

The Ontario Securities Commission

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

The Ontario Securities Commission

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

JUNE 7, 2002

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

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

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

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Derek Brown	—	DB
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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

June 24, 26 & 27/02
9:30 a.m.

YBM Magnex International Inc., Harry W. Antes, Jacob G. Bogatin, Kenneth E. Davies, Igor Fisherman, Daniel E. Gatti, Frank S. Greenwald, R. Owen Mitchell, David R. Peterson, Michael D. Schmidt, Lawrence D. Wilder, Griffiths McBurney & Partners, National Bank Financial Corp., (formerly known as First Marathon Securities Limited)

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

June 11 & 25/02
2:00 - 4:30 p.m.

June 17/02
10:30 a.m. - 4:30 p.m.

s.127

June 18/02
9:00 - 3:00 p.m.

K. Daniels/M. Code/J. Naster/I. Smith in attendance for staff.

Panel: HIW / DB / RWD

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.

June 12/02
9:30 a.m.

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

s. 127

J. Superina in attendance for Staff

Panel: HIW

June 17, 18, 19, 20, 21, 24 & 26/02
10:00 a.m.
Brian K. Costello
s. 127
H. Corbett in attendance for Staff

June 25
2:00 - 4:00 p.m.
Panel: PMM

July 8 - 12/02
July 15 - 19/02
10:00 a.m. -

August 20/02
2:00 p.m.
Mark Bonham and Bonham & Co. Inc.

August 21 to 31/02
9:30 a.m.
s. 127
M. Kennedy in attendance for staff
Panel: PMM / KDA / HPH

ADJOURNED SINE DIE

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

DJL Capital Corp. and Dennis John Little

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

First Federal Capital (Canada) Corporation and Monter Morris Friesner

Global Privacy Management Trust and Robert Cranston

Irvine James Dyck

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

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

Offshore Marketing Alliance and Warren English

Philip Services Corporation

Rampart Securities Inc.

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

S. B. McLaughlin

Southwest Securities

Terry G. Dodsley

1.3 News Releases

1.3.1 OSC Proceedings in Respect of Piergiorgio Donnini

FOR IMMEDIATE RELEASE
June 5, 2002

**OSC PROCEEDINGS IN RESPECT OF
PIERGIORGIO DONNINI**

Toronto – The hearing in respect of Piergiorgio Donnini will reconvene at 3:30 p.m. on Tuesday June 11, 2002 in the Large Hearing Room, 17th Floor, 20 Queen Street West, Toronto, Ontario. The panel of the Commission presiding on the matter will deliver its decision and oral reasons.

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

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For Investor Inquiries:

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

1.3.2 **CARP and OSC Present: Protect Yourself Against Fraud: FREE Seminar**

For Immediate Release
June 3, 2002

**CARP AND THE ONTARIO SECURITIES COMMISSION
PRESENT:**

PROTECT YOURSELF AGAINST FRAUD:
FREE SEMINAR

Friday, June 7, 2002 - Peterborough Public Library
345 Aylmer St. N., Peterborough
1:30pm - 3:30pm

Toronto, ON June 3, 2002 – CARP, Canada's Association for the Fifty-Plus, is working in partnership with the Ontario Securities Commission and the Ontario Provincial Police Anti-Rackets team to educate seniors about fraud. Speakers will discuss the latest frauds and scams targeting seniors, including investment fraud, telemarketing fraud, home improvement fraud and identity theft. Admission is free, and light refreshments will be served.

Perry Quinton, an Investor Education Officer with the Ontario Securities Commission, will speak about the role of the OSC in investor protection and securities regulation, and common investment scams. Learn the red flags to watch for to safeguard your money. OSC Investor Education Kits will be available at the seminar.

Staff Sergeant Barry Elliott, who runs the Ontario Provincial Police Anti-Rackets Phonebusters program, will discuss identity theft and other types of scams and frauds relevant to seniors, and how you can prevent them. Identity theft affects people of all ages, all educational levels, and all professions. Learn how to minimize your risk of becoming a victim.

For reservations, please call 1-866-544-5554 Toll Free. For more information please contact:

CARP, Canada's Association for the Fifty-Plus
(416) 363-8748
Ontario Securities Commission (416) 593-8314
PhoneBusters 1-888-495-8501

For media inquiries please contact Terri Williams, Manager, Investor Education (416) 593-2350 or Judy Cutler, Director of Communications, CARP at (416) 363-8748 x241

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Enserco Energy Service Company Inc. and Nabors Industries, Inc. - MRRS Decision

Headnote

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

Applicable Ontario Rules

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

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

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

AND

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

AND

**IN THE MATTER OF
ENSERCO ENERGY SERVICE COMPANY INC.**

AND

**IN THE MATTER OF
NABORS INDUSTRIES, INC.**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the Provinces of British Columbia, Alberta, Saskatchewan, Ontario, Québec, and Newfoundland and Labrador (the "Jurisdictions") has received an application from Enserco Energy Service Company Inc. (the "Applicant or Enserco") for a decision ("the Decision") under the securities legislation of the Jurisdictions (the "Legislation") that the Applicant be exempt from the following requirements with respect to Nabors Industries, Inc. ("Nabors") in the

management information circular (the "Circular") to be sent to Enserco's Securityholders (as defined below):

- a) the requirement that historical financial statements of Nabors prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP") be accompanied by a note to explain and quantify the effect of material differences between Canadian generally accepted accounting principles ("Canadian GAAP") and U.S. GAAP that relate to measurements and provide a reconciliation of such financial statements to Canadian GAAP;
- b) the requirement that Nabors auditor's report disclose any material differences in the form and content of its auditor's report as compared to a Canadian auditor's report and confirming that the auditing standards applied are substantially equivalent to Canadian GAAP; and
- c) the requirement that Nabors management's discussion and analysis of operating results and financial position ("Nabors MD&A") provide a restatement of those parts of the Nabors MD&A that would read differently if the Nabors MD&A were based on statements prepared in accordance with Canadian GAAP and the requirement that the Nabors MD&A provide a cross-reference to the notes in the financial statements that reconcile the differences between U.S. GAAP and Canadian GAAP

(collectively, the "GAAP Reconciliation Requirements").

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

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

1. In connection with the proposed combination of Nabors and Enserco (the "Transaction") pursuant to an acquisition agreement (the "Acquisition Agreement") dated February 25, 2002 between Nabors and Enserco, Enserco intends to mail the Circular to Enserco Securityholders (as defined below) on or about March 25, 2002, which Circular will seek, among other things, Enserco Securityholder approval of the plan of arrangement under section 192 of the Canada Business Corporations Act involving Nabors and Enserco (the "Arrangement"). Subject to satisfying all closing conditions (including

- obtaining the requisite Enserco Securityholders' approval and regulatory approvals), the parties anticipate that the Transaction will be completed on or about April 24, 2002 (the "Closing Date").;
2. The Transaction is to be effected pursuant to the Arrangement, which will be carried out under section 192 of the CBCA. The effect of the Arrangement will be to provide holders (the "Enserco Shareholders") of common shares of Enersco ("Enserco Common Shares") (other than Enserco Common Shares held by dissenting shareholders (the "Dissenting Shareholders") or by Nabors) with cash or exchangeable shares (the "Exchangeable Shares") of a newly formed Canadian subsidiary corporation of Nabors to be incorporated prior to the Closing Date ("Exchangeco"), in exchange for their Enserco Common Shares. The exchange of Enserco Common Shares for Exchangeable Shares will be based on an exchange ratio (the "Exchange Ratio") determined based on the 10 day weighted average trading price of Nabors Common Shares during the trading period ending three business days prior to the closing of the Transaction and a predetermined currency exchange ratio. The Enserco Common Shares will be transferred to and acquired by Exchangeco, which upon formation will be an indirect wholly-owned subsidiary of Nabors, such that upon completion of the Transaction, Nabors will own indirectly all of the Enserco Common Shares;
 3. Nabors is incorporated under the laws of the state of Delaware. Nabors corporate headquarters are located at 515 West Greens Road, Suite 1200, Houston, Texas, 77067;
 4. As of February 25, 2002, Nabors' authorized capital consisted of: i) 400,000,000 shares of common stock ("Nabors Common Shares"), par value U.S.\$0.10 per share, ii) 10,000,000 shares of preferred stock, par value \$0.10 per share, issuable in series ("Nabors Preferred Shares"), and iii) 8,000,000 shares of class B stock, par value \$0.10 per share ("Nabors Class B Shares"). The Nabors Common Shares are fully participating voting shares. As of February 22, 2002, there were 140,958,467 Nabors Common Shares, nil Nabors Preferred Shares and nil Nabors Class B Shares issued and outstanding. As of February 22, 2002, out of a total of 2447 total registered holders of Nabors Common Shares, 9 holders were resident in Canada holding 1,744 Nabors Common Shares in aggregate, representing approximately 0.0017% of the total number of issued and outstanding Nabors Common Shares;
 5. As of February 22, 2002, there were 45,258,089 Nabors Common Shares reserved for issuance pursuant to Nabors stock option plans;
 6. The Nabors Common Shares are listed on the American Stock Exchange (the "AMEX") under the symbol "NBR";
 7. Nabors is currently subject to the *United States Securities Exchange Act of 1934*, as amended (the "Exchange Act"). Nabors is not and does not intend to become a "reporting issuer" or the equivalent in any province or territory of Canada. To the extent that, as a result of the consummation of the Transaction, Nabors would, pursuant to the securities laws of any jurisdiction in Canada, be deemed to be a reporting issuer or the equivalent, Nabors will seek and expects to obtain orders deeming it not be to be a reporting issuer or the equivalent in such jurisdictions
 8. Enserco was formed on November 17, 1988 pursuant to the amalgamation of Bonus Petroleum Corp. and Bonus Resources Ltd. The company changed its name to Bonus Resource Services Corp. on June 6, 1996 and changed its name to Enserco Energy Service Company Inc. on May 3, 2001;
 9. Enserco's authorized capital consists of an unlimited number of Enserco Common Shares. As of February 25, 2002, 26,179,861 Enserco Common Shares were issued and outstanding;
 10. As of February 25, 2002, there were 55 registered Enserco Shareholders in Canada holding 19,293,907 Enserco Common Shares, representing approximately 74% of the total number of issued and outstanding Enserco Common Shares;
 11. As of February 25, 2002, 821,130 options were outstanding under the Enserco stock option plan and other option agreements ("**Enserco Options**"), all of which Enserco Options were held by residents in Canada, except for 31,250 options. As of February 25, 2002, 500,000 warrants ("**Enserco Warrants**") exercisable to acquire Enserco Commons Shares at an exercise price of \$9.50 per Enserco Common Share were outstanding and held by United States persons;
 12. The Enserco Common Shares are listed on the Toronto Stock Exchange (the "TSE") under the symbol "ERC";
 13. Enserco is a "reporting issuer" or the equivalent in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Québec;
 14. Enserco is currently eligible to file under National Instrument 44-101 – "Short Form Prospectus Distributions";
 15. Prior to the Special Meeting (as defined below), Enserco will apply under section 192 of the CBCA for an interim order (the "Interim Order") of the

Court of Queen's Bench of Alberta (the "Court") which order will specify, among other things, certain procedures and requirements to be followed in connection with the calling and holding of the Special Meeting and the completion of the Arrangement;

16. A special meeting (the "Special Meeting") of the Enserco Shareholders, holders of Enserco Options ("Enserco Optionholders") and the holders of Enserco Warrants (together with Enserco Shareholders and Enserco Optionholders, the "Enserco Securityholders") is anticipated to be held on or about April 24, 2002 at which Enserco will seek the requisite Enserco Securityholder approval (which, pursuant to the Interim Order, is expected to be 66 2/3% of the votes attached to the Enserco Common Shares, Enserco Options and Enserco Warrants, voting as one class, represented at the Special Meeting) for the special resolution approving the Arrangement;

17. In connection with the Special Meeting and pursuant to the Interim Order, Enserco will mail on or about March 25, 2002 to each Enserco Securityholder (i) a notice of special meeting, (ii) a form of proxy, and (iii) the Circular. While a final determination on the issue has not presently been made by Enersco, if not included in the mailout of the Circular and other materials, Enserco will subsequently mail to each Enserco Shareholder a letter of transmittal and election form by which Enserco Shareholders will be entitled to elect the consideration to be received in exchange for their Enserco Common Shares. The Circular will be prepared in accordance with OSC Rule 54-501, except with respect to any relief granted therefrom, and will contain disclosure of the Transaction and the business and affairs of each of Nabors and Enserco;

18. The Circular will contain the following financial statements:

(a) audited annual financial statements of Nabors for each of the three fiscal years ended December 31, 1999, December 31, 2000 and December 31, 2001, together with balance sheets as at the end of such periods and the auditor's reports thereon, all in accordance with U.S. GAAP; and

(b) audited annual financial statements of Enserco for the fiscal year ended December 31, 2001, together with balance sheet as at the end of such period and the auditor's report thereon, all in accordance with Canadian GAAP.;

19. Following approval by the Enserco Securityholders of the special resolution approving the Arrangement, receipt of all required consents

and regulatory approvals and issuance by the Court of a favourable final order, and subject to the satisfaction of all other closing conditions specified in the Acquisition Agreement, Enserco will effect the Arrangement by filing Articles of Arrangement;

20. It is expected that upon consummation of the Arrangement or shortly thereafter the Enserco Common Shares will be delisted from the TSE;

21. Nabors is making an application to the AMEX in order that the Nabors Common Shares issued pursuant to the Arrangement, and the Nabors Common Shares issuable on exercise of the Replacement Warrants, be listed for trading on the AMEX. Nabors is also making an application to the TSE in order that the Exchangeable Shares be listed for trading on the TSE;

22. Upon completion of the Arrangement, assuming that all the Enserco Shareholders elect to exchange their Enserco Common Shares for Nabors Common Shares issuable pursuant to the Arrangement, and assuming an Exchange Ratio of 0.2673 (based on the relative prices of Enserco Common Shares and Nabors Common Shares on February 25, 2002, and based on the Bank of Canada noon exchange rate for U.S. dollars on that date of 1.6016), it is expected that beneficial holders of Nabors Common Shares resident in Canada (calculated based upon the number of registered Enserco Shareholders and registered holders of Nabors Common Shares who are resident Canadians as of the above-mentioned dates) will hold Exchangeable Shares or Nabors Common Shares representing approximately 4.7% of the issued and outstanding Nabors Common Shares (including Nabors Common Shares issuable on conversion of the Exchangeable Shares);

23. If Nabors becomes a reporting issuer in any of the Jurisdictions, it will be able to satisfy its continuous disclosure obligations using financial statements prepared in accordance with U.S. GAAP by relying on Part 15 of National Instrument 71-101 - The Multijurisdictional Disclosure System.

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

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

THE DECISION of the Decision Makers under the Legislation is that the GAAP Reconciliation Requirements shall not apply in connection with the disclosure pertaining to Nabors in the Circular.

March 15, 2002.

“Agnes Lau”

2.1.2 Northern Property Real Estate Investment Trust et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief from registration and prospectus requirements granted for trades in connection with a statutory arrangement involving exchangeable shares where exemptions not available for technical reasons. First trade of securities acquired under decision not subject to registration and prospectus requirements provided that certain conditions of Multilateral Instrument 45-102 – Resale of Securities are satisfied.

Applicable Ontario Statutory Provisions

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

Applicable Ontario Rules

OSC Rule 45-501 – Exempt Distributions, s. 2.8.

Multilateral Instrument Cited

MI 45-102 – Resale of Securities, s. 2.6.

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

AND

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

AND

**IN THE MATTER OF
NORTHERN PROPERTY REAL ESTATE
INVESTMENT TRUST,
NORTHERN PROPERTY LIMITED PARTNERSHIP AND
NORTHERN PROPERTY TRUST**

MRRS DECISION DOCUMENT

1. **WHEREAS** the Canadian securities regulatory authority or regulator (collectively, the “Decision Makers”) in each of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, the Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Québec, Saskatchewan and the Yukon Territory (the “Jurisdictions”) has received an application from

- Northern Property Real Estate Investment Trust ("NPR"), Northern Property Limited Partnership (the "Partnership") and Northern Property Trust ("NP Trust") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirements under the Legislation to be registered to trade in a security (the "Registration Requirement") and to file and obtain a receipt for a preliminary prospectus and a prospectus (the "Prospectus Requirement"), shall not apply to certain trades of securities to be made in connection with a reorganization of Urbco Inc. ("Urbco") under section 193 of the *Business Corporations Act* (Alberta) (the "ABCA") involving Urbco and the holders of its common shares (the "Arrangement");
2. **AND WHEREAS** under the Mutual Reliance Review System for Exemptive Relief Applications (the "System") the Alberta Securities Commission is the principal regulator for this application;
3. **AND WHEREAS** NPR, the Partnership, and NP Trust have represented to the Decision Makers that:
- 3.1 Urbco is a corporation incorporated under the laws of Alberta;
- 3.2 the authorized capital of Urbco consists of an unlimited number of common shares (the "Urbco Common Shares") and an unlimited number of preferred shares;
- 3.3 as at March 31, 2002, 10,348,191 Urbco Common Shares were issued and outstanding;
- 3.4 Urbco is a reporting issuer in British Columbia, Alberta and Ontario;
- 3.5 the Urbco Common Shares are presently listed on The Toronto Stock Exchange ("TSE");
- 3.6 following the effective date of the Arrangement, the Urbco Common Shares will be delisted from the TSE and Urbco will apply to cease to be a reporting issuer, where applicable;
- 3.7 NPR is an unincorporated open-ended trust governed by the laws of the Province of Alberta under a declaration of trust;
- 3.8 NPR is authorized to issue an unlimited number of units ("Units") and an unlimited number of special voting units ("Special Voting Units");
- 3.9 each Unit is transferable and redeemable on demand by the holder, and represents an equal undivided beneficial interest in distributions by NPR;
- 3.10 each Special Voting Unit entitles the holder to one vote at any meeting of Unit holders but does not entitle the holder to any distributions by NPR;
- 3.11 Special Voting Units are redeemable at any time by the holder for nominal consideration and are not transferable, except in certain limited circumstances and will only be issued in connection with the issuance of class B limited partnership units ("Class B LP Units") or other convertible securities of the Partnership;
- 3.12 NPR was created to directly and indirectly acquire the portfolio of income producing properties of Urbco under the Arrangement;
- 3.13 the objectives of NPR are to provide Unit holders with stable and growing cash distributions and to maximize unit value through management of properties directly and indirectly held by it and to acquire additional residential and commercial rental properties or interests;
- 3.14 NPR has applied for and received conditional approval from the TSE for the listing on the TSE of Units issuable in connection with the Arrangement, or issuable from time to time in exchange for Class B LP Units, subject to, among other things, completion of the Arrangement;
- 3.15 the Partnership is a limited partnership formed under the laws of Alberta;
- 3.16 the General Partner of the Partnership is Northern Property Holdings Corp. ("Holdings"), a wholly-owned subsidiary of NPR;
- 3.17 the Partnership was formed to hold all of the Urbco Common Shares and to operate the real property interests not directly held by NPR after completion of the Arrangement;
- 3.18 all partners of the Partnership must be residents of Canada;
- 3.19 initially, the Partnership will have outstanding one or more general partnership units, held by Holdings, and class A limited partnership units ("Class

- A LP Units"), held by NP Trust, a wholly-owned subsidiary of NPR;
- 3.20 the Partnership will issue Class B LP Units to persons who elect to receive Class B LP Units instead of Units under the Plan of Arrangement. The Partnership may issue additional Class B LP Units in respect of other property acquisitions made by the Partnership from time to time;
- 3.21 the Class B LP Units:
- 3.21.1 are exchangeable by the holders for Units at any time;
- 3.21.2 are required to be exchanged for Units in certain circumstances;
- 3.21.3 entitle the holder to receive cash distributions from the Partnership equal to cash distributions made by NPR on the Units;
- 3.21.4 entitle the holders to receive Special Voting Units to vote at meetings of holders of Units of NPR;
- 3.21.5 are transferable only in limited circumstances; and
- 3.21.6 are intended to be, to the greatest extent practicable, the economic equivalent of Units;
- 3.22 the Partnership is not and does not intend to become a reporting issuer (or equivalent) in any of the Jurisdictions;
- 3.23 NP Trust is an unincorporated open-ended trust established under the laws of the Province of Alberta pursuant to a declaration of trust;
- 3.24 NP Trust is a limited purpose trust and initially its activities will be restricted to holding securities of the Partnership;
- 3.25 all of the units of NP Trust will be owned by NPR;
- 3.26 NP Trust is not and does not intend to become a reporting issuer (or equivalent) in any of the Jurisdictions;
- 3.27 the Arrangement will require:
- 3.27.1 the approval of two-thirds of the votes cast by the holders of the
- Urbco Common Shares present in person or by proxy at a meeting of shareholders to be held on May 13, 2002 (the "Meeting"); and
- 3.27.2 approval of the Court of Queen's Bench of Alberta (the "Court"), the application in respect of which is expected to be heard on or about May 16, 2002;
- 3.28 an information circular (the "Circular") has been prepared in conformity with the provisions of the ABCA and applicable securities laws and an interim order dated April 12, 2002 has been obtained from the Court;
- 3.29 the Circular contains prospectus-level disclosure of the business and affairs of NPR, Urbco and the Partnership and a detailed description of the Arrangement;
- 3.30 the Circular has been mailed to the holders of the Urbco Common Shares in connection with the Meeting;
- 3.31 upon the Plan of Arrangement becoming effective, in accordance with elections made or deemed to be made by the holders of Urbco Common Shares, the outstanding Urbco Common Shares will be exchanged for Units or Class B LP Units;
- 3.32 upon the completion of the Arrangement, NPR will own, directly and indirectly, the existing real property portfolio of Urbco and all of the issued and outstanding Urbco Common Shares will be held by the Partnership;
- 3.33 the limited partnership agreement governing the Partnership (the "Limited Partnership Agreement") will provide that the Class B LP Units will be non-voting (except as required by the Limited Partnership Agreement or by applicable law) and each Class B LP Unit will entitle the holder to distributions from the Partnership payable at the same time as, and equivalent to, each distribution paid by NPR on Units of NPR;
- 3.34 distributions on the Class B LP Units will be derived from income on real property interests held by Urbco subsequent to the Arrangement;
- 3.35 to the extent distributions per Class B LP Unit would be less than distributions per

- Unit derived from the real property interests held by NPR, the Partnership will subscribe for a sufficient number of Units as may be required in order to cause distributions per Class B LP Unit to equal distributions per Unit;
- 3.36 to the extent distributions per Unit would be less than distributions per Class B LP Unit, the Partnership will distribute sufficient income through distributions on the Class A LP Units held indirectly by NPR to cause distributions on Units and Class B LP Units to be equal;
- 3.37 NPR has agreed that, to the extent further Class B LP Units are issued, it will issue a corresponding number of Special Voting Units;
- 3.38 under the Arrangement, each holder of Class B LP Units will receive one Special Voting Unit for each Class B LP Unit such holder receives;
- 3.39 Special Voting Units issued to the holders of Class B LP Units may be transferred only under the same circumstances as the associated Class B LP Units, will be evidenced only by the certificates representing such Class B LP Units and will be automatically redeemed for nominal consideration upon the exchange of Class B LP Units for Units of NPR;
- 3.40 the Limited Partnership Agreement provides the holders of the Class B LP Units with a put right (the "Exchange Right") to require NPR to purchase from a holder of Class B LP Units all or any part of his or her Class B LP Units. The purchase price for each Class B LP Unit purchased by NPR will be an amount equal to the current market price of a Unit of NPR, to be satisfied by the delivery to the holder of one Unit of NPR, together with an additional amount equivalent to the full amount of all declared and unpaid distributions on such Class B LP Unit;
- 3.41 the Limited Partnership Agreement provides the Partnership with the right (the "Call Right") to acquire all outstanding Class B LP Units for Units of NPR on a one-for-one basis in certain circumstances, which include the holder of Class B LP Units becoming a non-resident of Canada (within the meaning of the Income Tax Act (Canada)), the occurrence of a transaction involving a change of control of NPR or in the event that there are issued and outstanding, at any time, less than 10% of the number of Class B LP Units originally issued under the Arrangement;
- 3.42 the exchange mechanics under the Exchange Right and the Call Right provide that where a holder of Class B LP Units exercises the Exchange Right or the Partnership exercises the Call Right, the Partnership will purchase from NPR a number of Units of NPR equal to the number of Class B LP Units for which the Exchange Right or Call Right, as the case may be, is exercised (the "Partnership Unit Purchase"). The Partnership will then redeem such Class B LP Units in exchange for the Units of NPR purchased from NPR (the "Partnership Unit Distribution");
- 3.43 the Declaration of Trust provides that upon the exercise of the Exchange Right or the Call Right, the Special Voting Units attaching to the Class B LP Units being exchanged will be automatically redeemed by NPR;
- 3.44 in order to fund the Partnership Unit Purchase in connection with the exercise of the Exchange Right or the Call Right, as the case may be, NPR will subscribe for unsecured subordinated trust notes (the "Subordinated Trust Notes") issued by NP Trust (the "NP Trust Note Distribution") in an aggregate principal amount equal to the purchase price for the Units to be acquired by the Partnership. NP Trust will in turn subscribe for unsecured subordinated notes ("Partnership Notes") issued by the Partnership (the "Partnership Note Distribution") in the same principal amount. In this manner, NPR will indirectly lend the Partnership sufficient funds to effect the Partnership Unit Purchase;
- 3.45 the Partnership may effect Partnership Note Distributions in order to fund the purchase of Units by the Partnership for the purposes of maintaining the economic equivalency of Units and Class B LP Units as described above;
- 3.46 under the terms of a support agreement to be entered into between NPR, NP Trust, the Partnership, and the limited partners of the Partnership, in certain circumstances where the Partnership is unable to deliver Units of NPR to holders of Class B LP Units upon exercise of the Exchange Right, such as in the event of the insolvency of the Partnership, a

- holder of Class B LP Units will have the right (the "Retraction Right") to cause NP Trust to acquire, and for NPR to issue, Units of NPR to NP Trust for nominal consideration (the "NP Trust Unit Purchase"). NP Trust will then exchange, for no additional consideration, such Units for the Class B LP Units to which the exercise of the Retraction Right relates (the "NP Trust Unit Distribution");
- 3.47 upon exercise of the Retraction Right, the Special Voting Units attaching to the Class B LP Units being exchanged will be automatically redeemed by NPR;
- 3.48 it is anticipated that the majority of all future property interests to be acquired by NPR will be acquired directly by NPR. However, there may be circumstances where it is in the best interests of Unit holders to acquire property interests indirectly through the Partnership, in exchange for Class B LP Units;
- 3.49 to the extent Class B LP Units are issued in connection with the indirect acquisition of property interests by NPR, NPR will be required to issue, for no additional consideration, an equivalent number of Special Voting Units (such distribution of Special Voting Units, a "Property Acquisition Distribution");
- 3.50 concurrently with the completion of the Arrangement, NPR expects to raise gross proceeds of \$66 to \$70 million by way of a public offering of Units (the "Offering");
- 3.51 a preliminary prospectus in connection with the Offering was filed with the Decision Makers in each of the Jurisdictions on April 15, 2002, and a final prospectus is expected to be filed on or about May 13, 2002;
- 3.52 upon receiving a receipt for a final prospectus under the Offering, NPR will become a reporting issuer in the Jurisdictions;
- 3.53 closing of the Offering will occur concurrently with, and is conditional upon completion of, the Arrangement;
- 3.54 subject to satisfying all closing conditions and obtaining all applicable regulatory and shareholder approvals, it is anticipated that the Arrangement will be effected and the Offering will close on or about May 22, 2002;
- 3.55 exemptions from the Registration Requirement and the Prospectus Requirement are not available in all the Jurisdictions for the following trades (the "Trades"):
- 3.55.1 trades made in connection with the Arrangement involving non-corporate entities;
- 3.55.2 trades made in connection with a Partnership Unit Purchase or an NP Trust Unit Purchase;
- 3.55.3 trades made in connection with a Partnership Unit Distribution or an NP Trust Unit Distribution;
- 3.55.4 trades made in connection with a Partnership Note Distribution where NP Trust acquires Partnership Notes with an aggregate acquisition cost of less than a minimum prescribed amount;
- 3.55.5 trades made in connection with an NP Trust Note Distribution where NPR acquires Subordinated Trust Notes with an aggregate acquisition cost of less than a minimum prescribed amount;
- 3.55.6 the issuance of Special Voting Units by NPR in connection with a Property Acquisition Distribution where assets are acquired by the Partnership with a fair value of not less than a prescribed amount;
4. **AND WHEREAS** under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");
5. **AND WHEREAS** each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;
6. **THE DECISION** of the Decision Makers under the Legislation is that:
- 6.1 the Registration Requirement and the Prospectus Requirement will not apply to the Trades provided that the first trade in Units, Class B LP Units, Partnership Notes, Subordinated Trust Notes, and Special Voting Units acquired under this Decision are deemed to be a distribution or primary distribution to the public;

6.2 the Registration Requirement and the Prospectus Requirement will not apply to the first trade of Class B LP Units and Special Voting Units and the Prospectus Requirements will not apply to the first trade of Units acquired under this Decision provided that:

6.2.1 except in Québec, NPR satisfies the conditions in subsections (3) or (4) of section 2.6 of Multilateral Instrument 45-102 *Resale of Securities* ("MI 45-102") and for the purposes of determining the period of time that NPR has been a reporting issuer under section 2.6 of MI 45-102 the period of time that Urbco was a reporting issuer immediately before the Arrangement may be included; and

6.2.2 in Québec,

6.2.2.1 the issuer is and has been a reporting issuer in Québec for the twelve months immediately preceding the trade;

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

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 shareholder is an insider or officer of the issuer, the selling shareholder has no reasonable grounds to believe that the issuer is in default of securities legislation.

May 17, 2002.

"Eric T. Spink"

"Walter B. O'Donoghue"

2.1.3 Clarica Diversico Ltd. - MRRS Decision

Headnote

Relief from certain self-dealing prohibitions to permit mutual funds to passively track target securities market indices.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as amended, s. 111(2)(a) and 111(3).

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

AND

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

AND

**IN THE MATTER OF
CLARICA CANADIAN EQUITY INDEX FUND**

AND

CLARICA BOND INDEX FUND

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions") has received an application from Clarica Diversico Ltd. ("Diversico"), in its capacity as manager and promoter of the Clarica Canadian Equity Index Fund and the Clarica Bond Index Fund (collectively the "Funds"), for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the following restrictions (the "Investment Restrictions") contained in the Legislation shall not apply to Diversico or the Funds in respect of investments made by the Funds in securities of Sun Life Financial Services of Canada Inc. ("Sun Life") or its subsidiaries (collectively the securities are referred to as "Sun Life Securities"):

1. the restrictions contained in the Legislation prohibiting a mutual fund from knowingly making or holding an investment in any person or company who is a substantial securityholder of the mutual fund, its management company or distribution company;

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 Diversico has represented to the Decision Makers as follows:

1. Diversico is a corporation amalgamated under the laws of Canada. Diversico is the manager and promoter of the Funds.
2. The Funds are open-end mutual fund trusts established under the laws of Ontario. The investment objective of each of the Funds is to track the performance of a specified target index as follows: the TSE 300 Composite Total Return Index in the case of the Clarica Canadian Equity Index, and the Scotia Capital Universe Bond Index in the case of the Clarica Bond Index Fund or, in each case, in the event that such index is modified or discontinued, a replacement for that index or an index that is substantially similar to that index (the "TSE Index" and "Bond Index", respectively).
3. The Funds are both index mutual funds as defined in National Instrument 81-102.
4. Units of the Funds are qualified for distribution in each of the Jurisdictions pursuant to a simplified prospectus/amended and restated simplified prospectus dated December 18, 2001 (the "Prospectus"). Each of the Funds is a reporting issuer under the securities legislation of each Jurisdiction.
5. TD Asset Management Inc. ("TDAM") is the portfolio adviser of each of the Funds. TDAM is a mutual fund dealer and an investment counsel and portfolio manager.
6. Diversico is a wholly-owned subsidiary of Clarica Life Insurance Company ("Clarica").
7. On December 17, 2001, Clarica and Sun Life entered into a transaction agreement, pursuant to which Sun Life has agreed to acquire all of the outstanding common shares of Clarica (the "Transaction"). The Transaction is proposed to be effected through a reorganization of Clarica's capital structure to provide for the exchange of each outstanding common share of Clarica ("Clarica Common Shares"), except those Clarica Common Shares beneficially owned by Sun Life as general fund assets, for 1.5135 common shares of Sun Life ("Sun Life Common Shares") through a series of transactions.
8. The Transaction has been approved by holders of Clarica Common Shares and holders of Clarica voting insurance policies at a special meeting held on March 6, 2002. Subject to the satisfaction of all closing conditions and the receipt of all applicable regulatory approvals, it is anticipated that the Transaction will be completed during the second quarter of 2002.
9. Upon closing of the Transaction, Diversico will be an indirect wholly-owned subsidiary of Sun Life.
10. Among the securities comprising the TSE Index are Sun Life Common Shares. Among the securities comprising the Bond Index are Sun Life Exchangeable Capital Securities – Series A ("SLEECs"), issued by a special purpose trust created by a wholly-owned subsidiary of Sun Life.
11. The target index for each Fund is disclosed in the investment objectives in the Prospectus. It is part of the fundamental nature of the Funds that all the assets of the Funds are invested in securities of each of the companies included in the target index or instruments that provide exposure to such securities, and that the portfolios of the Funds are not actively managed.
12. The number of securities comprising the applicable target index of each Fund in which the Fund actually invests from time to time will depend upon the size and value of the assets of the Fund and the composition of the target index. Each Fund will therefore be periodically rebalanced to track its target index as closely as possible while minimizing trading costs.
13. The portfolios of the Funds are not actively managed. The portfolio of each Fund is passive and is comprised of securities comprising the target index of such Fund. All purchases and sales of the portfolios of the Funds will be determined by the composition of the applicable target index and the weighting therein of the constituent securities.
14. As a result of tracking the TSE Index, the Clarica Canadian Equity Index Fund holds 8,900 Sun Life Common Shares as at April 1, 2002. In order to track its target index following completion of the Transaction, the Clarica Canadian Equity Index Fund will have to continue to hold Sun Life Common Shares and may need to acquire additional Sun Life Securities in the future.
15. As a result of tracking the Bond Index, the Clarica Bond Index Fund holds 30,000 SLEECs as at April 1, 2002. In order to track its target index following completion of the Transaction, the Clarica Bond Index Fund will have to continue to hold SLEECs and may need to acquire additional Sun Life Securities in the future.
16. The deviation from the Investment Restrictions will not be the result of any active decision of TDAM or Diversico to increase the investment of either Fund in Sun Life Securities, but rather it will be an indirect consequence of carrying out the investment objective of each Fund, to match the performance of its target index.

17. The investments of each Fund in its target index represents the business judgement of responsible persons uninfluenced by considerations other than the best interests of each Fund.

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

AND WHEREAS the Decision Makers are 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 Investment Restrictions do not apply to the investment or the holding of an investment by the Funds in Sun Life Securities.

PROVIDED THAT the portion of each Fund's assets invested in Sun Life Securities is determined according to each Fund's investment objective of tracking the performance of its specified target index, and not pursuant to the discretion of the portfolio adviser or the manager of each Fund.

May 24, 2002.

"Paul M. Moore"

"Kerry D. Adams"

2.1.4 Algoma Steel Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Issuer exempt from including comparative balance sheet as at December 31, 2001, provided that it includes a "fresh start" comparative balance sheet as at January 31, 2002. Issuer also exempted from including comparative interim income and cash flow statements, and statement of retained earnings to the end of each of the three, six and nine month periods during the 2002 and 2003 fiscal years, provided that it includes comparative financial statements which are segregated to disclose financial information on a pre- and post-reorganization basis.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am. s. 83, ss. 77, 80(b)(iii).

Applicable Ontario Rules Cited

OSC Rule 52-501 - Financial Statements - Parts 2.1, 2.2(1)(a), 2.2(2), 4.1.

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

AND

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

AND

**IN THE MATTER OF
ALGOMA STEEL INC.**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions") has received an application from Algoma Steel Inc. (the "Filer") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that certain requirements contained in the Legislation requiring the Filer to file its comparative interim financial statements for the fiscal periods ending (or ended, as the case may be) March 31, June 30 and September 30, 2002 and 2003, respectively, and to file its comparative annual statements for the years ending December 31, 2002 and 2003, respectively, shall not apply to the Filer;

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

AND WHEREAS the Filer has represented to each Decision Maker that:

1. The Filer is organized under the laws of the Province of Ontario, and is a reporting issuer in each of the Jurisdictions that provides for a reporting issuer regime and is not on the list of defaulting reporting issuers maintained by the Jurisdictions.
2. On April 23, 2001, the Filer filed for protection under the *Companies' Creditors Arrangement Act* (Canada). An order was granted on such date by the Superior Court of Justice in Bankruptcy and Insolvency (Commercial List) of Ontario (the "Court") respecting, among other things, a stay of all actions, suits and proceedings, and the appointment of Ernst & Young Inc. as monitor.
3. The Filer's proposed plan of arrangement and reorganization pursuant to the *Companies' Creditors Arrangement Act* (Canada) and Section 186 of the *Business Corporations Act* (Ontario) was filed with the Court in October, 2001, a second amended and restated plan was filed with the Court in November, 2001; and a third amended and restated plan (the "Plan") was filed with the Court on December 10, 2001. The Plan was accepted by the Filer's creditors on December 17, 2001. The Plan was subsequently sanctioned by the Court on December 19, 2001, and was effective as of January 29, 2002.
4. Pursuant to the Plan, the Filer cancelled all of its then issued and outstanding shares, and issued 19 million new common shares, of which 15 million were issued to former holders of the Filer's 12 3/8% First Mortgage Notes ("Notes"), approximately four million were issued to employees of the Filer in accordance with an option granted pursuant to the Plan, and approximately one million were issued to certain unsecured creditors of the Filer.
5. Pursuant to the Plan, holders of the Notes received, in addition to common shares, their pro rata portion of U.S.\$125 million in aggregate principal amount of newly issued 11% secured notes due 2009 of the Filer and of U.S.\$62.5 million in aggregate principal amount 1% secured convertible notes due 2030 of the Filer. All of the U.S.\$349 million in aggregate principal amount of Notes that were outstanding prior to the implementation of the Plan, together with all accrued and unpaid interest on the Notes, were cancelled.
6. The Filer has also entered into new collective bargaining agreements with the United Steelworkers of America, and has entered into arrangements to restructure its pension plan liabilities.
7. Approximately \$333 million of secured indebtedness of the Filer was extinguished upon completion of the Plan. The Filer's pension obligations were also significantly reduced. In addition, as a result of the implementation of the Plan, except perhaps for a few exceptions, former holders of shares of the Filer no longer hold any shares therein, and former holders of the Notes now hold approximately 75% of the common shares of the Filer.
8. The new common shares of the Filer were listed and posted for trading on The Toronto Stock Exchange on February 21, 2002.
9. Failure to present the financial information of the Filer for the periods before and after the reorganization on a segregated columnar basis could subject the financial statements of the Filer to misinterpretation by investors.
10. The Filer accounted for the implementation of the Plan as at January 31, 2002 on a "fresh start" basis in accordance with the guidelines set forth by the Canadian Institute of Chartered Accountants (the "CICA"), which contemplates that figures for a prior period may be excluded from a company's financial statements where that company has undergone a financial reorganization resulting in a substantial realignment of its non-equity and equity interests.
11. The balance sheet required to be included in the interim financial statements for the first, second and third quarters of 2002 and the balance sheet required to be included in the annual financial statements for the year ending December 31, 2002 of the Filer are not and will not be comparable to the balance sheet as at December 31, 2001 due to the reorganization of the Filer pursuant to the Plan.
12. The Filer will prepare and file with the Jurisdictions interim financial statements for the periods ending (or ended, as the case may be) March 31, June 30 and September 30, 2002, which will be comprised respectively of (a) a balance sheet as at March 31, June 30 and September 30, 2002, presented on a comparative basis with a "fresh start" opening balance sheet as at January 31, 2002 with note disclosure for the disclosure items specified by CICA Handbook Section 1625, and (b) comparative statements of income, retained earnings and cash flow presented on a columnar basis to reflect pre- and post-reorganization results for the relevant period as follows: (x) under the post-reorganization column (i) the two, five

and eight month periods (from February 1, 2002) ending (or ended, as the case may be) March 31, June 30 and September 30, 2002, and (ii) in respect of the periods ending June 30 and September 30, 2002, the relevant three month period ending on such dates, and (y) under the pre-reorganization results column (i) the one month period ended January 31, 2002 and the relevant year-to-date period of 2001, and (ii) in respect of the periods ending June 30 and September 30, 2002, the relevant comparative three month period of 2001.

13. The Filer will prepare and file with the Jurisdictions annual financial statements for the year ending December 31, 2002, which will be comprised of (a) a balance sheet as at December 31, 2002, presented on a comparative basis with a "fresh start" opening balance sheet as at January 31, 2002 with note disclosure for the disclosure items specified by CICA Handbook Section 1625, and (b) comparative statements of income, retained earnings and cash flow presented on a columnar basis to reflect pre- and post-reorganization results as follows: (x) under the post-reorganization column the eleven month period (from February 1, 2002) ending December 31, 2002, and (y) under the pre-reorganization results column, the one month period ended January 31, 2002 and the relevant comparative period of 2001.
14. The Filer will provide information relating to the Filer's financial reorganization pursuant to the Plan both in its interim financial statements for the periods ending (or ended, as the case may be) March 31, June 30 and September 30, 2002, and in its annual financial statements for the year ending December 31, 2002, as well as in its management's discussion and analysis of financial condition for the corresponding periods.
15. The Filer will prepare and file with the Jurisdictions interim financial statements for the periods ending (or ended, as the case may be) March 31, June 30 and September 30, 2003, which will be comprised respectively of (a) a balance sheet as at March 31, June 30 and September 30, 2003, presented on a comparative basis with the Filer's balance sheet as at December 31, 2002 with note disclosure for the disclosure items specified by CICA Handbook Section 1625, and (b) comparative statements of income, retained earnings and cash flow presented on a columnar basis to reflect pre- and post-reorganization results for the relevant period as follows: (x) under the post-reorganization column (i) the three, six and nine month periods ending March 31, June 30 and September 30, 2003, (ii) the two, five and eight month periods (from February 1, 2002) ended March 31, June 30 and September 30, 2002, and (iii) in respect of the periods ending June 30 and September 30, 2003, the relevant three month period ending on such dates and the

relevant comparative three month period of 2002, and (y) under the pre-reorganization results column, the one month period ended January 31, 2002.

16. The Filer will prepare and file with the Jurisdictions annual financial statements for the year ending December 31, 2003, which will be comprised of (a) a balance sheet as at December 31, 2003, presented on a comparative basis with the Filer's balance sheet as at December 31, 2002 with note disclosure for the disclosure items specified by CICA Handbook Section 1625, and (b) comparative statements of income, retained earnings and cash flow presented on a columnar basis to reflect pre- and post-reorganization results as follows: (x) under the post-reorganization column (i) the year ending December 31, 2003, and (ii) the eleven month period (from February 1, 2002) ended December 31, 2002, and (y) under the pre-reorganization results column, the one month period ended January 31, 2002.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the Filer is exempt from the applicable requirements of the Legislation requiring the Filer to prepare and file comparative interim financial statements for the periods ending (or ended, as the case may be) March 31, June 30 and September 30, 2002 and 2003, respectively, provided that:

- (a) the Filer prepares and files interim financial statements for the periods ending (or ended, as the case may be) March 31, June 30 and September 30, 2002, which will be comprised respectively of (1) a balance sheet as at March 31, June 30 and September 30, 2002, presented in the form provided by the further decision below, and (2) comparative statements of income, retained earnings and cash flow presented on a columnar basis to reflect pre- and post-reorganization results for the relevant period as follows: (x) under the post-reorganization column (i) the two, five and eight month periods (from February 1, 2002) ending (or ended, as the case may be) March 31, June 30 and September 30, 2002, and (ii) in respect of the periods ending June 30 and September 30, 2002, the relevant three month period ending on such dates, and

(y) under the pre-reorganization results column (i) the one month period ended January 31, 2002 and the relevant year-to-date period of 2001, and (ii) in respect of the periods ending June 30 and September 30, 2002, the relevant comparative three month period of 2001; and

(b) the Filer prepares and files interim financial statements for the periods ending (or ended, as the case may be) March 31, June 30 and September 30, 2003, which will be comprised respectively of (1) a balance sheet as at March 31, June 30 and September 30, 2003, presented in the form provided by the further decision below, and (2) comparative statements of income, retained earnings and cash flow presented on a columnar basis to reflect pre- and post-reorganization results for the relevant period as follows: (x) under the post-reorganization column (i) the three, six and nine month periods ending March 31, June 30 and September 30, 2003, (ii) the two, five and eight month periods (from February 1, 2002) ended March 31, June 30 and September 30, 2002, and (iii) in respect of the periods ending June 30 and September 30, 2003, the relevant three month period ending on such dates and the relevant comparative three month period of 2002, and (y) under the pre-reorganization results column, the one month period ended January 31, 2002.

May 30, 2002.

“Harold P. Hands”

“Robert W. Korthals”

THE FURTHER DECISION of the Decision Makers pursuant to the Legislation is that the Filer is exempt from the applicable requirements of the Legislation requiring the Filer (i) to prepare and file comparative interim financial statements for the periods ending (or ended, as the case may be) March 31, June 30 and September 30, 2002 and 2003, respectively; and (ii) prepare and file comparative annual financial statements for the years ending December 31, 2002 and 2003, respectively, provided that:

(a) the Filer prepares and files interim financial statements for the periods ending (or ended, as the case may be) March 31, June 30 and September 30, 2002, which will be comprised respectively of (1) a balance sheet as at March 31, June 30 and September 30, 2002, presented on a comparative basis with a “fresh start” opening balance sheet as at January 31, 2002 with note

disclosure for the disclosure items specified by CICA Handbook Section 1625, and (2) comparative statements of income, retained earnings and cash flow presented on a columnar basis to reflect pre- and post-reorganization results for the relevant period as follows: (x) under the post-reorganization column (i) the two, five and eight month periods (from February 1, 2002) ending (or ended, as the case may be) March 31, June 30 and September 30, 2002, and (ii) in respect of the periods ending June 30 and September 30, 2002, the relevant three month period ending on such dates, and (y) under the pre-reorganization results column (i) the one month period ended January 31, 2002 and the relevant year-to-date period of 2001, and (ii) in respect of the periods ending June 30 and September 30, 2002, the relevant comparative three month period of 2001;

(b) the Filer prepares and files annual financial statements for the year ending December 31, 2002, which will be comprised of (1) a balance sheet as at December 31, 2002, presented on a comparative basis with a “fresh start” opening balance sheet as at January 31, 2002 with note disclosure for the disclosure items specified by CICA Handbook Section 1625, and (2) comparative statements of income, retained earnings and cash flow presented on a columnar basis to reflect pre- and post-reorganization results as follows: (x) under the post-reorganization column the eleven month period (from February 1, 2002) ending December 31, 2002, and (y) under the pre-reorganization results column, the one month period ended January 31, 2002 and the relevant comparative period of 2001;

(c) the Filer provides information relating to the Filer’s financial reorganization pursuant to the Plan in its financial statements and management’s discussion and analysis of financial condition for the periods ending (or ended, as the case may be) March 31, June 30, September 30 and December 31, 2002;

(d) the Filer prepares and files interim financial statements for the periods ending (or ended, as the case may be) March 31, June 30 and September 30, 2003, which will be comprised respectively of (1) a balance sheet as at March 31, June 30 and September 30,

2003, presented on a comparative basis with the Filer's balance sheet as at December 31, 2002 with note disclosure for the disclosure items specified by CICA Handbook Section 1625, and (2) comparative statements of income, retained earnings and cash flow presented on a columnar basis to reflect pre- and post-reorganization results for the relevant period as follows: (x) under the post-reorganization column (i) the three, six and nine month periods ending March 31, June 30 and September 30, 2003, (ii) the two, five and eight month periods (from February 1, 2002) ended March 31, June 30 and September 30, 2002, and (iii) in respect of the periods ending June 30 and September 30, 2003, the relevant three month period ending on such dates and the relevant comparative three month period of 2002, and (y) under the pre-reorganization results column, the one month period ended January 31, 2002; and

- (e) the Filer prepares and files annual financial statements for the year ending December 31, 2003, which will be comprised of (1) a balance sheet as at December 31, 2003, presented on a comparative basis with the Filer's balance sheet as at December 31, 2002 with note disclosure for the disclosure items specified by CICA Handbook Section 1625, and (2) comparative statements of income, retained earnings and cash flow presented on a columnar basis to reflect pre- and post-reorganization results as follows: (x) under the post-reorganization column (i) the year ending December 31, 2003, and (ii) the eleven month period (from February 1, 2002) ended December 31, 2002, and (y) under the pre-reorganization results column, the one month period ended January 31, 2002.

May 30, 2002.

"John Hughes"

2.1.5 Le Groupe Option Retraite Inc. - s. 4.1 of Rule 31-507

Headnote

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

Rule Cited

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

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

AND

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

AND

**IN THE MATTER OF
LE GROUPE OPTION RETRAITE INC.**

**DECISION
(Section 4.1 of OSC Rule 31-507)**

UPON the Director having received an application (the "Application") from Le Groupe Option Retraite Inc. ("Option Retraite") seeking a decision, pursuant to section 4.1 of the Rule, to exempt until September 30, 2002 Option Retraite from the application of subsection 2.3 of the Rule, which would require Option Retraite to be a member of a self-regulatory organization (a "Recognized SRO") recognized by the Ontario Securities Commission (the "Commission") under section 21.1 of the Act by the renewal date of its registration under the Act;

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

AND UPON Option Retraite having represented to the Director that:

1. Option Retraite is a corporation resulting from the amalgamation (effective as of May 1, 2002) of Le Groupe Option Retraite Inc. and its main shareholder, Les Conférences Option Retraite Inc., pursuant to the provisions of Part 1A of the *Companies Act* (Quebec). Option Retraite is not a reporting issuer in any of the provinces or territories of Canada or in any other jurisdiction;
2. Option Retraite is a member in good standing of Bourse de Montreal Inc.;

3. Option Retraite is registered under the Act as a dealer in the category of "broker";
4. Option Retraite's registration under the Act as a dealer in the category of "broker" is subject to renewal on June 1, 2002 (the "Renewal Date");
5. Option Retraite received an exemption (the "Initial Exemption") from the Director under section 4.1 of the Rule on December 19, 2001 which exempted Option Retraite from the requirement of the Rule that Option Retraite be a member of a Recognized SRO by December 31, 2001 on the condition that Option Retraite is a member of a Recognized SRO by the Renewal Date;
6. by letter dated March 16, 2001, Option Retraite applied for membership in the Investment Dealers Association of Canada (the "IDA"), which application is currently under review by the IDA;
7. the IDA issued a deficiency letter to Option Retraite on April 26, 2002 in respect of its application which set out a number of deficiencies (the "Deficiencies"); and
8. Option Retraite is working diligently to address the Deficiencies with the IDA but will not be a member of a Recognized SRO by the Renewal Date as required by the Initial Exemption.

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

IT IS THE DECISION of the Director, pursuant to section 4.1 of the Rule, that Option Retraite is exempted from the requirement of the Rule, as modified by the Initial Exemption, to be a member of a Recognized SRO by the Renewal Date on the condition that this exemption will terminate on the earlier of the date that Option Retraite becomes a member of a Recognized SRO and September 30, 2002.

May 30, 2002.

"David M. Gilkes"

2.1.6 Canadian First Financial Group Inc. - MRRS Decision

Headnote

MRRS for Exemptive Relief Applications – issuer owns 20 shares of TSX – issuer target of proposed take-over bid – condition of proposed take-over bid that issuer must distribute TSX shares to or for the benefit of the issuer's shareholders – TSX shares transferred to wholly-owned subsidiary of issuer – prospectus and registration relief granted in connection with the transfer of TSX shares to wholly-owned subsidiary – prospectus and registration relief granted in connection with issuer's dividend in kind of shares of wholly-owned subsidiary

Applicable Statutes

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

IN THE MATTER OF THE SECURITIES LEGISLATION OF ONTARIO AND QUEBEC

AND

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

AND

IN THE MATTER OF CANADIAN FIRST FINANCIAL GROUP INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Ontario and Québec (collectively, the "Jurisdictions") has received an application from Canadian First Financial Group Inc. (the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the Filer be exempt from the prospectus and registration requirements set forth 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. Canadian First Financial Group Inc. was originally incorporated pursuant to articles of incorporation under the laws of the Province of Ontario on August 2, 1995.
2. Canadian First Financial Group Inc. and Canadian First Investments Inc. amalgamated to form the Filer on May 13, 2002 pursuant to a "vertical short-

- form" amalgamation under the *Business Corporations Act* (Ontario).
3. The Filer's head office is located in Cambridge, Ontario.
 4. The Filer is a financial services management company, with integrated business interests in the financial services sector.
 5. As at May 17, 2002, there were 8,474,413 issued and outstanding common shares in the capital of the Filer.
 6. The Filer is a reporting issuer in the Provinces of Ontario, British Columbia, Alberta, Saskatchewan, Nova Scotia and Newfoundland and its common shares are listed and posted for trading on The TSX Venture Exchange Inc. (the "TSXVX") under the symbol "YCG".
 7. The Filer is the registered and beneficial owner of 20 shares of the Toronto Stock Exchange Inc. (the "TSX Shares").
 8. The Filer intends to transfer the TSX Shares as a condition of a proposed all-cash take-over bid (the "Offer") for all of the issued and outstanding common shares of the Filer ("CFFG Shares") by Dundee Wealth Management Inc. ("Dundee"), which Offer was publicly announced on May 15, 2002.
 9. Pursuant to the terms and conditions of a support agreement dated May 14, 2002, Dundee has agreed to make the Offer for all of the issued and outstanding CFFG Shares for an aggregate purchase price of \$11,345,000, which represents approximately \$1.33 per share (subject to adjustment based on the actual number of CFFG Shares outstanding at the closing of the Offer).
 10. Dundee has advised the Filer that it will not proceed with the Offer unless the TSX Shares are distributed to or for the benefit of the shareholders of the Filer. Accordingly, the Offer has been structured so that the TSX Shares will be distributed for the benefit of the Filer's current shareholders on a tax-efficient basis prior to the completion of the Offer.
 11. The Board of Directors of the Filer unanimously approved the Offer and will recommend to the Filer's shareholders that such shareholders accept the Offer.
 12. Holders of in excess of 80% of the issued and outstanding CFFG Shares have entered into lock-up agreements to tender their shares of the Filer to the Offer.
 13. To effect the distribution of TSX Shares in a manner that is tax efficient and that is permitted by
- The Toronto Stock Exchange Inc. (the "TSX"), the Filer intends to sell its registered and beneficial interest in the TSX Shares to 1522231 Ontario Inc., a newly incorporated wholly-owned subsidiary of the Filer ("Newco") and, as consideration for the acquisition of the TSX Shares, Newco intends to issue shares (the "Newco Shares") to the Filer.
14. Newco's Shares will be subject to restrictions on transfer, requiring the approval of either Newco's board of directors or shareholders, which restriction shall be contained in Newco's constating documents.
 15. The Board of Directors of the Filer intends to declare a dividend in kind of the Newco Shares held by the Filer, payable to the shareholders of record of the Filer prior to Dundee mailing the Offer to the shareholders of the Filer on the basis of one Newco Share for every CFFG Share.
 16. Until such time as the TSX's constating documents are amended, any further transfer of the TSX Shares by Newco will require TSX approval.
 17. The proposed transfer of the TSX Shares and the dividend in kind of Newco Shares has been approved by the TSX and the TSX has agreed to amend its shareholders ledger to reflect Newco as the registered holder of TSX Shares to be held by Newco. In addition, all necessary approvals of the TSXVX have been obtained.
- 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 Maker in Ontario under the Legislation in Ontario is that the Filer is exempt from the prospectus and registration requirements under the Legislation in Ontario in connection with the proposed transfer of the TSX Shares from the Filer to Newco provided that the first trade in the TSX Shares shall be a distribution;
- THE FURTHER DECISION** of the Decision Makers under the Legislation is that the Filer is exempt from the prospectus and registration requirements under the Legislation in connection with the proposed dividend in kind of the Newco Shares to the shareholders of record of the Filer provided that the first trade in the Newco Shares shall be a distribution.
- May 30, 2002.
- "Paul Moore" "Robert L. Shirriff"

2.1.7 Xerox Corporation et al. - MRRS Decision

Headnote

MRRS - relief granted to provide an extension to filing deadlines for annual financial statements and interim financial statements. Extension for Xerox granted to the later of June 30, 2002 and the date on which Xerox files its Financial Statements with the SEC. Extension for XCI granted to the later of July 30, 2002 and the date that is thirty days after Xerox files its Financial Statements with the SEC.

Applicable Ontario Statutory Provisions

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

Applicable Ontario Rules Cited

OSC Rule 51-501 - AIF and MD&A, (2000) 23 OSCB 8365, as am., s. 1.2(2), 2.1(1), 3.1, 4.1(1), 4.3 and 5.1.

OSC Rule 52-501 - Financial Statements, (2000) 23 OSCB 8372, s. 2.2(2) and 4.1.

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

AND

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

AND

**IN THE MATTER OF
XEROX CORPORATION, XEROX CANADA INC.
AND XEROX CANADA FINANCE INC.**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Prince Edward Island, Nova Scotia, Newfoundland, Nunavut and the Yukon Territories (the "Jurisdictions") has received an application from Xerox Corporation ("Xerox"), Xerox Canada Inc. ("XCI") (together with Xerox, the "Filers") and Xerox Canada Finance Inc. ("XCFI") (collectively, the "Applicants") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") to:

- (i) extend the deadlines prescribed by the Legislation (the "Deadline Requirements") by which time each Filer is required to file with the applicable Decision Makers its audited annual financial statements for

its financial year ended December 31, 2001 (the "2001 Statements") and its 2002 first quarter unaudited financial statements (the "2002 Q1 Statements") (collectively, the "Financial Statements") and Annual Report, where applicable; and

- (ii) extend the deadlines in the Legislation of Ontario, Quebec and Saskatchewan (the "AIF and MD&A Deadline Requirements") by which time each Filer must file with the applicable Decision Makers its annual information form ("AIF") and management's discussion and analysis ("MD&A").

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

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

1. Xerox is a State of New York incorporated, U.S.-based company which is a reporting issuer or the equivalent under the Legislation in each Jurisdiction. Xerox's securities are registered with the SEC under the 1934 Act and it is not exempt from the reporting requirements of the 1934 Act under Rule 12g3-2.
2. The authorized and issued capital of Xerox includes shares of common stock (the "Xerox Common Shares") of which approximately 725,294,902 were issued and outstanding on March 31, 2002.
3. Xerox's financial year-end is December 31.
4. Xerox Common Shares are listed and posted for trading on the New York Stock Exchange (the "NYSE") under the symbol "XRX" and several other stock exchanges outside of, but not in, Canada.
5. The transfer agent for Xerox Common Shares advises that the registered shareholders with addresses outside of the United States hold less than 1% of the issued and outstanding Xerox Common Shares.
6. XCI is a corporation amalgamated under the laws of Ontario on November 30, 1989 and is a reporting issuer, or the equivalent, under the Legislation of each Jurisdiction and its head office is in Ontario.
7. The authorized and issued capital of XCI consists of an unlimited number of voting class A shares (the "XCI Class A Shares"), non-voting exchangeable class B shares (the "XCI Exchangeable Shares"), of which 750,542 are issued and outstanding as of April 17, 2002, and \$8.00 non-cumulative, non-voting, redeemable

- preferred shares (the "XCI Preference Shares"). Xerox owns all of the XCI Class A Shares and the XCI Preference Shares that are issued and outstanding. The XCI Exchangeable Shares represent approximately 2% of the outstanding shares of XCI.
8. In 1989 the public common shareholders of XCI exchanged their common shares for XCI Exchangeable Shares that allow them to exchange such Exchangeable Shares for Xerox Common Shares at any time. Xerox became a reporting issuer or the equivalent in the Jurisdictions at that time. The XCI Exchangeable Shares are not listed or posted for trading on any stock exchange but are traded on the Canadian Unlisted Board of CDNX.
 9. XCFI was continued under the laws of Ontario on June 3, 1998. XCFI is a reporting issuer or the equivalent, under the Legislation of each Jurisdiction and its head office is in Ontario.
 10. The only outstanding shares of XCFI are its common shares, all of which are directly held by XCI.
 11. XCFI has two series of unsecured debentures outstanding as at March 31, 2002: Cdn \$21,500,000 principal amount of 10.7% sinking fund debentures due 2006 and Cdn \$53,800,000 principal amount of 12.15% sinking fund debentures due 2007 (collectively, the "Debentures"). As a result, the total outstanding amount is Cdn \$75,300,000.
 12. Each of Xerox and XCI has unconditionally guaranteed the Debentures as to principal and interest. The Legislation and the trust indentures, as amended, pursuant to which the Debentures were issued (the "Trust Indentures") do not require that XCFI mail financial statements to the Debenture holders.
 13. Xerox has publicly announced, in Canada and the United States, and has filed with the Decision Makers information regarding, the fact that, as part of a settlement reached with the SEC, the filing deadline for its 2001 Statements and its 2002 Q1 Statements has been extended to June 30, 2002. This extension is to permit Xerox the time necessary to restate and adjust certain historical financial statements and to adjust its previously announced 2001 results.
 14. XCI has publicly announced in Canada, and has filed with the Decision Makers, information concerning its determination that it is necessary to restate and adjust its financial statements for its financial year ended December 31, 2000. Since the XCI 2001 Statements and 2002 Q1 Statements are consolidated with those of Xerox, the preparation of the two sets of statements, including the footnote disclosures, are inter-dependent. The restatements to Xerox's financial statements, including any restatement of footnote disclosures, has a material bearing on XCI's financial statements and requires that XCI restate and adjust its financial statements for the year ended December 31, 2000 to conform with the Xerox restatements. Following determination of the amount of any such restatements and completion of any such restatements it will be necessary for XCI's external auditors to audit the restatements and to re-audit the years in question.
 15. Differences in filing deadlines under U.S. and Canadian laws result in a normal deadline of April 1 and May 15 for Xerox filings of annual and first quarter financials, respectively, in the U.S. versus May 21 and May 30, respectively, in Canada. As a result, XCI generally has over a month after the finalization of the Xerox financial information to review such information (particularly the note disclosure contained therein) to ensure consistency of presentation in the XCI financial statements, AIF and MD&A filed by May 21.
 16. Xerox proposes to make its complete 2001 Statements, its 2002 Q1 Statements, its AIF on Form 10-K, its quarterly report on Form 10-Q and its Annual Report, where applicable, available to the public via SEDAR by filing them in each of the Jurisdictions contemporaneously with their filing with the SEC. Substantially concurrently with such filing by Xerox, XCI will, on behalf of Xerox, disseminate a press release summarizing highlights of such Financial Statements, advising readers that such Financial Statements, and the Forms 10-K and 10Q have been filed with regulatory authorities in each of the Jurisdictions and are available for viewing on SEDAR. In addition at such time, Xerox anticipates posting such Financial Statements on its website.
 17. As a result of XCI's determination that it is necessary to restate and adjust its financial statements, and of Xerox's delay in filing its Financial Statements, the preparation and filing of XCI's 2001 Statements, 2002 Q1 Statements, AIF and MD&A is also expected to be delayed.
 18. XCI proposes to make its 2001 Statements, 2002 Q1 Statements, AIF, MD&A and Annual Report, where applicable, available to the public via SEDAR by filing them in each of the Jurisdictions within 30 days of Xerox filing its information with the SEC. Substantially concurrently with such filing, XCI anticipates disseminating a press release summarizing highlights of such Financial Statements, advising readers that such Financial Statements have been filed with regulatory authorities in each of the Jurisdictions and are available for viewing on SEDAR.

19. Xerox and XCI will each issue a press release (the "Press Release") immediately following the issuance of this Decision Document which will announce the filing extension granted and such other relief as is granted pursuant to this Decision Document.
20. If, prior to the issuance of the Press Release, any material change occurs in the circumstances or affairs of Xerox or XCI, Xerox or XCI, as applicable, will disclose such material change forthwith.

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 Filers shall not be subject to the Deadline Requirement for their respective 2002 Q1 Statements, 2001 Statements, and Annual Reports, where applicable, provided that:

1. In the case of Xerox, Xerox files with the applicable Decision Makers and delivers to its security holders its Financial Statements and Annual Report, where applicable, by the later of June 30, 2002 and the date on which Xerox files its Financial Statements with the SEC.
2. In the case of XCI, XCI files with the applicable Decision Makers and delivers to its security holders its Financial Statements and Annual Report, where applicable, by the later of July 30, 2002 and the date that is thirty days after Xerox files its Financial Statements with the SEC.
3. XCI will, on its own behalf and on behalf of Xerox, announce by way of a press release, upon the granting of this Decision Document, the filing extension granted.
4. Each Filer will issue a press release summarizing or setting out its Financial Statements upon the approval of such statements by the respective boards of directors of the Filers.
5. Until the Filers have filed their respective 2002 Q1 Statements, audited 2001 Statements, AIF, MD&A and Annual Report, where applicable, with the Decision Makers, XCI will, on its own behalf and on behalf of Xerox, (i) file with the Decision Makers any documents filed by Xerox with the SEC and (ii) distribute, to the registered holders of XCI Exchangeable Shares, any material distributed by Xerox to holders of its common stock, if such filing or distribution was made for the purpose of providing updated information

regarding the filing of Xerox's Financial Statements.

6. XCI provides an undertaking that its "Management and Other Insiders" will cease trading in securities of XCI until its Financial Statements, AIF, MD&A and Annual Report, where applicable, have been filed with the Decision Makers, where, for this purpose, "Management and Other Insiders" means one or more persons or companies who are directors, officers or insiders of XCI during the period prior to such date.

May 21, 2002.

"Paul M. Moore"

"Harold P. Hands"

THE FURTHER DECISION of the Decision Makers in each of Ontario, Saskatchewan and Quebec is that the AIF and MD&A Deadline Requirements shall not apply to the Filers provided that, in the case of Xerox, its AIF and MD&A are filed with the applicable Decision Makers and delivered to its security holders by the later of June 30, 2002 and the date on which Xerox files its Financial Statements with the SEC and, in the case of XCI, its AIF and MD&A are filed with the applicable Decision Makers and delivered to its security holders by the later of July 30, 2002 and the date that is thirty days after Xerox files its Financial Statements with the SEC.

May 21, 2002.

"John Hughes"

2.1.8 AEGON Fund Management Inc. - MRRS Decision

Headnote

Investment by mutual funds in a portfolio of specified mutual funds under common management exempted from the self-dealing prohibition in clause 111(2)(b) and subsection 111(3), and from the reporting requirements of clauses 117(1)(a) and 117(1)(d), subject to certain specified conditions.

Statutes Cited

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

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

AND

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

AND

**IN THE MATTER OF
imaxx TOP Conservative Portfolio
imaxx TOP Balanced Portfolio
imaxx TOP RSP Balanced Portfolio
imaxx TOP Growth Portfolio
imaxx TOP RSP Growth Portfolio
imaxx TOP Aggressive Growth Portfolio**

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia and Newfoundland (the "Jurisdictions") has received an application from AEGON Fund Management Inc. ("AFMI" or the "Manager"), imaxx TOP Conservative Portfolio, imaxx TOP Balanced Portfolio, imaxx TOP RSP Balanced Portfolio, imaxx TOP Growth Portfolio, imaxx TOP RSP Growth Portfolio, imaxx TOP Aggressive Growth Portfolio (the "Current Portfolios"), and any other mutual fund established and managed by the Manager after the date hereof which has as its investment objective the investment of its assets in more than one underlying fund (the "Future Portfolios", together with the Current Portfolios, the "Portfolios") for a decision (the "Decision") pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the following requirements or prohibitions under the Legislation (the "Applicable Requirements") shall not apply in connection with the investment by the Portfolios directly in a portfolio of securities of selected mutual funds (the "Underlying Funds" as further defined in paragraph 4 below):

1. the restrictions contained in the Legislation prohibiting a mutual fund from knowingly making or holding an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial security holder;
2. the requirements contained in the Legislation requiring a management company, or in British Columbia, a mutual fund manager, to file a report relating to a purchase or sale of securities between the mutual fund and any related person or company, or any transaction in which, by arrangement other than an arrangement relating to insider trading in portfolio securities, the mutual fund is a joint participant with one or more of its related persons or companies.

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

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

1. The Manager is a corporation incorporated under the laws of Canada. The Manager is an indirect wholly-owned subsidiary of AEGON NV.
2. The Royal Trust Company will be the trustee of the Portfolios. AEGON Capital Management Inc. (the "Investment Manager") will be the investment manager to the Portfolios and is registered as an adviser under the category of investment counsel and portfolio manager with the Ontario Securities Commission.
3. The Manager currently proposes to establish the Current Portfolios as six new mutual funds. Each of the Portfolios will be an open-end mutual fund trust governed by the laws of Ontario. Securities of each of the Portfolios will be qualified for distribution in each of the Jurisdictions under a simplified prospectus and annual information form (together, the "Prospectus") filed with and accepted by the Decision Makers. A Prospectus for the Portfolios will be filed shortly in final form under SEDAR project number 425164. The Portfolios will be offered for sale in each of the provinces of Canada.
4. Each Portfolio will invest its assets, other than cash or cash equivalents, in other prospectus-qualified mutual funds (the "Underlying Funds") managed by fund managers (the "Underlying Managers") considered to excel in particular investment niches, as well as in other investments, including short term investments. The Underlying Funds are currently managed by third party managers but may in the future be managed by AFMI or a related party. The Underlying Managers have been chosen on the

basis of their management style, their choice of sub-advisors and other consultants, the efficiency of their administration, the caliber of their reporting procedures, the performance of their portfolios and their risk tolerance levels. The Underlying Funds are those funds whose investment objectives align with the investment objectives of the Portfolios.

5. Each of the Portfolios will not invest in any other mutual funds whose investment objectives include investing directly or indirectly in other mutual funds.
6. In order to achieve its investment objective, each of the Portfolios will invest fixed percentages (the "Fixed Percentages") of its assets, excluding cash and cash equivalents held to meet redemptions and expenses, directly in securities of the Underlying Funds, subject to variation of 2.5 percent above or below the Fixed Percentages (the "Permitted Ranges") resulting from market fluctuations.
7. The Prospectus of each Portfolio will disclose the names and investment objectives of the Underlying Funds, the manager of the Underlying Funds along with the Fixed Percentages and the Permitted Ranges.
8. Where an Underlying Fund or a Fixed Percentage is changed, the Manager will provide 60 days' prior written notice to security holders of the Portfolios and will amend the Prospectus of the Portfolios to reflect any such change.
9. The investments by a Portfolio in securities of an Underlying Fund represent the business judgment of "responsible persons" (as defined in the Legislation) uninfluenced by considerations other than the best interests of the Portfolio.
10. Except to the extent evidenced by this Decision and specific approvals granted by the regulator or the securities regulatory authority in each of the provinces of Canada pursuant to National Instrument 81-102 Mutual Funds ("NI 81-102"), the investments by a Portfolio in the Underlying Funds have been structured to comply with the investment restrictions of the Legislation and NI 81-102.
11. In the absence of this Decision, pursuant to the Legislation, each Portfolio is prohibited from knowingly making or holding an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial security holder. As a result, in the absence of this Decision, each Portfolio would be required to divest itself of any such investments.

12. In the absence of this Decision, the Legislation requires the Manager to file a report on every purchase and sale of securities of the Underlying Funds by a Portfolio.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the Applicable Requirements do not apply so as to prevent the Portfolios from investing in, or redeeming the securities of the Underlying Funds or require the Manager to file a report relating to the purchase and sale of such securities;

PROVIDED THAT IN RESPECT OF:

1. the Decision, as it relates to the jurisdiction of a Decision Maker, will terminate one year after the publication in final form of any legislation or rule of that Decision Maker dealing with the matters in section 2.5 of National Instrument 81-102; and
2. the Decision shall only apply if, at the time a Portfolio makes or holds an investment in its Underlying Funds, the following conditions are satisfied:
 - (a) the securities of both the Portfolios and the Underlying Funds are being offered for sale in the jurisdiction of the Decision Maker pursuant to a simplified prospectus and annual information form which have been filed with and accepted by the Decision Maker;
 - (b) the investment by a Portfolio in the Underlying Funds is compatible with the fundamental investment objective of the Portfolio ;
 - (c) the Prospectus discloses the intent of the Portfolios to invest in securities of the Underlying Funds, the names of the Underlying Funds, the Fixed Percentages and the Permitted Percentages within which such Fixed Percentages may vary;
 - (d) the investment objective of the Portfolio discloses that the Portfolio invests in securities of other mutual funds;
 - (e) the Underlying Funds are not mutual funds whose investment objective includes investing directly or indirectly in other mutual funds;

- | | |
|---|---|
| (f) the Portfolio invests its assets (exclusive of cash and cash equivalents) in the Underlying Funds in accordance with the Fixed Percentages disclosed in the simplified prospectus of the Portfolio; | (p) any notice provided to security holders of an Underlying Fund as required by applicable laws or the constating documents of that Underlying Fund has been delivered by the Portfolio to its security holders; |
| (g) the Portfolio's holding of securities in the Underlying Funds does not deviate from the Permitted Ranges; | (q) all of the disclosure and notice material prepared in connection with a meeting of security holders of the Underlying Funds and received by the Portfolio has been provided to its security holders, the security holders have been permitted to direct a representative of the Portfolio to vote its holdings in the Underlying Fund in accordance with their direction, and the representative of the Portfolio has not voted its holdings in the Underlying Fund except to the extent the security holders of the Portfolio have directed; |
| (h) any deviation from the Fixed Percentages is caused by market fluctuations only; | (r) in addition to receiving the annual and, upon request, the semi-annual financial statements of the Portfolio, security holders of a Portfolio have received appropriate summary disclosure in respect of the Portfolio's holdings of securities of the Underlying Funds in the financial statements of the Portfolio; and |
| (i) if an investment by a Portfolio in any of the Underlying Funds has deviated from the Permitted Ranges as a result of market fluctuations, the Portfolio's investment portfolio is re-balanced to comply with the Fixed Percentages on the next day on which the net asset value was calculated following the deviation ; | (s) to the extent that the Portfolio and the Underlying Funds do not use a combined simplified prospectus and annual information form containing disclosure about the Portfolio and the Underlying Funds, copies of the simplified prospectus and annual information form of the Underlying Funds have been provided upon request and without charge to security holders of the Portfolio and the right to receive these documents is disclosed in the Prospectus of the Portfolio. |
| (j) if the Fixed Percentages and the Underlying Funds which are disclosed in the Prospectus have been changed, either the Prospectus has been amended in accordance with securities legislation to reflect this significant change, or a new simplified prospectus has been filed to reflect the change, and the securityholders of the Portfolio have been given at least 60 days' notice of the change; | |
| (k) there are compatible dates for the calculation of the net asset value of the Portfolios and the Underlying Funds for the purpose of the issue and redemption of the securities of such mutual funds; | |
| (l) no sales charges are payable by the Portfolio in relation to its purchases of securities of the Underlying Funds; | |
| (m) no redemption fees or other charges will be charged by an Underlying Fund in respect of the redemption by the Portfolio of securities of the Underlying Fund owned by the Portfolio; | |
| (n) no fees or charges of any sort are paid by the Portfolio and the Underlying Funds by their respective managers or principal distributors, or by any affiliate or associate of any of the foregoing entities, to anyone in respect of a Portfolio's purchase, holding or redemption of the securities of the Underlying Funds; | |
| (o) the arrangements between or in respect of the Portfolio and the Underlying Funds | |

May 30, 2002.

"Paul M. Moore"

"Kerry D. Adams"

2.1.9 Shoppers Drug Mart Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief granted to certain vice presidents of a reporting issuer from the insider reporting requirements subject to certain conditions as outlined in CSA Staff Notice 55-306 - Applications for Relief from the Insider Reporting Requirements by Certain Vice Presidents.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 1(1), 107, 108, 121(2)(a)(ii).

Regulations Cited

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

Rules Cited

National Instrument 55-101 - Exemption From Certain Insider Reporting Requirements.

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

AND

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

AND

**IN THE MATTER OF
SHOPPERS DRUG MART CORPORATION**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Manitoba, Newfoundland and Labrador, Nova Scotia, Ontario, Quebec and Saskatchewan (collectively, the "Jurisdictions") has received an application from Shoppers Drug Mart Corporation ("Shoppers") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation to file insider reports shall not apply to certain individuals who are insiders of Shoppers by reason of having the title Vice President;

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 Shoppers has represented to the Decision Makers that:

1. Shoppers is a corporation organized and subsisting under the laws of New Brunswick with its head office located in North York, Ontario;
2. Shoppers is a leading Canadian drug store group. Shoppers' business includes the licensing of retail operations consisting of over 820 drug stores;
3. Shoppers is a reporting issuer (or equivalent) in each province and territory of Canada and its common shares are listed on the Toronto Stock Exchange;
4. Shoppers is not in default of any requirements under the Legislation;
5. Currently, Shoppers has ten directors (one of whom is also the Chairman and Chief Executive Officer), five Executive Vice Presidents, 13 Senior Vice Presidents and 33 Vice Presidents for a total of 61 persons who are insiders of Shoppers by reason of being a director or officer (the "Insiders");
6. None of the Insiders is exempt from the insider reporting requirements contained in the Legislation by reason of an existing exemption such as National Instrument 55-101("NI 55-101") or a previous decision or order;
7. Shoppers has developed a corporate disclosure policy (the "Disclosure Policy") and a policy and procedures governing insider trading (the "Insider Trading Policy") that apply to all of the Insiders;
8. The objective of the Disclosure Policy is to ensure that communications to the investing public about Shoppers are: timely, factual, accurate and broadly disseminated in accordance with all applicable legal and regulatory requirements;
9. Shoppers has developed the Insider Trading Policy to ensure that its directors, officers and designated employees who are "insiders" under the Legislation are aware of their responsibilities under the Legislation and to assist them in complying with the Legislation;
10. The Disclosure Policy and Insider Trading Policy also apply to other employees of Shoppers who have knowledge of material undisclosed information. Shoppers has also established a disclosure policy committee (the "Disclosure Committee") and a compliance committee (the "Compliance Committee") to oversee administration of the policies;
11. Under the Disclosure Policy and the Insider Trading Policy, the Insiders and other employees with knowledge of material undisclosed

information may not trade in securities of Shoppers. In addition, the Insiders may not trade in securities of Shoppers during "black-out" periods around the preparation of financial results or any other "black-out" period as determined by the Disclosure Committee. Outside of the "black-out" periods, the Insiders may only trade in securities of Shoppers upon the prior approval of the General Counsel, the Chief Financial Officer (the "CFO") or the Investor Relations Officer;

12. The Compliance Committee (comprised of the Chief Executive Officer, CFO, General Counsel, Investor Relations Officer and Senior Law Clerk) considered the job requirements and principal functions of the Insiders to determine which of them met the definition of "nominal vice president" contained in Canadian Securities Administrators Staff Notice 55-306 (the "Staff Notice") and has compiled a list of those Insiders who, in the opinion of the Compliance Committee, meet the criteria set out in the Staff Notice (the "Exempted VPs");

13. Each of the Exempted VPs:

- (a) is a vice president of Shoppers;
- (b) is not in charge of a principal business unit, division or function of Shoppers or a "major subsidiary" of Shoppers (as that term is defined in NI 55-101);
- (c) does not in the ordinary course receive or have access to information regarding material facts or material changes concerning Shoppers before the material facts or material changes are generally disclosed; and
- (d) is not an insider of Shoppers in any capacity other than as a vice president;

14. The Compliance Committee will assess any future employee of Shoppers who has the title of Vice President on the same basis as set out above, and will re-assess all Exempted VPs who experience a change in job requirements or functions, to determine if such individuals meet, or continue to meet, the definition of "nominal vice president" contained in the Staff Notice;

15. If an individual who is designated as an Exempt VP no longer satisfies the definition of "nominal vice president" contained in the Staff Notice, the Compliance Committee will ensure that the General Counsel, Investor Relations Officer and CFO will not provide prior approval for the trading in securities of Shoppers to such individual without informing him or her of the renewed obligation to file an insider report in respect of such trades;

16. Shoppers has filed with the Decision Makers in connection with this application a copy of the Insider Trading Policy, the Disclosure Policy, and the list of Exempted VPs.

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

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

THE DECISION of the Decision Makers under the Legislation is that the requirement contained in the Legislation to file insider reports shall not apply to the Exempted VPs or any other employee of Shoppers who hereafter is given the title Vice President provided that:

- (a) they satisfy the definition of "nominal vice president" contained in the Staff Notice;
- (b) Shoppers prepares and maintains a list of all individuals who propose to rely on the exemption granted, submits the list on an annual basis to the board of directors for approval, and files the list with the Decision Makers;
- (c) Shoppers files with the Decision Makers a copy of its internal policies and procedures relating to monitoring and restricting the trading activities of its insiders and other persons whose trading activities are restricted by Shoppers; and
- (d) the relief granted will cease to be effective on the date when NI 55-101 is amended.

June 3, 2002.

"Harold P. Hands"

"Robert W. Korthals"

2.1.10 Robert A. Kierlin - MRRS Decision

Headnote

MRRS – registration and prospectus relief for grants of options to employees by founder, director and CEO of U.S. incorporated company to Canadian employees – registration relief for transfer of common shares by the same individual to the Canadian employees upon exercise of the options by the employees.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1009, c. S.5, as am., s. 74(1).
OSC Rule 45-503 Trades to Employees, Executives and Consultants.

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

AND

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

AND

**IN THE MATTER OF
ROBERT A. KIERLIN**

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the “Decision Maker”) in each of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Nova Scotia, Newfoundland and Labrador, New Brunswick, Prince Edward Island and Québec (the “Jurisdictions”) has received an application (the “Application”) from Mr. Robert A. Kierlin (“Mr. Kierlin”) for a decision pursuant to the securities legislation of the Jurisdictions (the “Legislation”) that:

- (a) the requirements contained in the Legislation to be registered to trade in a security and to file and obtain a receipt for a preliminary prospectus and a prospectus (the “Registration and Prospectus Requirements”) shall not apply to certain trades to be made by or on behalf of Mr. Kierlin or his Agent (as defined below) of options (the “Options”) to employees of Fastenal Company (the “Company”) who are resident in the Jurisdictions (collectively, the “Canadian Employees”) pursuant to the terms of the Robert A. Kierlin Stock Option Plan (the “Plan”); and

- (b) the Registration Requirements in the Legislation, and the Prospectus Requirements in Quebec, shall not apply to certain trades by or on behalf of Mr. Kierlin or his Agent to (i) Canadian Employees, or to (ii) former Canadian Employees during the 90 day period immediately following the termination of their employment (collectively, the “Exercising Employees”) of any common shares of the Company upon the exercise of Options granted under the Plan pursuant to this Decision (as defined below) by such Canadian Employees (the “Option Shares”);

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 Mr. Kierlin has represented to the Decision Makers that:

Fastenal Company

1. The Company is a public (Nasdaq listed) Minnesota company based in Winona, Minnesota with operations in the United States, Puerto Rico, Canada, Mexico and Singapore. Mr. Kierlin is the founder, Chairman of the Board and Chief Executive Officer of the Company.
2. The Company is not a reporting issuer (or its equivalent) in any of the provinces of Canada.
3. As of March 5, 2002, the Company had 37,938,688 common shares (\$0.01 par value) issued and outstanding (the “Common Shares”). As of March 5, 2002, the largest shareholder was Ruane, Cunniff & Co., Inc., an institutional investor.
4. As of March 5, 2002, Mr. Kierlin, the second largest shareholder, held approximately 3,903,036 Common Shares (or 10.31%) of the Company. Mr. Kierlin’s holdings include the 2,000,000 Common Shares that have been set aside as Option Shares under the Plan, 100 Common Shares that are held by his wife and 2,200 Common Shares held by a local secondary school (the “School”), of which Mr. Kierlin is a director and member of the investment committee. Mr. Kierlin shares voting and investment power with respect to the Common Shares held by the School. Mr. Kierlin disclaims beneficial ownership of the Common Shares held by the School.
5. On April 15, 2002, the board of directors of the Company approved a two-for-one stock split for the Company’s outstanding Common Shares. The Company issued the additional share for each Common Share held to each holder of record of

Common Shares at the close of business on April 29, 2002. The stock split took effect at the close of business on May 10, 2002. After the split there were 75,877,376 Common Shares outstanding.

The Plan

6. Mr. Kierlin adopted the Plan on December 30, 1999 for the purpose of "advancing the interests of the Company, its shareholders and its subsidiaries by encouraging and enabling selected employees ... to acquire and retain a proprietary interest in the Company". The Plan was effective January 3, 2000. While the Plan is administered by the Board of Directors of the Company, such role is administrative and ministerial only and the Board has no authority to grant any option under or change any provisions of the Plan. Accordingly, the Plan is not created or administered by or on behalf of the Company.
7. Currently, up to 2,000,000 Options may be issued under the Plan. Options may be issued to eligible employees (the "Employees") for as long as Options are available for granting under the Plan. Options that are cancelled prior to their exercise (e.g., on the termination of the Employee) may be re-issued under the Plan. The holder of an Option will, for each Option exercised, receive one of the 2,000,000 Option Shares that are currently registered in the name of Mr. Kierlin and held by Merchants National Bank of Winona, Minnesota (the "Agent") pursuant to the terms of the Plan. Pursuant to the Plan, each time that an Option is issued to an Employee, documentation evidencing the Options granted is to be forwarded to the recipient Employee.
8. The Option Shares are registered under the United States Securities Exchange Act of 1934 but not the United States Securities Exchange Act of 1933 (the "1933 Act"). As a result, the Option Shares are included in, and obtain the benefit of, the Company's public disclosure but they are not publicly traded. Prior to the vesting of any of the Options that are issued under the Plan (the first of such vestings are expected to occur this July 1, 2002), the Company will file a registration statement under the 1933 Act. For the purposes of United States securities laws, the Option Shares will then be freely tradable on the Nasdaq Stock Market by Employees who have exercised their Options.
9. The exercise price of an Option will be determined and stated by Mr. Kierlin at the time of the grant of the Option provided, however, that such price shall not be less than the closing price of the Common Shares on Nasdaq on the most recent trading day preceding the grant.
10. The Plan has not been and is not required to be approved by Nasdaq.

11. The Options are not transferable other than by will or the laws of descent and distribution.
12. Upon the grant of Options, Canadian Employees will receive (i) a certificate of stock option which sets out, among other things, the name of the recipient, the number of Options issued, the date of grant, the exercise period, the exercise price and the expiration date; and (ii) a Stock Option Plan Information Guide, which sets out commonly asked questions and answers (including tax consequences associated with exercising Options) and information regarding how to obtain a copy of the plan itself.
13. Mr. Kierlin intends to donate the net proceeds, after payment of applicable taxes and expenses, to charity.

The Company's Employees

14. As of February 1, 2002, there were 6,535 employees in the Company. No more than 762,200 Options are currently available to be issued under the Plan to the Canadian Employees.
15. The Company will concurrently provide to its securityholders resident in Canada the same disclosure materials provided to the securityholders resident in the United States. Currently, residents of Canada do not own directly or indirectly more than 10 percent of the outstanding Common Shares of the Company, and do not represent in number more than 10 percent of the total number of owners directly or indirectly of Common Shares.

Mr. Kierlin

16. While Mr. Kierlin is the largest individual shareholder of the Company and has the ability to materially influence votes, corporate decisions and actions by virtue of his positions as Chairman of the Board, Chief Executive Officer and founder of the Company, he does not hold a sufficient number of shares to entitle him to elect directors or block any significant corporate actions. Therefore, while his shareholdings are sufficient to have Mr. Kierlin considered an "affiliate", and therefore a "controlling person", for various purposes under U.S. securities laws, Mr. Kierlin does not own or control a sufficient number of shares to affect materially the control of the Company for Canadian securities laws purposes.
17. Mr. Kierlin is not in the business of trading Options, Option Shares (or any other securities) in Canada.

AND WHEREAS pursuant to the System this MRRS Decision Document evidences the decision of the Decision Makers (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 contained in the Legislation shall not apply to the trades of Options to be made by or on behalf of Mr. Kierlin or his Agent to Canadian Employees pursuant to the Plan provided that the first trade in any such Option acquired pursuant to this Decision shall be deemed to be a distribution or primary distribution to the public; and
- (b) the Registration Requirements in the Legislation, and the Prospectus Requirements in Quebec, shall not apply to trades of Option Shares by or on behalf of Mr. Kierlin or his Agent to Exercising Employees (or their successor in the event of the death of the Exercising Employee) upon the exercise of Options granted under the Plan pursuant to this Decision by such Exercising Employees (or their successor in the event of the death of the Exercising Employee), provided that in Quebec, the first trade in any such Option Shares acquired upon the exercise of Options granted under the Plan pursuant to this Decision shall be deemed to be a distribution unless such trade is executed through the facilities of a stock exchange outside of Canada.

June 4, 2002.

"Harold P. Hands"

"Robert W. Korthals"

2.1.11 Augusta Resource Corporation - MRRS Decision

Headnote

Mutual Reliance Review System - Relief from the requirement to have a qualified person inspect properties that are the subject of technical reports where qualified person unable to access property due to weather conditions - relief subject to conditions.

Applicable Ontario Statutory Provisions

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

Applicable Instrument

National Instrument 43-101 - Standards of Disclosure for Mineral Projects, ss. 6.2 and 9.1.

**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
AUGUSTA RESOURCE CORPORATION**

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 Augusta Resource Corporation (the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation that at least one qualified person preparing or supervising the preparation of a technical report inspect the properties that are the subject of the technical reports (the "Personal Inspection Requirement") will not apply to the Filer in respect of the technical reports to be prepared in connection with the Filer's public offering of securities;

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

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

1. the Filer is a corporation governed by the *Canada Business Corporations Act* with its head office in British Columbia;

2. the Filer is a reporting issuer under the Legislation of each Jurisdiction and is not in default of any requirements of the Legislation;
3. the authorized capital of the Filer consists of 100,000,000 common shares without par value, of which 14,402,157 common shares were issued and outstanding as at April 5, 2002;
4. the Filer's common shares are listed on the TSX Venture Exchange (the "TSX Venture");
5. the Filer has entered into option agreements dated between January 15, 2002 and March 13, 2002 and anticipates entering into a further option agreement prior to June 15, 2002 (the "Agreements") to acquire interests in a number of mining properties (the "Properties") located in the Coronation Gulf Diamond Area in Western Nunavut and central-west Northwest Territories, Canada;
6. the Properties may be material properties of the Filer;
7. the Properties have not had any exploration work performed on them and no resource has been defined to date;
8. the Filer has had or is having a number of technical reports (the "Reports") prepared relating to the Properties and has retained Robert F. Brown, a qualified person as defined in National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101"), to prepare the Reports in accordance with NI 43-101;
9. the Filer intends to raise up to an aggregate \$2,000,000 through a private placement of its securities and an offering of its securities to the public in British Columbia through the facilities of the TSX Venture (the "Offering") under a short form offering document (the "Offering Document");
10. the Offering Document will describe the mineral projects on the Properties based on the information contained in the Reports;
11. due to snow cover and frozen winter conditions on the Properties since the Filer entered into the Agreements, a site inspection is not possible before the Offering Document is filed; and
12. the Filer intends to use a portion of the proceeds from the Offering to perform work on the Properties as required to exercise the options under the Agreements;

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 exempt from the Personal Inspection Requirement in respect of the Reports for use in connection with the Offering, provided that the Offering Document is accepted by the TSX Venture before June 30, 2002, and the Offering Document and such Reports include a statement that a personal inspection has not been conducted by the qualified person, as defined in NI 43-101, the reasons why a personal inspection was not conducted, and that relief was granted from the Personal Inspection Requirement by the Jurisdictions.

May 30, 2002.

"Brenda Leong"

2.1.12 Lucent Technologies Inc. and Agere Systems Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - distribution of shares of a foreign company which is not a reporting issuer as a dividend in kind is not subject to registration and prospectus requirement - *de minimus* Ontario holders - first trade is a distribution unless such trade is conducted through an exchange, or a market, outside of Canada.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 35(1)13, 53, 72(1)(g), 74(1).

Rules Cited

Multilateral Instrument 45-102 – Resale of Securities, s. 2.14(1).

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

AND

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

AND

**IN THE MATTER OF
LUCENT TECHNOLOGIES INC. AND
AGERE SYSTEMS INC.**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland and Labrador, the Northwest Territories, Nunavut and the Yukon Territory (the “Jurisdictions”) have received an application (the “Application”) from Lucent Technologies Inc. (“Lucent”) for a decision pursuant to the securities legislation of the Jurisdictions (the “Legislation”) that, subject to certain conditions:

- (i) the requirements contained in the Legislation to be registered to trade in a security (the “Registration Requirements”) shall not apply to a distribution by Lucent of Class A shares and Class B shares of Agere Systems Inc. (“Agere”) that it

owns to the holders of shares of common stock of Lucent as a dividend in kind; and

- (ii) the requirements to file and obtain a receipt for a preliminary prospectus and a prospectus (the “Prospectus Requirements”) shall not apply to a distribution by Lucent of Class A shares and Class B shares of Agere that it owns to the holders of shares of common stock of Lucent as a dividend in kind.

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

AND WHEREAS Lucent has represented to the Decision Makers that:

1. Lucent is a corporation incorporated under the laws of the State of Delaware and its principal executive offices are located in the State of New Jersey.
2. Lucent is a leading global supplier of communications networking equipment, holding strong leadership positions in Internet infrastructure for service providers, optical networking, wireless networks, communications networking support and services, and communications.
3. The authorized share capital of Lucent consists of (i) 10,000,000,000 common shares (“Lucent Common Shares”), and (ii) 250,000,000 shares of preferred stock.
4. At the close of business on April 22, 2002, approximately 3,426,286,479 Lucent Common Shares were issued and outstanding.
5. Lucent Common Shares are listed and posted for trading on the New York Stock Exchange (the “NYSE”).
6. Lucent is not a reporting issuer or the equivalent in any of the Jurisdictions.
7. As of April 22, 2002, according to the books of Lucent, 2,730 persons or companies, whose last address as shown on the books of Lucent was in Canada, held Lucent Common Shares and such persons or companies (i) represented approximately 0.179 percent of the total number of holders of record of Lucent Common Shares worldwide and (ii) held approximately 0.02 percent of the aggregate outstanding Lucent Common Shares. With respect to the province of Québec, as of May 3, 2002, according to the books of Lucent, 484 persons or companies, whose last address as shown on the books of Lucent was in Québec, held Lucent Common Shares.

8. Agere is incorporated under the laws of the State of Delaware and is registered with the Securities Exchange Commission in the United States of America 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 12G 3-2 made thereunder.
9. Agere is not a reporting issuer or the equivalent in any of the Jurisdictions and has no intention of becoming a reporting issuer or the equivalent in any of the Jurisdictions.
10. The authorized share capital of Agere consists of 5,000,000,000 Class A shares ("Class A Shares"), 5,000,000,000 Class B shares ("Class B Shares") and 250,000,000 preferred shares. As at April 22, 2002, there were 727,456,519 Class A Shares and 908,100,000 Class B Shares issued and outstanding.
11. Agere completed an initial public offering of its Class A Shares in April, 2001 (the "IPO"). Prior to that time, Agere was a wholly-owned subsidiary of Lucent.
12. Upon completion of the IPO, Lucent retained ownership of the Class B Shares of Agere. Subsequent to the IPO on May 1, 2001, Lucent converted 37,000,000 Class B Shares into Class A Shares. Lucent currently owns all of the issued and outstanding Class B Shares of Agere and 37,000,000 Class A Shares.
13. Lucent intends to distribute all of its Class A Shares and the Class B Shares of Agere (collectively, the "Lucent Agere Shares") to holders of Lucent Common Shares (the "Distribution"). Lucent proposes to effect the Distribution on June 1, 2002, or as soon as practicable.
14. The Class A Shares are listed and posted for trading in the United States on the NYSE. Upon completion of the Distribution, the Class B Shares will be listed and posted for trading on the NYSE, subject to official notice of issuance, under the symbol "AGR".
15. In connection with the Distribution, approximately 37,000,000 Class A Shares and 908,100,000 Class B Shares will be distributed as a dividend in kind to the holders of Lucent Common Shares. The Distribution constitutes a distribution, within the meaning of the Legislation in each of the Jurisdictions, since it is a trade in previously issued securities of an issuer from the holdings of a control person pursuant to the meaning of distribution under the Legislation.
16. The Distribution will be effected in compliance with the laws of the State of Delaware, the United States *Securities Act of 1933*, the Exchange Act and other applicable securities laws of the United States.
17. Upon completion of the Distribution, it is expected, on the basis of the holdings of Lucent Common Shares as of April 22, 2002, that persons or companies whose address as shown on the books of Lucent is in Canada, will (i) represent approximately 0.179 percent of the total number of holders of record of Class B Shares worldwide, and (ii) will hold approximately 0.02 percent of the aggregate outstanding Class B Shares.
18. In order to effect the Distribution, and in accordance with the requirements of the United States Securities and Exchange Commission, an information statement in Form 8-K that contains required disclosure will be filed as an exhibit to a Lucent filing made under the requirements of the Exchange Act. In addition, Lucent will mail such information statement to all holders of Lucent Common Shares, including those who are resident in Canada, on or about May 13, 2002.
19. Residents in the Jurisdictions holding Lucent Common Shares will have the same rights at law, if any, in respect of Lucent Agere Shares. After the Distribution Agere will concurrently send to holders of Class A Shares and Class B Shares resident in the Jurisdictions all disclosure materials it sends to holders of Class A Shares and Class B Shares resident in the United States.
20. The Distribution would be exempt from the Registration Requirements and the Prospectus Requirements of the Legislation in certain of the Jurisdictions but for the fact that Agere is not a reporting issuer or the equivalent in such Jurisdictions.

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

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

THE DECISION of the Decision Makers under the Legislation is that Lucent is exempt from the Registration Requirements and the Prospectus Requirements in connection with the Distribution, provided that the first trade in any Lucent Agere Shares acquired by residents of Canada in connection with the Distribution in reliance on this decision shall be deemed a distribution, or a primary distribution to the public, under the Legislation unless:

- (a) except in Québec, the conditions in subsection 2.14(1) of Multilateral Instrument 45-102 Resale of Securities are satisfied; or

(b) in Québec, the alienation is made through an exchange, or market, outside of Canada or to a person or company outside of Canada.

June 3, 2002.

“Paul M. Moore”

“Harold P. Hands”

2.1.13 Boliden AB - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief from the requirement that the author of a technical report be a member of a “professional association” in order to be considered a “qualified person”.

National Instruments Cited

National Instrument 43-101 – Standards of Disclosure for Mineral Projects, 2001 24 OSCB 303, ss. 1.2, 2.1 and 5.1.

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO, ALBERTA, MANITOBA, QUEBEC,
NEW BRUNSWICK, PRINCE EDWARD ISLAND,
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
BOLIDEN AB**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker” and collectively, the “Decision Makers”) in each of Ontario, Alberta, Manitoba, Québec, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland and Labrador (the “Jurisdictions”) has received an application (the “Application”) from Boliden AB (the “Corporation”) for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that: (1) the Corporation is exempt from the requirement contained in National Instrument 43-101 (“NI 43-101”) that the author of a technical report or other information upon which disclosure of a scientific or technical nature is based be a member in good standing of a professional association in order for the author to be considered a “qualified person” as defined in NI 43-101 (the “Membership Qualification Requirement”); and (2) the Corporation is exempt from the requirement contained in the Legislation to pay a fee in connection with the Application (the “Application Fee Requirement”);

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 Corporation represented to the Decision Makers that:

Decisions, Orders and Rulings

1. The Corporation is a company governed by the Swedish Companies Act (1975:1385).
 2. The Corporation's head office is located in Sweden.
 3. The Corporation is a reporting issuer or the equivalent in each of the Jurisdictions and is not in default of any requirement of the Legislation.
 4. The Corporation's securities are listed for trading on the Toronto and Stockholm stock exchanges.
 5. The Corporation and its subsidiaries (the "Boliden Group") are engaged in mining, processing and selling metals and mineral products, principally zinc and copper, with operations in Sweden and Canada. The Boliden Group is also engaged in the fabrication and sale of copper tubing and brass products with production facilities in Belgium, the Netherlands, Sweden and the United Kingdom.
 6. Mati Sallert, Resources Manager – Mining Operations and Qualified Person of the Corporation, is a member of the Society for Mining, Metallurgy and Exploration (a member society of the American Institute of Mining, Metallurgical and Petroleum Engineers) and the Association of Geoscientists of Ontario ("AGO") with over 30 years of experience as a mining engineer. AGO was a "professional association" as defined in NI 43-101 until February 1, 2002.
 7. AGO is being replaced in Ontario by the Association of Professional Geoscientists of Ontario ("APGO"). APGO is a "professional association" as defined in NI 43-101.
 8. Mati Sallert has applied to become a member of APGO and would be a "qualified person" as defined in NI 43-101 except only for not yet being a member in good standing of a "professional association".
2. the relief granted in this Decision Document shall terminate on the earlier of: (1) the date Mati Sallert becomes a member of APGO or is advised that his application for membership to APGO has been denied; and (2) February 1, 2003.
- May 30, 2002.
- "Iva Vranic"

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 Makers with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that the Corporation is exempt from the Membership Qualification Requirement and, except in Quebec and Newfoundland, the Application Fee Requirement in connection with the technical reports or other information prepared by Mati Sallert provided that:

1. Mati Sallert complies with all other elements of the definition of "qualified person" in NI 43-101; and

2.2 Orders

2.2.1 Connor, Clark & Lunn Capital Markets Inc. - s. 147

Headnote

Section 147 – Issuer exempt from the filing and fee requirements of sections 7.1, 7.3 and 7.5 of OSC Rule 45-501 – Exempt Distributions in connection with the writing of over-the-counter call and put options – Purchasers of over-the-counter options accredited investors.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., s. 147.

Rules Cited

Ontario Securities Commission Rule 45-501 [Revised] – Exempt Distributions, sections 7.1, 7.3 and 7.5.

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

AND

**IN THE MATTER OF
CONNOR, CLARK & LUNN TIGERS TRUST**

**ORDER
(Section 147 of the Act)**

UPON the application of Connor, Clark & Lunn Capital Markets Inc. (the “Manager”), in its capacity as manager of Connor, Clark & Lunn TIGERS Trust (the “Trust”), to the Ontario Securities Commission (the “Commission”) for an order pursuant to section 147 of the Act that the Trust, when relying on section 2.3 (the “Accredited Investor Exemption”) of OSC Rule 45-501 - Exempt Distributions (“Rule 45-501”), be exempted from the requirements in: (i) sections 7.1 and 7.5 of Rule 45-501 to file a Form 45-501F1 in connection with the writing of certain over-the-counter covered call options and cash covered put options (collectively, the “OTC Options”); and (ii) section 7.3 of Rule 45-501 to pay the prescribed fee in connection with the filing of Form 45-501F1;

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

AND UPON the Manager having represented to the Commission as follows:

1. The Trust is an investment trust established under the laws of the Province of Ontario pursuant to a Trust Agreement dated April 29, 2002, between the Manager, in its capacity as manager, and The Royal Trust Company in its capacity as trustee of the Trust.

2. The Trust is authorized to issue an unlimited number of transferable, redeemable units (the “Units”) of the Trust.
3. The Trust is a reporting issuer under the Act by virtue of a prospectus dated April 29, 2002 (the “Prospectus”), which has been filed with and accepted by the Commission and the securities regulatory authority in each of the other provinces of Canada. The Prospectus qualifies the issuance of a maximum of 4,000,000 Units of the Trust (the “Offering”).
4. The Units have conditionally been approved for listing on the Toronto Stock Exchange.
5. By virtue of the redemption features attaching to the Units, the Trust is considered a “mutual fund” within the meaning of the Act and other applicable legislation.
6. Connor, Clark & Lunn Investment Management Ltd. (the “Investment Manager”) provides investment advisory and portfolio management advice to the Trust pursuant to an investment management agreement dated April 29, 2002. The Investment Manager is registered under the Act as an adviser in the categories of investment counsel and portfolio manager.
7. The Trust’s investment objectives are: (i) to provide holders of Units with a stable stream of monthly distributions targeted to be \$0.2083 per Unit (\$2.50 per annum or 10.0% on the original issue price of \$25.00); and (ii) preserve and potentially enhance the value of the Trust’s Portfolio (as defined below) in order to return at least the original issue price of the Units to the holders thereof on the date of the termination of the Trust.
8. In order to achieve the Trust’s investment objectives, the Trust will initially invest the net proceeds of the Offering in a diversified portfolio (the “Portfolio”) consisting principally of equity securities of companies which will be selected primarily from the S&P 500 Index.
9. The Trust will, from time to time, write covered call options in respect of all or part of the securities in its Portfolio. The investment criteria of the Trust prohibits the sale of equity securities subject to an outstanding call option, and therefore the call options will be covered at all times.
10. The Trust may, from time to time, hold a portion of its assets in “cash equivalents” (as that term is defined in the Prospectus). The Trust may utilize such cash equivalents to provide cover in respect of the writing of cash covered put options. Such cash covered put options will only be written in respect of securities in which the Trust is permitted to invest.

11. Although it is anticipated that the options written by the Trust will consist principally of exchange-traded options, in certain circumstances the availability, pricing and liquidity of exchange-traded options at appropriate strikeprices may require that a portion of the options written by the Trust be comprised of OTC Options.
12. The purchasers of OTC Options written by the Trust will generally be major Canadian financial institutions and all purchasers of OTC Options will be "accredited investors" as defined in Rule 45-501.
13. The writing of OTC Options by the Trust will not be used as a means for the Trust to raise new capital.

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

IT IS ORDERED by the Commission, pursuant to section 147 of the Act, that the writing of OTC Options by the Trust, as contemplated by paragraphs 9 and 10 of this order, when relying on the Accredited Investor Exemption, shall be exempt from the requirements in sections 7.1, 7.3 and 7.5 of Rule 45-501.

May 24, 2002.

"Harold P. Hands"

"Robert W. Korthals"

2.2.2 Growmark, Inc. - ss. 74(1)

Headnote

Application for relief from registration and prospectus requirements in connection with issuance of certain securities of agricultural co-operative to Ontario members of co-operative -- securities acquired for a business purpose and not with investment intent -- relief granted subject to conditions -- first trade of securities issued in reliance upon the order to a person or company who is not the issuer or an Ontario Member deemed to be a distribution.

Statutes Cited

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

Regulations Cited

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

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

AND

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

**ORDER
(Subsection 74(1))**

WHEREAS the Commission has previously issued an order (the "**Old Order**"), dated July 28, 2000, pursuant to subsection 74(1) of the Act in connection with a previous reorganization of the share capital of GROWMARK;

AND WHEREAS GROWMARK is proposing again to reorganize its share capital, which reorganization (the "**Reorganization**") will include the issuance to member co-operatives resident in Ontario ("**Ontario Members**") of one share of Class D Preferred Stock upon the conversion of each share of Class D Preferred Stock, Series A currently held by Ontario Members.

AND WHEREAS GROWMARK, in connection with the Reorganization, is applying to the Commission for an order (the "**New Order**") pursuant to subsection 74(1) of the Act that the following transactions will not be subject to sections 25 and 53 of the Act:

- (a) the issuance to Ontario Members of one share of Class D Preferred Stock upon the conversion of each share of Class D Preferred Stock, Series A currently held by such Ontario Members; and
- (b) subsequent Patronage Distributions (as defined below) by GROWMARK to

Ontario Members of shares of Class D Preferred Stock or other securities, similar in all material respects to the Class D Preferred Stock;

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

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

1. GROWMARK is a corporation which was incorporated under the laws of Delaware under the name "FS Services Inc." in 1962. In 1980, its name was changed to "GROWMARK, Inc.". GROWMARK operates on a co-operative basis, carrying on business as a federated agricultural co-operative, primarily in Illinois, Wisconsin and Iowa. In addition, although GROWMARK is not a resident of Canada, it carries on business on a co-operative basis in Ontario;
2. The member companies of GROWMARK consist of approximately 290 agricultural co-operatives located primarily in Illinois, Wisconsin, Iowa and Ontario. There are approximately 29 Ontario Members, each of which is incorporated under the *Co-operative Corporations Act* (Ontario), R.S.O. 1990, c. C.35;
3. GROWMARK is not a reporting issuer in Ontario or in any other province or territory of Canada and has no present intention of becoming a reporting issuer in any jurisdiction;
4. Currently, the total number of shares of all classes of stock which GROWMARK has the authority to issue is 5,471,500 shares, consisting of four classes of Preferred Stock, one of which is divided into series, and one class of Common Stock;
5. A share of Common Stock evidences membership in GROWMARK. Holders of such shares have no rights to vote, no rights to dividends and no preferences on liquidation, dissolution or winding up but are eligible to receive annual distributions ("**Patronage Distributions**") on the basis of their patronage with GROWMARK during the year. The amount of any such Patronage Distributions is equal to the net earnings of GROWMARK for the year, after setting aside sufficient funds to pay any preferred share dividends and such reasonable reserves and surplus funds as the Board of Directors determines to be necessary for GROWMARK's business. Upon any liquidation, dissolution or winding up of GROWMARK, holders of Common Stock are entitled to the assets remaining after payment of all indebtedness and other amounts owed to the holders of preferred stock, on the basis of prior patronage with GROWMARK. Shares of Common Stock would be redeemed automatically upon any termination of a holder's membership in GROWMARK, without any payment to the holder.
6. The only shares of GROWMARK currently held by the Ontario Members are shares of Common Stock and of Class D Preferred Stock, Series A;
7. The Reorganization provides for the streamlining of the share capital of GROWMARK (through the consolidation of the Class D Preferred Stock, Series A and the Class D Preferred Stock, Series G) and certain changes to the corporation's governance process relating to the election of directors.
8. The Reorganization will be effected by the filing of a Restated Certificate of Incorporation of GROWMARK with the Delaware Secretary of State. Upon such filing, each outstanding share of Class D Preferred Stock, Series A and Class D Preferred Stock, Series G will be converted or otherwise treated as follows:
 - (a) each share of Class D Preferred Stock, Series A, par value US\$100 per share, will be converted into 1 share of Class D Preferred Stock, par value US\$100 per share; and
 - (b) each share of Class D Preferred Stock, Series G, par value US\$100 per share, will be converted into 1 share of Class D Preferred Stock, par value US\$100 per share;
9. Following completion of the Reorganization, the total number of shares of all classes of stock which GROWMARK will have the authority to issue will be 5,471,500 shares, consisting of 2,000,000 shares of Class B Preferred Stock (US\$.15 par value per share), 20,000 shares of Class C Preferred Stock (US\$100 par value per share), 3,150,000 shares of Class D Preferred Stock (US\$100 par value per share), 300,000 shares of Class F Preferred Stock (US\$25 par value per share) and 1,500 shares of Common Stock (no par value per share);
10. Holders of Class D Preferred Stock will be entitled to one vote per share at any meeting of the stockholders of GROWMARK and to receive payment of the par value of such shares upon liquidation, dissolution or winding-up of GROWMARK, subject to the rights of holders of Class B Preferred Stock and Class C Preferred Stock. No dividends or distributions of earnings, either capital or patronage, will be payable to holders of shares of Class D Preferred Stock. The shares are not generally transferred or distributed by the holders; rather they are held until redemption for their par value by GROWMARK;

11. The attributes described above attaching to the Class D Preferred Stock are substantially similar to those which currently attach to the Class D Preferred Stock, Series A, subject to the following differences:
- (a) the size of the Board of Directors of GROWMARK (and the number of directors elected by a vote of the stockholders of GROWMARK entitled to vote therefor, including the holders of Class D Preferred Stock) will be reduced from 24 members to 16 members; and
 - (b) the current right of the holders of Class D Preferred Stock, Series A (i.e., Ontario Members) to approve, voting as a separate class, amendments to the provisions of the by-laws of GROWMARK that relate to the qualifications of certain directors, nomination of certain directors and make-up of the geographic zones and districts from which certain directors can be elected, will be deleted;
12. The member stockholders of GROWMARK will be asked to approve the Reorganization at a meeting to be held on June 14, 2002. Approval of the Reorganization requires the affirmative vote of the holders of a majority of:
- (a) all outstanding voting stock;
 - (b) the Class D Preferred Stock, Series A; and
 - (c) the Class D Preferred Stock, Series G;
- (i) in connection with the completion of the Reorganization, GROWMARK will send to each Ontario Member a copy of the New Order and a statement to the effect that as a result of the New Order certain protections, rights and remedies provided by the Act, including statutory rights of rescission or damages, will not be available to Ontario Members;
 - (ii) GROWMARK will prepare and send annually to each Ontario Member GROWMARK's annual report containing audited financial statements and quarterly unaudited financial statements at the same time as such statements are provided to members of GROWMARK resident in the United States;
 - (iii) the exemptions contained in the New Order will cease to be effective if any of the restrictions on transfer of the Common Stock and Class D Preferred Stock contained in the subscription agreements entered into by Ontario Members, Restated Certificate of Incorporation or Restated By-laws are amended in any material respect without written notice to and consent of the Commission; and
 - (iv) the first trade of any shares issued in reliance upon the New Order to a person or company who is not either GROWMARK or an Ontario Member will be deemed to be a distribution of such shares within the meaning of the Act.

May 28, 2002.

"Paul M. Moore"

"Robert L. Shirriff"

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

IT IS ORDERED pursuant to subsection 74(1) of the Act that the following transactions will not be subject to sections 25 and 53 of the Act:

- (a) in connection with the Reorganization, the issuance to Ontario Members of one share of Class D Preferred Stock upon the conversion of each share of Class D Preferred Stock, Series A currently held by such Ontario Members; and
- (b) subsequent Patronage Distributions by GROWMARK to Ontario Members of shares of Class D Preferred Stock or other securities, similar in all material respects to the Class D Preferred Stock, issued in satisfaction of such Patronage Distributions;

provided that:

2.2.3 KBSH Capital Management Inc. - s. 147

Headnote

Section 147 – Issuer exempt from the filing and fee requirements of sections 7.1, 7.3 and 7.5 of OSC Rule 45-501 – Exempt Distributions in connection with the writing of over-the-counter call and put options – Purchasers of over-the-counter options accredited investors.

Statutes

Securities Act, R.S.O. 1990, c. S.5, as am., s. 147.

Rules Cited

Ontario Securities Commission Rule 45-501 [Revised] – Exempt Distributions, sections 7.1, 7.3 and 7.5.

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

AND

**IN THE MATTER OF
KBSH LEADERS TRUST**

**ORDER
(Section 147 of the Act)**

UPON the application of KBSH Capital Management Inc. (“KBSH”), in its capacity as manager of KBSH Leaders Trust (the “Trust”), to the Ontario Securities Commission (the “Commission”) for an order pursuant to section 147 of the Act that the Trust, when relying on section 2.3 (the “Accredited Investor Exemption”) of OSC Rule 45-501 - Exempt Distributions (“Rule 45-501”), be exempted from the requirements in: (i) sections 7.1 and 7.5 of Rule 45-501 to file a Form 45-501F1 in connection with the writing of certain over-the-counter covered call options and cash covered put options (collectively, the “OTC Options”); and (ii) section 7.3 of Rule 45-501 to pay the prescribed fee in connection with the filing of Form 45-501F1.

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

AND UPON KBSH having represented to the Commission as follows:

1. The Trust is an investment trust established under the laws of the Province of Ontario pursuant to a Trust Agreement dated April 26, 2002, between KBSH, in its capacity as manager, and The Royal Trust Company in its capacity as trustee.
2. The authorized capital of the Trust consists of an unlimited number of transferable, redeemable trust units (the “Units”).

3. The Trust is a reporting issuer under the Act by virtue of a prospectus dated April 26, 2002 (the “Prospectus”), which has been filed with and accepted by the Commission and the securities regulatory authority in each of the other provinces of Canada. The Prospectus qualifies the issuance of a maximum of 4,000,000 Units of the Trust (the “Offering”).
4. Conditional listing approval has been obtained to list the Units on The Toronto Stock Exchange.
5. By virtue of the redemption features attaching to the Units, the Trust is considered a “mutual fund” within the meaning of the Act and other applicable legislation.
6. KBSH is the investment manager of the Trust and is registered under the Act as a dealer in the category of limited market dealer and as an adviser in the category of investment counsel and portfolio manager.
7. The Trust’s investment objectives are: (i) to provide unitholders with a stable stream of monthly distributions targeted at \$0.2083 per Unit (\$2.50 per annum or 10.0% on the original issue price); and (ii) to return at least the original issue price of the Units (\$25.00 per Unit) to unitholders upon termination of the Trust on December 31, 2010.
8. In order to achieve the Trust’s investment objectives, the Trust will invest 100% of the net proceeds of the Offering in a diversified portfolio (the “Portfolio”) consisting primarily of U.S. equity securities of large and mid-capitalization companies. A significant portion of the Portfolio will emphasize companies having a market capitalization of between U.S. \$5 billion and U.S. \$20 billion that are emerging leaders in their industry. The Portfolio may also hold select Canadian and international equity securities. In order to be eligible investments for the Portfolio, equity securities (including ADRs) must be listed for trading on a major North American stock exchange or market and be issued by companies having a market capitalization in excess of U.S. \$2 billion, if listed solely in the United States, and U.S. \$1 billion, if listed in Canada.
9. The Trust will, from time to time, write covered call options in respect of all or part of the securities in its Portfolio. The investment criteria of the Trust prohibits the sale of equity securities subject to an outstanding call option, and therefore the call options will be covered at all times.
10. The Trust may, from time to time, hold a portion of its assets in “cash equivalents” (as that term is defined in the Prospectus). The Trust may utilize such cash equivalents to provide cover in respect of the writing of cash covered put options. Such

cash covered put options will only be written in respect of securities in which the Trust is permitted to invest. Since the Trust must maintain cash equivalents in an amount at least equal to the aggregate strike price of all securities underlying the outstanding put options which it has written, the put options will be "cash covered" at all times.

11. The purchasers of OTC Options written by the Trust will generally be major Canadian financial and investment institutions and all purchasers of OTC Options will be "accredited investors", as that term is defined in Rule 45-501.
12. The writing of OTC Options by the Trust will not be used as a means for the Trust to raise new capital.

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

IT IS ORDERED by the Commission, pursuant to section 147 of the Act, that the writing of OTC Options by the Trust, as contemplated by paragraphs 9 and 10 of this order, when relying on the Accredited Investor Exemption, shall be exempt from the requirements in sections 7.1, 7.3 and 7.5 of Rule 45-501.

May 28, 2002.

"Paul M. Moore"

"Robert L. Shirriff"

2.3 Rulings

2.3.1 Fortis Inc. - ss. 74(1)

Headnote

Relief granted from the registration and prospectus requirements of the Ontario Securities Act to permit the issuance of options and common shares to senior employees of subsidiaries of issuer that are not affiliated entities in connection with an employee stock option plan.

Statutes Cited

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

Regulations Cited

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

Rules Cited

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

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

AND

**IN THE MATTER OF
FORTIS INC.**

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

UPON the application of Fortis Inc. ("Fortis"), a Newfoundland and Labrador corporation, to the Ontario Securities Commission (the "Commission") for a ruling pursuant to subsection 74(1) of the Act that (i) distributions by Fortis of options to purchase its common shares ("Common Shares") pursuant to its 2002 Stock Option Plan (the "New Plan") to directors, officers and employees of Canadian Niagara Power Company, Limited ("Canadian Niagara Power") and its subsidiaries and affiliates in accordance with the provisions of the New Plan, and (ii) the first trade in Common Shares acquired pursuant to the New Plan by such directors, officers and employees are not subject to Sections 25 and 53 of the Act;

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

AND UPON Fortis having represented to the Commission that:

1. Fortis was incorporated as 81800 Canada Limited under the Canada Business Corporations Act on June 28, 1977 and was continued under the Corporations Act (Newfoundland and Labrador)

on August 28, 1987. Its articles were amended on October 12, 1987 to change its name to Fortis Inc.

2. The authorized capital of Fortis consists of an unlimited number of Common Shares without nominal or par value, an unlimited number of First Preference Shares without nominal or par value, issuable in series, and an unlimited number of Second Preference Shares without nominal or par value, issuable in series. As at April 30, 2002, 15,088,248 Common Shares, 2,000,000 5.95% Fixed Rate Cumulative Redeemable Retractable First Preference Shares, Series B and no Second Preference Shares were outstanding. The Common Shares and the First Preference Shares, Series B of Fortis are listed and posted for trading on the Toronto Stock Exchange (the "TSX").
3. Fortis is a reporting issuer under the Act and is not on the list of defaulting reporting issuers maintained by the Commission pursuant to subsection 72(9) of the Act.
4. Fortis is a diversified electric utility holding company whose assets directly and indirectly include five electric utilities and two hydroelectric generating companies.
5. Fortis holds, directly or indirectly, 100% of the common shares of Newfoundland Power Inc. and Maritime Electric Company, Limited ("Maritime Electric"), the principal distributors of electricity in the provinces of Newfoundland and Labrador and Prince Edward Island, respectively; and 100% of Central Newfoundland Energy Inc., whose principal activity is its 51% involvement in the Exploits River Hydro Partnership Project, a partnership with Abitibi-Consolidated Company of Canada ("Abitibi-Consolidated"), to develop additional capacity at two of Abitibi-Consolidated's hydroelectric plants in the province of Newfoundland and Labrador. Through wholly-owned subsidiaries, Fortis also owns 67% of the outstanding shares of Belize Electricity Limited ("Belize Electricity"), the main distributor of electricity in Belize, Central America, and 22.48% of the common shares of Caribbean Utilities Company, Ltd., the sole provider of electricity in Grand Cayman, Cayman Islands.
6. In May, 2002, Fortis announced that it had entered into an agreement to purchase Cornwall Street Railway Light and Power Company Limited ("Cornwall Electric") from Enbridge Consumers Energy Inc. Cornwall Electric is an Ontario-based electric transmission and distribution utility which supplies electricity to approximately 22,600 customers in the City of Cornwall, Cornwall Island and some adjacent townships in southeastern Ontario. Fortis also holds a 95% interest in Belize Electric Company Limited ("BECOL") which owns and operates the Mollejon hydroelectric facility, a 25-megawatt ("MW") generating plant which sells

its entire output to Belize Electricity. Fortis indirectly holds a 100% interest in FortisUS Energy Corporation ("FortisUS Energy") which operates four hydroelectric generating stations with a combined capacity of 23 MW in upper New York State. Fortis also holds a 100% interest in Fortis Properties Corporation, the owner of a diverse portfolio of commercial real estate and hotels in Atlantic Canada.

7. Fortis holds 50% of the outstanding common shares in the capital of Canadian Niagara Power Company, Limited ("Canadian Niagara Power"), a corporation existing under the Business Corporations Act (Ontario) and a private company under the Act. Canadian Niagara Power operates a hydroelectric generating facility in Niagara Falls, Ontario and, among other things, through its wholly-owned subsidiary, Canadian Niagara Power Inc., distributes electricity in the Town of Fort Erie, Ontario. The remaining common shares of Canadian Niagara Power are owned by Opinac Energy Corporation ("Opinac Energy").
8. On March 20, 2002, Fortis entered into an agreement to acquire (the "Acquisition") the remaining 50% interest in Canadian Niagara Power which it does not already own from Opinac Energy. While the Acquisition is subject to receipt of regulatory approvals, it is anticipated that such approvals will be granted and that the Acquisition will close in the third quarter of 2002. Following the Acquisition, Canadian Niagara Power will be a wholly-owned subsidiary of Fortis and will therefore be an "affiliate" of Fortis, as such term is defined in the Act. Consequently, upon the closing of the Acquisition, the exemptions in Section 2.2 and Section 3.1 of Rule 45-503 of the Ontario Securities Commission, Trades to Employees, Executives and Consultants, ("Rule 45-503") will apply to distributions of Options by Fortis under the New Plan to directors, officers and employees of Canadian Niagara Power and its affiliates, and to the first trade in any Common Shares so acquired.
9. Pursuant to a unanimous shareholders agreement among Fortis and Opinac Energy, each of Fortis and Opinac Energy are entitled to an equal number of seats on the board of directors of Canadian Niagara Power. Fortis is, however, entitled under that agreement to appoint the President and Chief Executive Officer of Canadian Niagara Power. As a holder of 50% of the outstanding common shares of Canadian Niagara Power, Fortis is able to exert significant influence on the management of the business and affairs of Canadian Niagara Power and, consequently, its affiliates.
10. Fortis proposes to establish the New Plan, which will replace two of Fortis' existing stock option plans, the Executive Stock Option Plan and the

Directors' Stock Option Plan. Notwithstanding the adoption of the New Plan, Fortis will preserve each of the Executive Stock Option Plan and the Directors' Stock Option Plan, which will continue to exist and remain in force as long as any options granted under such plans will be outstanding or the term of such options will not have expired or such options will not have been exercised. Fortis will cease to grant options under the Executive Stock Option Plan and the Directors' Stock Option Plan. Pursuant to the New Plan, Fortis may grant to directors, officers and employees of Fortis and its subsidiaries ("Optionees") options to purchase Common Shares ("Options") at a specified option price (the "Option Price"). In addition, directors, officers and employees of Canadian Niagara Power and its subsidiaries would be entitled to participate on the same terms and conditions that are applicable to directors, officers and employees of Fortis and its subsidiaries. The shareholders of Fortis approved the adoption of the New Plan at the annual shareholder meeting held on May 15, 2002. Final adoption of the New Plan is subject to all other necessary regulatory approvals.

11. The proposed New Plan provides that the aggregate number of Common Shares optioned in all Options granted to any particular Optionee cannot exceed 5% of the total number of Common Shares issued and outstanding. The aggregate number of Common Shares optioned in all Options granted to a director of Fortis, Canadian Niagara Power or their respective subsidiaries pursuant to the New Plan in a calendar year cannot exceed 1% of the total number of Common Shares issued and outstanding immediately prior to the grant of Options to such director. At no time during the currency of the New Plan may the aggregate number of Common Shares issued or currently optioned under the New Plan exceed 980,000, subject to adjustment in certain circumstances.
12. The Option Price is the average of the daily average of the high and low board lot trading prices of the Common Shares on the TSX on the five days immediately preceding the date of the grant of the Options. Options expire on the date determined by a committee of the board of directors of Fortis, except that the Options will expire no later than ten years from the date they are granted. If an Option is not exercised before its expiry, it will become null and void. Options are not assignable.
13. Employees and officers of Fortis, Canadian Niagara Power or their respective subsidiaries may be extended an interest-free loan by Fortis for the purchase of Common Shares upon the exercise of Options. Fortis may also provide guarantees in connection with such purchases of Common Shares. Common Shares purchased in

- this manner must be pledged as security to Fortis by such employee or officer.
14. Common Shares are issued to Optionees upon the exercise of Options in reliance upon the exemptions contained in Section 9.1 of Rule 45-503.
15. Until completion of the Acquisition, the registration and prospectus exemptions in Section 2.2 and Section 3.1 of Rule 45-503 would not be applicable to distributions of Options by Fortis under the New Plan to directors, officers and employees of Canadian Niagara Power and its subsidiaries and affiliates.
16. Participation in the New Plan by directors, officers and employees of Fortis and Canadian Niagara Power and their respective affiliated entities will be voluntary and will not be induced by expectation of employment.
17. Pursuant to a ruling previously granted by the Commission, In the Matter of Fortis Inc. (2000), 23 O.S.C.B. 5779, distributions of Options by Fortis under its Executive Stock Option Plan to senior employees of Canadian Niagara Power and of its affiliated entities are exempt from the prospectus and registration requirements of the Act. The requested ruling would permit the exemption to continue to apply to senior employees of Canadian Niagara Power and of its affiliated entities and to extend to employees (other than senior employees), officers and directors of Canadian Niagara Power and of its affiliated entities as well.
- (c) the first trade in Common Shares acquired by directors, officers and employees under the New Plan pursuant to this ruling shall be a distribution unless such trade is made in accordance with Section 9.1 of Rule 45-503 as if such Common Shares were acquired pursuant to the exemption referred to in Section 2.2 of Rule 45-503; and
- (d) immediately upon completion of the Acquisition, this ruling will be of no further force and effect.
- June 4, 2002.
- "Paul M. Moore" "Robert W. Korthals"

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 distributions of Options by Fortis under the New Plan, as amended, to directors, officers and employees of Canadian Niagara Power and its affiliates shall not be subject to Sections 25 and 53 of the Act provided that:

- (a) at the time of the distribution of Options to directors, officers and employees of Canadian Niagara Power and its subsidiaries and affiliates under the New Plan, Fortis owns, directly or indirectly, at least 50% of the outstanding common shares of Canadian Niagara Power;
- (b) at the time of the distribution of Options to directors, officers and employees of Canadian Niagara Power and its subsidiaries and affiliates under the New Plan, Fortis is entitled to appoint the President and Chief Executive Officer of Canadian Niagara Power;

Chapter 4

Cease Trading Orders

4.1.1 Temporary, Extending & Rescinding Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Rescinding Order
ADI Technologies Inc.	04 June 02	14 June 02		
African Selection Mining Corporation	24 May 02	05 June 02	05 June 02	
AMT International Mining Corporation	24 May 02	05 June 02	05 June 02	
Biomax Technologies Inc.	04 June 02	14 June 02		
Brainium Technologies Inc.	04 June 02	14 June 02		
Brandselite International Corporation	24 May 02	05 June 02	05 June 02	
Danbel Industries Corporation	23 May 02	04 June 02	04 June 02	
Eden Roc Mineral Corp.	28 May 02	07 June 02		
Farini Companies Inc., The	24 May 02	05 June 02	05 June 02	
Footmaxx Holdings Inc.	22 May 02	03 June 02	03 June 02	
Galaxy Online Inc.	22 May 02	03 June 02	03 June 02	
Greyvest Capital Inc.	22 May 02	03 June 02	03 June 02	
Guard Inc.	23 May 02	04 June 02	04 June 02	
HPB Investments Inc.	23 May 02	04 June 02	04 June 02	
Hucamp Mines Limited	22 May 02	03 June 02	03 June 02	
Image Sculpting International Inc.	22 May 02	03 June 02	03 June 02	
Jetcom Inc.	27 May 02	07 June 02		
Lyndex Explorations Ltd.	05 June 02	17 June 02		
Materials Protection Technologies Inc.	22 May 02	03 June 02	03 June 02	
Melanesian Minerals Corporation	27 May 02	07 June 02		
Neatt Corporation	22 May 02	03 June 02	03 June 02	
Nova Bancorp 1999 Oil & Gas Strategic Ltd. Partn	05 June 02	17 June 02		
Ntex Incorporated	31 May 02	12 June 02		
Partyco Holdings Ltd.	23 May 02	04 June 02	04 June 02	

Cease Trading Orders

Prairie Capital Inc.	30 May 02	11 June 02		
Resorts Unlimited Management Inc.	04 June 02	14 June 02		
Sagewood Resources Ltd.	23 May 02	04 June 02	04 June 02	
Simmonds Capital Limited	23 May 02	04 June 02	04 June 02	
St. Anthony Resources Inc.	22 May 02	03 June 02	03 June 02	
Sterling Limited Partnership	22 May 02	03 June 02	03 June 02	
Swisslink Financial Corporation	23 May 02	04 June 02	04 June 02	
Tagalder (2000) Inc.	22 May 02	03 June 02	03 June 02	
Telum International Corporation	22 May 02	03 June 02	03 June 02	
Triarx Gold Corporation	24 May 02	06 June 02	03 June 02	
Wysdom Inc.	05 June 02	17 June 02		
Zamora Gold Corp.	27 May 02	07 June 02		
Zaruma Resources Inc.	22 May 02	03 June 02	03 June 02	

4.2.1 Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
GenSci Regeneration Sciences Inc.	28 May 02	10 June 02			
Goldpark China Limited	24 May 02	06 June 02			
Greentree Gas & Oil Ltd.	24 May 02	06 June 02			
Intelligent Web Technologies Inc. (formerly cs-live.com inc.)	28 May 02	10 June 02			
Merchant Capital Group Incorporated	23 May 02	05 June 02	05 June 02		
Petrolex Energy Corporation	28 May 02	10 June 02			
SmartSales Inc.	28 May 02	10 June 02			
Visa Gold Explorations Inc.	28 May 02	10 June 02			
Vision SCMS Inc.	23 May 02	05 June 02			

4.3.1 Lapsed Cease Trading Orders

Company Name	Date of Lapse/Expire
American Resources Corporation Limited	05 June 02
Avenue Financial Corporation (formerly Blue Heron Financial Corporation)	05 June 02

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Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service 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>Total Purchase Price (\$)</u>	<u>Number of Securities</u>
13-May-2002	9 Purchasers	2003144 Ontario Inc. - Common Shares	18,500,000.00	18,500,000.00
13-May-2002	N/A	Acuity Pooled High Income Fund - Trust Units	162,194.00	10,979.00
13-May-2002	N/A	Acuity Pooled High Income Fund - Trust Units	160,000.00	10,831.00
16-May-2002	16 Purchasers	African Rainbow Minerals Gold Limited - Shares	19,053,522.00	2,856,600.00
16-May-2002	Nizar Velji	Alliance Exploration Limited - Common Shares	1,000.00	1,000.00
16-Apr-2002	Limton Auchstaetter	Alliance Exploration Limited - Common Shares	1,000.00	1,000.00
16-Apr-2002	Lyal Sakamoto	Alliance Exploration Limited - Common Shares	500.00	500.00
16-Apr-2002	Howard Hefferman	Alliance Exploration Limited - Common Shares	1,000.00	1,000.00
16-Apr-2002	Darren Herber	Alliance Exploration Limited - Common Shares	1,000.00	1,000.00
16-Apr-2002	James Thacker	Alliance Exploration Limited - Common Shares	500.00	500.00
16-Apr-2002	John McVey	Alliance Exploration Limited - Common Shares	500.00	500.00
16-Apr-2002	Eric Rasimus	Alliance Exploration Limited - Common Shares	1,000.00	1,000.00
16-Apr-2002	Gerald Graham	Alliance Exploration Limited - Common Shares	3,000.00	3,000.00
16-Apr-2002	Stephen Hodges	Alliance Exploration Limited - Common Shares	5,000.00	5,000.00

Notice of Exempt Financings

16-Apr-2002	Keith Fleming	Alliance Exploration Limited - Common Shares	2,000.00	2,000.00
16-Apr-2002	Edward Huffman	Alliance Exploration Limited - Common Shares	7,500.00	7,500.00
16-Apr-2002	Jill Pernsky	Alliance Exploration Limited - Common Shares	500.00	500.00
16-Apr-2002	Paul Finnie	Alliance Exploration Limited - Common Shares	500.00	500.00
05-Mar-2002	Dynex Capatial Limited	Althotech Pharma Inc. - Common Shares	500,000.00	125,000.00
20-May-2002	Scotia Cassels Investment Counsel	Arcor Limited - Shares	399,311.00	63,342.00
10-May-2002	Patrick P. Little	Arrow Global Multi-Strategy Fund - Trust Units	50,000.00	4,950.00
10-May-2002	Judith Novick	Arrow Global RSP Multimanager Fund - Trust Units	25,870.00	26,210.00
10-May-2002 to 17-May-2002	David Harburn	Arrow Goodwood Fund - Trust Units	36,144.00	3,474.00
10-May-2002	Helio and Josephine Gonsalves	Arrow Milford Capital Fund - Trust Units	75,000.00	7,062.00
15-Mar-2002	Jan Van Velzen	BPI Global Opportunitites III Fund - Units	26,215.00	279.00
12-Mar-2002	CI Mutual Funds Inc. and Royal Trust Corp	Bunge Limited - Common Shares	24,872,784.00	820,800.00
17-May-2002	3 Purchasers	Burcon NutraScience Corporation - Units	161,875.00	87,500.00
14-May-2002	Toyo Corporation	Cedara Software Corp. - Debentures	1,067,800.00	1.00
17-May-2002	10 Purchasers	Dexit Inc. - Common Shares	360,000.00	240,000.00
10-May-2002	St. Lawrence Cement Inc.	eBuild.ca Inc. - Common Shares	150,000.00	300,000.00
14-May-2002	Bank of Montreal;Credit Risk Advisors	El Paso Energy Partners, L.P. - Notes	3,974,940.00	2.00
13-May-2002	Brownstone Resources Inc.	First Point Minerals Corp. - Shares	48,450.00	161,500.00
10-May-2002	Tom Boyle	Flag Resources (1985) Limited - Units	10,500.00	75,000.00
21-Dec-2001	4 Purchasers	Imark Corporation - Units	105,000.00	6.00
16-Jan-2002	8 Purchasers	Imark Corporation - Units	227,500.00	13.00
17-May-2002	11 Purchasers	International Freegold Mineral Development Inc. - Units	336,000.00	4,800,000.00

Notice of Exempt Financings

14-May-2002	Altamira Management Ltd.	Interstate Bakeries Corporation - Common Shares	1,003,348.00	25,000.00
15-May-2002	1521475 Ontario Inc.	Intrigue Technologies Inc. - Common Shares	400,000.00	74,346.00
01-May-2002	David McCaslin	J. C. Clark Loyalist Preservation Trust - Units	50,000.00	470.00
22-Mar-2002	21 Purchasers	Landmark Global Opportunities Fund - Units	1,777,114.00	16,681.00
15-Mar-2002	14 Purchasers	Landmark Global Opportunities Fund - Units	794,433.00	7,488.00
22-Mar-2002	4 Purchasers	Landmark Global Opportunities RSP Fund - Units	142,656.00	1,442.00
15-Mar-2002	9 Purchasers	Landmark Global Opportunities RSP Fund - Units	321,237.00	3,261.00
13-Mar-2002	Altamira Management Ltd.	Lucent Technologies Inc. - Shares	4,792,200.00	3,000.00
08-Apr-2002 to 26-Apr-2002	3 Purchasers	Marvix Fund Management Inc. – Units	62,500.00	41,667.00
27-Mar-2002	3 Purchasers	MedSource Technologies, Inc. - Common Shares	782,821.00	40,800.00
14-May-2002	7 Purchasers	Navitrak International Corporation - Special Warrants	620,350.00	2,067,833.00
16-May-2002	7 Purchasers	Nevsun Resources Ltd. - Units	4,525,000.00	4,525,000.00
15-Mar-2002	Royal Bank of Canada; Fidelity	Northwest Airlines, Inc. - Notes	908,938.00	2.00
18-Apr-2002	Peter Berry	Ozz Corporation - Common Shares	125,000.00	125,000.00
15-May-2002	7 Purchasers	Pelangio Mines Inc. - Common Shares	2,050,000.00	10,250,000.00
02-Apr-2002	4 Purchasers	Premcor - Common Shares	567,504.00	15,000.00
17-May-2002	15 Purchasers	Profico Energy Management Ltd. - Common Shares	2,612,373.00	146,669.00
17-May-2002	4 Purchasers	Profico Energy Management Ltd. - Common Shares	3,750,013.00	220,589.00
27-May-2002	BTG International Limited	SAMSys Technologies Inc. - Shares	1,800,000.00	2,500,000.00
01-May-2002	Discovery Helicopters Inc.	Sprott Offshore Fund, Ltd. - Common Shares	11,752,040.00	117,520.00
23-Apr-2002	Anila Ladha; Shamira Jaffer	Star Navigation Systems Inc. - Units	749,999.00	2,307,692.00
14-Mar-2002	Bank of Montreal	Steel Dynamics, Inc. - Notes	482,370.00	1.00

Notice of Exempt Financings

22-May-2002	4 Purchasers	Sybron Dental Specialties, Inc. - Notes	1,533,500.00	4.00
14-May-2002	5 Purchasers	Terraquest Energy Corporation - Special Warrants	1,200,000.00	2,400,000.00
10-May-2002	Tullaree Capital Inc.	The Pocketop Computer Corporation - Common Shares	2,498,917.00	749,225.00
22-Mar-2002	6 Purchasers	Trident Global Opportunities Fund - Units	255,426.00	2,398.00
15-Mar-2002	5 Purchasers	Trident Global Opportunities Fund - Units	437,535.00	4,106.00
22-Mar-2002	Eli Klein	Trident Global Opportunities RSP Fund - Units	25,000.00	250.00
14-May-2002	3 Purchasers	True Energy Inc. - Common Shares	647,500.00	875,000.00
15-May-2002	1	VNRAND, Inc., eVault, Inc. - Shares	973,180.00	625,000.00
22-Feb-2002	Murray H. Pollitt	Western Quebec Mines Inc. - Common Shares	150,400.00	180,000.00
15-May-2002	3 Purchasers	Zequra Technologies, Inc. - Convertible Debentures	175,000.00	3.00
21-May-2002	Investoc Bahamas Ltd.	ZTEST Electronics Inc. - Convertible Debentures	120,000.00	1.00

REPORTS MADE UNDER SUBSECTION 2.7(1) OF MULTILATERAL INSTRUMENT 45-102 RESALE OF SECURITIES WITH RESPECT TO AN ISSUER THAT HAS CEASED TO BE A PRIVATE COMPANY OR PRIVATE ISSUER - FORM 45-102F1

<u>Issuer</u>	<u>Date the Company Ceased to be a Private Company or Private Issuer</u>
3901602 Canada Inc.	4/17/02
Duke Energy Exchangeco Canada Inc.	3/14/02
Trizec Canada Inc.	5/8/02

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>Number of Securities</u>
Paros Enterprises Limited	Aktion Corporation - Common Shares	2,000,000.00
Discovery Capital Corporation	CardioComm Solutions Inc. - Common Shares	1,440,500.00
Larry Melnick	Champion Natural Health.com Inc. - Shares	119,765.00
Kalimantan Investment Corporation	Kalimantan Gold Corporation Limited - Common Shares	500,000.00
Nizar J. Somji	Matrikon Inc. - Common Shares	200,000.00

Notice of Exempt Financings

Parviz N. Somji	Matrikon Inc. - Common Shares	250,000.00
Jaffer Holdings Inc.	Matrikon Inc. - Common Shares	300,000.00
Pacific Canada Resources, Inc.	Minco Mining and Metals Corporation - Common Shares	1,000,000.00
ONCAN Canadian Holdings Ltd.	Onex Corporation - Common Shares	1,000,000.00
Alan Rootenberg	Talware Networkx Inc. - Common Shares	2,000,000.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

Burgundy Balanced Income Fund
Burgundy Canadian Equity Fund
Burgundy Large Cap Canadian Equity Fund
Burgundy American Equity Fund
Burgundy Partners Equity RSP Fund
Burgundy Foundation Trust Fund
Burgundy Bond Fund
Burgundy Partners' RSP Fund
Burgundy Money Market Fund
Burgundy Partners' Fund
Burgundy Pension Trust Fund
Burgundy U.S. Money Market Fund
Burgundy European Equity Fund
Burgundy European Foundation Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated May 28th, 2002
Mutual Reliance Review System Receipt dated May 31st, 2002

Offering Price and Description:

Mutual Fund Units

Underwriter(s) or Distributor(s):

Burgundy Asset Management Ltd.

Promoter(s):

Burgundy Asset Management Ltd.

Project #454586

Issuer Name:

CP Ships Limited
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form PREP Prospectus dated May 30th, 2002

Mutual Reliance Review System Receipt dated May 30th, 2002

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

Morgan Stanley Canada Limited
Salomon Smith Barney Canada Inc.

Promoter(s):

-

Project #454640

Issuer Name:

Draxis Health Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated June 4th, 2002
Mutual Reliance Review System Receipt dated June 4th, 2002

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
National Bank Financial Inc.

Promoter(s):

-

Project #457054

Issuer Name:

Electromed Inc.
Principal Regulator - Quebec

Type and Date:

Preliminary Prospectus dated June 3rd, 2002
Mutual Reliance Review System Receipt dated June 4th, 2002

Offering Price and Description:

\$3,150,270 - 8,077,615 Common Shares and 4,038,807.5
Common Shares Warrants
(Issuable upon the exercise of 8,077,615 previously issued
Special Warrants)

@\$0.39 per Special Warrant

Underwriter(s) or Distributor(s):

Yorkton Securities Inc.

Promoter(s):

-

Project #456970

Issuer Name:

Ivanhoe Energy Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated May 28th, 2002
Mutual Reliance Review System Receipt dated May 31st, 2002

Offering Price and Description:

US\$10,000,000 up to 6,451,613 Common Shares to be
issued upon the exercise of 5,000,000
Special Warrants

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #453655

Issuer Name:

Medx Health Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary and Amended and Restated Preliminary Prospectus dated May 31st, 2002
Mutual Reliance Review System Receipt dated June 3rd, 2002

Offering Price and Description:

\$1,500,000 to \$2,000,000 - 3,000,000 to 4,000,000 Units @ \$0.50 per Unit and
2,180,751 Common Shares and 1,090,376 Series III Warrants Issuable Upon Conversion of 10% Secured Subordinated Convertible Notes, 239,954 Common Shares and 119,977 Series IV Warrants Issuable Upon Conversion of 10% Unsecured Convertible Notes

Underwriter(s) or Distributor(s):

Union Securities Ltd.

Promoter(s):

Philip W. Passy
Project #419866

Issuer Name:

N-45° First CMBS Issuer Corporation
Principal Regulator - Quebec

Type and Date:

Preliminary Short Form Prospectus dated May 29th, 2002
Mutual Reliance Review System Receipt dated May 30th, 2002

Offering Price and Description:

Commercial Mortgage-Backed Bonds Series 2002-1
\$317,081,000 (Approximate)

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Desjardins Securities Inc.
Canaccord Capital Corporation

Promoter(s):

Hypothèques CDPQ Inc.
Project #454661

Issuer Name:

ProMetic Life Sciences Inc.
Principal Regulator - Quebec

Type and Date:

Preliminary Short Form Prospectus dated June 3rd, 2002
Mutual Reliance Review System Receipt dated June 3rd, 2002

Offering Price and Description:

\$19,170,000 - 7,100,000 Subordinate Voting Shares @ \$2.70 per Subordinate Voting Share

Underwriter(s) or Distributor(s):

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

Promoter(s):

-
Project #456684

Issuer Name:

Repadre Capital Corporation
Principal Regulator - Ontario

Type and Date:

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

Offering Price and Description:

\$24,600,000 - 3,000,000 Common Shares @ \$8.20 per Common Share

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
Merrill Lynch Canada Inc.
Dundee Securities Corporation
TD Securities Inc.
Research Capital Corporation

Promoter(s):

-
Project #454977

Issuer Name:

Retirement Residences Real Estate Investment Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated May 31st, 2002
Mutual Reliance Review System Receipt dated May 31st, 2002

Offering Price and Description:

\$90,000,000 - 7,200,000 Units @ \$12.50 per Unit

Underwriter(s) or Distributor(s):

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

Promoter(s):

-
Project #456218

Issuer Name:

Terraquest Energy Corporation
Principal Regulator - Alberta

Type and Date:

Preliminary Prospectus dated June 3rd, 2002
Mutual Reliance Review System Receipt dated June 3rd,
2002

Offering Price and Description:

\$2,565,000 - 5,130,000 Common Shares issuable on
exercise of outstanding Special Warrants
@\$0.50 per Special Warrant

Underwriter(s) or Distributor(s):

Griffiths McBurney & Partners
Peters & Co. Limited

Promoter(s):

-

Project #456907

Issuer Name:

Tiberon Minerals Ltd.
Principal Regulator - Alberta

Type and Date:

Preliminary Prospectus dated May 28th, 2002
Mutual Reliance Review System Receipt dated May 29th,
2002

Offering Price and Description:

\$4,300,000 - 2,150,000 Common Shares and 1,075,000
Warrants issuable upon the exercise
of 2,150,000 Special Warrants @\$2.00 per Special Warrant

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

-

Project #453726

Issuer Name:

University Avenue Canadian Small Cap Fund
University Avenue World Fund
University Avenue US Small Cap Fund
UNIVERSITY AVENUE MONEY FUND
UNIVERSITY AVENUE U.S. GROWTH FUND
UNIVERSITY AVENUE CANADIAN FUND
UNIVERSITY AVENUE BALANCED FUND
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated May 29th, 2002
Mutual Reliance Review System Receipt dated May 29th,
2002

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #454139

Issuer Name:

Zero-Knowledge Systems Inc.
Principal Regulator - Quebec

Type and Date:

Preliminary Prospectus dated June 3rd, 2002
Mutual Reliance Review System Receipt dated June 3rd,
2002

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

Yorkton Securities Inc.

Promoter(s):

-

Project #456562

Issuer Name:

Alliance Pipeline Limited Partnership
Principal Regulator - Alberta

Type and Date:

Amendment #1 dated May 21st, 2002 Short Form
Prospectus dated March 1st, 2001
Mutual Reliance Review System Receipt dated on 31st day
of May, 2002

Offering Price and Description:

Increasing the aggregate principal Amount of Senior Notes
that may be offered thereunder from \$1,200,000 to
\$1,500,000,000 Senior Notes

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #333738

Issuer Name:

Capital Alliance Ventures Inc.

Type and Date:

Amendment #1 dated May 27th, 2002 to Prospectus dated
October 30th, 2001
Receipt dated 29th day of May, 2002

Offering Price and Description:

(Class A Shares)

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #392399

Issuer Name:

Harbour Foreign Equity Sector Fund
(formerly called CI Strategic Global Sector Fund)
Harbour Foreign Equity RSP Fund
(formerly called CI Strategic Global RSP Fund)
Principal Regulator - Ontario

Type and Date:

Amended and Restated Simplified Prospectus and Annual Information Form dated May 16th, 2002 amending and restating Simplified Prospectus and Annual Information Form dated December 31st, 2001
Mutual Reliance Review System Receipt dated 30th day of May, 2002

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

CI Mutual Funds Inc.

Project #405314

Issuer Name:

Harmony Money Market Pool
Harmony RSP Overseas Equity Pool
Harmony U.S. Equity Pool
(Formerly, Harmony U.S. Active Equity Pool)
Harmony Americas Small Cap Equity Pool
Harmony Overseas Equity Pool
Harmony Canadian Equity Pool
Harmony RSP U.S. Equity Pool
Harmony RSP Americas Small Cap Equity Pool
(Formerly, Harmony RSP North American Small Cap Pool)
Harmony Canadian Fixed Income Pool
Principal Regulator - Ontario

Type and Date:

Amendment #2 dated May 23rd, 2002 to Simplified Prospectus and Annual Information Form dated December 27th, 2001
Mutual Reliance Review System Receipt dated 30th day of May, 2002

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s) or Distributor(s):

AGF Fund Inc.

Promoter(s):

-

Project #404692

Issuer Name:

Legend Global Income Pool
Principal Regulator - Quebec

Type and Date:

Amendment #2 dated May 22nd, 2002 to Simplified Prospectus and Annual Information Form dated December 17th, 2001

Mutual Reliance Review System Receipt dated 28th day of May, 2002

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

Standard Life Mutual Funds Ltd.

Project #402130

Issuer Name:

Mackenzie Cundill Canadian Security Fund
Mackenzie Cundill Canadian Balanced Fund
Principal Regulator - Ontario

Type and Date:

Amendment #2 dated May 17th, 2002 to the Amended and Restated Annual Information Form dated February 15th, 2002, amending and restating the Annual Information Form dated December 18th, 2001
Mutual Reliance Review System Receipt dated 3rd day of June, 2002

Offering Price and Description:

Mutual Fund Securities Net Asset Value

-

Promoter(s):

-

Project #400669

Issuer Name:

Mackenzie Cundill Recovery Fund
Mackenzie Cundill Value Fund
Mackenzie Cundill Global Balanced Fund
Mackenzie Universal Select Managers Fund
Principal Regulator - Ontario

Type and Date:

Amendment #2 dated May 17th, 2002 to the Amended and Restated Annual Information Form dated February 15th, 2002, amending and restating the Annual Information Form dated December 27th, 2001
Mutual Reliance Review System Receipt dated 3rd day of June, 2002

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #403456

Issuer Name:

Standard Life International Bond Fund
Principal Regulator - Quebec

Type and Date:

Amendment #2 dated May 22nd, 2002 to Simplified
Prospectus and Annual Information Form
dated May 23rd, 2001

Mutual Reliance Review System Receipt dated 28th day of
May, 2002

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #346579

Issuer Name:

Spectrum RRSP World Growth Managers Fund
Spectrum RRSP Global Health Sciences Fund
Spectrum RRSP Global Financial Services Fund
Spectrum RRSP European Growth Fund
Spectrum Global Health Sciences Fund
Spectrum Global Financial Services Fund
Spectrum World Growth Managers Fund
Spectrum RRSP Global Telecommunications Fund
Spectrum RRSP Global Growth Fund
Spectrum RRSP American Growth Fund
Spectrum RRSP World Equity Fund
Spectrum Canadian Maximum Growth Portfolio
Spectrum Canadian Conservative Portfolio
Spectrum Canadian Small-Mid Cap Fund
Spectrum Global Growth Portfolio
Spectrum Canadian Growth Portfolio
Spectrum Canadian Income Portfolio
Spectrum U.S. Dollar Money Market Fund
Spectrum Short-Term Bond Fund
Spectrum RRSP International Bond Fund
Spectrum Optimax USA Fund
Spectrum Mid-Term Bond Fund
Spectrum Long-Term Bond Fund
Spectrum Global Telecommunications Fund
Spectrum Global Growth Fund
Spectrum Global Equity Fund
Spectrum Global Diversified Fund
Spectrum Global Bond Fund
Spectrum European Growth Fund
Spectrum Emerging Markets Fund
Spectrum Dividend Fund
Spectrum Diversified Fund
Spectrum Canadian Money Market Fund
Spectrum Canadian Stock Fund
Spectrum Canadian Resource Fund
Spectrum Canadian Balanced Portfolio
Spectrum Canadian Investment Fund
Spectrum Canadian Growth Fund
Spectrum Canadian Equity Fund
Spectrum Asset Allocation Fund
Spectrum Asian Dynasty Fund
Spectrum American Growth Fund
Spectrum American Value Fund
Principal Regulator - Ontario

Type and Date:

Amendment #2 dated May 24th, 2002 to Simplified
Prospectus and Annual Information Form
dated August 24th, 2001

Mutual Reliance Review System Receipt dated 4th day of
June, 2002

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #374213

Issuer Name:

Spectrum TACTONICS Fund
Spectrum RRSF TACTONICS Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated May 24th, 2002 to Simplified
Prospectus and Annual Information Form
dated April 8th, 2002
Mutual Reliance Review System Receipt dated 4th day of
June, 2002

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #425770

Issuer Name:

CCommercial and INdustrial Securities Income Trust
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated May 30th, 2002
Mutual Reliance Review System Receipt dated 31st day of
May, 2002

Offering Price and Description:

\$100,000,000.00 - 5,000,000 Units (Maximum), 1,000,000
Units (Minimum) @ \$20.00 per Unit

Underwriter(s) or Distributor(s):

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

Promoter(s):

Sentry Select Capital Corp.

Project #436338

Issuer Name:

High Income Preferred Shares Corporation
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated May 31st, 2002
Mutual Reliance Review System Receipt dated 31st day
May, 2002

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
HSBC Securities (Canada) Inc.
Yorkton Securities Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Dundee Securities Corporation
Lawrence Capital Partners Inc.
Raymond James Ltd.

Promoter(s):

Lawrence Asset Management Inc.

Project #442383

Issuer Name:

MRF 2002 Limited Partnership
Principal Regulator - Ontario

Type and Date:

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

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Middlefield Securities Limited
Yorkton Securities Inc.
Canaccord Capital Corporation
Raymond James Ltd.
Wellington West Capital Inc.

Promoter(s):

MRF 2002 Management Limited
Middlefield Group Limited

Project #436112

Issuer Name:

Norrep Performance 2002 Flow-Through Limited Partnership
Principal Regulator - Alberta

Type and Date:

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

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
National Bank Financial Inc.
TD Securities Inc.
Peters & Co. Limited
Yorkton Securities Inc.

Bieber Securities Inc.

Promoter(s):

Hesperian Capital Management Ltd.

Project #440724

Issuer Name:

Stratic Energy Corporation
Principal Regulator - Alberta

Type and Date:

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

Offering Price and Description:

\$2,550,000.00 - 5,100,000 Common Shares and 2,550,000 Warrants Issuable Upon the Exercise of 4,636,364 Previously Issued Special Warrants and 189,090 Compensation Options

Underwriter(s) or Distributor(s):

First Associates Investments Inc.
Haywood Securities Inc.
Octagon Capital Corporation

Promoter(s):

-

Project #431887

Issuer Name:

Venstone One Capital Corp.
Principal Regulator - British Columbia

Type and Date:

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

Offering Price and Description:

\$3,000,000.00 - 12,000,000 Units (Maximum); 8,000,000 Units (Minimum) @ \$0.25 per Unit

Underwriter(s) or Distributor(s):

Yorkton Securities Inc.

Promoter(s):

H. Rolf Paterson

Project #411624

Issuer Name:

YM BioSciences Inc.
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated May 31st, 2002
Mutual Reliance Review System Receipt dated 31st day of May, 2002

Offering Price and Description:

Minimum of \$15,000,000, Maximum of \$40,000,000 Class B Preferred Shares, Series 1 @ \$4.00 per Share

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

-

Project #423876

Issuer Name:

AltaGas Services Inc.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated May 30th, 2002
Mutual Reliance Review System Receipt dated 31st day of May, 2002

Offering Price and Description:

\$51,150,000.00 - 5,500,000 Common Shares @\$9.30 per Common Shares

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:

Final Short Form Prospectus dated May 28th, 2002
Mutual Reliance Review System Receipt dated 29th day of May, 2002

Offering Price and Description:

\$25,000,000.50 - 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:

Canadian Pacific Railway Company
Principal Regulator - Alberta

Type and Date:

Final Short Form Shelf Prospectus dated May 28th, 2002
Mutual Reliance Review System Receipt dated 28th day of
May, 2002

Offering Price and Description:

\$1,000,000,000.00 - 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:

IAMGold Corporation
Principal Regulator - Ontario

Type and Date:

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

Offering Price and Description:

\$63,000,000.0 - 9,000,000 Common Shares @ \$7.00 per
Common Share

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Canaccord Capital Corporation
Sprott Securities Inc.

Promoter(s):

-

Project #450098

Issuer Name:

Intrawest Corporation
Principal Regulator - British Columbia

Type and Date:

Final Short Form Prospectus dated May 28th, 2002
Mutual Reliance Review System Receipt dated 28th day of
May, 2002

Offering Price and Description:

\$89,375,000.00 - 3,250,000 Common Shares @ \$27.50
per Common Shares

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #447644

Issuer Name:

Nortel Networks Corporation
Principal Regulator - Ontario

Type and Date:

Final Short Form Shelf Prospectus dated May 29th, 2002
Mutual Reliance Review System Receipt dated 30th day of
May, 2002

Offering Price and Description:

US\$2,500,000,000.00 - Guaranteed Debt Securities

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #445785

Issuer Name:

Nortel Networks Limited
Principal Regulator - Ontario

Type and Date:

Final Short Form Shelf Prospectus dated May 29th, 2002
Mutual Reliance Review System Receipt dated 30th day of
May, 2002

Offering Price and Description:

US\$2,500,000,000.00 - Guaranteed Debt Securities

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #445820

Issuer Name:

Pengrowth Energy Trust
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated May 28th, 2002
Mutual Reliance Review System Receipt dated 28th day of
May, 2002

Offering Price and Description:

\$92,400,000.00 - 6,000,000 Trust Units @ \$15.40 per Trust
Unit

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #450355

Issuer Name:

CEO CANADIAN DEMOGRAPHIC FUND
CEO HIRSCH OPPORTUNISTIC NATURAL RESOURCE FUND
CEO HIRSCH OPPORTUNISTIC TACTICAL ALLOCATION FUND
CEO HIRSCH OPPORTUNISTIC CANADIAN FUND
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus and Annual Information Form dated May 30th, 2002
Mutual Reliance Review System Receipt dated 3rd day of June, 2002

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Burgeonvest Securities Limited

Promoter(s):

-

Project #439878

Issuer Name:

Counsel Managed
Counsel Focus
Counsel Focus RSP
Counsel World Equity
Counsel World Equity RSP
Counsel Select Sector
Counsel Select Sector RSP
Counsel Money Market
Counsel Select Canada
Counsel Select Value
Counsel Focus Value
Counsel Fixed Income
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus and Annual Information Form dated May 24th, 2002
Mutual Reliance Review System Receipt dated 3rd day of June, 2002

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

Counsel Group of Fund Inc.

Project #436667

Issuer Name:

imaxx TOP RSP Growth Portfolio
imaxx TOP RSP Balanced Portfolio
imaxx TOP Growth Portfolio
imaxx TOP Conservative Portfolio
imaxx TOP Balanced Portfolio
imaxx TOP Agressive Growth Portfolio (Class A)
imaxx US Equity Value Fund
imaxx US Equity Growth Fund
imaxx Global Sectors Fund
imaxx Global Companies Fund
imaxx Canadian Fixed Pay Fund
imaxx Canadian Bond Fund
imaxx Canadian Equity Value Fund
imaxx Canadian Equity Growth Fund
imaxx Money Market Fund (Class A and F)
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus and Annual Information Form dated May 31st, 2002
Mutual Reliance Review System Receipt dated 3rd day of June, 2002

Offering Price and Description:

Underwriter(s) or Distributor(s):

AEGON Dealer Services Canada Inc.

Promoter(s):

AEGON Fund Management Inc.

Project #425164

Issuer Name:

Spectrum Savings Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus and Annual Information Form dated May 24th, 2002
Mutual Reliance Review System Receipt dated 3rd day of June, 2002

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #439626

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Attention Thomas Robert Schenkel Epic Capital Management Inc. 444 Adelaide Street West Suite 202 Toronto ON M5V 1S7	Investment Counsel & Portfolio Manager	Jun 05/02
New Registration	Attention Richard C. Kang Affinity World Markets Inc. 195 The West Mall Suite 903 Toronto ON M9C 5K1	Limited Market Dealer	Jun 04/02
New Registration	Attention Kannoo Ravindran Consolidated Risk Management Solutions Inc. 99 Harbour Square Suite 2410 Toronto ON M5J 2H2	Investment Counsel	Jun 03/02
New Registration	Attention Leon George Raubenheimer Z Capital Group 330 Bay Street Suite 510 Toronto ON M5H 2S8	Limited Market Dealer	May 31/02
New Registration	Attention Christopher James Hobbs Continua Capital Inc. 161 Bay Street Suite 3840 Toronto ON M5J 2S1	Limited Market Dealer	May 29/02
Change of Name	Attention Lisa Lake Langley First Asset Advisory Services Inc. 70 York street Suite 1400 Toronto ON M5J 1S9	From: First International Securities Inc. To: First Asset Advisory Services Inc.	Apr 01/02
Suspension of Registration	Attention Sandra Taube Godard Gen Re Securities (Canada) Corporation 1 First Canadian Place Suite 5705 PO Box 471 Toronto ON M5X 1E4	Limited Market Dealer	May 31/02

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 Notice of OSC Approval of Amendment to IDA Constitution

AMENDMENT TO IDA CONSTITUTION

NOTICE OF COMMISSION APPROVAL

An amendment to IDA Constitution to address the distribution of assets in the event of the dissolution or winding-up of the IDA and the fact that the purposes of the IDA do not include profit has been approved by the Ontario Securities Commission. In addition, the Saskatchewan Securities Commission approved, the Alberta Securities Commission did not disapprove and the British Columbia Securities Commission did not object to these amendments. The amendments were published on February 8, 2002 at (2002) 25 OSCB 877.

13.1.2 Notice of OSC Approval of Amendments to IDA By-law 29.26 Regarding Leverage Disclosure

AMENDMENT TO IDA BY-LAW 29.26 REGARDING LEVERAGE DISCLOSURE

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission approved IDA By-law 29.26 regarding leverage disclosure. In addition, the Saskatchewan Securities Commission approved, the Alberta Securities Commission did not disapprove and the British Columbia Securities Commission did not object to these amendments. The amendments require the IDA member firms to provide their clients with a document outlining the risks associated with borrowing money in order to purchase securities, in order to make them aware of these risks. A copy and description of these amendments were published on April 19, 2002 at (2002) 25 OSCB 2320. No comments were received.

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Chapter 25

Other Information

25.1 Exemptions

25.1.1 Pollitt & Co. Inc. - s. 4.1 of Rule 31-507

Headnote

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

Rule Cited

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

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

AND

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

AND

**IN THE MATTER OF
POLLITT & CO. INC.

EXEMPTION
(Section 4.1 of OSC Rule 31-507)**

UPON the Director having received an application (the "Application") from Pollitt & Co. Inc. ("Pollitt") seeking a decision, pursuant to section 4.1 of the Rule, to exempt until September 30, 2002 Pollitt from the application of subsection 2.3 of the Rule, which would require Pollitt to be a member of a self-regulatory organization (a "Recognized SRO") recognized by the Ontario Securities Commission (the "Commission") under section 21.1 of the Act by the renewal date of its registration under the Act;

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

AND UPON Pollitt having represented to the Director that:

1. Pollitt is a corporation incorporated under the laws of Ontario and is not a reporting issuer in any of the provinces or territories of Canada or in any other jurisdiction;

2. Pollitt is a member in good standing of the Bourse de Montreal Inc. and The Toronto Stock Exchange Inc.;
3. Pollitt is registered under the Act as a dealer in the category of "broker";
4. Pollitt's registration under the Act as a dealer in the category of "broker" is subject to renewal on June 1, 2002 (the "Renewal Date");
5. Pollitt received an exemption (the "Initial Exemption") from the Director under section 4.1 of the Rule on December 17, 2001 which exempted Pollitt from the requirement of the Rule to be a member of a Recognized SRO by December 31, 2001 on the condition that Pollitt is a member of a Recognized SRO by the Renewal Date;
6. Pollitt filed a substantially completed application (the "Application") with the Investment Dealers Association of Canada (the "IDA") by December 31, 2001;
7. the IDA has identified certain deficiencies in the Application which Pollitt is diligently working to rectify; and
8. due to the time involved in rectifying the deficiencies Pollitt will not be a member of the IDA by the Renewal Date as required by the Initial Exemption.

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

IT IS THE DECISION of the Director, pursuant to section 4.1 of the Rule, that Pollitt is hereby exempt from the requirement of the Rule, as modified by the Initial Exemption, to be a member of a Recognized SRO by the Renewal Date on the condition that this exemption will terminate on the earlier of the date that Pollitt becomes a member of a Recognized SRO and September 30, 2002.

May 30, 2002.

"David M. Gilkes"

25.1.2 Select Capital Management Inc. - s. 41 of Rule 31-507

Headnote

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

Rule Cited

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

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

AND

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

AND

**IN THE MATTER OF
SELECT CAPITAL MANAGEMENT INC.**

**EXEMPTION
(Section 4.1 of OSC Rule 31-507)**

UPON the Director having received an application (the "Application") from Select Capital Management Inc. ("Select Capital") seeking a decision, pursuant to section 4.1 of the Rule, to exempt until September 30, 2002 Select Capital from the requirement of the Rule, as modified by a decision of the Director (the "Original Decision") dated November 23, 2001, to be a member of a self-regulatory organization ("SRO") recognized by the Ontario Securities Commission (the "Commission") under section 21.1 of the Act ("Recognized SRO") by the renewal date of its registration under the Act;

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

AND UPON Select Capital having represented to the Director that:

1. Select Capital is a corporation incorporated under the Business Corporations Act (Ontario) and is not a reporting issuer in any of the provinces or territories of Canada or in any other jurisdiction;
2. Select Capital is registered under the Act in the category of "securities dealer";
3. Select Capital's registration under the Act in the category of "securities dealer" is subject to renewal on June 1, 2002 (the "Renewal Date");

4. since November, 2001, Select Capital has been diligently working on its application (the "IDA Application") for membership in the IDA and has been working diligently with the IDA to resolve any deficiencies raised by the IDA during its review of the IDA Application;

5. at the time of the granting of the Original Decision Select Capital expected that the application process would be completed prior to the Renewal Date;

6. despite devoting substantial resources to the IDA Application, Select encountered numerous unanticipated delays in addressing the deficiencies raised by the IDA; and

7. Select Capital requires the exemption under the Original Decision to be extended until September 30, 2002.

IT IS THE DECISION of the Director, pursuant to section 4.1 of the Rule, that Select Capital is exempted from the requirement of the Rule, as modified by the Original Decision, to be a member of a Recognized SRO by the Renewal Date on the condition that this exemption will terminate on the earlier of the date that Select Canada becomes a member of a Recognized SRO and September 30, 2002.

May 31, 2002.

"David M. Gilkes"

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