

The Ontario Securities Commission

OSC Bulletin

May 17, 2002

Volume 25, Issue 20

(2002), 25 OSCB

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)

The Ontario Securities Commission

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Published under the authority of the Commission by:

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Toronto, Ontario
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The OSC Bulletin is published weekly by Carswell, under the authority of the Ontario Securities Commission.

Subscriptions are available from Carswell at the price of \$549 per year.

Subscription prices include first class postage to Canadian addresses. Outside Canada, these airmail postage charges apply on a current subscription:

| | |
|-----------------------|-------|
| U.S. | \$175 |
| Outside North America | \$400 |

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ISSN 0226-9325



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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

MAY 17, 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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| Paul M. Moore, Q.C., Vice-Chair | — | PMM |
| Howard I. Wetston, Q.C., Vice-Chair | — | HIW |
| Kerry D. Adams, FCA | — | KDA |
| Derek Brown | — | DB |
| Robert W. Davis, FCA | — | RWD |
| Harold P. Hands | — | HPH |
| Robert W. Korthals | — | RWK |
| Mary Theresa McLeod | — | MTM |
| H. Lorne Morphy, Q.C. | — | HLM |
| R. Stephen Paddon, Q.C. | — | RSP |
| Robert L. Shirriff, Q.C. | — | RLS |

SCHEDULED OSC HEARINGS

| | |
|---|--|
| May 28/02 2:00 p.m. | YBM Magnex International Inc., Harry W. Antes, Jacob G. Bogatin, Kenneth E. Davies, Igor Fisherman, Daniel E. Gatti, Frank S. Greenwald, R. Owen Mitchell, David R. Peterson, Michael D. Schmidt, Lawrence D. Wilder, Griffiths McBurney & Partners, National Bank Financial Corp., (formerly known as First Marathon Securities Limited) |
| May 29/02 9 a.m. - 12:00 p.m. | |
| June 3, 5, 24, 26 & 27/02 9:30 a.m. | |

June 10/02 s.127
1 p.m. - 4 p.m.

June 11 & 25/02 K. Daniels/M. Code/J. Naster/I. Smith
2:00 - 4:30 p.m. in attendance for staff.

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 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

May 30/02
10:00 a.m. Michael Goselin, Irvine Dyck, Donald McCrory and Roger Chaisson

s. 127

T. Pratt in attendance for Staff

Panel: PMM / HLM

June 4/02
11:00 a.m. Arlington Securities Inc. and Samuel A.B. Milne

s. 127 and s. 127.1

J. Superina in attendance for Staff

Panel: HIW / HLM / RWD

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.**

s. 127

August 21 to
31/02
9:30 a.m. 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 OSC Notice 11-717, Securities Advisory
Committee - OSC Policy 11-601**

**ONTARIO SECURITIES COMMISSION NOTICE 11-717
SECURITIES ADVISORY COMMITTEE
- OSC POLICY 11-601**

In the OSC Bulletin dated January 04, 2002, the Commission invited applications for positions on the Securities Advisory Committee ("SAC"). SAC provides advice to the Commission and staff on a variety of matters including legislative and policy initiatives, important capital markets trends and identifies issues that the Commission and staff should be aware of.

The Commission would like to take this opportunity to thank the current members of SAC, listed below, who have served on the Committee with great dedication over the last three years. Their advice and guidance on a range of issues has been very valuable to the Commission.

- Mark DesLauriers – Osler, Hoskin & Harcourt LLP;
- Jeff Kerbel – Blake, Cassels & Graydon LLP;
- Jay Lefton – Aird & Berlis LLP;
- Neill May – Goodmans LLP;
- David McIntyre – Osler, Hoskin & Harcourt LLP;
- Paul Mingay – Borden Ladner Gervais LLP;
- Patricia Olasker – Davies Ward Phillips & Vineberg LLP;
- Simon Romano – Stikeman Elliott;
- Constance Sugiyama – Gowling Lafleur Henderson LLP;
- Grant Vingoe – Dorsey & Whitney LLP; and
- Ava Yaskiel – Ogilvy Renault

The Commission was very impressed with the number of highly qualified practitioners who applied for positions on SAC. The Commission would like to thank everyone who applied for their interest in serving on SAC.

The Commission is pleased to publish the names of practitioners who will be participating on SAC for the next two years. The names are divided into two groups: those who will be joining in June of this year and those that will be joining in October of this year in order to stagger the start dates of SAC members and ensure a smooth transition.

The new members who will be joining in June are:

- Robert Karp – Torys LLP;
- Edwin Maynard – Paul, Weiss, Rifkind, Wharton & Garrison;
- Robert Nicholls – Stikeman Elliott;
- Dale Ponder – Osler, Hoskin & Harcourt LLP;
- Thomas Smee – Davies Ward Phillips & Vineberg LLP; and
- Philippe Tardif – Lang Michener

The new members who will be joining in October are:

- Robert Chapman – McCarthy Tétrault LLP (Ottawa);
- Helen Daley – Kelly Affleck Greene;
- Rosalind Morrow – Borden Ladner Gervais LLP;
- Sheila Murray – Blake, Cassels & Graydon LLP;
- Jeffrey Roy – Cassels Brock & Blackwell LLP; and
- Cathy Singer – Ogilvy Renault

Reference: Susan Wolburgh Jenah
General Counsel
(416) 593-8245

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

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

The Commission is publishing in Chapter 5 of the Bulletin a notice of amendment and the text of the amendments to the rule entitled *In the Matter of Certain Reporting Issuers* (1997), 20 OSCB 1218, and the two rules entitled *In the Matter of Certain Reporting Issuers* (1997), 20 OSCB 1219, each as amended by (1999), 22 OSCB 151, (2000), 23 OSCB 289, and (2000), 23 OSCB 8244.

The notice of amendment was delivered to the Minister of Finance on May 13, 2002.

The notice of amendment in Chapter 5 replaces *Notice of Amendment to Rules Under the Securities Act In the Matter of Certain Reporting Issuers* (2002), 25 OSCB 1924 published on April 5, 2002. This earlier notice included an incorrect citation.

1.3 News Releases

1.3.1 CSA News Release - Securities Regulators
Look at How Companies Report Executive
Compensation

FOR IMMEDIATE RELEASE
May 15, 2002

**CSA News Release - Securities Regulators Look at
How Companies Report Executive Compensation**

VANCOUVER – Securities regulators have launched a review of how well publicly-traded companies comply with their executive compensation disclosure requirements. The Canadian Securities Administrators (CSA) are seeking to identify areas where disclosure could be improved.

“Investors are entitled to detailed information telling them how executive compensation is linked to corporate performance,” said Doug Hyndman, Chair of the CSA, the umbrella organization representing the 13 provincial and territorial securities commissions. “We are measuring how well that information is revealed. We hope that our findings will result in meaningful guidance for people who disclose information on behalf of companies.”

The initial step is a review conducted by the securities regulators of how 75 Canadian companies comply in their information circulars with reporting requirements. Any company whose disclosure diverges from the requirements will be asked for an explanation. A report will be published later this year.

“Even though the regulations are clear and specific, the quality of executive compensation reports varies among companies,” said John Hughes, Chair of the CSA’s Continuous Disclosure Committee. “Most companies provide the basic numeric data required, but we are concerned with the narrative discussion of their approach to executive compensation.”

Examples of the types of information that must be disclosed include:

- The specific relationship between corporate performance and executive compensation;
- If an executive is rewarded under a performance-based plan despite failing to meet the stated performance criteria, the reasons for any waiver or adjustment to the compensation formula;
- The basis for the CEO’s compensation, including the factors and criteria on which the compensation is based and the relative weight assigned to each factor;
- The competitive rates on which the CEO’s compensation is based if it is determined by assessments of competitive rates, as well as information about how the comparative group was

selected and at what level in the group the compensation was placed.

In the second phase of the project, regulators will assess whether issuers have followed appropriately the recommendations of the new accounting standard on stock-based compensation and other stock-based payments.

“Some companies use boiler plate language to describe executive compensation,” added Hyndman. “Publicly-traded companies across Canada are required to report in detail the framework of executive compensation. Investors should be able to see precisely how the compensation received by executives is derived, and determine if they support the practices given the company’s performance.”

“We are using a common approach to review compliance with continuous disclosure obligations coast-to-coast,” said Hyndman. “The national review of executive compensation disclosure marks another important step toward a harmonized national securities regulatory presence.”

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 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 - issuer administered by underwriter and both issuer and underwriter are subsidiaries of common parent - issuer proposing distribution by prospectus of tranche of asset-backed securities - complete relief from independent underwriter requirement granted since over 90% of offering expected to be sold to institutional investors and no purchase under the prospectus shall be for less than \$500,000.

Applicable Rules

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 the securities legislation of the Jurisdictions (the "Legislation") that the provision contained in the Legislation mandating independent underwriter involvement shall not apply to ML Canada and the Issuer in respect of the proposed offering of Canada 7 Pass-Through 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 completed ten public real estate-based securities transactions (the "Prior Transactions");
3. The Issuer filed a renewal annual information form on May 18, 2001.
4. the Issuer has been a "reporting issuer" pursuant to the securities legislation in each of the provinces of Canada for over 12 calendar months. Pursuant to a decision dated November 30, 2000 of the Decision Makers of Ontario, British Columbia, Alberta, Newfoundland, Nova Scotia and Saskatchewan (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;
5. the Issuer currently has no assets or liabilities other than its rights and obligations under certain of the material contracts related to the Prior Transactions and does not presently carry on any activities except in relation to the certificates issued under the Prior Transactions;

6. the officers and directors of the Issuer are employees of ML Canada or its affiliates;
7. 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;
8. ML Canada is not a reporting issuer in any Canadian province;
9. 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;
10. the Issuer proposes to offer Commercial Mortgage Pass-Through Certificates, Series 2002-Canada 7 (the "Canada 7 Pass-Through 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 Merrill Lynch Capital Canada Inc. and from other originators of mortgage loans as may be specified in the prospectus in respect of the Canada 7 Pass-Through Certificates of ownership interests in particular mortgage loans deposited with Computershare Trust Company of Canada as custodian; each Canada 7 Pass-Through Certificate of a particular class will represent an undivided co-ownership interest in a particular pool of mortgage loans;
11. 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;
12. the Filers expect that approximately 90% of the Offering, in which the minimum subscription will be \$500,000, will be made to Canadian institutions, pension funds, endowment funds or mutual funds based upon the experience of the Prior Transactions and ML & Co.'s U.S. experience;
13. the only financial benefits which ML Canada will receive as a result of the proposed Offering are the normal arm's length underwriting commission and reimbursement of expenses associated with a public offering in Canada, which commissions and reimbursements shall for 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;
14. ML Canada administers the ongoing operations and pays the ongoing operating expenses of the Issuer, for which ML Canada receives no additional compensation;
15. 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;
16. in connection with the proposed distribution by ML Canada of 100% of the Canada 7 Pass-Through 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,
 - (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, and
 - (iv) a statement that the minimum subscription amount is \$500,000;
 - (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 Canada 7 Pass-Through Certificates and the determination of the terms of the distribution, and
- (iv) details of the financial benefits described in paragraph 13 of this Decision Document which ML Canada will receive from the proposed Offering;

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 that the Issuer complies with Paragraph 16 hereof.

May 6, 2002.

"Iva Vranic"

2.1.2 SEI Investments Canada Company - MRRS Decision

Headnote

MRRS Exemptive Relief Application - 10 day lapse-date extension granted to enable a mutual fund to continue the distribution of its securities beyond the original lapse date of its current prospectus, subject to filing of pro forma prospectus no less than 7 days prior to the new lapse date and to the cancellation right of investors who purchase securities of the mutual fund after the original lapse and before the date of the decision document.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 62(2) and 62(5).

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

AND

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

AND

**IN THE MATTER OF
SEI INVESTMENTS GROUP OF FUNDS
CORE BALANCED FUND
BALANCED GROWTH FUND
BALANCED INCOME FUND
BALANCED GROWTH PLUS FUND
DIVERSIFIED EQUITY FUND
GLOBAL EQUITY FUND
(The "Funds")**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador and the Yukon Territory (the "Jurisdictions") has received an application from SEI Investments Canada Company ("SEI") and the Funds for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation"), extending the periods prescribed by the Legislation for the filing of the Fund's renewal prospectus, in order to enable it to continue the distribution of its securities beyond the Lapse Date (as defined in paragraph 5 below) of its prospectus dated May 7, 2001 (the Current Prospectus);

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 it has been represented by SEI to the Decision Makers that:

1. SEI is the manager of each Fund;
2. Each Fund is an unincorporated open-end mutual fund trust created under the laws of the Province of Ontario by a trust agreement;
3. Each Fund is a reporting issuer under the Legislation and is not on the list of defaulting reporting issuers maintained under the Legislation;
4. Units of the three series of each Fund are distributed on a continuous basis in each Jurisdiction pursuant to a simplified prospectus and annual information form dated May 7, 2001, as amended and restated by an amended and restated simplified prospectus and annual information form dated June 6, 2001, as amended and restated by an amended and restated prospectus and annual information form dated December 27, 2001 (collectively, the "Current Prospectus");
5. The lapse date of the Current Prospectus is May 7, 2002 (the "Lapse Date");
6. Certain issues relating to the renewal of the Prospectus and the proper calculation and presentation of the related financial and performance information have prevented completion of the pro-forma simplified prospectus and annual information form relating to the renewal and some additional time is required for such purposes; and
7. SEI filed an application dated May 2, 2002 for an extension of the lapse date of its prospectus dated May 7, 2001.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the periods prescribed by the Legislation for the filing of the Fund's renewal prospectus, in connection with the continuous distribution of the Fund's securities, are hereby extended by ten days as if the Lapse Date of the Current Prospectus were May 17, 2002, provided that

- (a) the Fund's pro forma prospectus is filed not less than 7 days prior to May 17, 2002;
- (b) every security holder of record of the Fund who purchased securities of the Fund in any Jurisdiction after the Lapse Date and before the date of this Decision Document (the "Affected Security Holder") is provided with the right
 - to cancel (the "Cancellation Right") such purchase within 20 business days from receipt of a statement (the "Statement of Rights") describing the Cancellation Right, and
 - to receive, upon exercise of the Cancellation Right, the purchase price per unit equal to the net asset value per unit on the date of such purchase (the "Purchase Price per Unit") paid on the acquisition of such securities, including all fees and expenses incurred in effecting such purchase;
- (c) the Fund mails the Statement of Rights and a copy of this Decision Document to Affected Security Holders no later than May 17, 2002; and
- (d) if the net asset value per unit of the Fund on the date that an Affected Security Holder exercises the Cancellation Right is less than the Purchase Price per Unit, SEI shall reimburse the difference to the Fund.

May 7, 2002.

"Paul Dempsey"

2.1.3 Adobe Systems Canada Inc. - MRRS Decision

Headnote

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

Applicable Ontario Statutory Provisions

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

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

AND

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

AND

**IN THE MATTER OF
ADOBE SYSTEMS CANADA INC.
(FORMERLY ACCELIO CORPORATION)**

MRRS DECISION DOCUMENT

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 Adobe Systems Canada Inc. (formerly Accelio Corporation) (the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the Filer be deemed to have ceased to be a reporting issuer 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 Makers that:

1. the Filer is the corporation incorporated under the *Canada Business Corporations Act* (the "CBCA") on June 10, 1982;
2. the registered head and principal office of the Filer is located in Ottawa, Ontario;
3. the Filer is a reporting issuer, or the equivalent, in each of the Jurisdictions and is not in default of any requirements of the Legislation;
4. pursuant to a plan of arrangement completed under section 192 of the CBCA and effective April

12, 2002 (the "Arrangement"), Adobe Systems Incorporated ("Adode") indirectly acquired all of the issued and outstanding common shares (the "Common Shares") of the Filer;

5. as a result of the Arrangement, Adode indirectly holds all of the issued and outstanding securities of the Filer;
6. the Common Shares were delisted from the Nasdaq National Market and the Pacific Stock Exchange at the close of trading on April 12, 2002 and from The Toronto Stock Exchange Inc. at the close of trading on April 16, 2002, and no securities of the Filer are listed or quoted on any exchange or market;
7. other than the Common Shares, the Filer has no securities, including debt securities, outstanding;
8. the Filer does not intend to seek public financing by way of an offering of its securities;

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

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

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

May 8, 2002.

"John Hughes"

2.1.4 Boliden AB - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief from continuous disclosure requirements and proxy requirements subject to certain conditions - also, relief where applicable, from requirement to file an annual information form and send management discussion and analysis to issuer's security holders subject to certain conditions.

National Policy Statement 41 - relief from requirements of Part IV of National Policy 41 subject to certain conditions.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am, ss.75, 77, 78, 79, 80(b)(iii), 81, 85, 86, and 88.

Rules & Policies Cited

National Policy Statement 41.

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA,
SASKATCHEWAN, ONTARIO,
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
BOLIDEN AB
MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker" and, collectively, the "Decision Makers") in each of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia, Prince Edward Island and Newfoundland and Labrador (the "Jurisdictions") has received an application from Boliden AB ("BAB") for:

- (A) a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirements contained in the Legislation to:
 - (i) file with the Decision Makers and send to its security holders audited annual financial statements and an annual report, where applicable (the "Annual Filing Requirement");

- (ii) file with the Decision Makers and send to its security holders unaudited interim financial statements (the "Interim Financial Statement Requirements");
 - (iii) issue and file with the Decision Makers press releases and file with the Decision Makers material change reports (together, the "Material Change Requirements"); and
 - (iv) comply with the proxy and proxy solicitation requirements under the Legislation including filing an information circular or report where applicable (the "Proxy Requirements");
- shall not apply to BAB, subject to the conditions set out below;

- (B) a decision under the Legislation of Ontario and Saskatchewan that the requirements contained in Ontario Securities Commission Rule 51-501 *AIF and MD&A*, and Saskatchewan Instrument 51-501 *Annual Information Form and Management's Discussion and Analysis* to file with the applicable Decision Makers an annual information form and send MD&A to its security holders (the "Local Requirements") shall not apply to BAB, subject to the conditions set out below; and
- (C) an order pursuant to Part XII of National Policy Statement 41 - Shareholder Communication ("NP 41") exempting BAB from the requirements of Part IV of NP 41, subject to the conditions set out below;

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 BAB has represented to the Decision Makers that:

1. The Boliden group of companies (the "Boliden Group") is engaged in mining, processing and selling metals and mineral products, principally zinc and copper. Other metals and mineral products include gold, lead, silver and sulphuric acid. The Boliden Group has mining, milling and processing operations in Sweden and Canada and smelting and refining operations in Sweden. In addition to its minerals business, the Boliden Group is engaged in the fabrication and sale of

copper tubing and brass products with production facilities in Belgium, the Netherlands, Sweden and the United Kingdom. As at September 30, 2001, the Boliden Group had assets of approximately U.S.\$1 billion.

The value of the Boliden Group's Canadian assets and the operating income generated from Canada as at December 31, 2001 and for the year ended December 31, 2001 were less than 5% of the consolidated assets and operating income of the Boliden Group.

2. In June and July 1997, the Boliden Group completed an initial public offering and listed the common shares of Boliden Limited, a corporation incorporated under the *Canada Business Corporations Act*, on The Toronto Stock Exchange (the "TSE"). In May 1999, Boliden Limited obtained a listing of its common shares in the form of Swedish depository receipts on the Stockholm Exchange (the "SE"). Boliden Limited completed common share rights offerings in Canada and Sweden in March 2000 and August 2001.

Following completion of the most recent rights offering, approximately 87% of the outstanding common shares of Boliden Limited were represented by Swedish depository receipts. In addition, the SE had become the primary trading market.

3. In December 2001, the Boliden Group implemented a "redomiciliation transaction" intended to change the domicile of the public company parent of the Boliden Group from Canada to Sweden. The transaction was implemented by way of plan of arrangement (the "Arrangement") under the *Canada Business Corporations Act*.
4. The Arrangement was approved by over 99% of the votes cast in person or by proxy at the meeting.
5. Upon completion of the Arrangement:
- (a) shareholders of Boliden Limited received ordinary shares of BAB in exchange for their shares of Boliden Limited;
 - (b) Boliden Limited became a wholly-owned subsidiary of BAB; and
 - (c) BAB became a reporting issuer (or the equivalent) under the Legislation.
6. BAB is a company governed by the *Swedish Companies Act (1975:1385)*. The principal office of BAB is located in Sweden. The authorized share capital of BAB consists of ordinary shares with a nominal value of SEK2 per share. The ordinary shares of BAB are listed on the SE and

the TSE. BAB has a market capitalization of approximately C\$580 million.

7. BAB is subject to continuous disclosure requirements under Swedish law (the "Swedish Continuous Disclosure Requirements") which are substantially similar to those prescribed by the Legislation including the Annual Filing Requirement, the Interim Financial Statement Requirements, the Material Change Requirements and the Proxy Requirements.
8. As at March 15, 2002, 85,811,638 ordinary shares of BAB were issued and outstanding of which:
- (a) 4,404,304 ordinary shares (5.13%) were registered in the name of The Canadian Depository for Securities Limited ("CDS");
 - (b) 1,080,504 ordinary shares (1.26%) were registered in the names of 105 shareholders resident in Canada; and
 - (c) 80,326,830 ordinary shares (93.61%) were held by residents of countries other than Canada (principally, Sweden).

The aggregate of the percentages set out in paragraphs (a) and (b) above would be less than 7% if the number of equity securities of BAB were calculated on a fully-diluted basis.

9. The ordinary shares of BAB are reflected in securities accounts ("VP Accounts") in the register of holders maintained by VPC AB, the Swedish central securities depository. Separate VP Accounts have been established for CDS (on behalf of non-registered Canadian shareholders) and a nominee company established by Boliden Limited (on behalf of Canadian Registered Shareholders).
10. As a reporting issuer, BAB is subject to the continuous disclosure requirements of the Legislation.

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

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

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

- A. the Annual Filing Requirement;
- B. the Interim Financial Statement Requirements;

Decisions, Orders and Rulings

C. the Material Change Requirements; and

D. the Proxy Requirements;

shall not apply to BAB provided that:

(a) BAB files with the Decision Makers, in electronic format through SEDAR under BAB's SEDAR profile English language translations of all documents required to be filed with the securities regulatory authority or regulator in Sweden or with the SE under the Swedish Continuous Disclosure Requirements including:

(i) its annual and interim reports to shareholders;

(ii) its press releases; and

(iii) any materials relating to shareholder meetings published in Sweden within 24 hours of such publication;

(b) BAB delivers copies of the English language translations of all documents required to be sent to shareholders under the Swedish Continuous Disclosure Requirements or under the requirements of the SE including:

(i) its annual and interim reports to shareholders; and

(ii) any materials relating to shareholder meetings published in Sweden,

to registered Canadian shareholders and Independent Investor Communications Corporation ("IICC") (for delivery to Canadian shareholders holding shares registered in the name of CDS);

(c) BAB delivers notice of the date of all shareholder meetings to CDS for publication in the register maintained by CDS;

(d) BAB delivers letters to registered Canadian shareholders advising such shareholders of the meeting date and the voting mechanics required to participate in such meeting;

(e) BAB delivers letters for delivery by IICC to Canadian shareholders holding shares registered in the name of CDS advising such shareholders of the meeting date and the voting mechanics required to participate in such meeting;

(f) BAB complies with applicable Swedish Continuous Disclosure Requirements and the requirements of Swedish law relating to proxy statements, proxies and proxy solicitation in connection with any meeting of security holders;

(g) the annual financial statements of BAB include a note reconciling Swedish generally accepted accounting principles and Canadian generally accepted accounting principles as they pertain to BAB;

(h) all filing fees that would otherwise be payable by BAB in connection with the Annual Filing Requirement, the Interim Financial Statement Requirements, the Material Change Requirements, the Proxy Requirements and the Local Requirements are paid; and

(i) the foregoing decision and order will cease to be operative on such date as Proposed National Instrument 71-102 - *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* or similar instrument relating to foreign issuer continuous disclosure comes into effect.

May 8, 2002.

"Robert L Shirriff"

"Theresa McLeod"

AND IT IS FURTHER THE DECISION of the Decision Makers pursuant to Part XII of NP 41 that the requirements of Part IV of NP 41 shall not apply to BAB, provided that BAB complies with the conditions set out in clauses (a), (b), (c), (d), (e), (f), (g), (h) and (i) of the Decision above.

May 8, 2002.

"John Hughes"

AND IT IS FURTHER THE DECISION of the Decision Maker in each of Ontario and Saskatchewan is that the Local Requirements shall not apply to BAB provided that BAB complies with the conditions set out in clauses (a), (b), (c), (d), (e), (f), (g), (h) and (i) of the first Decision above.

May 8, 2002.

"John Hughes"

2.1.5 Nabors Industries, Inc. et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief from registration and prospectus requirements in connection with statutory arrangement involving an exchangeable share structure where exemptions may not be available for technical reasons. Exchangeco exempted from certain continuous disclosure and insider reporting requirements subject to certain conditions. First trade deemed a distribution unless made in accordance with specified provisions of Multilateral Instrument 45-102 Resale of Securities.

Applicable Ontario Statutory Provisions

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

Applicable Instruments

Multilateral Instrument 45-102 Resale of Securities.

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

AND

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

AND

**IN THE MATTER OF
NABORS INDUSTRIES, INC.,
NABORS EXCHANGE CO (CANADA) INC.,
3064297 NOVA SCOTIA COMPANY AND
ENSERCO ENERGY SERVICE COMPANY INC.**

MRRS DECISION DOCUMENT

1. **WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon Territory, Nunavut and the Northwest Territories (the "Jurisdictions") has received an application from Nabors Industries, Inc. ("Nabors"), 3064297 Nova Scotia Company ("Callco") and Nabors Exchangeco (Canada) Inc. ("Canco") (collectively, the "Applicant") for a decision under the securities legislation, regulations, rules, instruments and/or policies of the Jurisdictions (the "Legislation") that:
 - 1.1 the requirements contained in the Legislation to be registered to trade in a security (the "Registration Requirement") and to file a preliminary prospectus and a prospectus and to obtain receipts therefore (the "Prospectus Requirement") shall not apply to certain trades and distributions of securities to be made in connection with an agreement (the "Acquisition Agreement") to combine the businesses of Nabors and Enserco Energy Service Company Inc. ("Enserco") pursuant to a plan of arrangement (the "Arrangement") under Section 192 of the Canada Business Corporations Act, as amended (the "CBCA");
 - 1.2 the requirements contained in the Legislation for all of the Jurisdictions except Nova Scotia, Prince Edward Island, New Brunswick and Newfoundland and Labrador for a reporting issuer or the equivalent to issue a press release and file a report with the Decision Makers upon the occurrence of a material change, file and deliver an annual report, where applicable, interim and annual financial statements, information circulars and annual information forms and provide, where applicable, interim and annual management's discussion and

analysis of financial conditions and results of operations (collectively, the "Continuous Disclosure Requirements") shall not apply to Canco; and

1.3 the requirements contained in the Legislation for all of the Jurisdictions except Nova Scotia, Prince Edward Island, New Brunswick and Newfoundland and Labrador that an insider of a reporting issuer or the equivalent file reports disclosing the insider's direct or indirect beneficial ownership of, or control or direction over, securities of the reporting issuer or the equivalent (the "Insider Reporting Requirements") shall not apply to insiders of Canco;

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** the Applicant has represented to the Decision Makers that:

3.1 Nabors is a corporation organized and existing under the laws of the State of Delaware, with its head office in Houston, Texas;

3.2 Nabors, together with its subsidiaries, is the largest drilling contractor in the world, conducting oil, gas and geothermal and drilling operations in the United States, Canada and internationally, primarily in South and Central America and the Middle East;

3.3 as at December 31, 2001, Nabors' total assets were approximately US\$4.2 billion, while its total operating revenues and net income for the financial year then ended were approximately US\$2.2 billion and US\$387.5 million, respectively;

3.4 the authorized capital stock of Nabors consists of 418,000,000 shares of Nabors stock, par value US\$0.10 per share, of which 400,000,000 are shares in the common stock of Nabors ("Nabors Shares"), 10,000,000 are shares of preferred stock and 8,000,000 are shares of class B stock. As at February 25, 2002, there were 140,943,885 Nabors Shares issued and outstanding and no other shares of any class or series outstanding;

3.5 the Nabors Shares are currently listed and posted for trading on the American Stock Exchange (the "AMEX") under the symbol "NBR";

3.6 as at February 22, 2002, there were nine registered holders of Nabors Shares resident in Canada (out of a total of 2,447 registered holders) holding 1,744 Nabors Shares, representing approximately 0.001% of the total number of issued and outstanding Nabors Shares. As of March 27, 2002, there were 976 beneficial holders of Nabors Shares resident in Canada holding 243,022 Nabors Shares representing approximately 0.17% of the total number of issued and outstanding Nabors Shares;

3.7 on February 25, 2002, the day immediately prior to the Arrangement being publicly announced, the closing price for Nabors Shares was US\$34.80, representing a market capitalization of approximately US\$4.9 billion;

3.8 Nabors is subject to the reporting requirements of the United States Securities Exchange Act of 1934, as amended (the "1934 Act");

3.9 Nabors is not a reporting issuer or the equivalent in any of the Jurisdictions but anticipates becoming a reporting issuer or the equivalent, absent exemptive relief from the securities regulatory authority or regulator therein, in Alberta, Saskatchewan and Québec following, and as a consequence of, the completion of the Arrangement;

3.10 Callco is an indirect wholly-owned subsidiary of Nabors. Callco is an unlimited liability company incorporated under the Companies Act (Nova Scotia) solely for the purpose of holding the various call rights associated with the exchangeable non-voting shares of Canco to be issued pursuant to the Arrangement (the "Exchangeable Shares");

3.11 all of the issued and outstanding shares of Callco will be held indirectly by Nabors at all material times. Callco is not a reporting issuer or the equivalent and does not intend to become a reporting issuer or the equivalent in any province or territory of Canada;

3.12 Nabors and Callco have submitted an application to the securities regulatory authorities in Alberta and Saskatchewan to be deemed to have ceased to be reporting issuers or the equivalent after the Effective Time (as defined below) of the Arrangement;

- 3.13 Canco was incorporated under the CBCA on March 8, 2002 for the purpose of implementing the Arrangement, and has its registered office in Calgary, Alberta. Canco has not carried on any business to date;
- 3.14 the authorized capital of Canco consists of an unlimited number of common shares and an unlimited number of Exchangeable Shares;
- 3.15 the only securities of Canco that are issued or may be issued are common shares and Exchangeable Shares and all of the issued and outstanding common shares are held and will continue to be held, indirectly, by Nabors as long as any outstanding Exchangeable Shares are owned by any person or entity other than Nabors or any of Nabors' subsidiaries. Upon completion of the Arrangement, all of the issued and outstanding Exchangeable Shares will be held by former holders of Enserco Shares (as defined below) who receive Exchangeable Shares in exchange for their Enserco Shares pursuant to the Arrangement;
- 3.16 Canco is not a reporting issuer or the equivalent in any of the Jurisdictions but anticipates becoming a reporting issuer or the equivalent, in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Québec following, and as a consequence of, the completion of the Arrangement;
- 3.17 the Exchangeable Shares were conditionally approved for listing on The Toronto Stock Exchange (the "TSE") on March 20, 2002, subject to completion of the Arrangement and the satisfaction of its customary requirements;
- 3.18 on November 17, 1988, Bonus Petroleum Cop. and Bonus Resources Ltd. were amalgamated under the CBCA by virtue of a Certificate of Amalgamation to continue under the name Bonus Petroleum Corp. Bonus Petroleum Corp. changed its name to Bonus Resource Services Corp. ("Bonus") on June 6, 1996. Thereafter on August 1, 1998, Bonus, Pink Panther Oilfield Services Ltd., Swab-Tech Inc. and Trimat Well Servicing Inc. amalgamated under the CBCA by virtue of a Certificate of Amalgamation to continue under the name Bonus. Bonus subsequently changed its name to Enserco Energy Service Company Inc. on May 4, 2001;
- 3.19 Enserco is an integrated energy services company providing production and drilling services to the North American oil and gas industry, which, through its subsidiaries, currently operates over 200 service rigs and 30 drilling rigs;
- 3.20 Enserco has reported that, as at December 31, 2001, Enserco's total assets were approximately Cdn. \$407.2 million, while its total operating revenues and net income for the year ended December 31, 2001 were Cdn. \$293.4 million and Cdn. \$45.3 million, respectively;
- 3.21 the authorized capital of Enserco consists of an unlimited number of common shares ("Enserco Shares"), of which 26,179,861 Enserco Shares were issued and outstanding as of February 25, 2002. Up to an additional 741,630 Enserco Shares may be issued pursuant to outstanding in-the-money options ("Enserco Options") and up to 77,000 Enserco Shares may be issued pursuant to outstanding out-of-the-money Enserco Options. Up to an additional 500,000 Enserco Shares may be issued pursuant to outstanding warrants ("Warrants"). Up to an additional 2,500 Enserco Shares may be issued pursuant to certain share purchase rights ("Share Purchase Rights") pursuant to a cooperation agreement dated June 18, 2001 between Bonus Well Servicing Partnership and Polar Energy Services Ltd.;
- 3.22 the Enserco Shares are listed and posted for trading on the TSE under the symbol "ERC";
- 3.23 Enserco is a reporting issuer or the equivalent in Alberta, British Columbia, Saskatchewan, Manitoba, Ontario and Québec;
- 3.24 to the knowledge of the Applicant, Enserco is not in default of any requirements of the Legislation;
- 3.25 on March 19, 2002 the Applicant and Enserco obtained under Section 192 of the CBCA an interim order (the "Interim Order") from the Court of Queen's Bench of Alberta specifying, among other things, certain procedures and requirements to be followed in connection with the calling and conduct of the Enserco Meeting (as defined below) and the completion of the Arrangement;
- 3.26 the Arrangement is subject to approval of the holders of Enserco Shares ("Shareholders"), and the holders of Enserco Options, Warrants and Shares Purchase Rights (collectively, the "Enserco Security Holders") and the Court of Queen's Bench of Alberta by virtue of a final order (the "Final Order") approving the Arrangement;
- 3.27 a meeting of the Enserco Security Holders (the "Enserco Meeting") has been scheduled for April 24, 2002 to consider and, if deemed appropriate, approve the Arrangement;

- 3.28 an information circular dated on or about March 20, 2002 (the "Circular") prepared in accordance with the Legislation will be mailed to the Enserco Security Holders in connection with the Enserco Meeting and filed with each of the Decision Makers concurrently therewith;
- 3.29 the Circular contains or incorporates by reference prospectus-level disclosure concerning the Arrangement and the business and affairs of both Nabors and Enserco as well as certain historical financial information regarding both Nabors and Enserco;
- 3.30 at the Enserco Meeting, each Shareholder will be entitled to one vote for each Enserco Share held, and each holder of Options, Warrants and Share Purchase Rights will be entitled to one vote for each Enserco Share such holder would receive on a valid exercise thereof;
- 3.31 upon receipt of the approval of the Enserco Security Holders at the Enserco Meeting, the Applicant and Enserco will thereafter apply to the Court of Queen's Bench for the Final Order;
- 3.32 subject to the satisfaction or waiver of all closing conditions, including the receipt of all regulatory approvals, it is currently anticipated that the Arrangement will be completed on or about April 26, 2002;
- 3.33 under the terms of the Arrangement, at the effective time (the "Effective Time") on the date shown on the registration statement issued upon filing Articles of Arrangement under the CBCA giving effect to the Arrangement (the "Effective Date"):
- 3.33.1 each Enserco Share that is not held by either a Shareholder who has exercised its dissent right and who is ultimately entitled to be paid the fair value of its Enserco Shares, or by Nabors or any affiliate thereof, will be transferred to, and acquired by, Canco, in exchange for, at the Shareholder's election (or deemed election): (a) Cdn. \$15.50 plus simple interest thereon at the rate of 6% per annum in respect of the period from, but not including, February 25, 2002 to and including the Effective Date (the "Per Share Price"); or (b) such number of fully paid and non-assessable Exchangeable Shares as is determined pursuant to an Exchange Ratio (as defined in paragraph 3.34);
- 3.33.2 each Enserco Share in respect of which no election or no effective election has been made by the Shareholder (other than Enserco Shares held by (i) a Shareholder who has exercised its dissent right and is ultimately entitled to be paid the fair market value of its Enserco Shares, or (ii) Enserco or any affiliate) will be transferred to, and acquired by, Canco without any act or formality on the part of the Shareholder or Canco, free and clear of all liens, claims and encumbrances, and the Shareholder shall be deemed to have elected to receive in exchange therefore the Per Share Price in cash;
- 3.33.3 each Warrant that has not been duly exercised prior to the Effective Time shall thereafter represent the right to purchase that number of Nabors Shares equal to the number of Enserco Shares subject to such Warrant multiplied by the Exchange Ratio (as defined in paragraph 3.34). The exercise price per Nabors Share under the Warrant shall equal the exercise price per Enserco Share of such Warrant immediately prior to the Effective Time divided by the Exchange Ratio. If the foregoing calculation results in the Warrant being exercisable for a fraction of a Nabors Share, then the number of Nabors Shares subject to such Warrant shall be rounded down to the next whole number of Nabors Shares and the total exercise price for the Warrant shall be reduced by the exercise price of the fractional Nabors Share. The term to expiry, conditions to and manner of exercising and all other terms and conditions of such Warrant will be unaffected except to the extent necessary to reflect the changes to the securities acquirable upon exercise and to the exercise price, and any document or agreement previously evidencing such Warrant shall thereafter evidence and be deemed to evidence such Warrant after the Effective Time; and
- 3.33.4 each Option and each Share Purchase Right that has not been duly exercised or surrendered for termination prior to the Effective Time shall be terminated and, in consideration for such termination, each holder of such Option or Share Purchase Right shall receive cash, without interest, in an amount equal to the greater of: (A) the positive difference, if any, between (i) the product of the Per Share Price and the number of Enserco Shares that are subject to issuance upon the exercise of such Option or Share Purchase Right, as the case may be, and (ii) the cash exercise price of such Option or Share Purchase Right; and (B) \$0.10, for each Enserco Share subject to such issuance;
- 3.34 the "Exchange Ratio" will be determined by dividing the Per Share Price by the simple average of the weighted average trading price of Nabors Shares on the AMEX over the 10 consecutive trading days ending on the third Business Day prior to the date of the Enserco Meeting (the "Measurement Period") using a currency exchange rate of Canadian dollars to U.S. dollars equal to the average of the noon buying rates in

New York City for cable transfers in Canadian dollars as certified for customs purposes by the Federal Reserve Bank of New York for each trading day in the Measurement Period (the "Nabors Average Price"). The "Simple Average of the Weighted Average Trading Price" is determined by dividing the aggregate sale price of all Nabors Shares sold on the AMEX during the Measurement Period by the total number of Nabors Shares sold;

- 3.35 as an alternative to the exchange contemplated by paragraph 3.33.1 each Shareholder shall be entitled to transfer its Enserco Shares to a newly incorporated corporation (a "Holdco") and transfer the issued and outstanding shares thereof (collectively, "Holdco Shares") to Canco (the "Holdco Alternative"), provided that on or prior to and as of the Effective Date:
- 3.35.1 the Shareholder is a resident of Canada for the purposes of the Income Tax Act (Canada) (the "ITA");
 - 3.35.2 Holdco is incorporated no earlier than 60 days prior to the Effective Date, under the CBCA;
 - 3.35.3 the Shareholder transfers its Enserco Shares to Holdco solely in consideration for the Holdco Shares;
 - 3.35.4 Holdco has no indebtedness or liabilities and owns no assets other than the Enserco Shares;
 - 3.35.5 the Shareholder indemnifies Nabors, Enserco, Canco and Callco for any and all liabilities of Holdco (other than tax liabilities of Holdco that arise solely as a result of the tax status of Acquiror, Canco or Callco as a "financial institution" for purposes of the ITA) in a form satisfactory to Nabors in its sole discretion, and such Shareholder either has net assets as reflected on its audited financial statements for its most recently ended fiscal year which are satisfactory to Nabors or provides Nabors with security satisfactory to Nabors in respect of such Shareholder's indemnification obligations as set out above;
 - 3.35.6 prior to the Effective Date, Holdco (i) declares one or more stock dividends which (if the Holdco Shares are to be acquired by Canco) may be in the form of preferred shares of Holdco that are converted into common shares of Holdco prior to the Effective Date; (ii) increases the stated capital of the Holdco Shares; or (iii) (if the Holdco Shares are to be acquired by Canco) declares one or more cash dividends, provided that such cash is used to subscribe, directly or indirectly, for shares of Holdco;
 - 3.35.7 on the Effective Date, Holdco has no issued shares outstanding other than the Holdco Shares and such shares will be owned by the Shareholder;
 - 3.35.8 on or prior to the Effective Date, Holdco has never entered into any transaction (or conducted any business or operations or engaged in any activity) other than those described herein or such other transactions as are necessary to facilitate those transactions described herein with Nabor's consent, acting reasonably;
 - 3.35.9 other than as provided in 3.35.6 above, Holdco will not declare or pay any dividends or other distributions;
 - 3.35.10 the Shareholder shall prepare and file all income tax returns of its Holdco in respect of the taxation year-end of such Holdco ending immediately prior to the acquisition of such Holdco Shares by Canco subject to Nabor's right to approve all such returns as to form and substance;
 - 3.35.11 the Shareholder provides Enserco and Nabors with copies of all documents necessary to effect the transactions contemplated in this Section at least ten days prior to the Effective Date which documents must be approved by both Enserco and Nabors in their sole discretion; and
 - 3.35.12 the Shareholder and its Holdco execute a share purchase agreement in the form required by Nabors, acting reasonably, providing for, among other things, the sale of the Holdco Shares to Canco;
- 3.36 to the extent a Shareholder elects to utilize the Holdco Alternative, at the Effective Time, each Holdco Share will be transferred to, and acquired by, Canco without any act or formality on the part of the holder of such Holdco Share or the entity which acquires such Holdco Share, free and clear of all liens, claims and encumbrances, in exchange for, at the holder's election (or deemed election):
- 3.36.1 the Per Share Price in cash without additional interest; or

- 3.36.2 such number of fully paid and non-assessable Exchangeable Shares as is equal to the Exchange Ratio, in each case multiplied by a fraction having as its numerator the number of Enserco Shares held by the Holdco and as its denominator the number of issued and outstanding Holdco Shares of the Holdco;
- 3.37 no fractions of Exchangeable Shares will be issued in exchange for Enserco Shares pursuant to the Arrangement and such fractional interests will not entitle the owner to exercise any rights as a shareholder of Canco or Nabors. In lieu of any fractional securities, each holder otherwise entitled to a fraction of an Exchangeable Share will be entitled to receive a cash payment equal to the product of the fractional interest and the Nabors Average Price;
- 3.38 as a result of the foregoing, upon the completion of the Arrangement, all of the issued and outstanding Enserco Shares will be held directly or indirectly by Nabors and its affiliates;
- 3.39 it is expected that the Enserco Shares will be delisted from the TSE on or after the Effective Date. Enserco will continue to be a reporting issuer or the equivalent thereof, absent exemptive relief from the securities regulatory authority or regulator therein, in Alberta, British Columbia, Saskatchewan, Manitoba, Ontario and Québec. It is expected that Enserco will apply for such exemptive relief upon completion of the Arrangement;
- 3.40 Nabors will apply to the AMEX to list the Nabors Shares to be issued in exchange for the Exchangeable Shares and upon exercise of the Warrants;
- 3.41 the rights, privileges, conditions and restrictions attaching to the Exchangeable Shares (the "Exchangeable Share Provisions"), the terms and conditions of the voting and exchange trust agreement to be entered into between Nabors, Canco and a Canadian trust company (the "Trustee") in connection with the Arrangement (the "Voting and Exchange Trust Agreement") and the terms and conditions of the support agreement to be entered into between Nabors, Callco and Canco in connection with the Arrangement (the "Support Agreement") are described in the Circular, and are summarized below;
- 3.42 the Exchangeable Shares will be issued by Canco and will be exchangeable at any time after the Effective Date (subject to earlier redemption in accordance with the Arrangement), on a one-for-one basis, at the option of the holder, for Nabors Shares. An Exchangeable Share will provide a holder with economic terms and voting rights, which are, as nearly as practicable, equivalent to those of a Nabors Share. Shareholders who are residents of Canada and who receive Exchangeable Shares under the Arrangement may, upon filing the necessary tax elections, obtain a full or partial deferral of taxable capital gains for Canadian federal income tax purposes in certain circumstances. In addition, provided the Exchangeable Shares are listed on a prescribed stock exchange (which currently includes the TSE), they will be "qualified investments" for certain investors and will not constitute "foreign property", in each case, under the ITA;
- 3.43 subject to applicable law and the exercise of the Retraction Call Right (as defined and described below), a holder of Exchangeable Shares will be entitled at any time following the Effective Time to require Canco to redeem any or all of the Exchangeable Shares registered in the name of such holder for an amount per share equal to the current market price of a Nabors Share (as adjusted, if necessary) (the "Exchangeable Share Price") on the last Business Day prior to the date the holder desires Canco to redeem the Exchangeable Shares (the "Retraction Price"), which will be fully paid and satisfied by the delivery for each Exchangeable Share of one Nabors Share and any dividends payable or deliverable on such Exchangeable Share. When a holder of Exchangeable Shares makes a retraction request (a "Retraction Request"), Callco will have an overriding call right (the "Retraction Call Right") to purchase all but not less than all of the Exchangeable Shares subject to the Retraction Request in exchange for the Retraction Price, pursuant to the Exchangeable Share Provisions;
- 3.44 subject to applicable law and the Redemption Call Right (as defined and described below), Canco:
- 3.44.1 may at any time on or after the fifth anniversary of the Effective Date; or
- 3.44.2 will at any time, provided there are less than 1,500,000 Exchangeable Shares outstanding (excluding those held by Nabors and its affiliates) or on the occurrence of certain other events as described in the Arrangement,

redeem all but not less than all of the then outstanding Exchangeable Shares (the "Redemption Date") for an amount per share equal to the Exchangeable Share Price on the last Business Day prior to the Redemption Date (the "Redemption Price"), which will be fully paid and satisfied by the delivery for each Exchangeable Share of one Nabors Share and any dividends payable or deliverable on such Exchangeable Share. Callco

- will have an overriding right (the "Redemption Call Right") to purchase on the Redemption Date all but not less than all of the Exchangeable Shares then outstanding (other than Exchangeable Shares held by Nabors and its affiliates) for a purchase price per share equal to the Redemption Price, as set out in the Arrangement;
- 3.45 except as required by law or under the Support Agreement, Voting and Exchange Trust Agreement or the terms of the Exchangeable Share Provisions, the holders of Exchangeable Shares will not be entitled to receive notice of, or attend or vote at, any meeting of shareholders of Canco;
- 3.46 on the Effective Date, Nabors, Canco and the Trustee will enter into the Voting and Exchange Trust Agreement pursuant to which Nabors will issue to the Trustee a number of Nabors Shares equal to the number of Exchangeable Shares issued and outstanding (other than Exchangeable Shares held by Nabors and its affiliates), which will be held by the Trustee to enable the holders of Exchangeable Shares to have voting rights that are equivalent to those of holders of Nabors Shares. Each registered holder of Exchangeable Shares (other than Nabors and its affiliates) (a "Beneficiary") on the record date for any meeting at which shareholders of Nabors are entitled to vote will be entitled to instruct the Trustee to vote one Nabors Share held by the Trustee for each Exchangeable Share held by the Beneficiary. Pursuant to the Support Agreement, the Exchangeable Shares are subject to adjustment or modification in the event of a stock split or other change to the capital structure of Nabors so as to maintain the initial one-to-one relationship between the Exchangeable Shares and the Nabors Shares;
- 3.47 the Exchangeable Share Provisions will provide that each Exchangeable Share will entitle the holder to dividends from Canco payable at the same time as, and the same as or economically equivalent to, each dividend paid by Nabors on a Nabors Share;
- 3.48 on the liquidation, dissolution or winding-up of Canco or any other distribution of the assets of Canco among its shareholders for the purpose of winding-up its affairs, holders of the Exchangeable Shares will have, subject to applicable law and the overriding right of Calco (the "Liquidation Call Right") to purchase all but not less than all of the outstanding Exchangeable Shares (other than Exchangeable Shares held by Nabors and its affiliates) from the holders of Exchangeable Shares on the effective date of such liquidation, dissolution or winding-up (the "Liquidation Date") for a purchase price per share equal to the Exchangeable Share Price on the last Business Day prior to the Liquidation Date (the "Liquidation Amount"), preferential rights to receive from Canco the Liquidation Amount for each Exchangeable Share held, which will be fully paid and satisfied by the delivery of one Nabors Share and any dividends payable or deliverable on such Exchangeable Share;
- 3.49 on the liquidation, dissolution or winding-up of Canco (or when any other insolvency event described in the Circular occurs, and while it continues) each holder of Exchangeable Shares (other than Nabors and its affiliates) will be entitled to instruct the Trustee to exercise the exchange right (the "Exchange Right") granted to the Trustee in the Voting and Exchange Trust Agreement to require Nabors to purchase from such holder all or any part of the Exchangeable Shares held by the holder for a purchase price per share equal to the Exchangeable Share Price, which will be fully paid and satisfied by the delivery of one Nabors Share and any dividends payable or deliverable on such Exchangeable Share;
- 3.50 in order for the holders of the Exchangeable Shares to participate on a pro rata basis with the holders of Nabors Shares in the distribution of assets of Nabors in connection with any voluntary or involuntary liquidation, dissolution or winding-up proceedings with respect to Nabors or to effect any other distribution of the assets of Nabors among its shareholders for the purpose of winding up its affairs (a "Liquidation Event"), immediately prior to the Liquidation Event each Exchangeable Share will, pursuant to the automatic exchange right granted to the Trustee in the Voting and Exchange Trust Agreement, automatically be exchanged for Nabors Shares equal to the Exchangeable Share Price under the Voting and Exchange Trust Agreement;
- 3.51 the Exchangeable Shares will have a preference over the common shares of Canco and any other shares ranking junior to the Exchangeable Shares with respect to the payment of dividends and the distribution of assets in the event of a liquidation, dissolution or winding-up of Canco, whether voluntary or involuntary, or any other distribution of the assets of Canco among its shareholders for the purpose of winding-up its affairs;
- 3.52 on the Effective Date, Nabors, Canco and Calco will enter into the Support Agreement which will provide that Nabors will not declare or pay dividends on the Nabors Shares unless Canco simultaneously declares or pays, as the case may be, an equivalent dividend or other distribution economically equivalent thereto on the Exchangeable Shares, and that Nabors will ensure that Canco and Calco will be able to honour the redemption and retraction rights and dissolution entitlements that are attributes of the Exchangeable Shares under the Exchangeable Share Provisions and the Redemption Call Right, Retraction Call Right and Liquidation Call Right. The Support Agreement will also provide that, without the prior approval of Canco and the holders of the Exchangeable Shares, Nabors will not issue or distribute Nabors Shares, securities

exchangeable for or convertible into or carrying rights to acquire Nabors Shares, rights, options or warrants to subscribe for or to purchase Nabors Shares, evidences of indebtedness or other assets of Nabors to the holders of Nabors Shares, nor will Nabors subdivide, re-divide, reduce, combine, consolidate, reclassify or otherwise change the Nabors Shares unless the same or an economically equivalent distribution or change is simultaneously made to the Exchangeable Shares;

- 3.53 the Arrangement involves or may involve, a number of trades and/or distributions of securities (collectively, the "Trades"), in respect of which there may be no registration or prospectus exemptions available under the Legislation, including, without limitation, the issuance of the Exchangeable Shares and replacement Warrants; the issuance of Nabors Shares upon the exchange of Exchangeable Shares and the issuance of Nabors Shares upon the exercise of Warrants; the creation and exercise of all the various rights under the Voting and Exchange Trust Agreement, Support Agreement and Exchangeable Share Provisions; and the issuance of shares of Nabors and its affiliates (including Canco and Calco) in connection with the Arrangement;
- 3.54 the fundamental investment decision to be made by an Enserco Security Holder will be made at the time when such holder votes in respect of the Arrangement. As a result of this decision, unless Exchangeable Shares are sold in the market, a holder (other than a dissenting Shareholder) will ultimately receive Nabors Shares in exchange for the Enserco Shares held by such holder. The use of the Exchangeable Shares will provide certain Canadian tax benefits to certain Canadian holders but will otherwise be, as nearly as practicable, the economic and voting equivalent of the Nabors Shares. As such, all subsequent exchanges of Exchangeable Shares are in furtherance of the holder's initial investment decision;
- 3.55 as a result of the economic and voting equivalency in all material respects between the Exchangeable Shares and the Nabors Shares, holders of Exchangeable Shares will have an equity interest determined by reference to Nabors, rather than Canco. Dividend and dissolution entitlements will be determined by reference to the financial performance and condition of Nabors, not Canco. Accordingly, it is the information relating to Nabors, not Canco, that will be relevant to the holders of Exchangeable Shares;
- 3.56 the Circular discloses that Nabors and Canco have applied for relief from the Registration Requirement and Prospectus Requirement, the Continuous Disclosure Requirements and Insider Reporting Requirements for insiders of Canco. The Circular also identifies the limitations imposed on any resale of Exchangeable Shares or Nabors Shares and the continuous disclosure that will be provided to holders of Exchangeable Shares if the requested relief is granted;
- 3.57 following completion of the Arrangement, assuming an Exchange Ratio of 0.2808 (based upon the closing price of Nabors Shares, and the Canadian dollar exchange rate in effect, on the day immediately prior to the Arrangement being publicly announced), and assuming that Exchangeable Shares are considered to be Nabors Shares, it is expected that the beneficial holders of Nabors Shares resident in Canada will hold approximately 4.3% of the issued and outstanding Nabors Shares calculated based upon the number of beneficial and registered Shareholders and registered holders of Nabors Shares who are residents of Canada and on the assumption that the consideration to be paid by Nabors to Shareholders pursuant to the Arrangement will consist entirely of Exchangeable Shares (other than in respect of approximately 20.5% of Enserco Shares acquired by Nabors pursuant to prior agreement for cash);
- 3.58 following completion of the Arrangement, Nabors will concurrently send to holders of Exchangeable Shares or Nabors Shares resident in the Jurisdictions all disclosure material it sends to holders of Nabors Shares resident in the United States pursuant to the 1934 Act;
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 pursuant to the Legislation is that:
- 6.1 the Registration Requirement and Prospectus Requirement shall not apply to the Trades;
- 6.2 the first trade in Exchangeable Shares acquired in connection with the Arrangement shall be deemed to be a distribution or primary distribution to the public under the Legislation of the Jurisdiction in which the trade takes place, unless:
- 6.2.1 except in Quebec,

- 6.2.1.1 the conditions in subsections (3) or (4) of Section 2.6 of Multilateral Instrument 45-102 *Resale of Securities* ("MI 45-102") are satisfied; and provided further that, in determining the period of time that Canco has been a reporting issuer for the purposes of Section 2.6 of MI 45-102, the period of time that Enserco has been a reporting issuer may be included; or
- 6.2.1.2 where such first trade is a "control distribution" as such term is defined in MI 45-102, such trade is made in compliance with Sections 2.8 of MI 45-102; and provided further that, in determining the period of time that Canco has been a reporting issuer for the purposes of Section 2.8 of MI 45-102, the period of time that Enserco has been a reporting issuer may be included; and the period of time that a holder of Exchangeable Shares (or an affiliated or controlled entity of such holder) held Enserco Shares shall be included in the calculation of the hold period);
- 6.2.2 in Québec,
 - 6.2.2.1 Canco or one of the parties to the Arrangement (including, for greater certainty, Enserco) is and has been a reporting issuer in Québec in good standing for the twelve months immediately preceding the first trades (and for the purpose of determining the period of time that the issuer or one of the parties to the Arrangement has been a reporting issuer in Québec, the period of time that Enserco was a reporting issuer may be included);
 - 6.2.2.2 no unusual effort is made to prepare the market or to create a demand for the Exchangeable Shares;
 - 6.2.2.3 no extraordinary commission or consideration is paid to a person or company in respect of the trade; and
 - 6.2.2.4 if the selling Exchangeable Share holder is an insider or officer of Nabors or Canco, the selling Exchangeable Share holder has no reason to believe that Nabors or Canco are in default of the Legislation;
- 6.3 the first trade in Nabors Shares acquired in connection with the Arrangement shall be deemed to be a distribution or primary distribution to the public under the Legislation unless, at the time of the trade:
 - 6.3.1 except in Québec,
 - 6.3.1.1 if Nabors is a reporting issuer in any Jurisdiction listed in Appendix B to MI 45-102 other than Québec, the conditions in subsections (3) or (4) of Section 2.6 of MI 45-102 are satisfied; and for the purpose of determining the period of time that Nabors has been a reporting issuer under Section 2.6, the period of time that Enserco has been a reporting issuer may be included; or
 - 6.3.1.2 if Nabors is not a reporting issuer in any Jurisdiction other than Québec, such first trade is made through an exchange, or a market, outside of Canada; and
 - 6.3.2 in Québec,
 - 6.3.2.1 Nabors or one of the parties to the Arrangement (including, for greater certainty, Enserco) is and has been a reporting issuer in Québec in good standing for the twelve months immediately preceding the first trades (and for the purpose of determining the period of time that the issuer or one of the parties to the Arrangement has been a reporting issuer in Québec, the period of time that Enserco was a reporting issuer may be included);
 - 6.3.2.2 no unusual effort is made to prepare the market or to create a demand for the Nabors Shares;
 - 6.3.2.3 no extraordinary commission or consideration is paid to a person or company in respect of the trade; and
 - 6.3.2.4 if the selling Nabors Share holder is an insider or officer of Nabors or Canco, the selling Nabors Share holder has no reason to believe that Nabors or Canco are in default of the Legislation;

- 6.4 the Continuous Disclosure Requirements shall not apply to Canco so long as:
- 6.4.1 Nabors sends concurrently to all holders of Exchangeable Shares or Nabors Shares resident in Canada all disclosure material furnished to holders of Nabors Shares resident in the United States, including, without limitation, copies of its proxy solicitation materials and its annual financial statements, which financial statements will be prepared solely in accordance with US GAAP;
 - 6.4.2 Nabors files with each Decision Maker copies of all documents required to be filed by it with the SEC under the 1934 Act, and such filings are made under Canco's SEDAR profile and the filing fees which would otherwise be payable by Canco in connection with such filings are paid;
 - 6.4.3 Nabors complies with the requirements of the AMEX in respect of making public disclosure of material information on a timely basis and forthwith issues in Canada and files with the Decision Makers any press release that discloses a material change in Nabors' affairs;
 - 6.4.4 Canco complies with the material change reporting requirements in respect of material changes in the affairs of Canco that would be material to holders of Exchangeable Shares but would not be material to holders of Nabors Shares;
 - 6.4.5 Nabors includes in all future mailings of proxy solicitation materials (if any) to holders of Exchangeable Shares a clear and concise statement explaining the reason for the mailed material being solely in relation to Nabors and not in relation to Canco, such statement to include a reference to the economic equivalency between the Exchangeable Shares and the Nabors Shares and the right to direct voting at Nabors' shareholders' meetings pursuant to the Voting and Exchange Trust Agreement (without taking into account tax effects);
 - 6.4.6 Nabors remains the direct or indirect beneficial owner of all of the issued and outstanding voting securities, including, without limitation, common shares of Canco; and
 - 6.4.7 Canco does not issue any securities to the public other than the Exchangeable Shares in connection with the Arrangement; and
- 6.5 the Insider Reporting Requirements, and the requirement to file an insider profile under National Instrument 55-102 *System for Electronic Disclosure by Insiders*, shall not apply to Canco and each insider of Canco, so long as:
- 6.5.1 such insider of Canco does not receive or have access to, in the ordinary course, information as to material facts or material changes concerning Nabors before the material facts or material changes are generally disclosed; and
 - 6.5.2 such insider of Canco is not a director or senior officer of Nabors, or a "major subsidiary" of Nabors, as such term is defined in National Instrument 55-101 *Exemptions from Certain Insider Reporting Requirements* as if Nabors were a reporting issuer.

April 18th, 2002.

"Glenda A. Campbell"

"Jerry A. Bennis"

**2.1.6 Canadian Satellite Communications Inc. -
MRRS Decision**

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - representation in original MRRS Decision Document was not correct - decision that issuer be deemed to have ceased to be a reporting issuer would have been granted with revised representation - variation order granted.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. c.S.5, as am., ss. 1(1), 6(3), 83 and 144.

**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
CANADIAN SATELLITE COMMUNICATIONS INC.**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Saskatchewan, Ontario, Quebec, Nova Scotia and Newfoundland and Labrador (collectively, the "Jurisdictions") has received an application of Canadian Satellite Communications Inc. (the "Corporation") to vary the MRRS Decision Document dated September 5, 2001 *In the Matter of Canadian Satellite Communications Inc.* (the "MRRS Decision Document"), which deemed the Corporation to have ceased to be a reporting issuer, or the equivalent, under the Legislation;

AND WHEREAS the Corporation wishes to vary the MRRS Decision Document in order to correct the representation in paragraph 14 which changed between the time of filing the application on July 10, 2001 and the time that the MRRS Decision Document was granted on September 5, 2001;

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 (the "Principal Regulator");

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

1. The granting of the MRRS Decision Document by the Decision Makers was based on certain representations made by the Corporation.
2. As at September 5, 2001, the representation in paragraph 14 of the MRRS Decision Document was not correct as subordinated notes in the principal amount of \$250 million (the "Notes") had been issued and were outstanding and 1,044,657 warrants (the "Warrants") each exercisable into 1 share of class B non-voting participating shares in the capital of Shaw Communications Inc. ("Shaw") had been issued and outstanding.
3. Other than the Common Shares, the Star Choice Warrants, the Notes and the Warrants, the Corporation had no securities, including debt securities, outstanding as at September 5, 2001.
4. Scotia Capital Inc. was the sole beneficial holder of the Notes as at September 5, 2001.
5. Beneficial holders of the Warrants are not, in any way, relying upon the Corporation's financial position. The Corporation has entered into an agreement with Shaw pursuant to which Shaw has agreed to perform its obligations under the Warrants, including issuing class B non-voting participating shares of Shaw upon exercise of the Warrants.

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

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

THE DECISION of the Decision Makers under the Legislation is that the MRRS Decision Document be varied by removing paragraph 14 and replacing it with the following:

"14. The Corporation has no securities, including debt securities, outstanding other than:

- (i) the Common Shares;
- (ii) the Star Choice Warrants;
- (iii) subordinated notes in the principal amount of \$250 million issued on August 31, 2001 and owned by one

- (iv) beneficial holder resident in the Province of Ontario; and
1,044,657 warrants each exercisable into 1 share of class B non-voting participating shares in the capital of Shaw.”

May 9, 2002.

“John Hughes”

2.1.7 Pfizer Inc. - MRRS Decision

Headnote

MRRS - Relief from the registration requirements and prospectus requirements for issuance of securities by foreign issuer to Canadian employees and former employees pursuant to equity investment plan - Relief from issuer bid requirements for acquisition by foreign issuer of securities in connection with exercise mechanism under equity incentive plan - Issuer with *de minimis* Canadian presence.

Applicable Ontario Statutory Provisions

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

Applicable Ontario Rules

Rule 45-503 - Trades to Employees, Executives and Consultants - ss. 2.2, 2.4, 3.3 and 3.5.

Applicable Instrument

Multilateral Instrument 45-501 - Resale of Securities - s. 2.14(1).

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

AND

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

AND

**IN THE MATTER OF
PFIZER INC.**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of Nova Scotia, British Columbia, Alberta, Saskatchewan, Manitoba and Ontario (the “Jurisdictions”) has received an application from Pfizer Inc. (“Pfizer” or the “Company”) for a decision pursuant to the securities legislation of the Jurisdictions (the “Legislation”) that (i) the requirements contained in the Legislation to be registered to trade in a security (the “Registration Requirements”) and to file and obtain a receipt for a preliminary prospectus and a prospectus (the “Prospectus Requirements”) (collectively, the “Registration and Prospectus Requirements”) shall not apply to certain trades in securities of Pfizer made in connection with the Pfizer Inc. 2001 Stock and Incentive Plan (the “Plan”); (ii) the Registration Requirements shall

not apply to first trades of shares of common stock of Pfizer ("Shares") acquired under the Plan made through the Agent (defined below) 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, bid financing, identical consideration, collateral benefits, and the requirement to file a reporting form within ten days of an exempt issuer bid and pay a related fee (the "Issuer Bid Requirements") shall 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 Nova Scotia Securities Commission is the principal regulator for this application;

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

1. Pfizer is presently a corporation incorporated under the laws of the State of Delaware. Pfizer's executive offices are located in New York, New York.
2. Pfizer 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 Pfizer consists of 9 billion Shares of par value US\$.05 per Share and 12 million shares of preferred stock ("Preferred Stock"), of which as of March 6, 2002, there were 6,265,230,721 Shares and 0 shares of Preferred Stock issued and outstanding.
4. The Shares are traded in the United States on the New York Stock Exchange (the "NYSE") and in Europe on the London, Euronext and Swiss stock exchanges (collectively, the "Exchanges").
5. Pfizer is not a reporting issuer or the equivalent in any jurisdiction in Canada and has no present intention of becoming a reporting issuer or the equivalent in any jurisdiction in Canada. The majority of Pfizer's directors reside outside of Canada.
6. The purpose of the Plan is to provide a material incentive to employees of Pfizer and its affiliates ("Employees") by making available to them the benefits of a larger Share ownership in the Company through stock options, stock awards or otherwise.
7. Subject to adjustment as described in the Plan, the maximum number of Shares that may be issued under the Plan is 250 million.
8. Shares offered under the Plan are registered with the SEC under the *Securities Act* of 1933, as amended, of the United States. All necessary securities filings have been made in the United States in order to offer the Plan to the Employees. The Plan was approved by the shareholders of Pfizer on April 26, 2001.
9. Under the Plan, options over Shares ("Options") and stock awards ("Stock Awards") consisting of Shares may be issued to those Employees selected by Pfizer's executive compensation committee (the "Committee").
10. As of February 28, 2002, there were 5 Employees in Nova Scotia, 8 Employees in British Columbia, 12 Employees in Alberta, 2 Employees in Saskatchewan, 4 Employees in Manitoba and 137 Employees in Ontario eligible to participate in the Plan.
11. Pfizer uses the services of agents for the Plan (each an "Agent"). Merrill Lynch & Co., Inc. and Merrill Lynch Pierce Fenner & Smith, Inc. (together "Merrill Lynch") have been appointed as the initial Agents for the Plan. Merrill Lynch through its affiliate Merrill Lynch Pierce Fenner & Smith, Inc. 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 to trade in securities and has been, or will be, authorized by Pfizer to provide services as an agent under the Plan. Merrill Lynch and any replacement or additional Agent, is not and is not expected to be registered in any of the Jurisdictions to effect retail trades.
12. The role of the Agent may include: (a) assisting with the general administration of the Plan and providing various record keeping services; (b) holding Stock Awards on behalf of participants; (c) facilitating Option exercises (including cashless exercises) under the Plan; (d) maintaining limited purpose broker accounts on behalf of participants under the Plan; (e) holding Shares acquired under the Plan on behalf of participants in limited purpose broker accounts; (f) facilitating the cancellation and surrender of Stock Awards as permitted under the Plan; (g) facilitating the payment of withholding taxes; and (h) facilitating the resale of Shares acquired under the Plan through the NYSE or such other stock exchange or market upon which the Shares may be listed.
13. Employees are not induced to participate in the Plan or to exercise their Options by expectation of employment or continued employment with Pfizer or its affiliates.

14. Options or Stock Awards granted under the Plan are not transferable other than by will or the laws of intestacy and shall be exercisable, during the optionee's or grantee's lifetime, only by the optionee or grantee. Notwithstanding the foregoing, the Committee may grant Options which may be transferred by the optionee, solely as gifts during the optionee's lifetime, to any member of the optionee's immediate family or to a trust established for the exclusive benefit of one or more members of the optionee's immediate family ("Permitted Transferee"). For purposes of the Plan, "immediate family" means any spouse, child, stepchild or grandchild of an optionee.
15. The Committee shall establish procedures governing the exercise of Options. Generally, in order to exercise an Option, the holder of an Option must submit to Pfizer or the Agent a written notice of exercise identifying the Option and the number of Shares being exercised, and deliver full payment for the Shares underlying the Options to Pfizer or the Agent. The Option exercise price may be paid in cash or where permitted by the Committee by way of cashless exercise or by such other method permitted by the Committee from time to time.
16. Under the Plan, the Committee may grant Stock Awards to any Employee. Each Stock Award shall provide that the Shares subject to such Stock Award may not be transferred or otherwise disposed of by the participant prior to the expiration of the period or periods specified therein, which, generally, shall not occur earlier than one (1) year following the date of the grant of such Stock Award.
17. Pfizer shall have the right to reacquire Shares underlying Stock Awards upon the termination of an Employee's employment with Pfizer or its affiliates while such restriction is in effect, such reacquisition to be upon the terms and conditions provided in the agreement relating to the Stock Award ("Repurchase Rights"). Generally, if an Employee's employment terminates, other than in the case of death, disability or retirement, prior to the end of the restriction period, the Shares underlying the Stock Award will automatically revert to Pfizer without any payment to the Employee.
18. Pfizer shall have the right to deduct applicable taxes from any Option or Stock Award payment and to withhold at the time of delivery or vesting of cash or Shares under the Plan, an appropriate amount of cash or Shares or a combination thereof for a payment of taxes required by law or to take such other action as may be necessary in the opinion of Pfizer or the Committee to satisfy all obligations for the withholding of such taxes. If Shares are used to satisfy the withholding of tax, the Shares will be valued based on the Shares' fair market value (determined in accordance with the rules of the Plan) when the tax withholding is required to be made.
19. Generally, following the termination of a participant's relationship with Pfizer or an affiliate of Pfizer for reasons of death, disability, retirement or any other reason, a former participant in the Plan ("Former Participant"), and on the death of a participant, where the Option or Stock Award has been transferred by will or pursuant to the laws of intestacy or otherwise, or such Option or Stock Award is transferred as permitted by the Committee to a Permitted Transferee, the Former Participant or Permitted Transferee may continue to have rights in respect of the Plan ("Post-Termination Rights"). Post-Termination Rights may include, among other things, the right to exercise an Option or receive Shares underlying a Stock Award for a period determined in accordance with the Plan following termination and the right to sell Shares acquired under the Plan through an Agent. Post-Termination Rights are only available if the right was earned by the Employee while the Employee still had a relationship with Pfizer or its affiliates.
20. A prospectus prepared in accordance with U.S. securities laws describing the terms and conditions of the Plan will be delivered to each Employee who is granted an Option or Stock Award under the Plan. The annual report, proxy materials and other materials which Pfizer is required to file with the SEC will be provided or made available to Canadian resident participants in the Plan at the same time and in the same manner as the documents are provided or made available to U.S. resident participants in the Plan.
21. Canadian resident shareholders of Pfizer 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 Pfizer.
22. Employees, Former Participants or Permitted Transferees may exercise Options and sell Shares acquired under the Plan through an Agent.
23. Because there is no market for the Shares in Canada and none is expected to develop, any resale of the Shares acquired under the Plan will be effected through the facilities of, and in accordance with the rules and laws applicable to, a stock exchange or organized market outside of Canada on which the Shares may be listed or quoted for trading.
24. The Legislation of certain of the Jurisdictions does not contain exemptions from the Registration and Prospectus Requirements for Option exercises by Employees, Former Participants or Permitted

Transferees through the Agent where the Agent is not a registrant.

25. Where the Agent sells Shares on behalf of Employees, Former Participants or Permitted Transferees, the Employees, Former Participants, Permitted Transferees or the Agent may not be able to rely on the exemptions from the Registration Requirements contained in the Legislation.

26. The acquisition by Pfizer of Shares pursuant to the Repurchase Rights or for the withholding of tax may be an issuer bid as defined in the Legislation. The exemptions in the Legislation from the Issuer Bid Requirements are not available for these acquisitions by the Company of its Shares from Employees, Former Participants or Permitted Transferees in accordance with the terms of the Plan, since these acquisitions may occur at a price that is not calculated in accordance with the "market price," as that term is defined in the Legislation and may be made from persons other than employees or former employees.

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

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

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

- (a) the Registration and Prospectus Requirements shall not apply to any trade or distribution of Options, Shares or Stock Awards made in connection with the Plan, including trades or distributions involving Pfizer or its affiliates, the Agent, Employees, Former Participants or Permitted Transferees, provided that the first trade in Shares acquired under the Plan pursuant to this Decision, including Shares underlying a Stock Award, shall be deemed a distribution or primary distribution to the public under the Legislation 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 Participants or Permitted Transferees in Shares acquired pursuant to the Plan, including Shares underlying a Stock Award, effected through an Agent shall not be subject to the Registration Requirements provided that the conditions in subsection 2.14(1) of Multilateral Instrument 45-102 Resale of Securities are satisfied; and

- (c) the Issuer Bid Requirements shall not apply to the acquisition by Pfizer of Shares, including Shares underlying a Stock Award, from Employees, Former Participants and Permitted Transferees provided the acquisitions are made in accordance with the terms of the Plan.

May 10, 2002.

"H. Leslie O'Brien"

2.1.8 Corus Group plc - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - issuer has 210 beneficial Canadian security holders who hold less than 0.01% of the total issued and outstanding Shares and ADSs - issuer subject to securities legislation of the United States - issuer not listed or quoted on an exchange or market in Canada - issuer deemed to have ceased to be a reporting issuer.

Applicable Ontario Statutory Provisions

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

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

AND

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

AND

**IN THE MATTER OF
CORUS GROUP PLC**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta and Ontario (the "Jurisdictions") has received an application from Corus Group plc ("Corus") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that Corus be deemed to have ceased to be a reporting issuer under the Legislation;

AND WHEREAS pursuant to the Mutual Reliance Review System for exemptive relief applications (the "System") the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS Corus has represented to the Decision Makers that:

1. Corus is a corporation incorporated under the laws of the United Kingdom and is a reporting issuer in the provinces of British Columbia, Alberta and Ontario. Corus is not a reporting issuer in any other jurisdiction in Canada.
2. In December 1988, British Steel plc, later known as Corus UK Limited (a name change was filed on April 17, 2000), became a reporting issuer in the Jurisdictions having completed a public offering in Canada of American Depositary Shares ("ADSs") representing ordinary shares. The ADSs were the result of a combined global offering to investors in the United Kingdom and elsewhere, including the

United States and Canada. The ADSs were evidenced by American Depositary Receipts ("ADRs").

3. Both before and after December 1988, residents of Canada acquired other ordinary shares of British Steel plc, presumably in regular market transactions.
4. On October 6, 1999, British Steel plc merged with Koninklijke Hoogovens N.V. to form Corus. The merger was structured such that shareholders of British Steel plc received one ordinary share in Corus in exchange for each ordinary share held and either 35 pence in cash or 35 pence in Corus Floating Rate Unsecured Loan Notes due in 2006. Following its name change (referred to in paragraph 2 above), Corus UK Limited re-registered as a private limited company and became a wholly-owned subsidiary of Corus.
5. As at January 31, 2002, the total number of Corus ordinary shares (the "Shares") issued and outstanding was 3,127,192,301. This amount includes 348,027,730 ADSs evidenced by 34,802,773 ADRs (one ADR = 10 Shares).
6. Corus has 210 beneficial security holders resident in Canada, holding 142,730 ADSs and 49,451 Shares, or less than 0.01% of the total issued and outstanding Shares and ADSs. Of these, 27 holders of 3,700 ADSs and 3 holders of 5,213 Shares resident in Quebec, 43 beneficial holders of 42,480 ADSs and 33 beneficial holders of 21,481 Shares are resident in Ontario, 34 beneficial holders of 48,570 ADSs and 3 beneficial holders of 1,348 Shares are resident in Alberta, 49 beneficial holders of 47,980 ADSs and 18 beneficial holders of 21,409 Shares are resident in British Columbia. No beneficial holders of Corus Floating Rate Unsecured Loan Notes due in 2006 are resident in Canada.
7. The Shares and the ADSs are listed on the New York Stock Exchange (the "NYSE"). Canadian beneficial holders of Shares and ADSs will be able to trade through the facilities of the NYSE without any resale restrictions under the Act or under the U.S. Laws (as defined below).
8. None of the Shares, the ADSs or any other securities, including debt securities, of Corus are listed or quoted on any exchange or market in Canada.
9. Other than the Shares and ADSs, there are no other outstanding securities of Corus, including debt securities, beneficially held by residents of Canada.
10. Corus is subject to, and in compliance with, the requirements, policies and rules of the NYSE and of the securities legislation of the United States

(collectively, the "U.S. Laws"), including the reporting obligations pursuant thereto which are substantially similar to those imposed on reporting issuers under the Legislation.

11. Pursuant to the U.S. Laws, Corus is required to file a number of reports with the United States Securities and Exchange Commission (the "SEC") and the NYSE that are substantially similar to those reports required to be filed by reporting issuers under the Legislation, including annual reports, semi-annual reports and current reports. Copies of all documents filed with the SEC are available directly from the SEC. Copies of all documents filed with the NYSE are available directly from the NYSE.
12. Pursuant to the U.S. Laws, Corus is required to deliver to its security holders, including beneficial Canadian security holders, a number of reports that are substantially similar to those reports required to be delivered by reporting issuers under the Legislation.
13. Corus will continue to comply with the requirements of the U.S. Laws.
14. The Quebec Securities Commission has granted similar relief to Corus and as of April 12, 2002 Corus ceased to be a reporting issuer in the Province of Quebec.
15. Corus does not have any present intention to seek public financing by way of an offering of its securities in Canada.
16. Corus is not in default of any of the requirements of the Legislation or of the U.S. Laws other than its failure to file, with the Decision Maker in British Columbia, interim financial statements for the periods ended March 31, 2000, March 31, 2001 and September 30, 2001.

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

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

THE DECISION of the Decision Makers in the Jurisdictions pursuant to the Legislation is that Corus be deemed to have ceased to be a reporting issuer under the Legislation.

May 10, 2002.

"Thresea McLeod"

"Robert L Shirriff"

2.2 Orders

2.2.1 Diebold Election Systems Inc. - s. 83

Headnote

Issuer deemed to have ceased to be reporting issuer under the Act.

Applicable Ontario Statutory Provisions

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

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

AND

**IN THE MATTER OF
DIEBOLD ELECTION SYSTEMS INC.
(formerly "GLOBAL ELECTION SYSTEMS INC.")**

**ORDER
(Section 83 of the Act)**

UPON the application of Diebold Election Systems Inc. ("Diebold") to the Ontario Securities Commission (the "Commission") for an order, under section 83 of the Act, that Diebold be deemed to have ceased to be a reporting issuer under the Act;

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

AND UPON it being represented by Diebold to the Commission that:

1. Diebold was formed in 1991 under the laws of British Columbia by way of amalgamation.
2. Diebold became a reporting issuer under the Act on March 3, 1994.
3. The authorized capital of Diebold consists of 100,000,000 common shares without par value and 20,000,000 convertible preferred shares without par value, of which 21,335,340 common shares and no preferred shares are issued and outstanding.
4. On January 22, 2002, Diebold, Incorporated ("Diebold Inc."), a U.S. corporation, Diebold Acquisition Ltd. and Diebold completed an arrangement (the "Arrangement") whereby shareholders of Diebold received cash and common shares of Diebold Inc. in exchange for their common shares of Diebold.

5. As a result of the completion of the Arrangement, Diebold Inc. along with fewer than five other persons or companies beneficially hold all of the issued and outstanding securities of Diebold. Other than these securities, there are no securities of Diebold, including debt securities, outstanding.
6. The common shares of Diebold were delisted from trading on The Toronto Stock Exchange on January 31, 2002. The common shares have also been delisted from the American Stock Exchange, and no securities of Diebold are listed or quoted on any exchange or market.
7. From the date of the Arrangement, Diebold has not been in default of any obligations as a reporting issuer under the Act with the exception of its obligation to file its interim financial statements for the six-month period ended December 31, 2001; the Arrangement was completed before the obligation of Diebold to file the financial statements arose.
8. Diebold does not intend to seek public financing by way of an offering of its securities in Canada.

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

IT IS ORDERED pursuant to section 83 of the Act that Diebold is deemed to have ceased to be a reporting issuer under the Act effective as at the date of this order.

May 8, 2002.

"John Hughes"

2.3 Rulings

2.3.1 Entrust, Inc. - ss. 74(1)

Headnote

First trade by employees and former employees in common shares acquired pursuant to employee share purchase plan or employee stock option plans of the issuer shall not be subject to sections 25 and 53 of the Act, subject to certain conditions.

Applicable Ontario Statutes

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

Applicable Ontario Rules

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

Rule 45-102 - Resale of Securities (2001) 24 OSCB 5522.

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

AND

**IN THE MATTER OF
ENTRUST, INC.**

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

WHEREAS Entrust, Inc. ("Entrust") has applied to the Ontario Securities Commission (the "Commission") for a ruling pursuant to subsection 74(1) of the *Securities Act* (Ontario), providing that the first trade made by any Ontario Employee (as defined below) of Entrust Technologies Limited (the "Subsidiary"), any former Ontario Employee or any executor, administrator or guardian of any Ontario Employee or former Ontario Employee who is resident in the Province of Ontario in common shares of Entrust (the "Common Shares") acquired upon (i) the exercise of options (the "Options") granted pursuant to Entrust's employee stock option plans (the "Option Plans") and (ii) upon the purchase of Common Shares pursuant to Entrust's employee stock purchase plan (the "Purchase Plan"), shall not be subject to sections 25 and 53 of the Act, subject to certain conditions;

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

AND UPON Entrust having represented to the Commission that:

1. Entrust is a corporation existing under the laws of the State of Maryland.
2. Entrust is registered with the Securities and Exchange Commission (the "SEC") under the

Securities Exchange Act of 1934 (as amended) (the "1934 Act"), is subject to the reporting requirements of the 1934 Act and is not in default of those requirements.

3. Entrust is not a reporting issuer under the Act and has no present intention of becoming a reporting issuer under the Act.
4. The Common Shares are quoted on the Nasdaq National Market ("Nasdaq") under the symbol ENTU. The number of Common Shares issued and outstanding as of December 31, 2001 was 64,426,512.
5. As of December 31, 2001, Nortel Networks Corporation ("Nortel Networks"), a corporation resident in Ontario, through its subsidiary Nortel Networks Inc., was the beneficial owner of 13,249,159 Common Shares or approximately 20.4% of the Common Shares. Entrust was incorporated on December 16, 1996 in connection with a transaction whereby Entrust acquired assets from Nortel Networks in exchange for issuing Common Shares to Nortel Networks.
6. As of March 1, 2002, 53,650 Common Shares or approximately 0.001% of the Common Shares were held by registered shareholders who are residents of Canada, other than Nortel Networks and its subsidiaries.
7. The Subsidiary is a corporation existing under the laws of the Province of Ontario and is a wholly-owned subsidiary of Entrust.
8. The Subsidiary is not a reporting issuer under the Act and has no present intention of becoming a reporting issuer under the Act.
9. As of December 31, 2001, there were 483 employees of the Subsidiary resident in the Province of Ontario eligible to participate in the Option Plans and the Purchase Plan (the "Ontario Employees").
10. Entrust has two Option Plans in which the Ontario Employees participate: the *Amended and Restated 1996 Stock Incentive Plan* (the "1996 Plan") and the *1999 Non-Officer Employee Stock Incentive Plan* (the "1999 Plan"). As at December 31, 2001:
 - (a) pursuant to the 1996 Plan, Options had been granted and were outstanding to purchase 7,549,778 Common Shares and Options to purchase an additional 9,587,323 Common Shares were available to be granted; and
 - (b) pursuant to the 1999 Plan, Options had been granted and were outstanding to purchase 2,012,580 Common Shares

and Options to purchase an additional 7,587,420 Common Shares were available to be granted.

Accordingly, Options had been granted and were outstanding to purchase a total of 9,562,358 Common Shares pursuant to the Option Plans and Options to purchase an additional 17,174,743 Common Shares were available to be granted. Under the Option Plans, each Option entitles the holder to purchase one Common Share at an exercise price and upon other terms determined at the time the Option is granted.

11. As at March 31, 2002, 564,121 Common Shares had been issued pursuant to the Purchase Plan and an additional 435,879 Common Shares were available to be issued. Under the Purchase Plan, participating employees are entitled to acquire Common Shares during specified offering periods at a discount to the fair market value of each Common Share.
12. Subject to certain restrictions, employees, officers and directors of Entrust and its subsidiaries, including the Subsidiary, are eligible to participate in the Option Plans and the Purchase Plan, each of which provide participants with an opportunity to acquire Common Shares.
13. The board of directors of Entrust is responsible for the administration of the Option Plans and the Purchase Plan.
14. A registration statement on Form S-8 and any other disclosure documents prepared in accordance with United States securities legislation outlining the terms and conditions of the Option Plans and the Purchase Plan has been delivered or will be delivered to each Ontario Employee who participates in one or more of the Option Plans or the Purchase Plan.
15. Entrust may rely on section 2.2 of Rule 45-503 established by the Commission which provides an exemption from sections 25 and 53 of the Act in respect of the issuance of Options pursuant to the Option Plans and the issuance of Common Shares pursuant to the Option Plans and the Purchase Plan.
16. There is no market for Common Shares in the Province of Ontario or any other province in Canada. The first trade made by Ontario Employees or former Ontario Employees or any executor, administrator or guardian of an Ontario Employee or a former Ontario Employee in Common Shares that are or were acquired pursuant to the Option Plans or the Purchase Plan will be effected through Nasdaq in accordance with all laws applicable to trades made on such market.

17. Ontario Employees will not be induced to participate in the Option Plans or the Purchase Plan by expectation of employment or continued employment.
18. The extension of the availability of the Option Plans and the Purchase Plan to the Ontario Employees allows the Subsidiary to attract, obtain and motivate employees who are able to make an important contribution to the Subsidiary's profitability and long term success.

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

IT IS RULED, pursuant to subsection 74(1) of the Act that the first trade made by an Ontario Employee, a former Ontario Employee or an executor, administrator or guardian of an Ontario Employee or a former Ontario Employee in Common Shares acquired upon (i) the exercise of Options granted pursuant to the Option Plans and (ii) upon the purchase of Common Shares pursuant to the Purchase Plan, shall not be subject to the requirements of sections 25 and 53 of the Act, provided that:

- (a) at the time of the trade, Entrust is not a reporting issuer in any Canadian jurisdiction;
- (b) at the time of the trade, after giving effect to the issue of such Common Shares and any other Common Shares that were issued at the same time or as part of the same distribution as such Common Shares, residents of Canada, other than Nortel Networks and its subsidiaries;
 - (i) do not own directly or indirectly more than 10% of the outstanding Common Shares; and
 - (ii) do not represent in number more than 10% of the outstanding Common Shares; and
- (c) such first trade is made;
 - (i) through an exchange, or a market, outside of Canada, or
 - (ii) to a person or company outside of Canada.

April 26, 2002.

"Paul Moore"

"Theresa McLeod"

Chapter 4

Cease Trading Orders

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 | 09 May 02 | | |
| Outlook Resources Inc. | 26 Apr 02 | 09 May 02 | | 14 May 02 | |

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Chapter 5

Rules and Policies

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

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

Notice of Amendments

The Commission has, under section 143 of the *Securities Act* (the "Act"), amended the rule entitled *In the Matter of Certain Reporting Issuers* (1997), 20 OSCB 1218, and the two rules entitled *In the Matter of Certain Reporting Issuers* (1997), 20 OSCB 1219, each as amended by (1999), 22 OSCB 151, (2000), 23 OSCB 289, and (2000), 23 OSCB 8244 (collectively, the "Rules"). The amendments extend the expiration date of each of the Rules from July 1, 2002 to December 31, 2003. These amendments, however, do not materially change the Rules and, accordingly, under section 143.2 of the Act, the Commission has not published the amendments for comment.

The amendments and the material required by the Act to be delivered to the Minister of Finance were delivered on May 13, 2002. If the Minister does not approve the amendments, reject the amendments, or return them to the Commission for further consideration within 60 days of their delivery, the amendments will come into force 75 days after their delivery. If the Minister approves the amendments, they will come into force 15 days after they are approved. The Commission has requested that the Minister approve the amendments on an expedited basis by June 15, 2002.

Substance and Purpose of Amendments

The Rules replace the deemed rules entitled *In the Matter of Certain Reporting Issuers* (1980), OSCB166, as amended, *In the Matter of Certain Reporting Issuers* (1984), 7 OSCB 1913, as amended, and *In the Matter of Certain Reporting Issuers* (1984), 7 OSCB 3247, as amended. Each of the Rules provides that it will expire on the earlier of the date on which a new rule intended to replace it comes into force and July 1, 2002.

The Commission had planned on implementing a new rule, proposed Rule 72-502 Continuous Disclosure and other Exemptions relating to Foreign Issuers (proposed Rule 72-502), that would have replaced and updated the Rules, before July 1, 2002. Proposed Rule 72-502 was published for comment on October 12, 2001. The Commission no longer intends to implement proposed Rule 72-502 as the members of the Canadian Securities Administrators (the CSA) have agreed to implement a national rule substantially the same as proposed Rule 72-502. It is in

the interest of issuers and investors to have one national approach rather than a local rule in Ontario and other rules elsewhere. The Commission is working with the other members of the CSA to implement a similar national rule. This proposed national rule is expected to be in place in the first half of 2003.

The purpose of the amendments is to extend the expiration date of each of the Rules from July 1, 2002 to December 31, 2003 in order to allow the Commission time to publish the proposed national rule, consider the comments received, if any, and finalize the proposed national rule.

Correction

This notice replaces the notice entitled *Notice of Amendment to Rules under the Securities Act In the Matter of Certain Reporting Issuers* (2002), 25 OSCB 1924 which contained incorrect citations for the Rules.

Text of Amendments

The text of the amendments follows.

May 17, 2002.

**AMENDMENT TO
ONTARIO SECURITIES COMMISSION RULE
IN THE MATTER OF
CERTAIN REPORTING ISSUERS**

- 1.1 **Amendment** - The Rule entitled *In the Matter of Certain Reporting Issuers* (1997), 20 OSCB 1218 and the two Rules entitled *In the Matter of Certain Reporting Issuers* (1997), 20 OSCB 1219, each as amended by (1999), 22 OSCB 151, (2000) 23 OSCB 289, and (2000), 23 OSCB 8244, are each amended by deleting "July 1, 2002" in the last sentence and replacing it with "December 31, 2003".

Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

Exempt Financings

The Ontario Securities Commission reminds issuers and other parties relying on exemptions that they are responsible for the completeness, accuracy, and timely filing of Forms 45-501F1 and 45-501F2, and any other relevant form, pursuant to section 27 of the *Securities Act* and OSC Rule 45-501 ("Exempt Distributions").

REPORTS OF TRADES SUBMITTED ON FORM 45-501F1

| <u>Transaction Date</u> | <u>Purchaser</u> | <u>Security</u> | <u>Price (\$)</u> | <u>Amount_num</u> |
|----------------------------|--------------------------------------|--|-------------------|-------------------|
| 29-Apr-2002 | 18 Purchasers | 277 Humberline Drive Limited Partnership - Limited Partnership Units | 1,875,000.00 | 75.00 |
| 29-Apr-2002 | Ontario Teachers' Pension Plan Board | 3057246 Nova Scotia Company - Loans | 14,705,152.00 | 1.00 |
| 27-Feb-2002 | B. Gowland; Huntwell Group Inc. | AADCO Automotive Inc. - Common Shares | 40,000.00 | 26,666.00 |
| 01-May-2002 | 3 Purchasers | ABC Fully-Managed Fund - Units | 411,707.00 | 47,323.00 |
| 25-Apr-2002 | Stonestreet Limited Partnership | ADB Systems International Inc. - Common Shares | 1,102,200.00 | 3,300,000.00 |
| 15-Aug-2001 | N/A | African Minerals Ltd. - Common Shares | 3,791,667.00 | 3,791,667.00 |
| 01-May-2002 | Dynamis Incorporated | Algonquin Power Income Fund - Trust Units | 2,221,520.00 | 248,667.00 |
| 29-Apr-2002 | Ontario Teachers' Pension Plan Board | AltaLink Investments, L.P. - Debentures | 282,500,000.00 | 282,500,000.00 |
| 29-Apr-2002 | Ontario Teacher's Pension Plan Board | AltaLink, L.P. - Bonds | 296,500,000.00 | 1.00 |
| 29-Apr-2002 | Ontario Teachers' Pension Plan Board | AltaLink, L.P. - Bonds | 125,000,000.00 | 1.00 |
| 03-May-2002 | 16 Purchasers | Anderson Energy Ltd. - Common Shares | 3,912,150.00 | 1,304,050.00 |
| 01-May-2002 | National Bank Financial Inc. | Apollo Trust - Bonds | 1,500,000.00 | 1.00 |
| 16-Apr-2002 | R. A. Donaldson and Robert G. Browne | Ark e-Tail Services Inc. - Common Shares | 200,000.00 | 25,000.00 |
| 19-Apr-2002 26-Apr-2002 | 5 Purchasers | Arrow Ascendant Fund - Trust Units | 655,000.00 | 65,154.00 |

Notice of Exempt Financings

| | | | | |
|-------------|------------------------------------|---|---------------|---------------|
| 19-Apr-2002 | 4 Purchasers | Arrow Global Multimanager Fund - Trust Units | 196,176.00 | 19,404.00 |
| 19-Apr-2002 | 4 Purchasers | Arrow Goodwood Fund - Trust Units | 106,787.00 | 9,982.00 |
| 10-Apr-2002 | John Pollock and Felicia Ross | Aurcana Corporation - Common Shares | 80,000.00 | 800,000.00 |
| 28-Feb-2002 | John Pollock | Aurcana Corporation - Shares | 6,000.00 | 50,000.00 |
| 10-Apr-2002 | John Pollock and Felicia Ross | Aurcana Corporation - Units | 50,000.00 | 500,000.00 |
| 26-Apr-2002 | Kennecott Canada Exploration Inc. | Band-Ore Resources Ltd. - Common Shares | 152,785.00 | 184,078.00 |
| 30-Apr-2002 | 17 Purchasers | Biogan International, Inc. - Special Warrants | 671,823.00 | 14,316,665.00 |
| 08-Feb-2002 | N/A | Camcor 2002 Limited Partnership - Limited Partnership Units | 10,050,000.00 | 1,005.00 |
| 20-Mar-2002 | N/A | Camcor 2002 Limited Partnership - Limited Partnership Units | 5,000,000.00 | 500.00 |
| 07-Apr-2002 | Canadian Resources Income Trust II | Canadian Resources Income Trust - Trust Units | 27,259,666.00 | 2,935,250.00 |
| 29-Apr-2002 | The Canada Life Assurance Company | Capital Underwriters Inc. - Common Shares | 10.00 | 10.00 |
| 29-Apr-2002 | The Canada Life Assurance Company | Capital Underwriters Inc. - Convertible Debentures | 875,000.00 | 1.00 |
| 02-May-2002 | 7 Purchasers | Central Fund of Canada Limited - Shares | 3,857,539.00 | 646,154.00 |
| 23-Apr-2002 | 6 Purchasers | Claude Resources Inc. - Units | 770,000.00 | 770,000.00 |
| 29-Apr-2002 | 6 Purchasers | Delta Systems Inc. - Common Shares | 833,000.00 | 833,000.00 |
| 26-Apr-2002 | Richard Sayers | Discovery Biotech Inc. - Common Shares | 10,500.00 | 3,500.00 |
| 26-Apr-2002 | Walter Sinai | Discovery Biotech Inc. - Common Shares | 3,000.00 | 1,000.00 |
| 26-Apr-2002 | Glen Steeper | Discovery Biotech Inc. - Common Shares | 3,000.00 | 1,000.00 |
| 26-Apr-2002 | Raymond H. L. Koeng | Discovery Biotech Inc. - Common Shares | 4,500.00 | 1,500.00 |
| 26-Apr-2002 | Edward John Chechak | Discovery Biotech Inc. - Common Shares | 3,000.00 | 1,000.00 |
| 26-Apr-2002 | Steven J. Mentrycki | Discovery Biotech Inc. - Common Shares | 10,500.00 | 3,500.00 |
| 26-Apr-2002 | Jerry E. Kennedy | Discovery Biotech Inc. - Common Shares | 4,500.00 | 1,500.00 |

Notice of Exempt Financings

| | | | | |
|-------------|---------------------------------------|--|--------------|--------------|
| 26-Apr-2002 | Kathryn Braga | Discovery Biotech Inc. - Common Shares | 10,500.00 | 3,500.00 |
| 26-Apr-2002 | Arsenio Braga | Discovery Biotech Inc. - Common Shares | 10,500.00 | 3,500.00 |
| 26-Apr-2002 | Raymond Switzer | Discovery Biotech Inc. - Common Shares | 21,000.00 | 7,000.00 |
| 26-Apr-2002 | Nadeem M. Shaikh | Discovery Biotech Inc. - Common Shares | 4,500.00 | 1,500.00 |
| 26-Apr-2002 | Richard G. Sayers | Discovery Biotech Inc. - Common Shares | 10,500.00 | 3,500.00 |
| 26-Apr-2002 | G. W. Pearce | Discovery Biotech Inc. - Common Shares | 1,500.00 | 500.00 |
| 26-Apr-2002 | Glendon G. Moore | Discovery Biotech Inc. - Common Shares | 3,000.00 | 1,000.00 |
| 26-Apr-2002 | Donald G. Alpine | Discovery Biotech Inc. - Common Shares | 3,000.00 | 1,000.00 |
| 26-Apr-2002 | R. S. Mandziak | Discovery Biotech Inc. - Common Shares | 4,500.00 | 1,500.00 |
| 26-Apr-2002 | Josef & e. Hunter | Discovery Biotech Inc. - Common Shares | 3,000.00 | 1,000.00 |
| 26-Apr-2002 | Sheridan Lythe | Discovery Biotech Inc. - Common Shares | 3,000.00 | 1,000.00 |
| 26-Apr-2002 | Micheal Herbert | Discovery Biotech Inc. - Common Shares | 1,500.00 | 500.00 |
| 25-Apr-2002 | Laketon Investment Management Ltd. | DOV Pharmaceutical, Inc. - Common Shares | 99,970.00 | 5,000.00 |
| 30-Apr-2002 | Amaranth Resources Limited | Excalibur Limited Partnership - Limited Partnership Units | 2,512,956.00 | 10.00 |
| 24-Apr-2002 | Augusta Holdings Inc. | Ford Motor Credit Company - Notes | 818,158.00 | 5,000.00 |
| 25-Mar-2002 | N/A | Gold Hawk Resources Inc. - Debentures | 1,300,000.00 | 1.00 |
| 25-Mar-2002 | N/A | Gold Hawk Resources Inc. - Units | 1,300,000.00 | 6,500,000.00 |
| 30-Apr-2002 | 8 Purchasers | Harbour Capital Canadian Balanced Fund - Trust Units | 4,901,122.00 | 37,135.00 |
| 30-Apr-2002 | E. Burgess;E. K. Taylor Trust | Harbour Capital Foreign Balanced Fund - Trust Units | 1,331,727.00 | 9,350.00 |
| 29-Apr-2002 | Conor S. Bill | High Income Preferred Shares Corporation - Shares | 500.00 | 500.00 |
| 02-Apr-2002 | Paula & Gary Himmel | Intrinsyc Software Inc. - Special Warrants | 75,000.00 | 31,250.00 |

Notice of Exempt Financings

| | | | | |
|----------------------------|--|---|---------------|--------------|
| 23-Apr-2002 | J. Trevor Eyton | Ivernia West Inc. - Common Shares | 50,000.00 | 357,143.00 |
| 01-Feb-2002 | N/A | Kassirer Market Neutral Limited Partnership - Units | 250,000.00 | 22.00 |
| 01-Mar-2002 | N/A | Kassirer Market Neutral Limited Partnership - Units | 250,000.00 | 25.00 |
| 30-Apr-2002 | 14 Purchasers | Major Drilling Group International Inc. - Common Shares | 10,035,000.00 | 3,237,709.00 |
| 10-Feb-2002 | Daniel V. Hall | Mavrix Fund Management Inc. - Common Shares | 45,000.00 | 30,000.00 |
| 4/24/02 17-Apr-2002 | Elliott & Page Limited; Laketon Investment Management Ltd. | Medical Staffing Network Holdings, Inc. - Common Shares | 175,389.00 | 6,000.00 |
| 28-Mar-2002 | The Canada Life Assurance Company | Merrill Lynch European Equity Hedge Fund Limited - Shares | 2,391,750.00 | 14,001.00 |
| 28-Mar-2002 | OPG Ventures Inc. | NxtPhase Corporation - Units | 1,594,000.00 | 525,486.00 |
| 26-Apr-2002 | CODAV Holdings Inc. | OceanLake Commerce Inc. - Common Share Purchase Warrant | 169,013.00 | 50,704.00 |
| 28-Dec-2001 | N/A | Orezone Resources Inc. - Flow-Through Shares | 210,000.00 | 1,750,000.00 |
| 12-Jan-2002 | John Armstrong | P I Ventures Inc. - Debentures | 174,000.00 | 174.00 |
| 02-May-2002 | Platinum Group Metals Ltd. | Pacific North West Capital Corp. - Shares | 55,500.00 | 75,000.00 |
| 24-Apr-2002 | 4 Purchasers | Passion Media Inc. - Units | 700,000.00 | 1,750,000.00 |
| 28-Feb-2002 | N/A | Performance Market Neutral Fund - Limited Partnership Units | 458,000.00 | 381.00 |
| 17-Apr-2020 | Watch This Inc. | Primary Technologies Inc. - Convertible Debentures | 131,200.00 | 131,200.00 |
| 01-May-2002 | Clarica Life Insurance Company | QSPE-VFC Trust - Notes | 1,250,000.00 | 1,250,000.00 |
| 01-May-2002 | L. Morwick and Ladaz Technologies Inc. | Silvercreek Limited Partnership - Limited Partnership Units | 200,000.00 | 4.00 |
| 08-Apr-2002 | Marstan Explorers Limited | Tandem Resources Ltd. - Special Warrants | 517,500.00 | 4,600,000.00 |
| 01-Mar-2002 | Jon Orban and Norman Mancheseter | The Fallingbrook Growth Fund - Units | 190,000.00 | 16,511.00 |
| 04-Apr-2001 | N/A | The Newport Canadian Equity Fund - Trust Units | 25,073,688.00 | 249,175.00 |
| 29-Mar-2001 17-Jul-2001 | N/A | The Newport Fixed Income Fund - Trust Units | 57,275,546.00 | 580,532.00 |

Notice of Exempt Financings

| | | | | |
|----------------------------|---|--|--------------|--------------|
| 03-May-2001 19-Jul-2001 | N/A | The Newport International Equity Fund - Trust Units | 6,572,642.00 | 65,907.00 |
| 04-Apr-2001 19-Jul-2001 | N/A Trust Units | The Newport US Equity Fund - | 9,445,037.00 | 94,479.00 |
| 30-Jan-2002 | N/A | Thistleton Capital Inc. - Units | 205,000.00 | 2,050,000.00 |
| 25-Mar-2002 | Perry English | Tribute Minerals Inc. - Common Shares | 6,000.00 | 30,000.00 |
| 04-Apr-2002 | 8 Purchasers | Tribute Minerals Inc. - Units | 95,400.00 | 318,000.00 |
| 01-May-2002 | Bank of Montreal & Credit Risk Advisor | UCAR International Inc. - Notes | 1,250,193.00 | 1,250,193.00 |
| 29-Apr-2002 | 3 Purchasers | Western Financial Bank - Debentures | 4,675,654.00 | 4,675,654.00 |
| 13-Mar-2002 | Nisker Associates Inc. | YMG Capital Management Inc. - Common Shares | 1,132,650.00 | 450,000.00 |

RESALE OF SECURITIES - (FORM 45-501F2)

| <u>Transaction Date</u> | <u>Seller</u> | <u>Security</u> | <u>Price</u> | <u>Amount_num</u> |
|-------------------------|-------------------------------|--|--------------|-------------------|
| 14-Mar-2002 | Investors Corporate Bond Fund | Canadian Residential Mortgage Trust - Debentures | 101.00 | 6,500,000.00 |
| 12-Apr-2002 | Investors Canadian Small Cap | Stratos Global Corporation - Common Shares | 346,250.00 | 22,500.00 |
| 4/15/02 12-Mar-2002 | Investors Corporate Bond Fund | Stratos Global Corporation - Common Shares | 80,750.00 | 7,500.00 |

NOTICE OF INTENTION TO DISTRIBUTE SECURITIES AND ACCOMPANYING DECLARATION UNDER SECTION 2.8 OF MULTILATERAL INSTRUMENT 45-102 RESALE OF SECURITIES - FORM 45-102F3

| <u>Seller</u> | <u>Security</u> | <u>Amount_num</u> |
|------------------------------|---|-------------------|
| Banro Corporation | BRC Development Corporation - Common Shares | 1,438,520.00 |
| John Buhler | Buhler Industries Inc. - Common Shares | 722,600.00 |
| John Alexander van Arem | Digital Rooster.com Inc. - Common Shares | 1,500,000.00 |
| Estill Holdings Limited | EMJ Data Systems Ltd. - Common Shares | 1,044,500.00 |
| James A. Estill | EMJ Data Systems Ltd. - Common Shares | 59,200.00 |
| Sprott Asset Management Inc. | High River Gold Mines Ltd. - Common Shares | 1,923,000.00 |
| Xenolith Gold Limited | Kookaburra Resources Ltd. - Common Shares | 1,893,700.00 |
| Targa Group Inc. | Plaintree Systems Inc. - Common Shares | 11,988,665.00 |
| Targa Group Inc. | Plaintree Systems Inc. - Common Shares | 6,661,665.00 |
| Michael R. Faye | Spectra Inc. - Common Shares | 350,000.00 |

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

AltaGas Services Inc.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated May 14th, 2002
Mutual Reliance Review System Receipt dated May 14th, 2002

Offering Price and Description:

\$* - * Common Shares @\$* per Common Share

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
Loewen, Ondaatje, McCutcheon Limited
Scotia Capital Inc.
Canaccord Capital Corporation

Promoter(s):

-

Project #446314

Issuer Name:

Bema Gold Corporation
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated May 13th, 2002
Mutual Reliance Review System Receipt dated May 13th, 2002

Offering Price and Description:

\$15,000,000 - 10,000,000 Units @ \$1.50 per Unit

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation
Haywood Securities Inc.
Sprott Securities Inc.
Griffiths McBurney and Partners

Promoter(s):

-

Project #445890

Issuer Name:

ARC Energy Trust
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated May 13th, 2002
Mutual Reliance Review System Receipt dated May 13th, 2002

Offering Price and Description:

\$96,400,000 - 8,000,000 Trust Units @ \$12.05 per Trust Unit

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
National Bank Financial Inc.
TD Securities Inc.
FirstEnergy Capital Corp.
Raymond James Ltd.
Canaccord Capital Corporation
Dundee Securities Corporation

Promoter(s):

-

Project #445828

Issuer Name:

Brandes International Equity Fund
Brandes Global Equity Fund
Brandes Global Small Cap Equity Fund
Brandes Emerging Markets Equity Fund
Brandes U.S. Equity Fund
Brandes U.S. Small Cap Equity Fund
Brandes Canadian Equity Fund
Brandes Canadian Balanced Fund
Brandes Canadian Money Market Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated May 10th, 2002
Mutual Reliance Review System Receipt dated May 10th, 2002

Offering Price and Description:

(Class A (SC and DSC), F and I Units)

Underwriter(s) or Distributor(s):

-

Promoter(s):

Brandes Investments Partners & Co.

Project #445277

Issuer Name:

Canadian Pacific Railway Company
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Shelf Prospectus dated May 14th, 2002
Mutual Reliance Review System Receipt dated May 14th, 2002

Offering Price and Description:

\$1,000,000,000 - Medium Term Notes
(Unsecured)

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.

Promoter(s):

-

Project #446257

Issuer Name:

Domtar Inc.
Principal Regulator - Quebec

Type and Date:

Preliminary Short Form Prospectus dated May 13th, 2002
Mutual Reliance Review System Receipt dated May 13th, 2002

Offering Price and Description:

\$140,000,000 - 8,000,000 Common Shares @\$17.50 per
Common Share

Underwriter(s) or Distributor(s):

National Bank Financial Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
Merrill Lynch Canada Inc.
UBS Bunting Warburg Inc.

Promoter(s):

-

Project #445882

Issuer Name:

First Capital Realty Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Shelf Prospectus dated May 14th, 2002
Mutual Reliance Review System Receipt dated May 15th, 2002

Offering Price and Description:

Common Shares Issuable only upon exercise of Warrants
expiring August 30th, 2008

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #446458

Issuer Name:

Great Lakes Hydro Income Fund
Principal Regulator - Quebec

Type and Date:

Preliminary Short Form Prospectus dated May 10th, 2002
Mutual Reliance Review System Receipt dated May 10th, 2002

Offering Price and Description:

\$205,800,000 -14,700,000 Trust Units @ \$14.00 per Trust
Units

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #445286

Issuer Name:

Nortel Networks Corporation
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Shelf Prospectus dated May 13th, 2002
Mutual Reliance Review System Receipt dated May 14th, 2002

Offering Price and Description:

Common Shares, Preferred Shares, Debt Securities,
Warrants to Purchase Equity Securities, Warrants
to Purchase Debt Securities, Share Purchase Contracts
and Shares Purchase or Equity Units.

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #445785

Issuer Name:

Nortel Networks Limited
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Shelf Prospectus dated May 13th, 2002
Mutual Reliance Review System Receipt dated May 14th, 2002

Offering Price and Description:

US\$2,500,000,000 - Guaranteed Debt Securities.

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #445820

Issuer Name:

Phillips, Hager & North Small Float Fund
Phillips, Hager & North Balanced Pension Trust
Phillips, Hager & North Global Equity Pension Trust
Phillips, Hager & North Overseas Equity Pension Trust
Phillips, Hager & North Canadian Equity Plus Pension Trust
Principal Regulator - British Columbia

Type and Date:

Preliminary Simplified Prospectus dated May 8th, 2002
Mutual Reliance Review System Receipt dated May 10th, 2002

Offering Price and Description:

Series A and O Units

Underwriter(s) or Distributor(s):

Phillips, Hager & North Investment Funds Ltd.

Promoter(s):

Phillips, Hager & North Investment Management Ltd.
Project #445018

Issuer Name:

Phillips, Hager & North U.S. Dividend Income Fund
Phillips, Hager & North Global Equity Fund
Phillips, Hager & North Overseas Equity Fund
Phillips, Hager & North Total Return Bond Fund
Phillips, Hager & North High Yield Bond Fund
Phillips, Hager & North Global Equity RSP Fund
Phillips, Hager & North U.S. Equity Fund
Phillips, Hager & North Short Term Bond & Mortgage Fund
Phillips, Hager & North Canadian Growth Fund
Phillips, Hager & North Dividend Income Fund
Phillips, Hager & North Canadian Money Market Fund
Phillips, Hager & North Canadian Equity Fund
Phillips, Hager & North Bond Fund
Phillips, Hager & North Balanced Fund
Phillips, Hager & North \$U.S. Money Market Fund
Phillips, Hager & North U.S. Growth Fund
Principal Regulator - British Columbia

Type and Date:

Preliminary Simplified Prospectus dated May 8th, 2002
Mutual Reliance Review System Receipt dated May 10th, 2002

Offering Price and Description:

(Series A and O Units)

Underwriter(s) or Distributor(s):

Phillips, Hager & North Investment Funds Ltd.

Promoter(s):

Phillips, Hager & North Investment Management Ltd.
Project #445005

Issuer Name:

Phillips, Hager & North Vintage Fund
Principal Regulator - British Columbia

Type and Date:

Preliminary Simplified Prospectus dated May 8th, 2002
Mutual Reliance Review System Receipt dated May 10th, 2002

Offering Price and Description:

Series A and O Units

Underwriter(s) or Distributor(s):

Phillips, Hager & North Investment Funds Ltd.

Promoter(s):

Phillips, Hager & North Investment Management Ltd.
Project #445033

Issuer Name:

AIC American Advantage Fund
AIC Diversified Canada Fund
AIC Value Fund
AIC Global Technology Fund
Principal Regulator - Ontario

Type and Date:

Amendment #2 dated May 6th, 2002 to Simplified Prospectus and Annual Information Form dated August 23rd, 2001
Mutual Reliance Review System Receipt dated 10th day of May, 2002

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #373225

Issuer Name:

Georgian Global Financial Services Fund
Georgian Northern 24 Fund
Georgian Global 24 Fund
Georgian Bond Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated May 3rd, 2002 to Simplified Prospectus and Annual Information Form dated July 25th, 2001
Mutual Reliance Review System Receipt dated 10th day of May, 2002

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #368446

Issuer Name:

Crescent Point Energy Ltd.
Principal Regulator - Alberta

Type and Date:

Final Prospectus dated May 9th, 2002
Mutual Reliance Review System Receipt dated 10th day of
May, 2002

Offering Price and Description:

11,478,291 Class A Shares Issuable Upon the Exercise of
Special Warrants

Underwriter(s) or Distributor(s):

Griffiths McBurney & Partners
Firstenergy Capital Corp.
National Bank Financial Inc.
Haywood Securities Inc.
Octagon Capital Corporation
Yorkton Securities Inc.
Thomson Kernaghan & Co. Limited

Promoter(s):

Paul Colborne
Project #431912

Issuer Name:

Heating Oil Partners Income Fund
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated May 9th, 2002
Mutual Reliance Review System Receipt dated 13th day of
May, 2002

Offering Price and Description:

\$135,000,000.00 - 13,500,000 Units - \$10.00 per Unit

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
National Bank Financial Inc.
Dundee Securities Corporation
Trilon Securities Corporation

Promoter(s):

Heating Oil Partners, L.P.
Project #430567

Issuer Name:

Cambior Inc.
Principal Regulator - Quebec

Type and Date:

Final Short Form Prospectus dated May 9th, 2002
Mutual Reliance Review System Receipt dated 9th day of
May, 2002

Offering Price and Description:

\$60,000,002.00 - 27,272,728 Units consisting of
27,272,728 Common Shares and 13,636,364 Series
B Common Shares Purchase Warrants - \$2.20 per Unit

Underwriter(s) or Distributor(s):

Sprott Securities Inc.
National Bank Financial Inc.
Scotia Capital Inc.
Dundee Securities Corporation

Promoter(s):

-
Project #442664

Issuer Name:

Concert Industries Ltd.
Principal Regulator - British Columbia

Type and Date:

Final Short Form Prospectus dated May 10th, 2002
Mutual Reliance Review System Receipt dated 10th day of
May, 2002

Offering Price and Description:

\$25,000,000.00 - 8.5% Convertible Unsecured
Subordinated Debentures Due June 30, 2007

Underwriter(s) or Distributor(s):

National Bank Financial Inc.
Loewen, Ondaatje, McCutcheon Limited
Scotia Capital Inc.

Promoter(s):

-
Project #442479

Issuer Name:

Echo Bay Mines Ltd.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated May 9th, 2002
Mutual Reliance Review System Receipt dated 10th day of
May, 2002

Offering Price and Description:

Cdn.\$37,332,000.00 - Units - common shares at
Cdn.\$1.098 per Unit

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
National Bank Financial Inc.

Promoter(s):

-
Project #441218

Issuer Name:

Merrill Lynch Canada Finance Company
Principal Regulator - Ontario

Type and Date:

Final Short Form Shelf Prospectus dated May 10th, 2002
Mutual Reliance Review System Receipt dated 10th day of
May, 2002

Offering Price and Description:

\$2,000,000,000.00 - Medium Term Notes (Unsecured)

Underwriter(s) or Distributor(s):

Merrill Lynch Canada Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
HSBC Securities (Canada) Inc.
Laurentian Bank Securities Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.

Promoter(s):

-

Project #439682

Issuer Name:

Merrill Lynch Financial Assets Inc.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated May 10th, 2002
Mutual Reliance Review System Receipt dated 13th day of
May, 2002

Offering Price and Description:

\$223,879,000.00 (Approximate) AmeriCreditTM Canada
Automobile Receivables Co-Ownership Certificates,
Series 2002-A

Underwriter(s) or Distributor(s):

Merrill Lynch Canada Inc.

Promoter(s):

-

Project #442159

Issuer Name:

Stratos Global Corporation
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated May 10th, 2002
Mutual Reliance Review System Receipt dated 13th day of
May, 2002

Offering Price and Description:

\$172,050,000.00 - 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:

Clarington Canadian Income Fund II
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus and Annual Information Form
dated May 13th, 2002
Mutual Reliance Review System Receipt dated 14th day of
May, 2002

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s) or Distributor(s):

ClaringtonFunds Inc.

Promoter(s):

ClaringtonFunds Inc.

Project #432015

Issuer Name:

Tradex Equity Fund Limited
Tradex Global Equity Fund
Tradex Bond Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus and Annual Information Form
dated May 13th, 2002
Mutual Reliance Review System Receipt dated 14th day of
May, 2002

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s) or Distributor(s):

Tradex Management Inc.

Promoter(s):

Tradex Management Inc.

Project #435888

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Chapter 12

Registrations

12.1.1 Registrants

| Type | Company | Category of Registration | Effective Date |
|-------------------------------|---|--|----------------|
| New Registration | Attention: Mark W. S. Bain Interactive Brokers Canada Inc. c/o Bennett Jones LLP 3400 1 First Canadian Place PO Box 130 Toronto ON M5X 1A4 | Investment Dealer Equities Options Futures Commission Merchant | May 14/02 |
| New Registration | Attention: Christopher J. Bardsley Avondale Partners, LLC c/o Gowling Lafleur Henderson LLP Suite 5800 Scotia Plaza 40 King Street West Toronto ON M5H 3Z7 | International Dealer | May 13/02 |
| New Registration | Brokertec USA, LLC c/o Osler, Harcourt & Hoskin LLP Attention: David McIntyre Box 50, 1 First Canadian Place Toronto ON M5X 1B8 | International Dealer | May 13/02 |
| New Registration | Attention: Joe Clement Brian Dwek Limited Market Dealer Inc. 1110 Finch Avenue West Suite 200 Downsview ON M3J 2T2 | Limited Market Dealer | May 13/02 |
| New Registration | Attention: Kevin Michael Bacon Crane Capital Associates (Canada) Inc. 146 Davenport Toronto ON M5R 1J2 | Limited Market Dealer | May 10/02 |
| New Registration | Attention: Daniel Gerrison Guy Salida Capital Corp. 2200 Yonge Street Suite 605 Toronto ON M4S 2C6 | Limited Market Dealer Investment Counsel & Portfolio Manager | May 08/02 |
| Amalgamation | IPC Securities Corporation Attention: Gordon Pridham 100 Simcoe Street Suite 100 Toronto ON M5H 3G2 | Amalgamation of: IPC Securities Corporation and Equisure Securities Ltd. To Form: IPC Securities Corporation | Dec 31/01 |
| Suspension of Registration | Jayne Marie Douglas | Salesperson | May 13/02 |

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 IDA Settlement Hearing Notice - First Delta Securities Inc. et al.

NOTICE TO PUBLIC RE: SETTLEMENT HEARING

May 14, 2002

**IN THE MATTER OF
FIRST DELTA SECURITIES INC.,
GEORGE (GEORDIE) AUBREY TRUSLER,
FREDERICK MEREDITH JR.,
GORDON EDWARD BAKER and
GAIL LOUISE STOPFORTH**

Toronto, Ontario – The Investment Dealers Association of Canada (“Association”) announced today that a hearing date has been set for the presentation, review and consideration of a Settlement Agreement by the Ontario District Council of the Association.

The Settlement Agreement is between the Association Enforcement Staff and First Delta Securities Inc., George Aubrey Trusler, Frederick Meredith Jr., Gordon Edward Baker and Gail Louise Stopforth and relates to matters for which they may be disciplined by the Association.

The hearing is scheduled to commence at **9:30 a.m.** on **Wednesday, May 22, 2002**, or as soon after that time as the hearing can commence, at the Offices of the Association, Standard Life Building, 121 King Street West, 16th Floor, Toronto, Ontario. The hearing is open to the public except as may be required for the protection of confidential matters.

If the Settlement Agreement is accepted by the Ontario District Council, the Association will issue an Association Bulletin setting out the terms of settlement, including violation(s) committed, a summary of the agreed facts, and the discipline penalty imposed. If the Ontario District Council accepts the Settlement Agreement, copies of the Association Bulletin and Settlement will be made available.

Contact: Jeffrey Kehoe
Director of Litigation
(416) 943-6996

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