review System Receipt dated May 2nd, 2002
Offering Price and Description:
High Income Preferred Shares (HI PREFS)
$ * - * Series 1 Preferred Shares, * Series 2 Preferred Shares and * Equity Shares
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
HSBC Securities (Canada) Inc.
Yorkton Securities Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Dundee Securities Corporation
Lawrence Capital Partners Inc.
Raymond James Ltd.
Promoter(s):
Lawrence Asset Management Inc.
Project #442383

Issuer Name:
MAXXCOM INC.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated May 6th, 2002
Mutual Reliance Review System Receipt dated May 8th, 2002
Offering Price and Description:
$33,683,643 - Rights to Subscribe for up to 21,052,277 Common Shares at a price of $1.60 per Share
Underwriter(s) or Distributor(s):
Griffiths McBurney & Partners
Promoter(s):
MDC Corporation Inc.
Project #444007

Issuer Name:
Norske Skog Canada Limited
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated May 7th, 2002
Mutual Reliance Review System Receipt dated May 8th, 2002
Offering Price and Description:
$200,200,000 - 28,600,000 Common Shares @ $7.00 per Common Share
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
Merrill Lynch Canada Inc.
UBS Bunting Warburg Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Raymond James Ltd.
Scotia Capital Inc.
HSBC Securities (Canada) Inc.
Salman Partners Inc.
Promoter(s):
-
Project #444160

Issuer Name:
Shiningbank Energy Income Fund
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated May 6th, 2002
Mutual Reliance Review System Receipt dated May 6th, 2002
Offering Price and Description:
$49,700,000 - 3,500,000 Trust Unit @ $14.20 per Trust Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
TD Securities Inc.
National Bank Financial Inc.
FirstEnergy Capital Corp.
Raymond James Ltd.
Promoter(s):
-
Project #443676

Issuer Name:
Stratos Global Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 2nd, 2002
Mutual Reliance Review System Receipt dated May 3rd, 2002
Offering Price and Description:
$148,800,000 - 9,600,000 Common Shares @ $15.50 per Share
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
TD Securities Inc.
Yorkton Securities Inc.
Promoter(s):
-
Project #442999

Issuer Name:
The Thomson Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 2nd, 2002
Mutual Reliance Review System Receipt dated May 2nd, 2002
Offering Price and Description:
Cdn$ * - 38,000,000 Common Shares @ Cdn$ * per Common Share
Underwriter(s) or Distributor(s):
Merrill Lynch Canada Inc.
Morgan Stanley Canada Limited
RBC Dominion Securities Inc.
Credit Suisse First Boston Canada Inc.
Goldman Sachs Canada Inc.
TD Securities Inc.
UBS Bunting Warburg Inc.
Promoter(s):
-
Project #442514

Issuer Name:
Vasogen Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 7th, 2002
Mutual Reliance Review System Receipt dated May 8th, 2002
Offering Price and Description:
$17,000,220 - 3,505,200 Common Shares 08-
Underwriter(s) or Distributor(s):
Research Capital Corporation
Paradigm Capital Inc.
Promoter(s):
-
Project #444069

Issuer Name:
Scudder Life Sciences Fund (Advisor Series only)
Scudder Canadian Small Company Fund
Scudder Canadian Bond Fund
Scudder Canadian Money Market Fund (Classic Series only)
Scudder Canadian Short Term Bond Fund
Scudder Canadian Equity Fund
Scudder Emerging Markets Fund
Scudder Pacific Fund
Scudder Greater Europe Fund
Scudder US Growth and Income Fund
Scudder Global Fund

Principal Regulator - Ontario
Type and Date:
Amendment #1 dated April 25th, 2002 to Simplified Prospectus and Annual Information Form
dated August 28th, 2001
Mutual Reliance Review System Receipt dated 2nd day of May, 2002
Offering Price and Description:

Underwriter(s) or Distributor(s):
Quadrus Investment Services Ltd.

Promoter(s):
-
Project #376564

Issuer Name:
Scudder Canadian Equity Fund
Scudder Emerging Markets Fund
Scudder Pacific Fund
Scudder Greater Europe Fund
Scudder US Growth and Income Fund

Principal Regulator - Ontario
Type and Date:
Amendment #1 dated April 25th, 2002 to Simplified Prospectus and Annual Information Form
dated August 28th, 2001
Mutual Reliance Review System Receipt dated 2nd day of May, 2002
Offering Price and Description:
(Quadrus Class and H Class Units)
Underwriter(s) or Distributor(s):
Quadrus Investment Services Ltd.
Quadrus Investment Services Inc.
Promoter(s):
-
Project #376600

Issuer Name:
Spectrum American Equity Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated April 24th, 2002 to Simplified Prospectus and Annual Information Form
dated August 24th, 2001
Mutual Reliance Review System Receipt dated 2nd day of May, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #374213

Issuer Name:
TD European Growth Fund

Principal Regulator - Ontario
Type and Date:
Amended and Restated Simplified Prospectus dated April 25th, 2002, amending and restating the
Simplified Prospectus dated October 19th, 2001 and
Amendment No. 2 dated April 25th, 2002 to the Annual Information Form dated October 19th, 2001.
Mutual Reliance Review System Receipt dated 2nd day of May, 2002
Offering Price and Description:
(Investor Series and e-Series Units)
Underwriter(s) or Distributor(s):
TD Investment Services Inc.
TD Asset Management Inc.
Promoter(s):
TD Asset Management Inc.
Project #383561

Issuer Name:
TD S&P/TSX Capped Composite Index Fund
(Formerly TD TSE 300 Capped Index Fund)
TD S&P/TSX Composite Index Fund
(Formerly TD TSE 300 Index Fund)
Principal Regulator - Ontario
Type and Date:
Amended and Restated Prospectus dated May 1st, 2002, amending and restating the Prospectus
dated February 15th, 2002
Mutual Reliance Review System Receipt dated 7th day of May, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
TD Asset Management Inc.
Promoter(s):
-
Project #413350

Issuer Name:
CANADIAN SCHOLARSHIP TRUST PLAN-MILLENNIUM FAMILY PLAN

Principal Regulator - Ontario
Type and Date:
Final Prospectus dated April 30th, 2002
Mutual Reliance Review System Receipt dated 3rd day of May , 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
C.S.T. Consultants Inc.
Royal Bank of Canada
Promoter(s):
Canadian Scholarship Trust Foundation
Project #420777

Issuer Name:
CANADIAN SCHOLARSHIP TRUST PLAN-MILLENNIUM PLAN

Principal Regulator - Ontario
Type and Date:
Final Prospectus dated April 30th, 2002
Mutual Reliance Review System Receipt dated 3rd day of May, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
C.S.T. Consultants Inc.
Royal Bank of Canada
Promoter(s):
Canadian Scholarship Trust Foundation
Project #420800

Issuer Name:
CANADIAN SCHOLARSHIP TRUST PLAN-OPTIONAL PLAN

Principal Regulator - Ontario
Type and Date:
Final Prospectus dated April 30th, 2002
Mutual Reliance Review System Receipt dated 3rd day of May, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
C.S.T. Consultants Inc.
Royal Bank of Canada
Promoter(s):
Canadian Scholarship Trust Foundation
Project #420823

Issuer Name:
Capital Desjardins Inc.
Principal Regulator - Quebec
Type and Date:
Final Prospectus dated May 3rd, 2002
Mutual Reliance Review System Receipt dated 3rd day of May, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Desjardins Securities Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Merrill Lynch Canada Inc.
National Bank Financial Inc.
Laurentian Bank Securities Inc.
Promoter(s):
-
Project #438325

Issuer Name:
iPerform Strategic Partners Hedge Fund
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated May 3rd, 2002
Mutual Reliance Review System Receipt dated 6th day of May, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
CIBC World Markets Inc.
TD Securities (Canada) Inc.
HSBC Securities (Canada) Inc.
Desjardins Securities Inc.
Dundee Securities Corporation
Raymond James Ltd.
Sprott Securities Inc.
Yorkton Securities Inc.
Research Capital Corporation
Wellington West Capital Inc.
Promoter(s):
iPerformance Fund Corp.
Project #428676

Issuer Name:
Mega Bloks Inc.
Principal Regulator - Quebec
Type and Date:
Final Prospectus dated May 1st, 2002
Mutual Reliance Review System Receipt dated 2nd day of May, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Merrill Lynch Canada Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Promoter(s):
-
Project #430127

Issuer Name:
Paladin Labs Inc.
Principal Regulator - Quebec
Type and Date:
Final Prospectus dated May 2nd, 2002
Mutual Reliance Review System Receipt dated 3rd day of May, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Yorkton Securities Inc.
Desjardins Securities Inc.
National Bank Financial Inc.
BMO Nesbitt Burns Inc.
Sprott Securities Inc.
Promoter(s):
-
Project #436812

Issuer Name:
PBB Global Logistics Income Fund
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated May 2nd, 2002
Mutual Reliance Review System Receipt dated 3rd day of May, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Scotia Capital Inc.
TD Securities Inc.
Canaccord Capital Corporation
Promoter(s):
-
Project #430692

Issuer Name:
Dorel Industries Inc.
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated May 7th, 2002
Mutual Reliance Review System Receipt dated 8th day of May, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
Sprott Securities Inc.
Promoter(s):
-
Project #441755

Issuer Name:
Impact Energy Inc.
Type and Date:
Final Short Form Prospectus dated May 7th, 2002
Mutual Reliance Review System Receipt dated 7th day of May , 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Griffiths McBurney & Partners
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
TD Newcrest
Yorkton Securities Inc.

Promoter(s):
Peter Norman Bannister
Paul Colborne
Project #440681

Issuer Name:
Merrill Lynch Financial Assets Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated May 3rd, 2002
Mutual Reliance Review System Receipt dated 6th day of May, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Merrill Lynch Canada Inc.
National Bank Financial Inc.
TD Securities Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
Laurentian Bank Securities Inc.
HSBC Securities (Canada) Inc.
Promoter(s):
-
Project #440957

Issuer Name:
Procyon BioPharma Inc.
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated May 2nd, 2002
Mutual Reliance Review System Receipt dated 2nd day of May, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Dundee Securities Corporation
Research Capital Corporation
Yorkton Securities Inc.
Desjardins Securities Inc.
Promoter(s):
-
Project #439004

Issuer Name:
Ultima Energy Trust
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated May 1st, 2002
Mutual Reliance Review System Receipt dated 2nd day of May, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Promoter(s):
-
Project #439907

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	O'Donnell Asset Management Corp. Attention: James Alan Goar 4100 Yonge Street Suite 602 Box 22 North York ON M2P 2B5	Investment Counsel & Portfolio Manager	May 08/02
New Registration	Stephens Inc. Attention: Robert Black c/o Borden Ladner Gervais LLP Scotia Plaza, 40 King Street West Toronto ON M5H 3Y4	International Dealer	May 03/02
New Registration	Shaunessy & Company Ltd. Attention: Terence Kevin Shaunessy 908 17th Avenue SW Suite 308 Calgary AB T2T 0A8	Extra Provincial Adviser Investment Counsel & Portfolio Manager	May 03/02
New Registration	Emerging Equities Inc. Attention: James Baker Hartwell 255 5th Avenue SW Suite 3100 Calgary AB T2P 3G6	Investment Dealer Equities	May 06/02
New Registration	Burnham Securities Inc. Attention: Kenneth G. Ottenbreit 152928 Canada Inc. 5300 Commerce Court West PO Box 85 Toronto ON M5L 1B9	International Dealer	May 07/02
Change of Name	Goodhope Management Ltd. Attention: Mark Joel Feldman 45 Highland Avenue Toronto ON M4W 2A2	From: Health Investments Corporation To: Goodhope Management Ltd.	Jan 01/02

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Chapter 25

Other Information

25.1 Consents

25.1.1 TLC Laser Eye Centers Inc. - ss. 4(b)

Headnote

Consent given to OBCA corporation to continue under the Business Corporations Act (New Brunswick).

Statutes Cited

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

Regulations Cited

Regulation made under the Business Corporations Act, R.R.O., Reg. 62, as am. by Reg. 290/00, s. 4(b).
Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am.

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

AND

IN THE MATTER OF
TLC LASER EYE CENTERS INC.

CONSENT
(Subsection 4(b) of the Regulation)

UPON the application of TLC Laser Eye Centers Inc. ("TLC") to the Ontario Securities Commission (the "Commission") requesting a consent from the Commission for TLC to continue into another jurisdiction pursuant to subsection 4(b) of the Regulation;

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

AND UPON TLC having represented to the Commission that:

1. TLC is proposing to submit an application to the Director under the Business Corporations Act (Ontario) (the "OBCA") pursuant to section 181 of the OBCA (the "Application for Continuance") for authorization to continue as a corporation under the Business Corporations Act (New Brunswick) (the "NBCA").

2. Pursuant to subsection 4(b) of the Regulation, where a corporation is an offering corporation, the Application for Continuance must be accompanied by a consent from the Commission.

3. TLC was amalgamated under the provisions of the OBCA on September 1, 1998. The head office of TLC is located at 5280 Solar Drive, Mississauga, Ontario.

4. TLC is an offering corporation under the OBCA and is a reporting issuer under the Securities Act, R.S.O. 1990, c. S.5, as amended (the “Act”), and in each of the provinces of Canada. TLC’s common shares are listed for trading on The Toronto Stock Exchange and on the Nasdaq National Market System. TLC is also subject to the reporting requirements of the United States Securities Exchange Act of 1934. TLC intends to remain a reporting issuer in Ontario and in the other jurisdictions in which it is a reporting issuer and will remain subject to the reporting requirements of the United States Securities and Exchange Commission.

5. TLC is not in default under any provision of the Act or the regulations of the Act, nor under the securities legislation of any other jurisdiction where it is a reporting issuer.

6. TLC is not a party to any proceeding nor, to the best of its knowledge, information and belief, any pending proceeding under the Act.

7. The Application for Continuance of TLC under the NBCA was approved by the shareholders of TLC by special resolution obtained at an Annual and Special Meeting of Shareholders (the "Meeting") held on April 18, 2002.

8. The management information circular dated March 1, 2002 provided to all shareholders in connection with the Meeting advised the holders of common shares of TLC of their dissent rights pursuant to s.185 of the OBCA.

9. The continuance of TLC under the NBCA is proposed in furtherance of the proposed merger transaction between TLC and Laser Vision Centers, Inc., a Delaware corporation.

10. The material rights, duties and obligations of a corporation incorporated under the NBCA are substantially similar to those under the OBCA with the exception that there is not a Canadian

residency requirement for the members of the board of directors under the NBCA.

THE COMMISSION HEREBY CONSENTS to the continuance of TLC as a corporation under the Business Corporations Act (New Brunswick).

April 26, 2002.

"Paul M. Moore" "Theresa McLeod"

25.1.2 T&H Resources Ltd. - ss. 4(b)

Headnote

Consent granted to an OBCA corporation to continue under the CBCA.

Statutes Cited

Business Corporations Act, R.S.O. 1990, c.B.16, as am., s.181.
Canada Business Corporations Act, R.S.C. 1985, c.C.144, as am.
Securities Act, R.S.O. 1990, c.S.5, as am.

Regulations Cited

Regulation made under the Business Corporations Act, O. Reg. 289/00, s.4(b).

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

AND

IN THE MATTER OF
T&H RESOURCES LTD.

CONSENT
(Section 4(b) of the Regulation)

UPON the application of T&H Resources Ltd. ("T&H") to the Ontario Securities Commission (the "Commission") requesting a consent from the Commission for T&H to continue into another jurisdiction pursuant to subsection 4(b) of the Regulation;

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

AND UPON T&H having represented to the Commission that:

1. T&H is proposing to submit to the Director under the *Business Corporations Act,* R.S.O. 1990, c.B.16 (the "OBCA") an application pursuant to section 181 of the OBCA (the "Application for Continuance") for authorization to continue under the *Canada Business Corporations Act*, R.S.C. 1985, c.C. 144, as amended (the "CBCA");

2. pursuant to Section 4(b) of the Regulation to the OBCA, where an issuer seeking to continue outside of the OBCA is an offering corporation, the Application for Continuance must be accompanied by a consent from the Commission;

3. T&H is the corporation resulting from the amalgamation on November 15, 1988 of T&H Resources Ltd. (originally incorporated pursuant to the OBCA on July 16, 1909 as The Hudson Bay

Mines Limited) and Coastro Resources Ltd. (originally incorporated pursuant to the corporate legislation of British Columbia on April 14, 1981 and continued into Ontario under the OBCA on November 14, 1988);

4. the authorized capital of T&H consists of an unlimited number of common shares ("Common Shares"), an unlimited number of Class A voting redeemable preference shares ("Class A Shares") and an unlimited number of Class B voting redeemable preference shares ("Class B Shares") of which 43,400,000 Common Shares and no Class A Shares or Class B Shares are outstanding;

5. the head office of T&H is located at Suite 1302, 100 Adelaide Street West, Toronto, Ontario M5H 1S3;

6. T&H is an offering corporation under the OBCA and is a reporting issuer in Ontario and British Columbia. The Common Shares are listed for trading on The Toronto Stock Exchange;

7. T&H is not in default under any of the provisions of the *Securities Act*, R.S.O. 1990, c.S.5, as amended (the "Act") or the Regulation made thereunder nor under the securities legislation of British Columbia;

8. T&H is not a party to any proceeding or to the best of its knowledge, information and belief, any pending proceeding under the Act;

9. the shareholders of T&H are expected to consider passing a special resolution to approve, among other things, the Continuance under the CBCA at a meeting scheduled for April 30, 2002 (the "Meeting");

10. the management proxy circular of T&H dated March 18, 2002 provided to all shareholders in connection with the Meeting advised the holders of Common Shares of their dissent rights pursuant to S.185 of the OBCA;

11. in connection with the Continuance, T&H proposes to complete a reorganization (the "Reorganization") consisting, in part, of a consolidation of its issued and outstanding Common Shares, a change of its name and its acquisition of all of the securities of 1467523 Ontario Limited and LAB International Holdings Inc. ("LAB"), a pharmaceutical company incorporated under the laws of Quebec;

12. the Continuance has been proposed by T&H's board of directors as it is considered to be in T&H's best interest to be federally chartered because following the completion of the Reorganization, T&H will carry on the business presently carried on by LAB, and much of the company's activities will be federal and international in scope; and

13. T&H intends to remain a reporting issuer in Ontario and British Columbia and in connection with the Reorganization, is making application to become a reporting issuer in Quebec.

THE COMMISSION HEREBY CONSENTS to the continuance of T&H as a corporation under the CBCA.

April 19, 2002

"Howard Wetston" "Theresa McLeod"

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