The Ontario Securities Commission

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

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

AUGUST 2, 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
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H. Lorne Morphy, Q.C.	C	HLM
Robert L. Shirriff, Q.C.	C	RLS

SCHEDULED OSC HEARINGS

Date	Matter
August 6 & 20/02 2:00 - 4:30 p.m. August 7, 8, 12 B 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.	**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)** s. 127 K. Daniels/M. Code/J. Naster/I. Smith in attendance for staff. Panel: HIW / DB / RWD
August 20/02 2:00 p.m.	**Mark Bonham and Bonham & Co. Inc.**
August 21 to 30/02 9:30 a.m.	s. 127 M. Kennedy in attendance for staff Panel: PMM / KDA / HPH
September 16 - 20/02 10:00 a.m.	**James Pincock** s. 127 J. Superina in attendance for Staff Panel: HLM

ADJOURNED SINE DIE

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

DJL Capital Corp. and Dennis John Little

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

First Federal Capital (Canada) Corporation and Monter Morris Friesner

Global Privacy Management Trust and Robert Cranston

Irvine James Dyck

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

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

Offshore Marketing Alliance and Warren English

Philip Services Corporation

Rampart Securities Inc.

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

Southwest Securities

Terry G. Dodsley

1.1.2 The Toronto Stock Exchange Amendments to Parts V, VI and VII of The Toronto Stock Exchange Company Manual

THE TORONTO STOCK EXCHANGE AMENDMENTS TO PARTS V, VI AND VII OF THE TORONTO STOCK EXCHANGE COMPANY MANUAL

REQUEST FOR COMMENTS

A request for comments on amendments to Parts V, VI and VII of the Toronto Stock Exchange Company Manual is published in Chapter 13 of the Bulletin.

1.1.3 OSC Staff Notice No. 33-720 - 2001 National Compliance Review (NCR)

OSC STAFF NOTICE NO. 33-720
2001 NATIONAL COMPLIANCE REVIEW (NCR)

The Canadian Securities Administrators (CSA) conducted a National Compliance Review (NCR) in November 2001. The purpose of the 2001 NCR was to assess compliance by selected advisers with applicable provincial securities regulation, to identify internal control weaknesses and to enhance information sharing of regulatory issues among the provincial regulators. The participating provinces were: Alberta, British Columbia, Manitoba, New Brunswick, Nova Scotia, Ontario and Quebec. The 2001 NCR focussed on three areas:

(1) use of performance numbers;

(2) allocation of investment opportunities; and

(3) personal trading practices and controls.

The CSA reviewed 14 registrants as part of the 2001 NCR. A copy of the 2001 NCR report is shown at the end of the notice.

Contacts

The following persons may be contacted to answer any questions related to this document:

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NATIONAL COMPLIANCE REVIEW OF
ADVISING FIRMS (2001)
CANADIAN SECURITIES ADMINISTRATORS
STAFF REPORT

National Compliance Review 2001

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Section A **Executive Summary**

Section B **Report of Findings**
1. Use of performance numbers
2. Allocation of investment opportunities
3. Personal trading practices and controls

EXECUTIVE SUMMARY

Introduction

The Canadian Securities Administrators (CSA) agreed to perform a fifth National Compliance Review (NCR) of selected areas of advising firms. The participating provinces were: Alberta, British Columbia, Manitoba, New Brunswick, Nova Scotia, Ontario and Quebec.

The participating provinces have published this report to assist registered advisers to establish and maintain adequate compliance in the three areas reviewed and to highlight some of the problems advisers have with these areas.

Scope of review

The participating jurisdictions chose to concentrate the national compliance review on the portfolio manager/investment counsel area of the industry. Most jurisdictions have recently increased their examination and compliance reviews of these firms. The review covered the following areas, which were chosen as general areas of concern or interest in the industry for all jurisdictions.

Use of Performance Numbers

Firms use various types of performance data for advertising purposes and to solicit potential clients. Various reports and other performance data are also presented to existing clients. The firm's policies and procedures relating to the preparation, approval and distribution of performance data should ensure that it is accurate and not misleading in any way.

Allocation of Investment Opportunities

Fair allocation of securities is important so that all clients are dealt with fairly and treated equally. Whether this is in regard to general purchases, new issues or block trades, efforts should be made to ensure a fair allocation of securities with respect to distribution and price.

Personal Trading Practices and Controls

Firms need to have adequate procedures in place to deal with personal trades made by employees, in order to prevent potential conflicts of interest and other abuses such as: insider trading, front running, and receiving more favourable terms than clients.

Participants

Each of the seven provinces participating selected registered advising firms, of their choice, for review. The report contains the results according to the following list:

Alberta - four registrants.
British Columbia - two registrants.
Manitoba - one registrant.
New Brunswick - one registrant.
Nova Scotia - two registrants.
Ontario - three registrants.
Quebec - one registrant.

Summary of findings

Use of performance numbers

It appears that insufficient attention is paid to the review of performance numbers for accuracy and adequate disclosure, particularly where parties independent of the registered firm prepare these figures on behalf of the firm. We are of the opinion that the registered firm remains ultimately responsible for presenting information that is fair, accurate and timely.

Five of the firms were deficient (seven of the fourteen firms reflected no irregularities and two firms did not make use of performance numbers). Findings also revealed that most firms are either not producing composites (a composite is an aggregation of a number of portfolios into a single group that represents a particular investment objective or strategy) at all or only for very limited use, e.g. internal use, consultants or actuaries.

Allocation of investment opportunities

In most cases firms appear to be allocating investment opportunities and prices fairly amongst clients and groups of clients. Although procedures exist, they have not been adequately formalised and disclosed to clients in most cases. In some cases, the policy for fairness in allocation of investment opportunities is too general and not specific in covering areas like distribution of hot issues or initial public offerings and allocation of prices and commissions in block trades. Six of the thirteen registered firms reflected no irregularities.

Personal trading practices and controls

Personal trading practices do not appear to have resulted in abuses or preferential treatment in any cases. Internal controls could be enhanced in certain instances and existing informal procedures should be formalised. Four of the firms reflected no deficiencies.

REPORT OF FINDINGS

1. USE OF PERFORMANCE NUMBERS

5 Firms ineffective
14 Exams

Various types of performance data are presented to existing clients, used for advertising purposes and used to solicit potential clients. The firm's policies and procedures relating to the preparation, approval and distribution of performance data should ensure that they are accurate and not misleading to investors.

The following deficiencies were found:

- There was either no review at all or no independent review of the performance data included in communications.
- Claims of compliance with the Association for Investment Management and Research (AIMR) standards were unfounded.
- Portfolio managers of mutual funds, sold under prospectus, did not always include the required disclosures when presenting performance data of mutual funds.

Requirements

- As the advising firm is responsible for its performance numbers, procedures should be in place to ensure that these numbers are accurate, whether the firm or a service provider working for the firm prepares them. Review and approval, by a party independent of preparation, of numbers included in all communications is regarded as a good internal control.
- Performance numbers must comply in all respects with the provisions of AIMR Performance Presentation Standards and the U.S. and Canadian version of Global Investment Performance Standards in order to claim compliance. Specific items include: disclosure requirements, use of the claim of compliance legend and calculation methodologies and presentation requirements.
- The required disclosures and warnings for mutual funds sold under prospectus are outlined in section 15.4 of National Instrument 81-102.

Best Practices

The firm has well-defined guidelines to govern policies and procedures related to advertising and marketing issues. The firm may assign review responsibilities to individuals who are independent of the preparation of performance data and who become well versed in these issues.

2. ALLOCATION OF INVESTMENT OPPORTUNITIES

8 Firms ineffective
14 Exams

Fair allocation of securities is important so that all clients are dealt with fairly and treated equally. This includes all clients being given an equal opportunity to invest in securities and ensuring fair allocation of securities with respect to distribution and price.

The following deficiencies were found:

- Some firms had no formal policies covering the allocation of investment opportunities and no formal guidelines on the selection of investment dealers and therefore no way to ensure that best price and execution was obtained for clients.
- Where formal policies were in place they were too general and not specific in areas like distribution of hot issues or initial public offerings and allocation of prices and commissions in block trades.
- No disclosure to clients of the process used for allocating investment opportunities.
- Different trading or decision-making processes between client groups of accounts resulted in some groups trading ahead of others and obtaining different prices.
- Advisers relied on the custodian or investment dealer to place orders and use their own discretion in timing the orders, with insufficient monitoring by the adviser. As a result time lapses occurred between orders and pricing differences were evident.
- Policies for allocating investment opportunities were not adequately enforced.
- Clients participating in block trades were allocated different prices and commissions.
- Procedures concerning cross transactions were incomplete omitting items such as: the allocation of cross-trading opportunities between accounts, the method of price determination or the internal controls related to these transactions.

Requirements

- All the jurisdictions have provisions in their legislation requiring adequate, written business procedures and policies to be maintained. Similarly, all the jurisdictions require that firms establish and administer adequate trade allocation policies to ensure that all clients are treated fairly and equitably in receiving trade price and execution as well as investment opportunity. Most jurisdictions require that this policy also be disclosed to clients.

Best Practices

- Written policies and procedures include guidelines on selecting, assessing the policies and procedures and monitoring the activities of sub-advisers and investment dealers. In addition, policies and procedures would cover, at a minimum: the methods used to allocate investments that are blocked and have a limited distribution (e.g. hot issues or initial public offerings), and the treatment of security prices and commissions in block trades.
- The firm includes fairness of allocation disclosure as part of the account opening material provided to each new client.

3. PERSONAL TRADING PRACTICES AND CONTROLS

10 Firms ineffective
14 Exams

Adequate procedures are needed to deal with personal trades made by employees, in order to avoid potential conflicts of interest and other abuses such as: insider trading, front running, and receiving more favourable terms than clients.

The following deficiencies were found:

- No code of ethics and inadequate or no formal policies and procedures covering personal trading.
- Trading blackout periods found to be non-existent or inadequate. Instances were noted where staff members had been allowed to trade ahead of clients.
- No evidence of disclosure to clients of potential conflicts of interest where an adviser or officer had a holding or position in a company and their acceptance of the recommendation to buy or sell.
- Advisers' including their own personal trades in block trades with those of clients. There is a concern of the market impact the additional shares may have on filling the order at the best execution for the clients and the possibility that the registrant may initiate unnecessary trades for clients to reduce its own trading costs.
- Policies and procedures regarding personal trading were insufficiently enforced and monitored.
- Many firms believed that personal trades were small and as such did not affect the market and therefore did not prejudice clients.

Requirements

- Registrants in all jurisdictions are required to establish policies and procedures, including a written personal trading policy and code of ethics policy, which should be distributed to all employees. Procedures should also include trading blackout periods, pre-approval of personal trading by designated officers, and review of personal trading records and portfolio statements.

- In most jurisdictions, firms are required to obtain the client's agreement for investments in a security in which there is a potential conflict of interest.

- AIMR's Standards of Practice require members to undertake transactions in their own accounts only after their client's have had an adequate opportunity to act in order to avoid any potential conflicts of interest. The overriding consideration is that the trade or the trade process must not disadvantage the client.

- Regardless of influence to the market, we believe that prudent business practice, fiduciary duty and ethical practice require that personal business be separated as far as possible from client business to ensure that there is not even the perception of a conflict.

Best Practice

Written policies and procedures educate employees on material non-public information or inside information and include adequate blackout periods, where necessary. The policies also require pre-clearance of personal trades, complete records of personal trading and reconciliation of personal trades with investment dealer account statements. An example of such procedures would include:

- Upon hiring, each employee must sign a declaration of adherence to the code of ethics and complete an inventory of securities held.

- Prior to making any trade, employees must obtain approval. Members of a personal trading approval committee or the designated compliance officer grant approval for trading.

- At the end of each quarter, employees must disclose all trades made during the quarter and supply copies of their investment dealer account statements. These are reconciled to the approvals granted.

- Every year, employees must renew the declaration of adherence to the code of ethics and must complete an inventory of securities held.

1.1.4 Amendments to IDA Regulation 400.1, Mail Insurance - Notice of Commission Approval

AMENDMENTS TO IDA REGULATION 400.1,
MAIL INSURANCE
NOTICE OF COMMISSION APPROVAL

Amendments to IDA Regulation 400.1, Mail Insurance, have 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 purpose of the amendments is to provide an exemption from the mail insurance requirement for those members who either do not handle securities or never use the mail to transmit securities. A copy of the amended regulation is being published in Chapter 13 of this Bulletin.

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Tuscarora Energy Growth Fund Inc. - MRRS Decision

Headnote

A revocation and replacement order granted to labour sponsored investment fund corporation to permit it to pay certain distribution costs out of fund assets contrary to section 2.1 of National Instrument 81-105 Mutual Fund Sales Practices.

Statutes Cited

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

Rules Cited

National Instrument 81-105 Mutual Fund Sales Practices.

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

AND

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

AND

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

AND

IN THE MATTER OF
TUSCARORA ENERGY GROWTH FUND INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island, Saskatchewan, Yukon, Ontario, Northwest Territories and Nunavut (the "Jurisdictions") granted Tuscarora Energy Growth Fund Inc. (the "Fund") relief pursuant to section 9.1 of National Instrument 81-105 ("NI 81-105") from the prohibition contained in section 2.1 of NI 81-105 against the making of certain payments by the Fund to participating dealers in connection with the distribution of Class A Shares, Series I and Class A Shares, Series II of the Fund on January 9, 2002 (the "Prior Decision");

AND WHEREAS the Decision Maker has received an application from the Fund for a decision under the securities legislation of the Jurisdictions (the “Legislation”) revoking and replacing the Prior Decision;

AND WHEREAS the Fund plans to offer to the public Class A Shares, Series III of the Fund; the Prior Decision does not provide relief for the Fund to make certain payments to participating dealers in connection with the proposed distribution of Class A Shares, Series III;

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 Fund and Front Street Capital Inc. (the "Manager"), the manager of the Fund, have represented to the Decision Makers as follows:

1. The Fund is a corporation incorporated under the Canada Business Corporations Act. It is registered as a labour-sponsored venture capital corporation under the Income Tax Act (Canada).

2. The Fund is a mutual fund as defined in the legislation of each of the Jurisdictions. The Fund filed a prospectus dated January 31, 2002 (the "Prospectus") in each of the Jurisdictions in connection with the offering to the public of Class A Shares, Series I and Class A Shares, Series II in the capital of the Fund. An amendment to the Prospectus dated July 3, 2002 (the "Amendment"), in a form of a slipsheet, has been filed in each of the Jurisdictions in connection with the proposed offering to the public of Class A Shares, Series III (collectively, the “Class A Shares.

3. The authorized capital of the Fund consists of an unlimited number of Class A Shares and an unlimited number of Class B Shares in the capital of the Fund. As at June 21, 2002, there were 875,837.121 Class A Shares, Series I , 483,050.412 Class A Shares, Series II and 100 Class B Shares outstanding.

4. The Manager and The Newspaper Guild of Canada/Communications Workers of America, as the sponsor, formed and organized the Fund.

5. The Fund pays directly to participating dealers certain costs associated with the distribution of its Class A Shares, Series I and Class A Shares, Series II. These costs are:

   (i) with respect to the distribution of Class A Shares, Series I and Class A Shares, Series II,

      a. a sales commission of 6% of the selling price for each Class A Share, Series I or Series II, subscribed for (the "6% Sales Commission"), and

      b. a service fee of 0.5% annually of the net asset value of the Class A shares, Series I or Series II, held by the clients of the sales representatives of the dealers (the "Series I and Series II Service Fee").

   (ii) with respect to the holding by investors of Class A Shares, Series I, a commission of 4% of the selling price of each Series I share held, in lieu of service fees payable before the eighth anniversary of the date of issue of such Series I shares (the "Trailing Commission").

6. The Fund proposes that any sales commission associated with the distribution of Class A Shares, Series III (the “Series III Sales Commission”) will be paid by the investors.

7. The Fund proposes to pay directly to participating dealers associated with the distribution of its Class A Shares, Series III, a service fee of 1.25% annually of the net asset value of the Class A Shares, Series III, held by the clients of the sales representatives of the dealers (the "Series III Service Fee").

8. The Fund may also pay for the reimbursement of co-operative marketing expenses (the "Co-op Expenses") incurred by certain dealers in promoting sales of the Class A Shares, pursuant to co-operative marketing agreements the Fund may enter into with such dealers.

9. All of the costs associated with the distribution of Class A Shares, including the 6% Sales Commission and the Trailing Commission (together, the "Sales Commissions"), the Series I and Series II Service Fee, the Series III Service Fee and the Co-op Expenses (collectively, the "Distribution Costs") and the Series III Sales Commission are fully disclosed in the Prospectus as amended by the Amendment (the “Amended Prospectus”). The fact that the Fund intends to pay certain of these costs out of the assets of the Fund is also disclosed.

10. For accounting purposes, the Fund will:

   (i) defer and amortize the amount paid or payable in respect of the 6% Sales Commission to retained earnings on a straight line basis over eight years,

   (ii) defer and amortize the amount paid or payable in respect of the Trailing Commission to income on a straight line basis over eight years, and

   (iii) expense the Series I and Series II Service Fee, the Series III Service Fee and Co-op Expenses in the fiscal period when incurred.

11. Due to the structure of the Fund, the most tax efficient way for the Distribution Costs to be financed is for the Fund to pay them directly.

12. For Class A Shares, Series I and Class A Shares, Series II, gross investment amounts will be contributed to the Fund in respect of each subscription. This is to ensure that the entire subscription amount contributed by the investor is counted for the purpose of the applicable federal tax credits in connection with the purchase of Class A Shares, Series I and Class A Shares, Series II. For Class A Shares, Series III, investment amounts, net of commission paid by the investor directly, will be contributed to the Fund in respect of each subscription.

13. The Manager, or its affiliate, is the only member of the organization of the Fund, other than the Fund, available to pay the Distribution Costs. The Manager does not have sufficient resources to pay the Distribution Costs and, unless the requested discretionary relief is granted, would be obliged to finance these costs through borrowings.

14. Any loans obtained by the Manager to finance the Distribution Costs would result in the Manager increasing the management fee chargeable to the Fund, by an amount equal to the borrowing costs incurred by the Manager plus an amount required to compensate the Manager for any risks associated with fluctuations in the net asset value of the Fund and, therefore, fluctuations in the Manager's fee. Requiring compliance with section 2.1 of NI 81-105 would cause the expenses of the Fund to increase above those contemplated in the Amended Prospectus.

15. Requiring the Manager to pay the Distribution Costs while granting an exemption to other labour funds permitting such funds to pay similar

Distribution Costs directly, would put the Fund at a permanent and serious competitive disadvantage with its competitors.

16. The Fund undertakes to comply with all other provisions of NI 81-105. In particular, the Fund undertakes that all Distribution Costs paid by it will be compensation permitted to be paid to participating dealers under NI 81-105.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the Prior Decision is hereby revoked and replaced with the following Decision with effect as of, and from, the date hereof;

AND THE DECISION of the Decision Makers pursuant to section 9.1 of NI 81-105 is that the Fund shall be exempt from section 2.1 of NI 81-105 to permit the Fund to pay the Distribution Costs, provided that:

(a) the Distribution Costs are otherwise permitted by, and paid in accordance with, NI 81-105;

(b) the Distribution Costs are accounted for in the Fund's financial statements in the manner described in paragraph 10 above;

(c) the summary section of the Amended Prospectus has full, true and plain disclosure describing the commission structure of Class A Shares, Series I as a 10% initial sales commission, plus service fees after eight years. This section is placed within the first 10 pages of the Amended Prospectus;

(d) the Amended Prospectus includes full, true and plain disclosure explaining the services and value that the participating dealers would provide to investors in return for the service fees payable to them;

(e) the summary section of the Amended Prospectus includes full, true and plain disclosure explaining to investors that, for the Class A Shares, Series I and the Class A Shares, Series II:

  (i) they pay the Sales Commissions indirectly, as the Fund pays these Sales Commissions using investors' subscription proceeds; and

  (ii) a portion of the net asset value of the Fund is comprised of a deferred commission, rather than investment assets;

(f) this Decision shall cease to be operative with respect to a Decision Maker on the date that a rule replacing or amending section 2.1 of NI 81-105 comes into force.

July 24, 2002.

“Kerry D. Adams” “Harold P. Hands”

2.1.2 Shire Pharmaceuticals Group plc - MRRS Decision

Headnote

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

Applicable Ontario Statutory Provisions

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

Policies Cited

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

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
MANITOBA, ONTARIO AND NEW BRUNSWICK

AND

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

AND

IN THE MATTER OF
SHIRE PHARMACEUTICALS GROUP PLC

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the **Decision Maker** or collectively the **Decision Makers**) in each of Manitoba, Ontario and New Brunswick (the **Jurisdictions**) has received an application from Shire Pharmaceuticals Group plc (the **Company**) to obtain relief from registration and prospectus requirements for employees of the Company or of its Canadian subsidiaries (including Shire BioChem Inc.) who have acquired shares of the Company under the Shire Pharmaceuticals Employee Stock Purchase Plan (the **Plan**) and who wish to sell such shares;

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

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

1. The Company is a United Kingdom corporation. The Company's principal corporate offices are located at East Anton, Andover, Hampshire, England, SP10 5RG. The Company conducts its business in Canada through its Canadian subsidiary, Shire BioChem Inc.

2. Shire BioChem Inc. was formerly known as BioChem Pharma Inc. On May 11, 2001, the Company indirectly acquired all of the outstanding common shares of BioChem Pharma Inc. by way of a plan of arrangement under Section 192 of the *Canada Business Corporations Act* (the **Plan of Arrangement**).

3. BioChem Pharma Inc. had been a reporting issuer in each Canadian jurisdiction that provides for a reporting issuer regime. As a result of the implementation of the Plan of Arrangement, the Company has become a reporting issuer in certain provinces.

4. On March 29, 2001, the Company was exempted, under certain conditions, from the application of the continuous disclosure requirements and insider reporting requirements of the jurisdictions pursuant to a MRRS decision rendered by the *Commission des valeurs mobilières du Québec*.

5. As of March, 2002, the Company had approximately 482,597,639 Ordinary Shares (the **Shares**) issued and outstanding. The Shares are listed for trading on the London Stock Exchange (**LSE**) under the symbol "SHP.L"; the American depositary shares of the Company (the **ADSs**) are quoted for trading on NASDAQ under the symbol "SHPGY".

6. The Company is subject to the applicable informational requirements in the United Kingdom and in the United States. To this date, the Company has filed all necessary and required reports under the *United States Securities Exchange Act of 1934*, as amended. The Company has also filed all documents required to be filed pursuant to the MRRS decision rendered by the *Commission des valeurs mobilières du Québec.*

7. The number of holders of Shares whose last address (as shown on the books of the Company) is in each of the Jurisdictions is not in excess of 10% of the outstanding Shares and does not represent more than 10% of the total number of holders of Shares.

8. The Plan permits any individual who is an employee of the Company or of a participating subsidiary (including Shire BioChem Inc.) and whose customary employment is at least twenty (20) hours per week and more than five (5) months in any calendar year (the **Eligible Employees**) to purchase Shares at a discounted price from fair market value through accumulated payroll deductions.

9. As of April 11, 2002, there were approximately one (1) Eligible Employee in Nova Scotia, one (1) Eligible Employee in New Brunswick, 487 Eligible Employees in Quebec, 21 Eligible Employees in Ontario, one (1) Eligible Employee in Manitoba, two (2) Eligible Employees in Alberta and four (4) Eligible Employees in British Columbia.

10. The maximum number of Shares which will be made available for sale under the Plan is 2,000,000 Shares. No options to purchase Shares will be granted under the Plan in any year which would cause the number of Shares issued or to be issued in pursuance of options granted under the Plan or under any other employees share scheme in that period of ten (10) calendar years ending with that year to exceed 10% of the Share capital of the Company in issue at that time.

11. From time to time, the Remuneration Committee of the Board of Directors of the Company (the **Committee**) shall establish an "Offering Period". The duration of an Offering Period may not exceed 27 months, and the Offering Periods will begin within the period of six (6) weeks commencing with the trading day next following the date on which the Company announces its results for any period or at any other time when the circumstances are considered by the Committee to be sufficiently exceptional to justify the beginning of an Offering Period.

12. Participation in the Plan is voluntary and Eligible Employees will not be induced to participate in the Plan or acquire Shares under the Plan by expectation of employment or continued employment with the Company, any of its subsidiaries or any other affiliated entity of the Company.

13. An Eligible Employee may become a participant in the Plan by completing a subscription agreement authorizing payroll deductions and filing it with the Vice-President, Finance of the Company at least five (5) business days prior to the first day of the applicable Offering Period.

14. No Eligible Employee shall be granted an option under the Plan if, immediately after the grant, such Eligible Employee would own stock of the Company granting him or her 5% or more of the total combined voting power or value of all classes of stock of the Company or of any affiliate.

15. An Eligible Employee may withdraw all but not less than all the payroll deductions credited to his or her account at any time prior to the last business day of an Offering Period by giving written notice to the Company.

16. The purchase price for a Share will be at 85% of the fair market value of a Share on the first day of the Offering Period or on the last day of the Offering Period, whichever is lower. The number of Shares purchased by an Eligible Employee will be determined by dividing such Eligible Employee's payroll deductions accumulated and retained in the Eligible Employee's account by the applicable purchase price, provided however that an Eligible Employee must not purchase more than 7,000 Shares for each Offering Period.

17. Eligible Employees who have not withdrawn from the Plan will acquire Shares at the end of each Offering Period.

18. None of the rights under the Plan may be assigned, transferred, pledged or otherwise disposed of by the participant, except that the Shares may be distributed to beneficiaries designated in writing by the Eligible Employees (the **Permitted Transferees**) in the event of such Eligible Employees' death subsequent or prior to the end of an Offering Period.

19. Upon a participant ceasing to be an Eligible Employee due to termination (a **Former Employee**), or for any other reason, he or she will be deemed to have elected to withdraw from the Plan.

20. The distribution of Shares to Eligible Employees under the Plan qualifies for registration and prospectus exemptions in the Jurisdictions.

21. In order to enable Eligible Employees, Former Employees and Permitted Transferees to sell the Shares acquired under the Plan, however, relief from the registration and prospectus requirements is required under the legislation of the Jurisdictions.

22. The relief requested is consistent with past MRRS decisions: *Louisiana-Pacific Corporation* (2001), 24 OSCB 1780; *Commerce One* (2001), 23 OSCB 1373; *Compaq Computer Corporation* (2000) 24 OSCB 34.

23. The Company is not a reporting issuer in the Jurisdictions. The Shares currently trade on the LSE and the NASDAQ. There is no market for the Shares in Canada and none is expected to develop; therefore, any resale of the Shares acquired under the Plan will be effected through the facilities of a stock exchange or organized market outside of Canada on which the Shares may be listed or quoted for trading.

24. The Company is incorporated in a jurisdiction other than Canada, will be subject to the requirements of the *Securities Exchange Act* of 1934 and is not exempt from the reporting requirements of the *Securities Exchange Act* of 1934. All disclosure material relating to the Company furnished to security holders in the

United States will be made available to holders of the Shares residing in the Jurisdictions.

25. Failure to grant the relief herein requested would require the Company to discontinue the operation of the Plan with respect to Eligible Employees in the Jurisdictions, thereby precluding such individuals from the opportunity of sharing in the financial success of the Company as contemplated by the terms of the Plan.

26. It would not be prejudicial to the public interest to permit Eligible Employees in the Jurisdictions to participate in the Plan in the same manner as employees of the Company or its affiliates who are resident in other countries.

THE DECISION of the Decision Makers pursuant to the Legislation is that Eligible Employees, Former Employees and Permitted Transferees who sell Shares acquired under the Plan are exempted from the registration and prospectus requirements.

July 24, 2002.

"Paul M. Moore" "Harold P. Hands"

2.1.3 Leisure Canada Inc. - s. 9.1 of Rule 61-501

Headnote

Rule 61-501 - Related party transactions - Relief from minority approval requirement granted in connection with proposed issuance of shares and warrants by a TSX Venture Exchange issuer to a significant shareholder. A majority of the minority shareholders have expressed support for the transaction and will consent to the transaction in writing.

Rule Cited

Rule 61-501 - Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions, ss. 5.5, 5.6(17), 5.7, and 9.1.

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

AND

IN THE MATTER OF
LEISURE CANADA INC.

DECISION
(section 9.1 of Rule 61-501)

UPON the application of Leisure Canada Inc. ("Leisure Canada") to the Director of the Ontario Securities Commission pursuant to section 9.1 of Rule 61-501 for a decision exempting Leisure Canada from the minority approval requirement set forth in section 5.7 of Rule 61-501 in connection with a proposed related party transaction with International Capital Inc. ("ICI");

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

AND UPON Leisure Canada having represented to the Director as follows:

1. Leisure Canada is a corporation existing under the laws of the Province of Ontario and is a reporting issuer under the *Securities Act* (Ontario).

2. The authorized capital of Leisure Canada consists of an unlimited number of Class A shares (the "Shares"), an unlimited number of Class B shares, and an unlimited number of Class C shares, of which there are currently 33,973,988 Shares and no Class B or Class C shares outstanding. The Shares are listed on the TSX Venture Exchange.

3. Leisure Canada has reached agreement with ICI with respect to a private placement (the "Transaction") of 10,000,000 units of Leisure Canada at a price of US$0.4889 (approximately C$0.75) per unit for gross proceeds of US$4,889,497 (approximately C$7,500,000). Each unit will consist of one Share and one non-

transferable share purchase warrant, where each warrant entitles the holder to purchase a Share for a period of three years at a price of US$0.6519 (approximately C$1.00).

4. Leisure Canada disclosed the details of the Transaction in a press release and in material change reports.

5. ICI is a "related party" to Leisure Canada in accordance with the definition contained in Rule 61-501. ICI currently holds 7,705,431 Shares representing approximately 22.7% of the outstanding Shares. In addition, ICI is owned by a trust, the beneficiaries of which are Walter H. Berukoff, the Chairman and Chief Executive Officer of Leisure Canada, or persons related to Mr. Berukoff. Consequently, the Transaction is a related party transaction.

6. The board of directors of Leisure Canada appointed an independent committee consisting of two independent directors. The independent committee will review the Transaction, with the assistance of outside counsel if required, and report back to the board of directors at its next meeting expected to be held in late August, 2002. Assuming the independent committee recommends approval of the Transaction, the entire board of directors will be asked to consider and, if thought appropriate, approve the Transaction.

7. The Transaction is exempt from the valuation requirement contained in section 5.5 of Rule 61-501 pursuant to paragraph 5.6(17) and is subject to a number of conditions including, without limitation, the approval of the Transaction by the TSX Venture Exchange.

8. It is expected that shareholders owning approximately 38.9% of the Shares and who deal at arm's length with ICI (the "Outside Shareholders") will provide their written consent to the Transaction. None of the Outside Shareholders are participating in the Transaction. Since the Outside Shareholders own more than 50% of the Shares held by all minority shareholders, minority approval of the Transaction will be received and, accordingly, approval of the Transaction by a majority of the minority shareholders at a meeting would be a foregone conclusion.

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

IT IS DECIDED by the Director pursuant to section 9.1 of Rule 61-501 that Leisure Canada shall not be subject to the minority approval requirement in section 5.7 of Rule 61-501 in connection with the Transaction, provided that:

a. the Outside Shareholders consent in writing to the Transaction, which consent must contain an acknowledgement that they are aware of the terms of the Transaction and must be filed with the Director; and

b. Leisure Canada complies with the other applicable provisions of Rule 61-501.

July 19, 2002.

"Ralph Shay"

2.1.4 Lasmo plc - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - as a result of an offer and subsequent compulsory acquisition transaction, issuer has less than five registered and beneficial security holders resident in Canada - issuer deemed to have ceased being a reporting issuer.

Applicable Ontario Statutory Provisions

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

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

AND

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

AND

**IN THE MATTER OF
LASMO PLC**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of British Columbia, Alberta, Saskatchewan, Ontario, Québec, Nova Scotia, and Newfoundland and Labrador (the “Jurisdictions”) has received an application from Lasmo plc (the “Filer”), for a decision under the securities legislation of each of the Jurisdictions (the “Legislation”), that the Filer be deemed to have ceased to be a reporting issuer under the Legislation;

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

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

1. The Filer is a corporation incorporated under the laws of England and Wales and is a reporting issuer in each of the Jurisdictions. The registered and principal executive offices of the Filer are located at Ebury Bridge House, 10 Ebury Bridge Road, London, England SW1W 8PZ.

2. Other than the failure to file: (1) its interim financial statements on or before August 29, 2001 for the period ending June 30, 2001; and (2) its annual financial statements on or before May 21, 2002 for the year ended December 31, 2001, the Filer is not in default of any requirement of the Legislation.

3. The authorized capital of the Filer consists of: (1) £425,953,175, divided into 1,703,812,700 Ordinary Shares of 25p each; (2) £100,000,000, divided into 100,000,000 Cumulative Redeemable Preference Shares of £1 each; and (3) US$250,000,000, divided into 10,000,000 Cumulative Dollar Preference Shares, Series A of US$25 each. Pursuant to a trust deed issued by the Filer in August, 1976, the Filer is authorized to, and in August 1976 issued 7,500,000 units of Oil Production (“OPS Units”).

4. The Filer has 1,350,554,897 Ordinary Shares (the “Ordinary Shares”) and 5,562,990 OPS Units issued and outstanding. The Filer has no Cumulative Redeemable Preference Shares or Cumulative Dollar Preference Series A Shares issued and outstanding.

5. The Filer also has issued and outstanding £150 million principal amount of debentures (the “Debentures”) which are listed and trade on the London Stock Exchange (“LSE”). Pursuant to the rules of the LSE, the Filer’s public disclosure documents are available from the UK Financial Services Authority and Companies House in Cardiff and London.

6. On December 21, 2000, Agip Investments plc (“Agip”), a wholly-owned subsidiary of Eni S.p.A., made an offer (the Offer”) to purchase all of the issued and outstanding Ordinary Shares of the Filer. By February 2, 2001, Agip owned pursuant to the Offer a total of 1,221,832,243 Ordinary Shares, representing approximately 90.88% of the Filer’s issued and outstanding Ordinary Shares.

7. On March 6, 2001, Agip issued a compulsory acquisition notice to acquire all outstanding Ordinary Shares of the Filer. On April 17, 2001 Agip acquired all of the remaining Ordinary Shares not already owned by it. Consequently, the Filer is now a wholly owned subsidiary of Agip and an indirectly wholly-owned subsidiary of Eni S.p.A.

8. The Ordinary Shares were listed on the LSE and the New York Stock Exchange (“NYSE”), where they traded in the form of American Depository Shares and were evidenced by American Depository Receipts. The Ordinary Shares were also listed on the Toronto Stock Exchange and the Montreal Exchange (the “Canadian Exchanges”).

9. The Ordinary Shares were de-listed from the Canadian Exchanges on October 15, 1999, from the LSE on April 3, 2001 and from the NYSE on April 23, 2001. The Filer voluntarily delisted its

shares from the Canadian Exchanges because the small trading volumes did not warrant the cost to the Filer of maintaining the listings.

10. The Debentures were not publicly offered in Canada. As of June 30, 2002, the Debentures were held by 161 registered holders. There are no registered holders of the Debentures resident in Canada and to the best knowledge of the Filer, no beneficial holders of Debentures are resident in Canada.

11. The OPS units were not publicly offered in Canada and are listed on the LSE. As at April 8, 2002, there were 2,557 registered holders of OPS Units of which four (or approximately 0.156%) have addresses (as shown on the register) in Canada, holding 120 (or approximately 0.002%) OPS Units. Out of the four registered Canadian holders of OPS Units, two have addresses (as shown on the register) in Ontario and two have addresses (as shown on the register) in British Columbia. To the knowledge of the Filer (after making enquiries of nominee holders), there are no beneficial holders of OPS Units resident in Canada.

12. As a result of the Offer and subsequent compulsory acquisition, to the knowledge of the Filer, there are less than five registered and beneficial holders of the Filer's securities resident in Canada.

13. Other than the Ordinary Shares, the Debentures and the OPS Units, the Filer has no securities, including debt securities, outstanding. None of the Filer's securities are listed or quoted on any exchange or market in Canada.

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

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

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

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

July 25, 2002.

"John Hughes"

2.1.5 Temex Resources Corp. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief granted from the requirement in National Instrument 43-101 to have a qualified person inspect a property that is the subject of a technical report – property inspection is not possible due to winter conditions.

Applicable Ontario Provisions

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
TEMEX RESOURCES CORP.

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 Temex Resources Corp. (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 property that is the subject of the technical report (the "Personal Inspection Requirement") will not apply to the Filer in respect of a technical report to be prepared in connection with the filing of the Filer's annual information form and TSX Venture Exchange Tier 2 listing application.

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 Decisions Makers that:

1. the Filer is a corporation governed by the *Business Corporations Act* (Ontario) with its head office located in Ontario;

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 an unlimited number of common shares without par value, of which 15,159,371 common shares were outstanding as at May 24, 2002;

4. the Filer's common shares are listed on the TSX Venture Exchange (the "TSX Venture Exchange");

5. the Filer has entered into an option agreement dated February 5, 2002 (the "Coronation Agreement") with 4763 NWT Ltd. to acquire a 70% interest in the Coronation property (the "Coronation Property") located in the Bear Province of the Slave Craton region of Nunavut;

6. the Coronation Property will be a material property of the Filer;

7. the Coronation Property has not had any exploration work performed on it and no resource has been defined to date;

8. the Filer has retained Watts Griffis and McOuat Limited and Dr. J.A. (Hamish) McGregor, P. Eng., a qualified person as defined in National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"), to prepare a technical report (the "Coronation Report") in respect of the Coronation Property;

9. the Filer intends to file an annual information form in respect of its financial year ended February 28, 2002 (the "AIF") in the Jurisdictions;

10. the AIF may describe certain technical information related to the Coronation Property based on information derived from the Coronation Report;

11. the Filer is required to comply with the requirements of NI 43-101 with respect to the preparation and filing of the Coronation Report;

12. NI 43-101 requires that at least one qualified person preparing or supervising the preparation of the Coronation Report must inspect the Coronation Property; and

13. the Filer has submitted an application to the TSX Venture Exchange in order to become a Tier 2 listed issuer which application is pending receipt of the relief from the Personal Inspection Requirement; and

14. due to the winter conditions since the Filer entered into the Coronation Agreement, access for a proper site inspection is not possible, accordingly, a qualified person is not able to complete a personal inspection of the Coronation Property prior to the filing of the AIF;

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 Coronation Report provided that:

(i) the Coronation Report includes a statement that a personal inspection has not been conducted by the qualified person, as defined in N1 43-101, and the reasons why a personal inspection was not conducted;

(ii) the AIF and Coronation Report disclose that the Filer has been exempted from the Personal Inspection Requirement; and

(iii) the qualified person will conduct a site visit and re-file the certificate as soon as practicable.

July 23, 2002.

“Iva Vranic”

2.1.6 IAMGOLD Corporation - 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
ALBERTA, MANITOBA, ONTARIO, QUÉBEC,
NOVA SCOTIA, PRINCE EDWARD ISLAND,
NEWFOUNDLAND AND LABRADOR,
YUKON, NORTHWEST TERRITORIES AND NUNAVUT

AND

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

AND

IN THE MATTER OF
IAMGOLD CORPORATION

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker" and collectively the "Decision Makers") in each of Alberta, Manitoba, Ontario, Québec, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut (the "Jurisdictions") has received an application (the "Application") from IAMGOLD Corporation (the "Corporation") for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that (i) the Corporation be 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 (ii) the Corporation be 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 the Application;

AND WHEREAS the Corporation represented to the Decision Makers that:

1. The head office of the Corporation is located in Markham, Ontario.

2. The Corporation is a reporting issuer or its equivalent in each of the Jurisdictions and is not in default of any requirement of the Legislation.

3. The common shares of the Corporation are listed for trading on The Toronto Stock Exchange.

4. The Corporation is engaged in the acquisition, exploration and development of precious metals properties primarily in West Africa and South America.

5. Bruce Fletcher and Dennis Jones are the Manager of Exploration, South America and the Vice President of Exploration, respectively, of the Corporation. In performing their roles as the Manager of Exploration, South America and the Vice President of Exploration of the Corporation, respectively, Bruce Fletcher and Dennis Jones from time to time have and/or may prepare technical reports required to be filed by the Corporation pursuant to NI 43-101 and prepare and/or review information upon which the Corporation's disclosure of a scientific or technical nature may be based.

6. Each of Bruce Fletcher and Dennis Jones is a member of the Association of Geoscientists of Ontario ("AGO"). 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. Each of Bruce Fletcher and Dennis Jones 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".

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 Québec and the Northwest Territories, the Application Fee Requirement in connection with technical reports and other information prepared and/or reviewed by either Bruce Fletcher or Dennis Jones provided that:

1. Bruce Fletcher and Dennis Jones comply with all other elements of the definition of "qualified person" in NI 43-101; and

2. the relief granted in this Decision shall terminate on the earlier of (i) the date Bruce Fletcher and Dennis Jones become members of APGO or are advised that their applications for membership to APGO have been denied, and (ii) February 1, 2003.

July 23, 2002.

"Margo Paul"

2.1.7 Armistice Resources Ltd. - MRRS Decision

Headnote

MRRS – 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, 5.1 and 9.1.

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

AND

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

AND

IN THE MATTER OF
ARMISTICE RESOURCES LTD.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker" and collectively the "Decision Makers" in each of Alberta, Ontario and Quebec (the "Jurisdictions") has received an application (the "Application") from Armistice Resources Ltd. (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:

1. The Corporation was incorporated pursuant to the laws of the province of Ontario on June 29, 1984. The Corporation's head office is located at 70 Aldershot Crescent, North York, Ontario, M2P 1M1.

2. 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.

3. The Corporation's securities are listed for trading on the Canadian Unlisted Board. The Corporation intends to make an application to list the Corporation's securities on the TSX Venture Exchange.

4. The Corporation is a mining exploration company whose main property is located near the town of Virginiatown in northeastern Ontario.

5. The Corporation has retained Stewart J. Carmichael to author technical reports required to be filed by the Corporation pursuant to NI 43-101 and to prepare information upon which the Corporation's disclosure of a scientific or technical nature may be based.

6. Stewart Carmichael is a member of the Association of Geoscientists of Ontario ("AGO"). 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. Stewart Carmichael 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".

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:

1. except in the province of Quebec, the Corporation is exempt from the Application Fee Requirement; and

2. the Corporation is exempt from the Membership Qualification Requirement in connection with technical reports or other information prepared by Stewart J. Carmichael provided that:

   (a) Stewart J. Carmichael complies with all other elements of the definition of "qualified person" in NI 43-101; and

   (b) the relief granted in this Decision shall terminate on the earlier of: (1) the date Stewart J. Carmichael becomes a member of APGO or is advised that his application for membership to APGO has been denied; and (2) February 1, 2003.

July 25, 2002.

"Margo Paul"

2.1.8 Burlington Resources Canada Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief granted to an issuer from the requirement to file an annual information form and file and deliver annual and interim management discussion and analysis, subject to certain conditions.

Rules Cited

OSC Rule 51-501- AIF and MD&A - ss. 2.1, 3.1, 4.1 and 4.3, s. 5.1.

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ONTARIO AND SASKATCHEWAN

AND

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

AND

IN THE MATTER OF
BURLINGTON RESOURCES
CANADA LTD.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in Ontario and Saskatchewan, (collectively, the “Jurisdictions”) has received an application from Burlington Resources Canada Ltd. (the “Issuer”) for a decision pursuant to the securities legislation of the Jurisdictions (the “Legislation”) that the requirements contained in the Legislation to prepare and file an annual information form (an “AIF”) and where applicable, annual and interim management ‘s discussion and analysis of the financial condition and results of operation (“MD&A”) and send such MD&A to security holders of the Issuer shall not apply to the Issuer, subject to certain terms and conditions;

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

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

1. Burlington Resources Inc. (“Burlington”) is a corporation organized and subsisting under the laws of the State of Delaware;

2. Burlington is currently subject to the reporting requirements of the *Securities Exchange Act of 1934* (the “1934 Act”) and is not a reporting issuer or the equivalent in any Canadian province except Quebec;

3. Burlington has filed with the Securities and Exchange Commission (the “SEC”) all filings required to be made with the SEC under section 13, 14 and 15(d) of the 1934 Act since it first became a reporting company;

4. As at December 31, 2001, Burlington had approximately US$4.34 billion in long-term debt outstanding. All of Burlington's directly issued outstanding long-term debt is rated BBB+ by Standard & Poor's Corporation and Baa1 by Moody's Investors Service, Inc;

5. The outstanding capital stock of Burlington (the “Burlington Shares”) is listed and posted for trading on the New York Stock Exchange (the “NYSE”). As at the close of trading on the NYSE on February 28, 2002, the Burlington Shares had a market value of approximately US$7.5 billion;

6. Burlington is one of the world's largest independent oil and gas companies and has properties in the United States, Canada, the United Kingdom, South America, Africa and China;

7. Burlington's principal executive offices are located in Houston, Texas;

8. The Issuer is a corporation governed by the laws of Alberta;

9. The Issuer was formed on September 17, 2001 by the amalgamation of Burlington Resources Canada Energy Ltd., 947039 Alberta Ltd. and Burlington Resources Canada Inc.;

10. The Issuer is a direct wholly owned subsidiary of Burlington;

11. The Issuer is a reporting issuer or the equivalent thereof in all of the provinces of Canada;

12. The Issuer acts as an operating subsidiary of Burlington for a portion of Burlington's Canadian assets;

13. The head office of the Issuer is in Calgary, Alberta;

14. In addition to the securities of the Issuer held by Burlington, the outstanding securities of the Issuer consist of: Cdn. $100,000,000 of 6.40% notes maturing December 3, 2003 and Cdn. $150,000,000 of 6.60% notes maturing September 11, 2007 (collectively, the “Notes”);

15. Effective April 3, 2000, Burlington unconditionally guaranteed all principal, interest and other amounts owing under the Notes; and

16. Pursuant to a decision of the Alberta Securities Commission (as principal regulator) on behalf of the Jurisdictions and the local securities regulatory authority or regulator in each of the provinces of British Columbia, Alberta, Nova Scotia, New Brunswick and Newfoundland dated March 9, 2001 the Issuer's continuous disclosure information, not including AIF and MD&A, will be satisfied by Burlington filing and sending its continuous disclosure information to security holders on behalf of the Issuer (the "March 2001 MRRS Decision Document");

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

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

THE DECISION of the Decision Makers under the Legislation is that the requirements contained in the Legislation to prepare and file an AIF, and where applicable, MD&A and send such MD&A to security holders of the Issuer, as applicable, shall not apply to the Issuer provided that Burlington is not in default of the March 2001 MRRS Decision Document.

July 26, 2002.

"Barbara Shourounis"

2.1.9 Wave Securities, L.L.C. - MRRS Decision

Headnote

Exemption pursuant to section 15.1 of National Instrument 21-101 Marketplace Operation and section 12.1 of National Instrument 23-101 Trading Rules from the requirement to comply with National Instrument 21-101 and National Instrument 23-101 until the earlier of September 30, 2002 and the date on which Archipelago Canada is in a position to comply with the requirements of the ATS Rules.

IN THE MATTER OF
NATIONAL INSTRUMENT 21-10
MARKETPLACE OPERATION
AND NATIONAL INSTRUMENT 23-101
TRADING RULES

AND

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

AND

IN THE MATTER OF
WAVE SECURITIES, L.L.C.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator in each of the Provinces of Ontario, British Columbia and Quebec (each, the "Decision Maker") has received an application (the "Application") from Wave Securities, L.L.C. (formerly known as Archipelago L.L.C.) ("Wave") for a decision under section 15.1 of National Instrument 21-101 Marketplace Operation and section 12.1 of National Instrument 23-101 Trading Rules that the requirement to comply with National Instrument 21-101 Marketplace Operation and National Instrument 23-101 Trading Rules (together, the "ATS Rules") does not apply to Wave until the earlier of September 30, 2002 and the date on which Archipelago Canada Inc. ("Archipelago Canada") is in a position to comply with the requirements of the ATS Rules;

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

AND WHEREAS Wave has represented to the Decision Makers that:

1. Wave is a limited liability company organized under the laws of the State of Delaware with its registered office in Chicago. Wave changed its name from Archipelago L.L.C. to Wave Securities, L.L.C. effective March 21, 2002.

2. Wave is a registered broker-dealer under the United States Securities Exchange Act of 1934,

and is also registered as an "alternative trading system" ("ATS") pursuant to Regulation ATS in the United States.

3. Wave is a member in good standing of the National Association of Securities Dealers in the United States and a participant in the Securities Investor Protection Corporation.

4. Wave owns and operates an ATS that matches electronic bids and offers for publicly traded equity securities of U.S. registered companies (the "ARCA System"). Wave has effectively created a national limit order book for national markets, including securities listed or quoted on the Nasdaq Stock Market, the New York Stock Exchange and the American Stock Exchange. Subscribers to the ARCA System are broker-dealers and institutional investors.

5. On July 19, 2000, Wave became registered with the Ontario Securities Commission as an International Dealer and has been providing access to the ARCA System to Ontario residents pursuant to the terms of such registration.

6. In connection with its International Dealer registration, Wave is required to comply with certain terms and conditions of registration (the "Terms and Conditions"), which are attached hereto as Schedule A.

7. Outside of Ontario, in Canada Wave has been providing access to the ARCA System in British Columbia solely to registered investment dealers in reliance on the exemption set out in subsection 45(2)(7) of the Securities Act (British Columbia). Wave has also been providing access to the ARCA System to one customer in Quebec but as of July 18, 2002 temporarily suspended this access awaiting an order granting the exemption.

8. In March 2000, Wave signed an agreement with the Pacific Exchange, Inc. ("PCX") pursuant to which the ARCA System is being transformed into a new market, which is called the Archipelago Exchange ("ArcaEx"). ArcaEx is being operated by Archipelago Exchange L.L.C., a wholly-owned subsidiary of Archipelago Holdings, L.L.C. (the parent entity of Wave), as a trading 'facility' (as such term is defined in Section 3(a)(2) of the United States Securities Exchange Act of 1934) of PCX Equities Inc. ("PCXE"), a wholly owned subsidiary of PCX, and will replace the equity marketplace currently offered by PCX (options trading will continue on the PCX). ArcaEx will provide automatic order execution capabilities for NYSE, Amex, Nasdaq and PCX-traded equity securities.

9. PCX and PCXE will be responsible for regulating the trading activity onArcaEx, and Archipelago Exchange, L.L.C. will be responsible for the business of ArcaEx.

10. In connection with these plans, new exchange rules were filed with the SEC in June 2000 and SEC approval was granted on October 25, 2001.

11. The transformation of the ARCA System into ArcaEx is being carried out by a migration process that began on March 22, 2002, with the migration of 28 stocks to ArcaEx and will continue throughout 2002 with the migration of additional stocks from the ARCA System to ArcaEx. As of June 25, 2002, 61 listed stocks have migrated to ArcaEx.

12. On March 18, 2002, Archipelago Holdings L.L.C. and REDIBook ECN, LLC., ("RediBook"), closed a business combination announced on November 29, 2001. As a result of the business combination, Wave is now affiliated with the operator of the RediBook ATS (the "Acquired System"). The Acquired System is an ATS that matches electronic bids and offers for publicly traded equity securities of U.S. registered companies, including securities listed or quoted on the Nasdaq Stock Market, the New York Stock Exchange and the American Stock Exchange. RediBook is a registered broker-dealer under the United States Securities Exchange Act of 1934 and is also registered as an ATS pursuant to Regulation ATS in the United States. RediBook is not registered as a dealer in any Canadian jurisdiction.

13. Wave undertakes to comply with the Terms and Conditions until September 30, 2002.

14. Archipelago Holdings L.L.C. has established a wholly-owned subsidiary under the laws of Canada, Archipelago Canada and Archipelago Canada filed an application with the Investment Dealers Association (the "IDA") on June 27, 2002 to become registered as a member.

15. As soon as Archipelago Canada obtains registration and membership and is able to comply with the other requirements of the ATS Rules, Wave will cease to carry on the business of an ATS in the jurisdiction.

16. Wave acknowledges that Archipelago Canada shall not open an account for any person, company or entity that did not have an existing and open account on July 18, 2002.

17. Wave acknowledges that Archipelago Canada must be in a position to comply with the ATS Rules by September 30, 2002 and no further extensions will be granted.

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

THE DECISION of the Decision Makers is that Wave is exempt from the requirements of the ATS Rules with respect to the operation of the ARCA System in Ontario, British Columbia and Quebec until the earlier of September 30, 2002 and the date on which Archipelago Canada is in a position to comply with all of the requirements of the ATS Rules provided that Archipelago Canada proceeds as expeditiously as possible with its applications for registration as a dealer or the equivalent in each of Ontario, British Columbia and Quebec, application for membership in the IDA and the filing of Form 21-101.F2 Initial Operation Report Alternative Trading System with the Decision Makers which is required to be filed, in any event, no later than August 12th, 2002.

July 25, 2002.

"Randee B. Pavalow"

SCHEDULE A

REGISTRATION OF WAVE SECURITIES, L.L.C. AS AN INTERNATIONAL DEALER TERMS AND CONDITIONS OF REGISTRATION

Wave Securities, L.L.C. (formerly Archipelago L.L.C.) has been granted registration as an International Dealer which permits it to provide Ontario resident Designated Institutions (as defined in s. 204 of the Regulation to the *Securities Act*) terminals to trade foreign non-interlisted securities, provided it complies with certain Terms and Conditions set out below.

Part A: Trading Restrictions

In this Part A:

"Canadian issuer" means an issuer incorporated, formed or created under the laws of Canada or any province or territory of Canada.

"foreign security" means a security issued by an issuer that is not a Canadian issuer.

The registrant shall be permitted to execute orders on behalf of customers resident in Ontario but only in foreign securities that are not listed and posted on the Toronto Stock Exchange, The Montreal Exchange or the Canadian Venture Exchange ("CDNX").

Part B: Information to be Supplied by the Registrant on a Confidential Basis

The registrant agrees to:

(a) advise the Ontario Securities Commission (the "Commission") of any substantial or material changes to its electronic trading system and business including, but not limited to, substantial or material changes in the criteria used to screen potential customers, changes in the algorithm regarding matching orders and complying with trading rules (but without prejudice to the registrant's discretion to exercise its business judgement in accepting and evaluating customers), and whether securities listed only on any of The Toronto Stock Exchange, The Montreal Exchange or CDNX are proposed to be traded through the registrant's electronic trading system;

(b) furnish, upon the request of the Commission, access on a confidential basis to filings and/or copies of filings effected by the registrant with the Securities and Exchange Commission of the United States ("SEC"); the most recent No-Action Letter dated January 12, 2001, its Form BD and its Focus Report and notify the Commission if it

discontinues the filing of any of these documents;

(c) furnish on a quarterly basis a report identifying Ontario resident customers by code and listing stocks traded on behalf of Ontario resident customers so that compliance with the trading restrictions set forth in Part A can be monitored. (Ontario resident customers may be identified on such quarterly reports by identification codes only);

(d) make available on a quarterly basis a list of foreign securities and securities of Canadian issuers traded through the registrant's electronic trading system which cannot be traded on behalf of the registrant's customers resident in Ontario by virtue of the trading restrictions set forth in Part A;

(e) furnish promptly upon a request of the Commission any of the following information:

(i) a complete list of names and addresses of Ontario-resident customers on the system and their identification codes ("IDs");

(ii) a complete list of customer IDs for Ontario resident customers whose access to certain securities traded through the registrant's electronic trading system has been blocked by a mechanism (the "Blocking Mechanism") implemented by virtue of the trading restrictions set forth in Part A;

(iii) a list of identification acronyms used for Ontario resident customers with Canadian addresses;

(iv) an exception report showing Ontario addresses with IDs out of range or with the Blocking Mechanism switched off;

(v) a complete description of the controls over and procedures for identifying Ontario resident customers on the system and implementing the Blocking Mechanism to prevent trading through the registrant's terminals in both interlisted and Canadian non-interlisted securities including specifically, who initially activates the switch, who has access to or the ability to change the setting, and how changes are authorized and logged;

(vi) records of all trades by Ontario-resident customers including a description of the securities traded;

(vii) identification from the trading records of those trades made directly through a terminal of the registrant and those trades which were made by other means;

(viii) the process and criteria used by the registrant to screen potential customers, the identification of parties that have not been accepted as customers and documentation of procedures and reasons for accepting or rejecting a specific customer application;

(ix) information regarding the system's algorithm for matching orders and compliance with trading rules; and

(x) confirmation of trades and settlement process including procedures for dealing with failed trades.

(f) maintain books and records necessary to record properly the registrant's business transactions and financial affairs and make these available upon request to staff of the Commission for any valid regulatory purpose.

(g) report all information to the Securities and Exchange Commission which shall include transactions involving Ontario resident customer investors and which can be segregated from other information and made available on that basis.

Part C: Expiration of Terms and Conditions

The Terms and Conditions set forth in Parts A and B shall cease to apply to the registrant upon the expiry of the sixty day period following the date that Proposed National Instrument 21-101 Marketplace Operation becomes effective.

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2.1.10 The Bank of Nova Scotia and Scotiabank Capital Trust - MRRS Decision

Headnote

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

Applicable Ontario Statutory Provisions

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

Applicable Ontario Rules Cited

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

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

AND

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

AND

**IN THE MATTER OF
THE BANK OF NOVA SCOTIA AND
SCOTIABANK CAPITAL TRUST**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the Decision Maker, and collectively the Decision Makers) in each of the provinces of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, Nova Scotia and Newfoundland and Labrador (the Jurisdictions) has received an application (the Application) from The Bank of Nova Scotia (the Bank) and Scotiabank Capital Trust (the Trust) for a decision, pursuant to the securities legislation of the Jurisdictions (the Legislation), that the requirements contained in the Legislation to:

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

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

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

(d) file an annual information form (AIF) and annual management's discussion and analysis (MD&A) of the financial condition and results of operation of the Trust with the Decision Makers in Ontario, Saskatchewan and Quebec, an interim MD&A in Ontario and Saskatchewan and send such MD&A to security holders of the Trust, where applicable (collectively the AIF and MD&A Requirements);

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

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the System), the OSC is the Principal Regulator for this application;

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

The Bank

1. The Bank is a bank under the *Bank Act* (Canada) and the *Bank Act* (Canada) is its charter.

2. The authorized share capital of the Bank consists of an unlimited number of (i) common shares (Bank Common Shares); and (ii) preferred shares (the Bank Preferred Shares), issuable in series.

3. The Bank is a reporting issuer or the equivalent in each of the provinces and territories of Canada and is not, to its knowledge, in default of any requirement under the Legislation.

4. The Bank Common Shares are listed and posted for trading on The Toronto Stock Exchange (the TSE), the New York Stock Exchange and the London Stock Exchange.

The Trust

5. The Trust is an open-end trust established under the laws of the Province of Ontario by Computershare Trust Company of Canada (Trustee), as trustee, pursuant to a declaration of trust made as of March 28, 2002, (the Declaration of Trust).

6. The outstanding securities of the Trust consist of (i) Special Trust Securities (the Special Trust Securities); and (ii) Scotiabank Trust Securities - Series 2002-1 (the Scotia BaTS II). The Special Trust Securities and the Scotia BaTS II are collectively referred to herein as the Trust Securities. The Scotia BaTS II and the Special Trust Securities are not quoted or listed on any exchange or organized market.

7. The Trust is a reporting issuer, or the equivalent, in each of the Jurisdictions as a result of having filing a final prospectus dated April 23, 2002 (the Prospectus) and the issuance of a final MRRS Decision Document in relation to the Prospectus and is not, to its knowledge, in default of any requirement of the Legislation.

8. The Trust was established solely for the purpose of effecting a public offering of Scotia BaTS II (the Offering) and possible future offerings of securities in order to provide the Bank with a cost effective means of raising capital for Canadian financial institution regulatory purposes by means of: (i) creating and selling the Trust Securities; and (ii) acquiring and holding assets, which consist primarily of a senior deposit note issued by the Bank (the Bank Deposit Note). The Bank Deposit Note will generate income for distribution to holders of the Trust Securities. The Trust does not and will not carry on any operating activity other than in connection with the Offering and any future offerings.

Scotia BaTS II

9. The Trust distributed Scotia Bats II in the Jurisdictions under the Prospectus. The Trust also issued and sold 1,000 Special Trust Securities, which are voting securities of the Trust, to the Bank in connection with the Offering.

10. Holders of Scotia BaTS II are entitled to receive fixed, semi-annual non-cumulative distributions (each, an Indicated Yield) on the basis described below (Distributions). Each semi-annual payment date for the Indicated Yield in respect of the Scotia BaTS II (a Distribution Date) will be either a Regular Distribution Date or a Distribution Diversion Date. A Distribution Date will be a Distribution Diversion Date, with the result that the Indicated Yield will not be paid in respect of the Scotia BaTS II but, instead, the Trust will pay the net distributable funds of the Trust to the holder of Special Trust Securities, if: (i) the Bank has failed in the period described in the Prospectus to declare regular dividends on its Bank Non-Cumulative Preferred Shares of any series and its Bank Parity Preferred Shares (if any) in accordance with their terms; or (ii) if no Bank Non-Cumulative Preferred Shares or Bank Parity Preferred Shares are then outstanding and the Bank has failed in the period described in the Prospectus to declare regular dividends on its Bank Junior Preferred Shares; or (iii) if no Bank Junior Preferred Shares are then outstanding and the Bank has failed in the period described in the Prospectus to declare regular dividends on its Bank Common Shares. In all other cases, a Distribution Date will be a Regular Distribution Date, in which case holders of Scotia BaTS II will be entitled to receive the Indicated Yield. Bank Non-Cumulative Preferred Shares means the non-cumulative Preferred Shares of the Bank (including the Bank Preferred Shares Series W and the Bank Preferred Shares Series X). Bank Parity Preferred Shares means preferred or preference shares issued by the Bank ranking *pari passu* with the Bank Non-Cumulative Preferred Shares. Bank Junior Preferred Shares means preferred or preference shares issued by the Bank ranking junior to the Bank Non-Cumulative Preferred Shares. (The Bank Non-Cumulative Preferred Shares, Bank Common Shares, Bank Parity Preferred Shares and Bank Junior Preferred Shares are hereinafter referred to as the Bank Dividend Restricted Shares).

11. Under a Share Exchange Agreement entered into among the Bank, the Trust and a party acting as Exchange Trustee (the Share Exchange Agreement), the Bank has agreed, for the benefit of the holders of Scotia BaTS II, that in the event that the Trust fails on any Regular Distribution Date to pay the Indicated Yield on the Scotia BaTS II in full: (i) the Bank will not declare or pay Dividends on the Bank Dividend Restricted Shares, until a specified period of time has elapsed, unless the Trust first pays such Indicated Yield (or the unpaid portion thereof) to holders of Scotia BaTS II. Accordingly, it is in the interest of the Bank to ensure, to the extent within their control, that the Trust complies with its obligation to pay the Indicated Yield on each Regular Distribution Date.

12. Under the terms of the Scotia BaTS II and the Share Exchange Agreement, the Scotia BaTS II may be exchanged, at the option of the holders of Scotia BaTS II, for newly issued Bank Preferred Shares Series W. The Scotia BaTS II will be automatically exchanged, without the consent of the holder, for Bank Preferred Shares Series W upon the occurrence of certain stated events relating to the solvency of the Bank or actions taken by the Superintendent of Financial Institutions (the Superintendent) in respect of the

Bank (the Automatic Exchange).

13. The terms of the Bank Preferred Shares Series W provide, among other things, that such shares are exchangeable at the option of the holder for Bank Common Shares at certain times and in certain circumstances, but in any event the Bank Preferred Shares Series W are not exchangeable into Bank Common Shares until December 31, 2012. This exchange right is not operative at any time that an event giving rise to the Automatic Exchange in respect of the Scotia BaTS II has occurred and is continuing.

14. The Trust may, subject to regulatory approval, on June 30, 2007 and on any Distribution Date thereafter, redeem the Scotia BaTS II. The price payable in respect of any such redemption will include an early redemption compensation component (such price being the Early Redemption Price) in the event of a redemption of Scotia BaTS II prior to June 30, 2012 (the Early Redemption Date). The price payable in all other cases will be $1,000 per Scotia BaTS II together with any unpaid Indicated Yield thereon (the Redemption Price).

15. Upon the occurrence of certain regulatory or tax events affecting the Bank or the Trust, the Trust may, subject to regulatory approval, redeem at any time all but not less than all of the Scotia BaTS II at the Early Redemption Price (if the Scotia BaTS II are redeemed prior to the applicable Early Redemption Date) and at the Redemption Price (if the Scotia BaTS II are redeemed on or after the applicable Early Redemption Date).

16. The Bank has covenanted, under the Share Exchange Agreement, that the Bank or its affiliates will maintain ownership, directly or indirectly, of 100% of the outstanding Special Trust Securities. As a result, the financial results of the Trust will be consolidated with those of the Bank. Subject to regulatory approval, the Scotia BaTS II will constitute Tier 1 Capital of the Bank.

17. As long as any Scotia BaTS II are outstanding, the Trust may only be terminated with the approval of the holder of Special Trust Securities and with the approval of the Superintendent: (i) upon the occurrence of a Special Event prior to June 30, 2007; or (ii) for any reason on June 30, 2007 or any Distribution Date thereafter. Holders of Trust Securities rank pari passu in the distribution of the property of the Trust in the event of a termination of the Trust, after the discharge of any creditor claims. As long as any Scotia BaTS II are outstanding, the Bank will not approve the termination of the Trust unless the Trust has sufficient funds to pay the Early Redemption Price in the case of a termination prior to the applicable Early Redemption Date, or the Redemption Price in the case of any other termination.

18. As set forth in the Declaration of Trust, the Scotia BaTS II are non-voting except in limited circumstances and Special Trust Securities entitle the holders to vote.

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

20. Under an Administration Agreement entered into between the Trustee and the Bank, the Trustee will delegate to the Bank certain of its obligations in relation to the administration of the Trust. The Bank, as administrative agent, will provide advice and counsel with respect to the administration of the day-to-day operations of the Trust and other matters as may be requested by the Trustee from time to time.

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

22. The Trust may, from time to time, issue further series of Scotiabank Trust Securities, the proceeds of which would be used to acquire additional deposit notes from the Bank.

23. Because of the terms of the Scotia BaTS II, the Share Exchange Agreement and the various covenants of the Bank, information about the affairs and financial performance of the Bank, as opposed to that of the Trust, is meaningful to holders of Scotia BaTS II. The Bank's filings and the delivery of the same material delivered to shareholders of the Bank will provide holders of Scotia BaTS II and the general investing public with all information required in order to make an informed decision relating to an investment in Scotia BaTS II. Information regarding the Bank is relevant both to an investor's expectation of being paid the Indicated Yield on the Scotia BaTS II as well as the return of the investor's principal.

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

AND WHEREAS the Decision Makers are satisfied that the tests contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision have been met;

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

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

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

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

shall not apply to the Trust for so long as:

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

(ii) the Bank files with the Decision Makers, in electronic format under the Trust's SEDAR profile, the documents listed in clauses (a) to (c) above of this Decision, at the same time as they are required under the Legislation to be filed by the Bank;

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

(iv) the Bank sends its Financial Statements and Annual Filing, where applicable, to holders of Trust Securities and its Annual Report to holders of Trust Securities resident in the Province of Quebec at the same time and in the same manner as if the holders of Trust Securities were holders of the Bank Common Shares;

(v) all outstanding securities of the Trust are either Scotia BaTS II or Special Trust Securities;

(vi) the rights and obligations (other than the economic terms thereof) of holders of additional series of Scotiabank Trust Securities are the same in all material respects as the rights and obligations of the holders of Scotia BaTS II-Series 2002-1 at the date hereof; and

(vii) the Bank or its affiliates are the beneficial owners of all Special Trust Securities.

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

July 26, 2002.

"Paul M. Moore" "Robert L. Shirriff"

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

(i) the conditions set out in clauses (i), (v), (vi) and (vii) of the Decision above are complied with;

(ii) the Bank files its AIF and its annual and interim MD&A with the Decision Makers, as applicable, in electronic format under the Trust's SEDAR profile at the same time as they are required under the Legislation to be filed by the Bank;

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

(iv) the Bank sends its annual and interim MD&A and its AIF, as applicable, to holders of Trust Securities at the same time and in the same manner as if the holders of Trust Securities were holders of Bank Common Shares;

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

July 26, 2002.

"John Hughes"

2.1.11 TD Securities Inc. et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Application - all unitholders of exchange traded index fund exempted from formal take-over bid requirements in connection with normal course purchases of units on the TSE, provided that such unitholders provide trustee/manager of fund with an undertaking not to exercise any votes attached to units which represent more than 20% of the votes attached to all outstanding units of the fund.

Applicable Ontario Statute

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

Applicable Ontario Regulation

Regulation under the Securities Act, R.R.O. 1990, Regulation 1015, as amended, s. 203.1(1).

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

AND

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

AND

IN THE MATTER OF
TD SECURITIES INC. ("TDSI")
BMO NESBITT BURNS INC. ("BMO NB")
RBC DOMINION SECURITIES INC. ("RBCDS")
BARCLAYS GLOBAL INVESTORS CANADA LIMITED ("BARCLAYS")

AND

IN THE MATTER OF
iUNITS S&P/TSX 60 INDEX FUND
iUNITS S&P/TSX 60 CAPPED INDEX FUND
iUNITS S&P/TSX CANADIAN MIDCAP INDEX FUND
iUNITS S&P/TSX CANADIAN ENERGY INDEX FUND
iUNITS S&P/TSX CANADIAN INFORMATION TECHNOLOGY INDEX FUND
iUNITS S&P/TSX CANADIAN GOLD INDEX FUND
iUNITS S&P/TSX CANADIAN FINANCIALS INDEX FUND
(COLLECTIVELY, THE "FUNDS")

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Yukon and Nunavut (the "Jurisdictions") has received an application from TDSI, BMO NB, RBCDS and Barclays for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") exempting all unitholders of the Funds from the requirements of the Legislation related to take-over bids, including the requirement to file a report of a take-over bid and the accompanying fee with each applicable Jurisdiction (the "Take-over Bid Requirements") in respect of take-over bids for the Funds (as defined in paragraph 10 below);

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 TDSI, BMO NB, RBCDS and Barclays have represented to the Decision Makers as follows:

1. Each Fund is a trust that has been created under the laws of Ontario, the units of each Fund are listed on The Toronto Stock Exchange (the "TSX"), the head office of each Fund is located in Toronto, Ontario and each Fund is a reporting issuer or its equivalent in every province and territory of Canada.

2. The investment objective of each Fund is to track the performance of a relevant S&P/TSX Index (each, an "Index" and collectively, the "Indices"). Each Fund holds shares of the companies (collectively, the "Constituent Companies") that make up the relevant Index in substantially the same weight as they are reflected in the Index.

3. Barclays is the trustee of the Funds and as such is responsible for the day-to-day administration of each Fund.

4. The market price of the shares of Constituent Companies underlying each Fund unit equals, as closely as possible, a specified percentage of the level of the relevant Index. The net asset value of each Fund is calculated and published daily.

5. Units of a Fund may be purchased directly from the Fund by registered dealers who have entered into an underwriting agreement with the Fund. The consideration payable by underwriters for each Unit consists of a basket of shares of the Fund's Constituent Companies (a "Basket of Shares") and a cash component.

6. Each Fund has appointed BMO NB and RBCDS as the designated brokers (the "Designated Brokers") to perform certain functions which include standing in the market with a bid and ask price for the Fund's units for the purpose of maintaining market liquidity for the units and facilitating adjustments to Baskets of Shares both

as a result of adjustments that have been made to the Index and as a result of non-cash distributions received by the Fund.

7. Except as described in paragraphs 5 and 6 above, units of a Fund may not be purchased directly from the Fund. As a result, investors must generally acquire units through the facilities of the TSX.

8. Individuals who wish to dispose of units must generally do so by selling them through the TSX. Unitholders of the Funds ("Unitholders") may, however, redeem prescribed numbers of units, or integral multiples thereof, for Baskets of Shares plus cash. Each Unitholder also has the right to have its units redeemed for cash only at a discount to the then market price of the units on the TSX. The cash redemption price of the units of each Fund is equal to 95% of the closing trading price of such units on the effective day of the redemption.

9. Unitholders holding at least a prescribed number of the units of a Fund are also entitled to vote the proportion of the shares of a Constituent Company that are held by the Fund that is equal to the Unitholder's proportionate holding of outstanding units. Unitholders holding less than the prescribed number of units have no right to vote the shares of Constituent Companies.

10. Barclays may, from time to time, establish additional exchange traded index funds (the "Future Funds") for the purpose of tracking indices other than those tracked by the Funds and it is anticipated that Future Funds will be structured and operated in a manner that is substantially similar to the way in which the Funds are structured and operated. For purposes of this MRRS Decision Document, Funds and Future Funds are referred to collectively as "Funds" and Unitholders and unitholders of Future Funds are referred to collectively as "Fund Unitholders".

11. As the units of each Fund are, or will be, both voting and equity securities for purposes of the Take-over Bid Requirements, anyone acquiring beneficial ownership of, or the power to exercise control or direction over, 10% or more of the outstanding units of a Fund would be required to comply with the early warning press release and reporting requirements, as well as the further acquisition restrictions, imposed by the Legislation (the "Early Warning Requirements") but for section 3.3 of National Instrument 62-103 which provides that the Early Warning Requirements do not apply in respect of the ownership or control of securities issued by a mutual fund that is governed by National Instrument 81-102.

12. There is no exemption from the Take-over Bid Requirements for conventional mutual funds that is comparable to the exemption from Early Warning Requirements in section 3.3 of National Instrument 62-103 because the securities of conventional mutual funds are not typically subject to the Take-over Bid Requirements because acquisitions of conventional mutual funds are made from treasury.

13. Although units of the Funds trade, or will trade, on the TSX and the acquisition of such units can therefore become subject to the Take-over Bid Requirements,

    (a) it is not, and will not be, possible for one or more Fund Unitholders to exercise control or direction over a Fund as the constating document of each Fund generally ensures, or will ensure, that there can be no changes made to the Fund which do not have the support of the trustee of the Fund;

    (b) it is difficult for purchasers of units of the Funds to monitor compliance with Take-over Bid Requirements because the number of outstanding units is always in flux as a result of the ongoing issuance and redemption of units by the Funds; and

    (c) the way in which Fund units are, or will be, priced deters anyone from either seeking to acquire control, or offering to pay a control premium, for outstanding units because unit pricing is dependent upon, and generally represents a prescribed percentage of, the level of the relevant Index.

14. The application of the Take-over Bid Requirements to the Funds can have an adverse impact upon Fund unit liquidity because they can cause both the Designated Broker and hedgers to cease trading Fund units once prescribed take-over bid thresholds are reached and this, in turn, can serve to provide conventional mutual funds with a competitive advantage over the Funds.

AND WHEREAS pursuant to the System this 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 purchase of the units of a Fund by a person or company (a "Unit Purchaser") in the normal course through the facilities of the TSX is exempt from the Take-over Bid Requirements for so long as the Fund remains an exchange traded index fund provided that, prior

to making any take-over bid for the units of the Fund that is not otherwise exempt from the Take-over Bid Requirements, the Unit Purchaser, and any person or company acting jointly or in concert with the Unit Purchaser (a “Concert Party”), provide Barclays, as trustee and manager of the Funds, with an undertaking not to exercise any votes attached to units of the Fund held by the Unit Purchaser and any Concert Party which represent more than 20% of the votes attached to all outstanding units of the Fund.

July 26, 2002.

“Paul M. Moore” “Robert L. Shirriff”

2.1.12 SNP Health Split Corp. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Relief granted to a split share company from requirement to deliver annual financial statements and requirement to file an annual report where applicable. The annual financial statements covered a short operating period.

Applicable Ontario Statutory Provisions

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

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO, ALBERTA, SASKATCHEWAN, MANITOBA,
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
SNP HEALTH SPLIT CORP.**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of Ontario, Alberta, Saskatchewan, Manitoba, Quebec, Nova Scotia, and Newfoundland and Labrador (the “Jurisdictions”) has received an application from SNP Health Split Corp. (the “Issuer”) for a decision under the securities legislation (the “Legislation”) of the Jurisdictions that the Issuer be exempted from delivering to security holders annual financial statements for the year ended February 11, 2002, and be exempted from the preparation, filing and delivery of an annual report, where applicable, for the year ended February 11, 2002, as would otherwise be required pursuant to applicable Legislation;

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

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

1. The Issuer filed a final prospectus dated January 28, 2002 (the “Prospectus”) with the securities regulatory authority in each of the Provinces of Canada pursuant to which a distribution of 6,600,000 class A capital shares (the “Capital Shares”) and 3,300,000 class A preferred shares

(the "Preferred Shares") of the Issuer was completed on February 5, 2002.

2. The Issuer was incorporated under the laws of the Province of Ontario on November 29, 2001. The fiscal year end of the Issuer is February 11, with the first fiscal year end occurring on February 11, 2002. The final redemption of the publicly held shares of the Issuer is scheduled to occur on February 11, 2009.

3. The authorized capital of the Issuer consists of an unlimited number of Capital Shares, of which 6,600,000 are issued and outstanding, an unlimited number of Preferred Shares, of which 3,300,000 are issued and outstanding, an unlimited number of class B, class C, class D and class E capital shares, issuable in series, none of which are issued and outstanding, an unlimited number of class B, class C, class D and class E preferred shares, issuable in series, none of which are issued and outstanding, and an unlimited number of class J shares (the "Class J Shares"), of which 100 are issued and outstanding. The attributes of the Capital Shares and the Preferred Shares are described in the Prospectus under "Description of Share Capital".

4. The Class J Shares are the only class of voting securities of the Issuer. Scotia Capital Inc. ("Scotia Capital") owns 50 of the issued and outstanding Class J Shares and SNP Health Split Holdings Corp. owns the remaining issued and outstanding Class J Shares. Two directors of Scotia Capital each own 50% of the common shares of SNP Health Split Holdings Corp. Scotia Capital acted as an agent for, and was the promoter of, the Issuer in respect of the offerings of the Capital Shares and the Preferred Shares.

5. The principal undertaking of Issuer is the holding of a portfolio of common shares (the "Portfolio Shares") of the companies that make up the *S&P Health Care Sector Index* of the *S&P 500 Index* in order to generate distributions for the holders of Preferred Shares and to provide the holders of Capital Shares with a leveraged investment, the value of which is linked to changes in the market price of the Portfolio Shares. The operations of the Issuer commenced on or about February 5, 2002 at which time it began to acquire the Portfolio Shares now held by it. The Portfolio Shares held by the Issuer will only be disposed of as described in the Prospectus.

6. The Prospectus included an audited balance sheet of the Issuer as at January 28, 2002 and an unaudited pro forma balance sheet prepared on the basis of the completion of the sale and issue of Capital Shares and Preferred Shares of the Issuer. As such, the financial position of the Issuer as at February 11, 2002 will have been substantially reflected in the pro forma financial statements contained in the Prospectus.

7. The Issuer is an inactive company, the sole purpose of which is to provide a vehicle through which different investment objectives with respect to participation in the Portfolio Shares may be satisfied. Holders of Capital Shares will be entitled on redemption to the benefits of any capital appreciation in the market price of the Portfolio Shares after payment of operating expenses of the Issuer and the fixed distributions on the Preferred Shares, and holders of Preferred Shares will be entitled to receive fixed cumulative preferential distributions on a quarterly basis equal to US$0.375 per Preferred Share.

8. The benefit to be derived by the security holders of the Issuer from receiving the annual financial statements and the annual report, where applicable, would be minimal given (i) the extremely short period, i.e. six days, between the closing of the offerings on February 5, 2002 and the year end; (ii) the pro forma financial statements contained in the Prospectus; and (iii) the nature of the minimal business carried on by the Issuer.

9. The expense to the Issuer of printing and delivering to its security holders financial statements for the fiscal year ended February 11, 2002 would not be justified in view of the availability of such statements through the SEDAR website and the Issuer's website.

10. The expense to the Issuer of preparing, filing and delivering the annual report, where applicable, would not be justified in view of the minimal benefits to be derived by security holders from receiving such report.

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;

IT IS HEREBY DECIDED by the Decision Makers pursuant to the Legislation that the Issuer is exempted from delivering to its security holders annual financial statements for its fiscal year ended February 11, 2002 and is exempt from, where applicable, the preparation, filing and delivering to its security holders of the annual report for the year ended February 11, 2002, provided that

(i) the annual financial statements for its fiscal year ended February 11, 2002 are filed and posted for viewing on the SEDAR website and on the Issuer's website at

www.scotiamanagedcompanies.com; and

(ii) the Issuer sends a copy of such annual financial statements to any shareholder of the Issuer who so requests.

July 23, 2002.

"Kerry D. Adams" "Harold P. Hands"

2.1.13 divine, inc. and Delano Technology Corporation - MRRS Decision

Headnote

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

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53, 74(1), 80(b)(iii) and 121(2)(a)(ii).

Applicable Ontario Rules

Rule 45-501 - Exempt Distributions.
Rule 51-501 - AIF and MD&A.

Applicable National Instruments

Multilateral Instrument 45-102: Resale of Securities.
National Instrument 55-102 System for Electronic Disclosure by Insiders (SEDI).

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

AND

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

AND

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

AND

**IN THE MATTER OF
DELANO TECHNOLOGY CORPORATION**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of

Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, New Brunswick, Newfoundland and Labrador, Prince Edward Island, the Yukon Territory, the Northwest Territories and Nunavut (collectively the "Jurisdictions") has received an application from divine, inc. ("divine") and Delano Technology Corporation ("Delano" and, together with divine, the "Applicants") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that:

(a) certain trades in securities made in connection with or resulting from the proposed acquisition of Delano by divine (the "Transaction") to be effected by way of a plan of arrangement (the "Arrangement") under section 182 of the *Business Corporations Act* (Ontario) (the "OBCA") shall be exempt from the requirements contained in the Legislation to be registered to trade in a security (the "Registration Requirements") and to file a preliminary prospectus and a prospectus and receive receipts therefor (the "Prospectus Requirements");

(b) Delano be exempt from any requirements of the Legislation, where applicable,

(i) to issue press releases and file reports regarding material changes ("Material Change Reporting Requirements");

(ii) to prepare, file and deliver annual reports, audited comparative annual financial statements, unaudited, comparative, interim financial statements and information circulars or annual reports in lieu thereof;

(collectively, the "Continuous Disclosure Requirements") and

(iii) to prepare and file an annual information form ("AIF"), including management's discussion and analysis ("MD&A"), to prepare and file interim MD&A, and to send such annual and interim MD&A to security holders of Delano (collectively, the "AIF and MD&A Requirements");

(c) that insiders of Delano be exempt from the requirement (the "Insider Reporting Requirement") contained in the Legislation, where applicable, to file reports disclosing the insider's direct or indirect beneficial ownership of, or control or direction over, securities of Delano; and

(d) that Delano be exempt from the requirement to contained in section 2.2(2) of OSC Rule 52-501 *Financial Statements* to prepare and file a comparative income statement and cash flow statement (collectively the "52-501 Filing Requirement").

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

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

1. divine was incorporated in 1999 as a Delaware corporation. divine's business includes providing expertise in collaboration, interaction and knowledge solutions that extend enterprise solutions. divine's principal corporate offices are located in Chicago, Illinois.

2. divine is currently subject to the informational requirements of the United States *Securities Exchange Act* of 1934, as amended (the "1934 Act"), is not a "reporting issuer" or its equivalent in any of the Jurisdictions and does not intend to become a reporting issuer or its equivalent in any of the Jurisdictions after completion of the Transaction.

3. divine's authorized capital consists of 2,500,000,000 shares of Class A common stock ("divine Common Shares"), par value U.S.$0.001 per share, 100,000,000 shares of Class C common stock, U.S.$0.001 par value per share, and 50,000,000 shares of preferred stock, U.S.$0.001 par value per share ("divine Preferred Stock") of which 500,000 shares have been designated Series A Junior Participating Preferred Stock. As at March 27, 2002, no shares of divine Preferred Stock and no shares of Class C common stock were issued and outstanding, and 457,145,645 divine Common Shares were issued and outstanding. As part of the Transaction, divine will issue one share of special voting stock (the "Special Voting Share") to a trustee (the "Trustee") in accordance with the Voting and Exchange Trust Agreement (defined below).

4. divine maintains stock option and purchase plans pursuant to which the divine Board of Directors has the authority, among other things, to determine the type of options ("divine Options") and the number of divine Common Shares which are subject to the divine Options or the number of divine Common Shares which may be purchased, as the case may be.

5. The divine Common Shares are quoted on the NASDAQ National Market (“NASDAQ”).

6. As at April 4, 2002, there were approximately 22 registered holders of divine Common Shares indicated on divine's records as being resident in Canada holding, in aggregate, 6,847,789 divine Common Shares, representing less than 2% of the total number of issued and outstanding divine Common Shares. Following the completion of the Transaction and certain other transactions (to be completed before or shortly after the Transaction) by divine that are disclosed in the Circular (defined below), and assuming that Exchangeable Shares are considered to be divine Common Shares, it is expected that the beneficial holders of divine Common Shares resident in Canada will hold less than 10% of the issued and outstanding divine Common Shares and represent less than 10% of the number of holders of divine Common Shares. This calculation is based upon the number of beneficial and registered Delano Shareholders (as defined below) and registered holders of divine Common Shares who are residents of Canada and on the assumption that the consideration to be paid by divine to Delano Shareholders pursuant to the Arrangement will consist entirely of Exchangeable Shares.

7. Delano was incorporated under the OBCA in 1998. Delano develops and markets customer relations management software. Delano’s head office is located in Markham, Ontario.

8. Delano is a reporting issuer in the provinces of Ontario and Alberta (the “Reporting Jurisdictions”), but is not a reporting issuer or its equivalent under the Legislation of any other Jurisdiction. Delano is also subject to the reporting requirements of the 1934 Act.

9. The authorized capital of Delano consists of an unlimited number of common shares (“Delano Common Shares”), an unlimited number of Class “A” special shares, an unlimited number of Class “B” special shares, an unlimited number of Class “C” special shares and an unlimited number of preference shares. As of March 12, 2002, 43,429,694 Delano Common Shares were issued and outstanding and no Class “A”, Class “B” or Class “C” or preferred shares were issued and outstanding. As part of the Transaction, Delano will create and issue non-voting exchangeable shares (“Exchangeable Shares”), which will be exchangeable for an equal number of divine Common Shares. As of May 31, 2002, no publicly traded debt securities of Delano were outstanding.

10. The Delano Common Shares are currently listed for trading on The Toronto Stock Exchange (the “TSX”) and are quoted on NASDAQ.

11. Delano maintains employee stock option plans pursuant to which it has granted options to acquire Delano Common Shares (“Delano Options”). As of April 4, 2002, there were Delano Options outstanding which, when vested, would be exercisable to purchase a total of 6,689,602 Delano Common Shares.

12. As of April 4, 2002, there were warrants (“Delano Warrants”) to acquire 36,723 Delano Common Shares issued and outstanding.

13. To the knowledge of Delano, Delano is not in default of any requirements of the Legislation.

14. On March 12, 2002, divine and Delano entered into a business combination agreement (the “Combination Agreement”) setting forth the terms of the Transaction. On completion of the Transaction, to be effected by way of the Arrangement, divine will own all of the outstanding Delano Common Shares. The Arrangement will require: (i) the approval of holders of the Delano Common Shares (the “Delano Shareholders”) holding not less than 66 and 2/3% of the votes cast at the special meeting of such Delano Shareholders (the “Delano Meeting”) by Delano Shareholders present in person or represented by proxy; and (ii) the final approval of the Court (as defined below).

15. In connection with the Arrangement, Delano mailed to the Delano Shareholders a management information circular (the “Circular”). The Circular contains, among other things, prospectus-level disclosure of the business and affairs of each of Delano and divine and the particulars of the Arrangement, the Exchangeable Shares and the divine Common Shares. The Circular also discloses that divine and Delano have applied for exemptive relief from Prospectus Requirements for certain trades to be made in connection with Transaction, and for relief that exempts Delano from certain Continuous Disclosure Requirements and that exempts insiders of Delano from certain Insider Reporting Requirements.

16. On April 22, 2002 the Superior Court of Justice (Ontario) (the “Court”) granted an interim order in respect of the Arrangement providing for the calling and holding of the Delano Meeting and certain other procedural matters including providing for approval of the Arrangement to be made by the affirmative vote of not less than 66 and 2/3% of the votes cast at the Delano Meeting by Delano Shareholders present in person or represented by proxy.

17. It is expected that, shortly after consummation of the Transaction, the Delano Common Shares will be delisted from the TSX and NASDAQ.

18. Pursuant to the Transaction, vesting terms of all out-of-the money Delano Options ("Out-of-the-Money Options") will be accelerated such that all such Out-of-the-Money Options are exercisable and may be conditionally exercised prior to the effective time of the Arrangement (the "Effective Time"), and, to the extent such Out-of-the-Money Options are not exercised prior to the Effective Time, such Out-of-the-Money Options shall terminate and expire immediately prior to the Effective Time.

19. At the Effective Time, the steps described below will occur:

    (a) the outstanding Delano Common Shares held by each Delano Shareholder, other than:

        (i) Delano Common Shares held by divine or any affiliate thereof;

        (ii) Delano Common Shares that an eligible holder has validly elected to exchange for Exchangeable Shares;

        (iii) Delano Common Shares held by shareholders exercising their dissent rights who are ultimately entitled to be paid the fair value of their Delano Common Shares;

    will be transferred by the holder thereof to divine in exchange for that number of divine Common Shares equal to the product of the total number of Delano Common Shares held by such shareholder multiplied by 1.187 (the "Exchange Ratio").

    (b) Delano's capital will be reorganized to create the Exchangeable Shares and to eliminate all other classes of shares of Delano other than the Delano Common Shares.

    (c) the outstanding Delano Common Shares that a holder has validly elected to exchange for Exchangeable Shares shall be transferred by the holder thereof to Delano in exchange for a number of Exchangeable Shares equal to the product of the Exchange Ratio and the number of Delano Common Shares in respect of which such election is validly made, provided that notwithstanding the foregoing, only Delano Shareholders who are either, (1) Canadian residents for purposes of the *Income Tax Act* (Canada) (the "ITA") not exempt from tax under Part I of the ITA holding Delano Common Shares on their own behalf or (2) persons who hold Delano Common Shares on behalf of one or more Canadian residents for purposes of the ITA not exempt from tax under Part I of the ITA, shall be entitled to elect to receive Exchangeable Shares in respect of any such Delano Common Shares.

    (d) divine and Delano shall execute a support agreement (the "Exchangeable Share Support Agreement") and divine, Delano and the Trustee will enter into a voting and exchange trust agreement (the "Voting and Exchange Trust Agreement") and all rights of holders of Exchangeable Shares under the Voting and Exchange Trust Agreement shall be received by them as part of the property receivable by them in exchange for the Delano Common Shares so transferred to Delano.

    (e) each Delano Option that has not been cancelled, terminated or duly exercised prior to the Effective Time will be exchanged for a replacement option ("Replacement Option"). Each Replacement Option will constitute an option to purchase a number of divine Common Shares equal to the product of the Exchange Ratio and the number of Delano Common Shares subject to that Delano Option, at an exercise price per divine Common Share equal to the exercise price per Delano Common Share of the Delano Option immediately prior to the Effective Time divided by the Exchange Ratio.

    (f) each Delano Warrant will be amended to provide for the purchase of the number of divine Common Shares equal to the product of the Exchange Ratio multiplied by the number of Delano Common Shares subject to such Delano Warrant, at an exercise price per divine Common Share equal to the exercise price per Delano Common Share of the Delano Warrant immediately prior to the Effective Time divided by the Exchange Ratio.

20. No fractional Exchangeable Shares or fractional divine Common Shares will be delivered in exchange for Delano Common Shares pursuant to the Arrangement. In lieu of any such fractional securities, each person otherwise entitled to a fractional interest in an Exchangeable Share or a divine Common Share will be entitled to receive a cash payment equal to such person's pro rata portion of the net proceeds after expenses received upon the sale of whole shares representing an accumulation of all fractional interests in divine Common Shares to which all

such persons would otherwise be entitled (either directly or through rights appertaining to such fractional Exchangeable Shares).

21. The Exchangeable Shares will not be listed or quoted on any exchange.

22. divine has applied to NASDAQ to quote the divine Common Shares issued pursuant to the Arrangement or issuable from time to time in exchange for Exchangeable Shares, or upon the exercise of the Replacement Options or the Delano Warrants, effective on completion of the Transaction.

23. Each Exchangeable Share will be exchangeable at the option of the holder, at any time, for one divine Common Share and an amount in cash equal to the declared and unpaid dividends on one Exchangeable Share.

24. The Exchangeable Shares, together with the Voting and Exchange Trust Agreement and Support Agreement described below, will provide holders thereof with a security of a Canadian issuer having economic and voting rights which are substantially economically equivalent to those of divine Common Shares. Exchangeable Shares will generally be received by Canadian-resident holders of Delano Common Shares, on a tax-deferred rollover basis for purposes of the ITA.

25. The Exchangeable Shares are subject to adjustment or modification in the event of a stock split or other change to the capital structure of divine so as to maintain at all times the initial one-to-one relationship between the Exchangeable Shares and the divine Common Shares.

26. The rights, privileges, restrictions and conditions attaching to the Exchangeable Shares (the “Exchangeable Share Provisions”) will provide that each Exchangeable Share will entitle the holder to dividends payable at the same time as, and equivalent to, each dividend paid by divine on a divine Common Share.

27. The Exchangeable Shares will be non-voting (except as required by the Exchangeable Share Provisions or by applicable law) and will be retractable at the option of the holder at any time. Subject to the overriding Retraction Call Right of divine referred to below in this paragraph, upon retraction the holder will be entitled to receive for each Exchangeable Share retracted an amount equal to the current market price of a divine Common Share, to be satisfied by the delivery of one divine Common Share, together with an amount equivalent to the amount of all declared and unpaid dividends on each such Exchangeable Share (such aggregate amount, the “Retraction Price”). Upon being notified by Delano of a proposed retraction of Exchangeable Shares, divine will have an overriding retraction call right (the “Retraction Call Right”) to purchase from the holder all of the Exchangeable Shares that are the subject of the retraction notice for a price per share equal to the Retraction Price.

28. Subject to the applicable law and the overriding Redemption Call Right of divine referred to below in this paragraph, Delano may redeem all but not less than all of the then outstanding Exchangeable Shares (other than Exchangeable Shares held by divine and its affiliates) on, or any time after, the third anniversary of the effective date of the Transaction (the “Redemption Date”). As set out in the Exchangeable Share Provisions, in certain circumstances the Board of Directors of Delano may accelerate the Redemption Date. Upon such redemption, a holder will be entitled to receive from Delano for each Exchangeable Share redeemed an amount equal to the current market price of a divine Common Share, to be satisfied by the delivery of one divine Common Share, together with an amount equivalent to the amount of all declared and unpaid dividends on each such Exchangeable Share (such aggregate amount, the “Redemption Price”). Upon being notified by Delano of a proposed redemption of Exchangeable Shares, divine will have an overriding redemption call right (the “Redemption Call Right”) to purchase on the Redemption Date all but not less than all of the then outstanding Exchangeable Shares (other than Exchangeable Shares held by divine and its affiliates) for a price per share equal to the Redemption Price.

29. Subject to the overriding Liquidation Call Right of divine referred to below in this paragraph, in the event of the liquidation, dissolution or winding-up of Delano or any other distribution of assets of Delano for the purpose of winding up its affairs, a holder of an Exchangeable Share will be entitled to receive from Delano for each such Exchangeable Share, subject to applicable law, in preference to Delano Common Shares, an amount equal to the current market price of one divine Common Share, to be satisfied by the delivery of one divine Common Share, together with an amount equivalent to the amount of all declared and unpaid dividends on each such Exchangeable Share (the “Liquidation Amount”). Upon a proposed liquidation, dissolution or winding-up of Delano or other distribution of the assets of Delano for the purpose of winding up its affairs, divine will have an overriding liquidation call right (the “Liquidation Call Right”) to purchase all but not less than all of the Exchangeable Shares (other than Exchangeable Shares held by divine and its affiliates) on the effective date of such liquidation, dissolution or winding-up for an amount per share equal to the Liquidation Amount.

30. In the event of certain changes in Canadian federal and Ontario tax law, (such that a beneficial owner of Exchangeable Shares who is a Canadian resident and holds their Exchangeable Shares as capital property may exchange their Exchangeable Shares with divine for divine Common Shares on a tax deferred basis) divine will have the right to purchase all of the Exchangeable Shares then outstanding (other than Exchangeable Shares held by divine and its affiliates) prior to the third anniversary of the Effective Date (the "divine Call Right") for an amount per share equal to the current market price of a divine Common Share, to be satisfied by the delivery of one divine Common Share, together with an amount equivalent to the amount of all declared and unpaid dividends on each such Exchangeable Share.

31. Upon the exchange of an Exchangeable Share for a divine Common Share, the holder of the Exchangeable Share will cease to have voting rights in respect of divine Common Shares provided under the Voting and Exchange Trust Agreement, as described below.

32. divine shall have the right to cause an affiliate of divine to exercise the Liquidation Call Right, Redemption Call Right, divine Call Right or Retraction Call Right in any circumstance in which divine is entitled to exercise such rights.

33. The Special Voting Share entitles the holder of record of such share to a number of votes at meetings of holders of divine Common Shares equal to the aggregate number of votes that the holders of Exchangeable Shares outstanding from time to time (excluding by agreement Exchangeable Shares held by divine and its affiliates) would be entitled to if such Exchangeable Shares were exchanged by the holders thereof for divine Common Shares, and which Special Voting Share is to be issued, deposited with and voted by the Trustee as described in the Voting and Exchange Trust Agreement.

34. Each holder of an Exchangeable Share (other than divine and its affiliates) on the record date for any meeting at which holders of divine Common Shares are entitled to vote will be entitled to instruct the Trustee to exercise that number of the votes attached to the Special Voting Share represented by the Exchangeable Shares held by such holder.

35. Under the Voting and Exchange Trust Agreement, divine will grant to the Trustee for the benefit of the holders of the Exchangeable Shares a right (the "Exchange Right") exercisable upon certain insolvency events in respect of Delano, to require divine to purchase from a holder of Exchangeable Shares (other than divine or its affiliates) all or any part of the Exchangeable Shares held by that holder. The purchase price for each Exchangeable Share purchased by divine under the Exchange Right will be an amount equal to the current market price of a divine Common Share to be satisfied by the delivery to the Trustee, on behalf of the holder, of one divine Common Share, together with an amount equivalent to the amount of all declared and unpaid dividends on such Exchangeable Share.

36. Shortly prior to the liquidation, dissolution or winding-up of divine or other distribution of divine's assets for the purpose of winding up of its affairs, the Exchangeable Shares (other than those held by divine and its affiliates) will be automatically exchanged for divine Common Shares pursuant to the Voting and Exchange Trust Agreement in order that holders of Exchangeable Shares may participate in such event on the same basis as holders of divine Common Shares.

37. The Support Agreement will provide that: (a) divine will not declare or pay any dividends on the divine Common Shares unless Delano is able to declare and pay, and simultaneously declares and pays an equivalent dividend on the Exchangeable Shares; (b) divine will honour the redemption and retraction rights and dissolution entitlements that are attributes of the Exchangeable Shares under the Exchangeable Share Provisions and the related Liquidation Call Right, Redemption Call Right, divine Call Right and Retraction Call Right; and (c) divine will not exercise its vote as a shareholder to initiate the voluntary liquidation, dissolution or winding-up of Delano nor take any action or omit to take any action that is designed to result in the liquidation, dissolution or winding up of Delano.

38. The Support Agreement will also provide that, without the prior approval of holders of the Exchangeable Shares, actions such as distributions of stock dividends, options, rights and warrants for the purchase of securities or other assets, subdivisions, reclassifications, reorganizations and other changes cannot be taken in respect of the divine Common Shares without the same or an economically equivalent action being taken in respect of the Exchangeable Shares.

39. The steps under the Transaction and the attributes of the Exchangeable Shares contained in the Exchangeable Share Provisions, the Arrangement, the Voting and Exchange Trust Agreement and the Exchangeable Share Support Agreement involve or may involve a number of trades of securities (collectively, the "Trades").

40. The fundamental investment decision to be made by holders of Delano Common Shares is made at

the time of the Arrangement, when such holders vote in respect of the Arrangement. As a result of this decision, a holder (other than a dissenting holder) will receive Exchangeable Shares or divine Common Shares in exchange for the Delano Common Shares held by such holder. The Exchangeable Shares (together with ancillary rights) will provide certain Canadian tax benefits to certain Canadian holders but will otherwise be substantially the economic and voting equivalent of the divine Common Shares, and as such all subsequent exchanges of Exchangeable Shares are in furtherance of the holder's initial investment decision. As mentioned above, that investment decision will be made on the basis of the Delano Circular, which contains prospectus-level disclosure of the business and affairs of each of divine and Delano and of the particulars of the Transaction and the Arrangement.

41. Following completion of the Arrangement, divine will concurrently send to holders of Exchangeable Shares and divine Common Shares resident in Jurisdictions all disclosure material it sends to holders of divine Common Shares resident in the United States pursuant to the 1934 Act.

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

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

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

1. The Trades are not subject to the Registration Requirements and the Prospectus Requirements, provided that:

   (a) except in Quebec, the first trade in a Jurisdiction of Exchangeable Shares acquired under a Trade will be a distribution or primary distribution to the public unless the conditions in subsections (3) or (4) of section 2.6 of Multilateral Instrument 45-102 – *Resale of Securities* ("MI 45-102") are satisfied;

   (b) except in Quebec, the first trade in a Jurisdiction of divine Common Shares acquired under a Trade will be a distribution or primary distribution to the public under the Legislation of such Jurisdiction (the "Applicable Legislation") (other than first trades which are Trades or which are otherwise exempted from the Registration Requirements and the Prospectus Requirements under the Applicable Legislation) unless, at the time of the first trade:

      (i) if divine is a reporting issuer or its equivalent in any Jurisdiction listed in Appendix B to MI 45-102 other than Quebec, the conditions in subsections (3) or (4) of section 2.6 of MI 45-102 are satisfied; or

      (ii) if divine is not a reporting issuer or its equivalent in any Jurisdiction other than Quebec, such first trade is made through an exchange, or a market, outside of Canada; and

   (c) In Quebec,

   to the extent that there is no exemption available from the Registration Requirements and the Prospectus Requirements in respect of a first trade of Exchangeable Shares acquired under a Trade, the first trade in Quebec of Exchangeable Shares will be a distribution unless either

      (i) the following conditions are met:

         A. one of the parties to the Arrangement is and has been a reporting issuer in Quebec and has complied with the applicable requirements for the twelve months immediately preceding such first trade;

         B. no unusual effort is made to prepare the market or to create demand for the Exchangeable Shares;

         C. no extraordinary commission is paid to a person or company in respect of the trade; and

         D. if the seller of the Exchangeable Shares is an insider or officer of Delano, the seller has no reason to believe that Delano is in default of the Legislation, or

(ii) Delano is not a reporting issuer in Quebec and such first trade is made through an exchange, or a market, outside of Canada;

(d) In Quebec,

to the extent that there is no exemption available from the Registration Requirements and the Prospectus Requirements in respect of a first trade of divine Common Shares acquired under a Trade, the first trade in Quebec of divine Common Shares will be a distribution unless either

(i) the following conditions are met:

A. divine is and has been a reporting issuer in Quebec and has complied with the applicable requirements for the twelve months immediately preceding such first trade;

B. no unusual effort is made to prepare the market or to create demand for the divine Common Shares;

C. no extraordinary commission is paid to a person or company in respect of the trade; and

D. if the seller of the divine Common Shares is an insider or officer of divine, the seller has no reason to believe that divine is in default of the Legislation, or

(ii) divine is not a reporting issuer in Quebec and such first trade is made through an exchange, or a market, outside of Canada;

2. the Continuous Disclosure Requirements of Jurisdictions in which Delano is a reporting issuer or its equivalent shall not apply to Delano during such time as Delano is a reporting issuer or its equivalent in any of such Jurisdictions or thereafter, so long as:

(a) divine sends to all holders of Exchangeable Shares resident in the Jurisdictions all disclosure material furnished to holders of divine Common Shares resident in the United States, including, without limitation, copies of its annual financial statements and all proxy solicitation materials;

(b) divine files with the Decision Maker in the Jurisdictions in which Delano is a reporting issuer or its equivalent copies of all documents required to be filed pursuant to the 1934 Act, as amended, including, without limitation, copies of any Form 10-K, Form l0-Q, Form 8-K and proxy statements prepared in connection with divine's stockholders' meetings;

(c) divine complies with the requirements of NASDAQ in respect of making public disclosure of material information on a timely basis and forthwith issues in the Jurisdictions in which Delano is a reporting issuer or its equivalent and files with the Decision Maker in such Jurisdictions any press release that discloses a material change in divine's affairs;

(d) Delano complies with the Material Change Reporting Requirements in respect of material changes in the affairs of Delano that would be material to holders of Exchangeable Shares, but not to holders of divine Common Shares;

(e) prior to or coincident with the distribution of the Exchangeable Shares, divine shall cause Delano to provide to each recipient or proposed recipient of Exchangeable Shares resident in the Jurisdictions a statement that Delano is exempted from certain disclosure requirements applicable to reporting issuers in the Jurisdictions, and specifying those requirements Delano has been exempted from and identifying the disclosure that will be made in substitution therefor (which statement may be satisfied by the inclusion of such a statement in the Delano Circular);

(f) divine includes in all future mailings of proxy solicitation materials to holders of Exchangeable Shares a clear and concise statement explaining the reason for the mailed material being solely in relation to divine and not in relation to Delano, such statement to include a reference to the substantial economic equivalency between the Exchangeable Shares (and the right to direct voting at divine's stockholders' meetings pursuant to the Voting and Exchange Trust

Agreement) and the divine Common Shares;

(g) divine remains the direct or indirect beneficial owner of all the issued and outstanding voting securities of Delano;

(h) Delano has not made a public offering of securities other than the Exchangeable Shares in the Jurisdictions; and

(i) divine files with each Decision Maker copies of all documents required to be filed by it with the SEC under the 1934 Act, and such filings are made under Delano's SEDAR profile and the filing fees which would otherwise be payable by Delano in connection with such filings are paid

3. the Insider Reporting Requirements of Jurisdictions in which Delano is a reporting issuer or its equivalent shall not apply to any insider of Delano during such time as Delano is a reporting issuer or its equivalent in any of such Jurisdictions or thereafter, so long as such insider:

(a) does not receive or have access to, in the ordinary course, information as to material facts or material changes concerning divine before the material facts or material changes are generally disclosed;

(b) is not a director or senior officer of a significant subsidiary of divine as defined in National Instrument 55-101 *Exemption From Certain Insider Reporting Requirements* (a "Significant Subsidiary"); and

(c) is not an insider of divine in a capacity other than as a director or senior officer of a subsidiary of divine that is not a major subsidiary of divine, as if divine were a reporting issuer.

July 26, 2002.

"Paul M. Moore" "Harold P. Hands"

AND THE FURTHER DECISION of the Decision Maker in Ontario is that the AIF and MD&A Requirements and the 52-501 Filing Requirement shall not apply to Delano provided that the conditions set out in paragraph 2 of the operative portion of the Decision are satisfied.

July 26, 2002.

"Margo Paul"

2.1.14 Canadian Imperial Bank of Commerce - MRRS Decision

Headnote

MRRS for Exemptive Relief Applications - Time limits prescribed by the Securities Act (Ontario) for the filing of the final simplified prospectus extended to the time periods that would have been applicable if the lapse date for the distribution of the units of the funds was extended by twenty-four days. The issuer is to use this extension to have its financial statements re-audited.

Statutes Cited

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

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

AND

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

AND

**IN THE MATTER OF
IMPERIAL CANADIAN BOND POOL
IMPERIAL CANADIAN EQUITY POOL
IMPERIAL EMERGING ECONOMIES POOL
IMPERIAL INTERNATIONAL BOND POOL
IMPERIAL INTERNATIONAL EQUITY POOL
IMPERIAL MONEY MARKET POOL
IMPERIAL REGISTERED INTERNATIONAL EQUITY INDEX POOL
IMPERIAL REGISTERED U.S. EQUITY INDEX POOL
IMPERIAL SHORT-TERM BOND POOL
IMPERIAL U.S. EQUITY POOL
(each a "Pool", collectively the "Pools")**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces and territories of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Nunavut and Yukon (the "Jurisdictions") has received an application (the "Application") from Canadian Imperial Bank of Commerce ("CIBC"), the manager of the Pools, on behalf of each Pool, for a decision (the "Decision") pursuant to the securities legislation of the Jurisdictions (the "Legislation") extending the time periods prescribed by Legislation for the Pools to file, and obtain a receipt for, their (final) renewal simplified prospectus and annual

information form in order to continue the distribution of their securities for a further twelve months;

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 CIBC has represented to the Decision Makers that:

1. CIBC is the manager of the Pools. CIBC is a bank listed in Schedule I to the *Bank Act* (Canada). CIBC Trust Corporation, a wholly-owned subsidiary of CIBC, is the trustee of the Pools.

2. Each of the Pools is an open-ended mutual fund trust established under the laws of the Province of Ontario. Each of the Pools is a reporting issuer in the Jurisdictions. The financial year end for each of the Pools is December 31.

3. Units of the Pools are currently qualified for distribution in each of the Jurisdictions pursuant to a simplified prospectus and annual information form dated July 6, 2001 (the "Current Prospectus"). The MRRS decision document evidencing final receipts of the securities regulatory authorities in each of the Jurisdictions in respect of the Current Prospectus was issued on July 6, 2001. The earliest lapse date under the Legislation for distribution of units of the Pools under the Current Prospectus is July 6, 2002.

4. On April 22, 2002 a *pro forma* simplified prospectus and annual information form of the Pools was filed under SEDAR project number 439024 in each of the Jurisdictions for the purpose of qualifying for distribution units of the Pools.

5. Arthur Andersen LLP ("Andersen") audited the annual financial statements of the Pools for the year ended December 31, 2001 (the "Initial Statements") and issued its auditors' report thereon. The Initial Statements were filed, pursuant to the Legislation, via SEDAR on May 17, 2002 and mailed to unitholders of the Pools.

6. On June 3, 2002, Deloitte announced the completion of "the transaction that will enable over 1,000 Andersen partners and staff to join Deloitte & Touche" and the integration of Andersen people and clients into Deloitte (the "Transaction"). Accordingly, the responsibility to audit the Pools has been transitioned to Deloitte.

7. Each Pool proposes to request Deloitte to re-audit the annual financial statements of the Pool for the year ended December 31, 2001 and to provide its auditors' report thereon (the "Deloitte Statements").

8. The Pools propose to file the Deloitte Statements as "Audited Annual Financial Statements - English/French" under the existing SEDAR projects used by the Pools to file their continuous disclosure documents, including the Initial Statements. Concurrently with the filing of the Deloitte Statements, the Pools propose to file on SEDAR a letter indicating that the Initial Statements are superseded by the Deloitte Statements.

9. Additional time is required to re-audit the Pools. The Pools are expected to be ready to file final materials on August 9, 2002.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the time periods prescribed by legislation for the Pools to file, and obtain a receipt for, their (final) renewal simplified prospectus and annual information form in order to continue the distribution of their securities for a further twelve months are extended to the time periods that would be applicable if the lapse date of their Current Prospectus were July 30, 2002.

July 15, 2002.

"Merilyn M. Dasil"

2.1.15 Canadian Imperial Bank of Commerce - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Relief granted to a group of mutual fund trusts from requirement to deliver re-audited annual financial statements.

Applicable Ontario Statutory Provisions

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

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

AND

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

AND

**IN THE MATTER OF
IMPERIAL CANADIAN BOND POOL
IMPERIAL CANADIAN EQUITY POOL
IMPERIAL EMERGING ECONOMIES POOL
IMPERIAL INTERNATIONAL BOND POOL
IMPERIAL INTERNATIONAL EQUITY POOL
IMPERIAL MONEY MARKET POOL
IMPERIAL REGISTERED INTERNATIONAL EQUITY INDEX POOL
IMPERIAL REGISTERED U.S. EQUITY INDEX POOL
IMPERIAL SHORT-TERM BOND POOL
IMPERIAL U.S. EQUITY POOL
(collectively, the “Pools”)**

AND

**IN THE MATTER OF
CIBC CANADIAN BOND INDEX FUND
CIBC CANADIAN EMERGING COMPANIES FUND
CIBC CANADIAN REAL ESTATE FUND
CIBC CANADIAN SMALL COMPANIES FUND
CIBC EUROPEAN INDEX FUND
CIBC EUROPEAN INDEX RRSP FUND
CIBC FINANCIAL COMPANIES FUND
CIBC GLOBAL BOND INDEX FUND
CIBC INTERNATIONAL INDEX FUND
CIBC INTERNATIONAL INDEX RRSP FUND
CIBC INTERNATIONAL SMALL COMPANIES FUND
CIBC JAPANESE INDEX RRSP FUND
CIBC LATIN AMERICAN FUND
CIBC MONTHLY INCOME FUND
CIBC NASDAQ INDEX RRSP FUND
CIBC NORTH AMERICAN DEMOGRAPHICS FUND
CANADIAN IMPERIAL EQUITY FUND
(collectively, the “CIBC Funds”, together with the Pools, the “Funds”)**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of the provinces and territories of Canada, except Prince Edward Island, (the “Jurisdictions”) has received an application (the “Application”) from Canadian Imperial Bank of Commerce (“CIBC”), the manager of the Funds, on behalf of each of the Funds, for a decision (the “Decision”) pursuant to the securities legislation of the Jurisdictions (the “Legislation”) that each of the Funds be exempted from delivering to security holders annual financial statements for the year ended December 31, 2001 to be re-audited by Deloitte & Touche LLP (“Deloitte”) at the time such statements are filed, as would otherwise be required pursuant to applicable Legislation;

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

AND WHEREAS CIBC has represented to the Decision Makers that:

1. CIBC is the manager of the Funds. CIBC is a bank listed in Schedule I to the *Bank Act* (Canada). CIBC Trust Corporation, a wholly-owned subsidiary of CIBC, is the trustee of the Funds.

2. Each of the Funds is an open-ended mutual fund trust established under the laws of the Province of Ontario.

3. Units of the Pools are currently qualified for distribution in each of the Jurisdictions pursuant to a simplified prospectus and annual information form dated July 6, 2001. Units of each of the CIBC Funds are currently qualified for distribution in each of the Jurisdictions pursuant to a simplified prospectus and annual information form dated August 9, 2001.

4. Each of the Funds is a reporting issuer in the Jurisdictions and is not in default of any requirements of the Legislation or the rules or regulations made thereunder. The financial year-end for each of the Funds is December 31.

5. Arthur Andersen LLP (“Andersen”) audited the annual financial statements of the Funds for the year ended December 31, 2001 (the “Initial Statements”) and issued its auditors’ report thereon. The Initial Statements were filed, pursuant to the Legislation, via SEDAR on May 17, 2002 and mailed to unitholders of the Funds.

6. On June 3, 2002, Deloitte announced the completion of “the transaction that will enable over 1,000 Andersen partners and staff to join Deloitte & Touche” and the integration of Andersen people and clients into Deloitte (the “Transaction”). Accordingly, the responsibility to audit the Funds has been transitioned to Deloitte.

7. In connection with the Transaction, each of the Funds has requested Deloitte to re-audit the annual financial statements for the year ended December 31, 2001 and to provide its auditors’ report thereon (the “Deloitte Statements”).

8. The Funds are to file the Deloitte Statements as “Audited Annual Financial Statements - English/French” under the existing SEDAR projects used by the Funds to file their continuous disclosure documents, including the Initial Statements. Concurrently with the filing of the Deloitte Statements, the Funds propose to file on SEDAR a letter indicating that the Initial Statements are superseded by the Deloitte Statements.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that each of the Funds be exempted from delivering to security holders annual financial statements for the year ended December 31, 2001 to be re-audited by Deloitte at the time such statements are filed, provided that the Deloitte Statements are substantially the same as the Initial Statements in all material respects.

July 23, 2002.

“Mary Theresa McLeod” “Harold P. Hands”

2.1.16 Endev Energy Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Registration and prospectus relief provided for trades made in connection with a series of transactions that will result in a company acquiring a number of limited partnerships and the general partners of such partnerships. Relief granted subject to the resale restriction that the first trade in common shares of the company acquired pursuant to this ruling is deemed to be a distribution unless conditions in subsection (3) or (4) of section 2.6 of Multilateral Instrument 45-102 are satisfied.

Applicable Ontario Statutory Provisions

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

Applicable Ontario Rules

Rule 61-501 - Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions.

Applicable Instruments

Multilateral Instrument 45-102 - Resale of Securities - section 2.6.

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, SASKATCHEWAN, MANITOBA,
ONTARIO, QUEBEC, NEW BRUNSWICK,
NOVA SCOTIA, NEWFOUNDLAND AND LABRADOR,
PRINCE EDWARD ISLAND, 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
ENDEV ENERGY INC.

MRRS DECISION DOCUMENT

1. **WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, Northwest Territories, Nanavut and the Yukon Territory (the "Jurisdictions") has received an application from Endev Energy Inc. ("Endev") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirements contained in the Legislation to be

registered to trade in a security (the "Registration Requirements") and to file and obtain a receipt for a preliminary prospectus and a prospectus (the "Prospectus Requirements") will not apply to certain trades (more specifically set out below) made in connection a series of transactions involving Endev and a number of limited partnerships (the "Partnerships") as well as the general partners (the "General Partners") of the Partnerships;

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** Endev has represented to the Decision Makers that:

3.1 Endev was incorporated as 656525 Alberta Ltd. under the *Business Corporations Act* (Alberta) (the "ABCA") on May 31, 1995;

3.2 Endev changed its name to Internet Filtering Systems Inc. on October 18, 1995 and again on February 28, 1996 to Net Shepherd Inc.;

3.3 on August 1, 1996, Endev amalgamated with Enerstar Resources Inc. ("Enerstar") and on January 1, 1999 Endev amalgamated with two of its wholly-owned subsidiaries, Chronologic Systems Inc. and 708607 Alberta Ltd.;

3.4 on April 8, 2002, Endev effected a consolidation of its share capital on the basis of one new common Share for each ten common shares formerly outstanding, and changed its name to Flock Resources Ltd.;

3.5 on June 12, 2002 Endev changed its name from Flock Resources Ltd. to Endev Energy Inc.;

3.6 Endev is authorized to issue an unlimited number of common shares (the "Common Shares") and an unlimited number of first preferred shares, of which approximately 11,020,051 Common Shares were outstanding as of June 1, 2002;

3.7 the head office of Endev is located at Calgary, Alberta;

3.8 Endev is, and has been for a period of time in excess of 12 months, a reporting issuer under the securities legislation of British Columbia, Alberta and Ontario;

3.9 to the best of its knowledge, information and belief, Endev is not in default of any of the requirements under the Legislation;

3.10 each of the Partnerships is a limited partnership formed under the laws of Ontario for the acquisition, development and production of petroleum and natural gas in western Canada;

3.11 the head office of each Partnership is located at Toronto, Ontario;

3.12 each Partnership is managed by a General Partner. The limited partners of the Partnerships (the “Limited Partners”) are not entitled to participate in the management or control of the business and affairs of the Partnership;

3.13 the interests of the limited partners in each Partnership is divided into an unlimited number of units ("Units"). The Partnerships have varying numbers of Units issued and outstanding. Each Partnership Unit is equal to each other Unit of the same Partnership and has the same rights and obligations attaching to it as each other Unit. There is currently no market for the Units;

3.14 each of the Partnerships are, and have been for a period of time in excess of 12 months, a reporting issuer under the securities legislation of all or most of the provinces and territories of Canada. To the best of the knowledge, information and belief of Endev, none of the Partnerships are in default of the requirements under the Legislation;

3.15 on April 19, 2002, Endev entered into various letter agreements ("the Letter Agreements") with each of the General Partners of the Partnerships, namely, NCE Energy Assets (1993) Fund, NCE Oil & Gas (1993) Fund, NCE Energy Assets (1994) Fund, NCE Oil & Gas (1994) Fund, NCE Energy Assets (1995) Fund, NCE Oil & Gas (1995) Fund, NCE Energy Assets (1996) Fund, NCE Oil & Gas (1996) Fund and NCE Oil & Gas (1997) Fund;

3.16 under the Letter Agreements, Endev agreed to:

3.16.1 make offers (the "Offers") to acquire all the issued and outstanding Units of each of the Partnerships;

3.16.2 proceed with the following transactions (the "Transactions"):

3.16.2.1 the acquisition of all of the assets (the "Assets") of all of the Partnerships for the issuance of an aggregate of approximately 54,015,751 Common Shares to the Partnerships;

3.16.2.2 the acquisition of all of the shares of the General Partners of each of the Partnerships in consideration of the issuance of approximately 3,443,651 Common Shares to extinguish existing obligations of the Partnerships to pay fees to the General Partners;

3.16.2.3 97.5% of the Common Shares issued to the Partnerships in exchange for the Assets will subsequently be distributed to the Limited Partners pro rata to the number of Units held by each Limited Partner; and

3.16.2.4 the remaining 2.5% of the Common Shares issued to the Partnerships will be distributed to certain agents (the "Agents") acting at arm's length to each of the parties to the transactions, which Agents' originally distributed the Units to the public, in order to extinguish an investor services fee ("Investor Services Fee") payable by each Partnership to the Agents;

3.17 on April 30, 2002, Endev made the Offers pursuant to a formal take-over bid circular dated April 30, 2002 (the "Take-Over Bid Circular"), which was open for acceptance until 4:30 p.m. (Calgary time) on June 18, 2002;

3.18 a management information circular (the "Information Circular") in connection with the annual and special meeting (the "Meeting") of the shareholders of Endev held on June 10, 2002 to approve the Transactions and the issuance of Common Shares under the Transactions, among other things, was mailed to Endev Shareholders on May 6, 2002;

3.19 the Information Circular forwarded to Endev shareholders in connection with the Meeting being called to consider the Transactions and the Take-Over Bid Circular (together, the "Circulars") forwarded to the holders of the Units of each Partnership contains prospectus-level disclosure regarding the businesses of Endev and each of the Partnerships;

3.20 the Circulars also contain a valuation from Sayer Securities Limited in respect of the Transactions and a fairness opinion from Yorkton Securities Inc. concluding that the consideration to be received pursuant to the Transactions is fair, from a financial point of view, to the Limited Partners;

3.21 the Board of Directors of Endev has unanimously approved the Transactions and has recommended that the Endev shareholders vote in favour of the resolution approving the Transactions;

3.22 in accordance with Rule 61-501 ("Rule 61-501") of the Ontario Securities Commission and Policy Q-27 of the Quebec Securities Commission, the Transactions were approved by a majority of the votes cast by disinterested shareholders of Endev at the Meeting (which, in this case, excluded the votes of all "interested parties" in the Transactions, as such term is defined under Rule 61-501). The Transactions were also approved by the TSX Venture Exchange;

3.23 each Transaction was approved by at least two-thirds of the votes cast by limited partners of each Partnership at each partnership meeting called to approve the Transactions. To the knowledge of Endev, no interested parties held any Units of the Partnerships;

3.24 in accordance with Rule 61-501 of the Ontario Securities Commission and Policy Q-27 of the Quebec Securities Commission, each Transaction was approved by a majority of the votes cast by disinterested limited partners of each Partnership at each Partnership meeting;

3.25 under the Offers, Endev has been successful in acquiring approximately 35% to 52% of the Units of each of the Partnerships;

3.26 Endev is proceeding to take up and pay for the Units deposited under the Offers, and intends to allow, and to facilitate, the Transactions to proceed, such that Endev will issue Common Shares to the Partnerships in exchange for the Assets and the Partnerships will subsequently be dissolved, with the result that former limited partners of each Partnership will receive Common Shares of Endev pro rata to their respective interests in the Partnerships;

3.27 to the extent that Endev holds Units of any Partnership as a result of the completion of the Offers, and is subsequently distributed Common Shares through the dissolution of the Partnerships, such Common Shares will be cancelled. Accordingly, the aggregate "net" number of Common Shares issued in connection with the Transactions will be the same as if Endev had not proceeded with the Offers, but only proceeded with the acquisition of all the Assets of the Partnerships through the Transactions;

3.28 in connection with the Transactions, the following trades (the "Trades") are not exempt from the Registration Requirements and Prospectus Requirements in all Jurisdictions:

3.28.1 the issuance of the Common Shares to the Partnerships in exchange for the Assets;

3.28.2 the distribution of the Common Shares to the Limited Partners in connection with the dissolution of the Partnerships, and the first trade by Limited Partners of such Common Shares; and

3.28.3 the distribution of the Common Shares to the Agents in order to extinguish the obligation to pay the Investor Services Fees, and the first trade of such Common Shares;

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 the Registration Requirements and Prospectus Requirements will not apply to the Trades made in connection with the Transactions provided that the first trade in Endev Shares acquired under this Decision in a Jurisdiction shall be deemed to be a distribution or primary distribution to the public under the Legislation of such Jurisdiction unless the conditions in subsection (3) or (4) of section 2.6 of Multilateral Instrument 45-102 *Resale of Securities* are satisfied.

July 22, 2002.

“Glenda A. Campbell” “Walter B. O’Donoghue”

2.1.17 Contrans Income Fund et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Relief from registration and prospectus requirements granted for certain trades and distributions of securities in connection with a statutory arrangement where exemptions not available for technical reasons. First trade in certain securities acquired under decision deemed a distribution unless certain conditions in Multilateral Instrument 45-102 - Resale of Securities - are satisfied.

Applicable Ontario Statutory Provisions

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

Applicable Ontario Rules

Ontario Securities Commission Rule 45-501 - Exempt Distributions - section 2.8.

Applicable Instruments

Multilateral Instrument 45-102 - Resale of Securities - section 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,
SASKATCHEWAN AND THE YUKON TERRITORY**

AND

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

AND

**IN THE MATTER OF
CONTRANS INCOME FUND, CONTRANS CORP.,
CONTRANS HOLDING COMPANY CORP.,
CONTRANS OPERATING TRUST AND
CONTRANS HOLDING LIMITED PARTNERSHIP**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, the Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Saskatchewan and the Yukon Territory (the "Jurisdictions") has received an application from Contrans Income Fund (the "Fund"), Contrans Corp. ("Contrans" or the "Company"), Contrans Holding Company Corp. ("Newco"), Contrans Operating Trust (the "Operating Trust") and Contrans Holding Limited Partnership (the "Partnership") (collectively, the "Applicants") 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 and distributions of securities to be made in connection with the acquisition of all of the issued and outstanding Class A subordinate voting shares (the "Subordinate Voting Shares") and Class B multiple voting shares (the "Multiple Voting Shares") of the Company pursuant to a plan of arrangement (the "Plan of Arrangement") under section 182 of the *Business Corporations Act* (Ontario) (the "OBCA") involving the Company and its shareholders (the "Transaction");

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 the Applicants have represented to the Decision Makers that:

1. the Fund is an unincorporated open-ended limited purpose trust established under the laws of the Province of Ontario pursuant to a declaration of trust dated as of April 16, 2002. The Fund was created for the purpose of acquiring and holding certain investments. The head and principal offices of the Fund are located at 1179 Ridgeway Road, Woodstock, Ontario N4S 8P6;

2. on June 14, 2002, the Fund filed a preliminary prospectus in each of the Jurisdictions in connection with an initial public offering of subordinate voting trust units (the "Subordinate Voting Trust Units"). The Fund will file a (final) prospectus in each of the Jurisdictions prior to closing of the Transaction. Upon receipt of the MRRS decision document with respect to such (final) prospectus, the Fund will become a reporting issuer or the equivalent in each of the Jurisdictions;

3. the Fund was established with nominal capitalization and currently has only nominal assets and no liabilities. The only activity currently anticipated to be carried on by the Fund will be the holding of units (the "Operating Trust Units") and notes (the "Operating Trust Notes") of the Operating Trust;

4. the Fund is authorized to issue an unlimited number of Subordinate Voting Trust Units, an unlimited number of series A subordinate voting rights (the "Subordinate Voting Rights") and a limited number of series B multiple voting rights (the "Multiple Voting Rights"). As of the close of business on June 21, 2002, one Subordinate Voting Trust Unit and no Subordinate Voting Rights or Multiple Voting Rights (together, the

"Special Voting Rights") were issued and outstanding;

5. in connection with the Transaction, the Fund will indirectly issue Subordinate Voting Trust Units to shareholders of the Company (the "Shareholders") (other than Shareholders electing to receive Partnership Units). Subordinate Voting Trust Units are redeemable at any time on demand by the holders thereof (the "Unitholders"). In certain instances, such a redemption may be paid and satisfied by way of a distribution in *specie* of a pro rata number of securities of the Operating Trust held by the Fund and a pro rata share of any other assets after taking into account all liabilities of the Fund;

6. it is anticipated that the redemption right described above will not be the primary mechanism for holders of Subordinate Voting Trust Units to dispose of their Subordinate Voting Trust Units. Securities of the Operating Trust will not be listed on any stock exchange;

7. the Fund has received conditional approval from the Toronto Stock Exchange (the "TSX") for the listing on the TSX of the Subordinate Voting Trust Units issuable in connection with the Transaction subject to, among other things, completion of the Transaction. The Subordinate Voting Trust Units issued pursuant to the Transaction or issuable from time to time in exchange for units of the Partnership issued pursuant to the Transaction will also be listed on the TSX, subject to receipt of final approval from the TSX;

8. the Operating Trust is an unincorporated open-ended trust established under the laws of the Province of Ontario pursuant to a declaration of trust dated as of April 16, 2002. The head and principal offices of the Operating Trust are located at 1179 Ridgeway Road, Woodstock, Ontario N4S 8P6. The beneficial interests in the Operating Trust constitute a single class of units described and designated as Operating Trust Units. The initial holder of the Operating Trust Units is the Fund. The Operating Trust was formed to serve as the conduit through which investment and initial business purposes of the Fund will be carried out;

9. the Operating Trust will, from time to time, have debt obligations outstanding to the Fund. The debt will be evidenced by Operating Trust Notes issued under a note indenture. The Fund will be the initial holder of the Operating Trust Notes, and entitled to the payments and rights of an unsecured creditor;

10. the Operating Trust is not a reporting issuer (or equivalent) in any of the Jurisdictions;

11. the Company was incorporated under the OBCA on July 23, 1982. The Company operates in the transportation industry, principally in the truckload market as a provider of freight transportation services. The head and principal offices of the Company are located at 1179 Ridgeway Road, Woodstock, Ontario N4S 8P6;

12. the authorized capital of the Company consists of an unlimited number of Subordinate Voting Shares, an unlimited number of Multiple Voting Shares and an unlimited number of preference shares, issuable in series of which, as at June 21, 2002, 4,070,068 Subordinate Voting Shares, 366,931 Multiple Voting Shares and no preferred shares were outstanding. Each Subordinate Voting Share entitles the holder thereof to one vote at all meetings of Shareholders and each Multiple Voting Share entitles the holder thereof to ten votes at all meetings of Shareholders;

13. the Subordinate Voting Shares are presently listed on the TSX and the Company is a reporting issuer (or the equivalent) in each of the Jurisdictions. Following the effective date of the Transaction, the Subordinate Voting Shares will be delisted from the TSX and the Company will apply to cease to be a reporting issuer, where applicable;

14. Newco was incorporated under the OBCA for the purpose of participating in the Transaction. The authorized capital of Newco consists of an unlimited number of common shares (the "Newco Common Shares"). The head and principal offices of Newco are located at 1179 Ridgeway Road, Woodstock, Ontario N4S 8P6;

15. Newco Common Shares and notes of Newco ("Newco Notes") will be issued to holders of Subordinate Voting Shares and Multiple Voting Shares (together, "Contrans Shares") who elect to receive Subordinate Voting Trust Units pursuant to the Transaction. Such Newco Common Shares and Newco Notes will be subsequently (but within the Arrangement) transferred by the holders to the Fund in exchange for Subordinate Voting Trust Units and subsequently sold by the Fund to the Operating Trust in exchange for Operating Trust Units and Operating Trust Notes;

16. subsequent to the steps described above and as part of the Plan of Arrangement, Newco and Contrans will amalgamate to form Contrans Corp. ("New Contrans");

17. New Contrans will be formed by way of articles of amalgamation pursuant to the laws of the Province of Ontario upon the amalgamation of Contrans and Newco. New Contrans will be a holding company and will own Class C limited partnership units of the Partnership (the "Class C LP Units") and notes of the Partnership. New Contrans will also be the administrator of the Fund and the Operating Trust and manager of the Partnership and various limited partnerships

formed, or to be formed, in connection with the Arrangement as the Operating Entities;

18. New Contrans will be authorized to issue an unlimited number of common shares ("New Contrans Common Shares"), an unlimited number of Class A special shares (“New Contrans Series A Special Shares”) and an unlimited number of Class B special shares (“New Contrans Series B Special Shares”) (collectively, the "New Contrans Special Shares"). Upon completion of the Plan of Arrangement, the issued and outstanding securities of New Contrans will consist of New Contrans Common Shares, notes of New Contrans (the "New Contrans Notes") and the New Contrans Special Shares. New Contrans will issue New Contrans Common Shares and New Contrans Notes to the Operating Trust in an amount equal to that number of Special Voting Rights issued by the Fund to the holders of Partnership Units. The New Contrans Special Shares will be held by the Partnership;

19. the Partnership is to be a limited partnership formed under the laws of the Province of Ontario. The general partner will be Contrans Holding GP Inc., which will be a wholly-owned subsidiary of New Contrans. The head and principal offices of the Partnership are located at 1179 Ridgeway Road, Woodstock, Ontario N4S 8P6;

20. the Partnership will be authorized to issue three classes of partnership interests, Class A limited partnership units ("Class A LP Units"), Class B limited partnership units ("Class B LP Units") and Class C LP Units. Upon completion of the Transaction, all issued and outstanding Class C LP Units will be held by New Contrans and all Class A LP Units and Class B LP Units (together, "Partnership Units") will be held by former holders of Contrans Shares who have elected to exchange such shares for Class A LP Units and Class B LP Units;

21. the Partnership is not a reporting issuer (or its equivalent) in any of the Jurisdictions;

22. the Transaction will be effected by way of the Plan of Arrangement, which requires (i) Shareholder approval (which approval was obtained at a special meeting of Shareholders held on May 21, 2002 (the "Meeting"), and (ii) the final approval of the Ontario Superior Court of Justice (the application in respect of which was heard on July 5, 2002);

23. the management information circular (the "Circular") delivered to Shareholders in connection with the Meeting has been prepared in conformity with the provisions of the OBCA, applicable securities laws and an interim order of the Court and contains prospectus-level disclosure of the business and affairs of the Fund, the Company and the Partnership and a detailed description of the Transaction and the Plan of Arrangement and was mailed to shareholders in connection with the Meeting on April 16, 2002;

24. on the Plan of Arrangement becoming effective, in accordance with elections made or deemed to be made by holders of Contrans Shares, the outstanding Contrans Shares will be indirectly (after giving effect to various steps of the Transaction which are to occur in immediate succession) exchanged for Partnership Units (and related Special Voting Rights), Subordinate Voting Trust Units or a combination of the foregoing;

25. the rights, privileges, restrictions and conditions attaching to the Partnership Units under the limited partnership agreement (the "Limited Partnership Agreement") governing the Partnership, together with the Exchange Agreements and the Investment Exchange Agreement described below, will provide holders thereof with a security having economic rights which are, as nearly as practicable, equivalent to those of Subordinate Voting Trust Units. This alternative has been provided in order to give holders of Contrans Shares who are residents of Canada the opportunity to pursue certain tax efficiencies with respect to the exchange of their Contrans Shares. The Partnership Units will be exchangeable by a holder thereof for Subordinate Voting Trust Units on a one-for-one basis at any time at the option of such holder and will be required to be exchanged upon the occurrence of certain events;

26. the Limited Partnership Agreement will provide that the Partnership Units will be non-voting (except as required by the Limited Partnership Agreement or by applicable law) and each Partnership Unit will entitle the holder to distributions from the Partnership payable at the same time as, and equivalent to, each distribution paid by the Fund on a Subordinate Voting Trust Unit. On the liquidation, dissolution or winding-up of the Partnership, a holder of Partnership Units will be entitled to receive from the Partnership an amount equal to all declared and unpaid distributions on each such Partnership Unit held by the holder on any distribution record date prior to the date of liquidation, dissolution or winding-up and will be entitled to a return of his or her capital contribution upon the dissolution, wind-up or liquidation of the Partnership on a *pro rata* basis from the assets of the Partnership. Partnership Units may only be transferred in certain limited circumstances;

27. the Limited Partnership Agreement will further provide that upon certain actions, such as distributions of stock dividends, options, rights or warrants for the purchase of securities or other assets, subdivisions, reclassifications,

reorganizations and other changes, being taken in respect of the Subordinate Voting Trust Units generally, the same or an economically equivalent action will be taken by the Partnership in respect of the Partnership Units. Pursuant to the Exchange Agreements (as hereinafter defined), the Fund has agreed that, to the extent further Class A LP Units are issued, it will issue a corresponding number of Subordinate Voting Rights to the holders thereof;

28. pursuant to the Plan of Arrangement, each of the holders of Class A LP Units will receive one Subordinate Voting Right for each Class A LP Unit and each of the holders of Class B LP Units will receive one Multiple Voting Right for each Class B LP Unit. Each Subordinate Voting Right will entitle the holder thereof to one vote at meetings of Unitholders and each Multiple Voting Right will entitle the holder thereof to ten votes at meetings of Unitholders. Special Voting Rights will have none of the other rights attached to Subordinate Voting Trust Units. The Special Voting Rights to be issued to the holders of Partnership Units may be transferred together with the associated Partnership Units only in certain circumstances, will be evidenced only by the certificates representing such Partnership Units and will be automatically redeemed for nominal consideration and cancelled upon the exchange of Partnership Units for Subordinate Voting Trust Units on a voluntary basis as well as upon the occurrence of certain other events giving rise to a Compulsory Exchange (as hereinafter defined), as described in the Circular;

29. certain exchange rights will be granted by the Fund and the Operating Trust to the holders of Partnership Units and by the holders of Partnership Units to the Operating Trust pursuant to an agreement (the "Exchange Agreement") to be entered into by the Operating Trust and each holder of Partnership Units contemporaneously with the closing of the Transaction. Under each Exchange Agreement, the Operating Trust will grant to the holders of the Partnership Units an exchange right (an "Exchange Right"), exercisable at any time, to require the Operating Trust to exchange all or any part of a holder's Partnership Units for Subordinate Voting Trust Units on the basis of one Subordinate Voting Trust for each Partnership Unit exchanged. In addition, each Special Voting Right attached to the Partnership Units being exchanged by a holder will be automatically redeemed by the Operating Trust for nominal consideration and cancelled;

30. under the Exchange Agreements, the Operating Trust may force the exchange (a "Compulsory Exchange") of Partnership Units for Subordinate Voting Trust Units in certain circumstances, as described in the Circular. Upon the Operating Trust effecting a Compulsory Exchange, a holder of Partnership Units will be entitled to receive from the Operating Trust Subordinate Voting Trust Units on the basis of one Subordinate Voting Trust Unit for each Partnership Unit exchanged. In addition, each Special Voting Right attached to the Partnership Units being exchanged by the Operating Trust will be automatically redeemed for nominal consideration and cancelled;

31. in the event that the Operating Trust is unable for any reason to exchange Partnership Units for Subordinate Voting Trust Units in connection with the exercise of an Exchange Right or a Compulsory Exchange, the holders of Partnership Units may be permitted to deal directly with the Fund in order to effect such exchange;

32. contemporaneously with the closing of the Transaction, the Fund and the Operating Trust will enter into an agreement (the "Investment Exchange Agreement") which will provide that the Fund will purchase certain securities of the Operating Trust in exchange for Subordinate Voting Trust Units in sufficient numbers to allow the Operating Trust to meet its obligations, from time to time, in respect of the Exchange Right and the Compulsory Exchange under the Exchange Agreements;

33. the steps under the Transaction and the attributes of the Partnership Units contained in the Limited Partnership Agreement, the Exchange Agreement and the Investment Exchange Agreement involve or may involve a number of trades of securities, including the trades noted below (collectively the "Trades") and there may be no registration or prospectus exemptions available under the Legislation for certain of the Trades:

Trades in connection with the initial issuance of Subordinate Voting Trust Units

(a) the issuance of Newco Common Shares and Newco Notes by Newco to Shareholders and the transfer of Contrans Shares by Shareholders to Newco in exchange;

(b) the issuance of Subordinate Voting Trust Units by the Fund to holders of Newco Common Shares and Newco Notes and the transfer of Newco Common Shares and Newco Notes by holders to the Fund in exchange;

(c) the sale of Newco Common Shares and Newco Notes by the Fund to the Operating Trust and the issuance of Operating Trust Units and Operating Trust Notes by the Operating Trust to the Fund as consideration;

Trades in connection with the amalgamation of Contrans and Newco

(d) the issuance of New Contrans Common Shares and New Contrans Notes by New Contrans to the Operating Trust and the transfer of Newco Common Shares and Newco Notes by the Operating Trust in exchange;

(e) the issuance of New Contrans Series A Special Shares by New Contrans to holders of Subordinate Voting Shares (or shareholders of an eligible holding company holding Subordinate Voting Shares) and the transfer of Subordinate Voting Shares (or shares of an eligible holding company) by Shareholders in exchange;

(f) the issuance of New Contrans Series B Special Shares by New Contrans to holders of Multiple Voting Shares (or shareholders of an eligible holding company holding Multiple Voting Shares) and the transfer of Multiple Voting Shares (or shares of an eligible holding company) by Shareholders in exchange;

Trades in connection with the issuance of Partnership Units and associated Special Voting Rights

(g) the issuance of Class A LP Units, or a combination of Class A LP Units and exchange notes, which exchange notes are immediately and automatically exchanged for Subordinate Voting Trust Units, by the Partnership to holders of New Contrans Series A Special Shares (or shareholders of an eligible holding company holding New Contrans Series A Special Shares) and the transfer of New Contrans Series A Special Shares (or shares of an eligible Holding Company) by holders in exchange;

(h) the issuance of Class B LP Units, or a combination of Class B LP Units and exchange notes, which exchange notes are immediately and automatically exchanged for Subordinate Voting Trust Units, by the Partnership to holders of New Contrans Series B Special Shares (or shareholders of an eligible holding company holding New Contrans Series B Special Shares) and the transfer of New Contrans Series B Special Shares (or shares of an eligible holding company) by holders in exchange;

(i) the issuance of Subordinate Voting Rights by the Fund to holders of Class A LP Units;

(j) the issuance of Multiple Voting Rights by the Fund to holders of Class B LP Units;

(k) the issuance of New Contrans Common Shares by New Contrans to the Operating Trust for each Subordinate Voting Right and Multiple Voting Right issued by the Fund;

Trades in connection with the Exchange Agreements and Investment Exchange Agreement

(l) the grant by the Operating Trust to the holders of Partnership Units, pursuant to the Exchange Agreements, of the Exchange Right;

(m) the creation of the right to effect a Compulsory Exchange in favour of the Operating Trust;

(n) the issuance and intra-group transfers of Subordinate Voting Trust Units and related issuances of securities of the Operating Trust in consideration therefor, all by and between the Fund and the Operating Trust, from time to time to enable the Operating Trust to deliver Subordinate Voting Trust Units to a holder of Partnership Units upon the exchange of Partnership Units pursuant to the Exchange Right or the Compulsory Exchange (i.e., the Fund will issue and contribute Subordinate Voting Trust Units to the Operating Trust and in consideration therefor, the Operating Trust will issue securities of the Operating Trust to the Fund; the Operating Trust will then have Subordinate Voting Trust Units to deliver to holders of Partnership Units upon exercise of the Exchange Right or Compulsory Exchange);

(o) the transfer of Subordinate Voting Trust Units by the Operating Trust to the holders of Partnership Units upon the exercise of the Exchange Right or the Compulsory Exchange;

(p) the transfer of Partnership Units by the holder to the Operating Trust upon the exchange of Partnership Units pursuant to the Exchange Right or the Compulsory Exchange;

(q) the redemption, from time to time, of Partnership Units by the Partnership in

the event that the Operating Trust is unable to acquire Partnership Units upon exercise of the Exchange Right or the Compulsory Exchange;

(r) the issuance of Subordinate Voting Trust Units by the Fund, from time to time, in connection with the redemption of Partnership Units by the Partnership, and the subsequent delivery thereof by the Fund upon such exercise of the redemption right;

(s) the redemption, from time to time, of Special Voting Rights of the Fund upon the exchange of the associated Partnership Units;

(t) the exchange, from time to time, of Multiple Voting Rights for Subordinate Voting Rights in certain circumstances; and

Post-Transaction Trades

(u) the distribution by the Fund, from time to time, to the holders of Partnership Units of Subordinate Voting Rights upon the issuance of further Class A LP Units to such holders in order to maintain the equivalency of the Partnership Units to the Subordinate Voting Trust Units.

34. in addition, there are trades in connection with the redemption of Subordinate Voting Trust Units (the “Redemption Trades”) for which there are no prospectus exemptions available under the legislation, being:

(a) the redemption, from time to time, of Subordinate Voting Trust Units by the Fund upon a request by a holder; and

(b) the distribution by the Fund, from time to time, to the former holders of Subordinate Voting Trust Units redeemed by the Fund as a distribution *in specie* of Operating Trust Notes.

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

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

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

1. the Registration Requirement and the Prospectus Requirement shall not apply to the Trades or the Redemption Trades provided that the first trade in Subordinate Voting Trust Units, Partnership Units and Operating Trust Notes acquired under this Decision shall be deemed to be a distribution or primary distribution to the public; and

2. the Prospectus Requirement shall not apply to the first trade of Subordinate Voting Trust Units acquired under this Decision provided that the conditions in subsections (3) or (4) of section 2.6 of Multilateral Instrument 45-102 Resale of Securities ("MI 45-102") are satisfied, except that for the purposes of determining the period of time that the Fund has been a reporting issuer under section 2.6 of MI 45-102, the period of time that the Company was a reporting issuer in at least one of the jurisdictions listed in Appendix B of MI 45-102 immediately before the Transaction may be included.

July 19, 2002.

“Paul M. Moore” “Harold P. Hands”

2.1.18 BNS Split Corp. and Scotia Capital Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - subdivided offering - the prohibitions contained in the Legislation prohibiting trading in portfolio shares by persons or companies having information concerning the trading programs of mutual funds shall not apply to the promoter/agent with respect to certain principal trades with the issuer in securities comprising the issuer's portfolio - issuer's portfolio consisting of common shares of the Bank of Nova Scotia.

Issuer, a mutual fund, exempted from restriction against making an investment in any person or company who is a substantial security holder of the mutual fund, its management company or distribution company.

Applicable Ontario Statutes

Securities Act, R.S.O. 1990, c. S.5, as amended, ss. 111(2)(a), 113, 119, 121(2)(a)(ii).

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

AND

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

AND

IN THE MATTER OF
BNS SPLIT CORP.

AND

IN THE MATTER OF
SCOTIA CAPITAL INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Ontario, British Columbia, Alberta, Saskatchewan, Newfoundland and Labrador and Nova Scotia (the "Jurisdictions") has received an application from BNS Split Corp. (the "Issuer") and Scotia Capital Inc. ("Scotia Capital") for decisions under the securities legislation (the "Legislation") of the Jurisdictions that the following requirements contained in the applicable Legislation shall not apply to the Issuer and/or Scotia Capital, as applicable, in connection with the initial public offering (the "Offering") of class A capital shares (the "Capital Shares") and class A preferred shares (the "Preferred Shares") of the Issuer:

(a) in the case of the Legislation of each of the Jurisdictions, the prohibitions contained therein prohibiting trading in portfolio shares by persons or companies having information concerning the trading programs of mutual funds (the "Principal Trading Prohibitions") shall not apply to Scotia Capital in connection with the Principal Sales and Principal Purchases (both as hereinafter defined); and

(b) in the case of the Legislation of each of the Jurisdictions, the restrictions contained therein prohibiting the Issuer from making investments in the common shares of The Bank of Nova Scotia, which bank is a substantial security holder of a distribution company of the Issuer (the "Investment Restrictions") shall not apply to the Issuer in connection with the Offering;

subject to certain restrictions;

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

AND WHEREAS the Issuer and Scotia Capital have represented to the Decision Makers that:

1. Scotia Capital was incorporated under the laws of the Province of Ontario and is a direct, wholly-owned subsidiary of The Bank of Nova Scotia ("Scotiabank") and is registered under the Legislation as a dealer in the categories of "broker" and "investment dealer" and is a member of the Investment Dealers Association of Canada and The Toronto Stock Exchange (the "TSX").

2. Scotia Capital is the promoter of the Issuer and will be establishing a credit facility in favour of the Issuer in order to facilitate the acquisition of the Scotiabank Shares (as defined below) by the Issuer.

3. The Issuer was incorporated on June 14, 2002 under the laws of the Province of Ontario and is authorized to issue an unlimited number of Class J Shares and an unlimited number of Class K Shares.

4. The Issuer has filed with the securities regulatory authorities of each Province of Canada a preliminary prospectus dated June 14, 2002 (the "Preliminary Prospectus") in respect of the proposed offering (the "Offering") of Capital Shares and Preferred Shares to the public.

5. The Issuer intends to become a reporting issuer under the Legislation by filing a final prospectus (the "Final Prospectus") relating to the Offering. Prior to the filing of the Final Prospectus, the Articles of Incorporation of the Issuer will be amended so that the authorized capital of the

Issuer will consist of an unlimited number of Capital Shares, an unlimited number of Preferred Shares, an unlimited number of Class B, Class C, Class D and Class E capital shares, issuable in series, an unlimited number of Class B, Class C, Class D and Class E preferred shares, issuable in series, and an unlimited number of Class J Shares, having the attributes set forth under the headings "Description of Share Capital" and "Details of the Offerings" commencing on page 16 of the Preliminary Prospectus.

6. The Capital Shares and Preferred Shares may be surrendered for retraction at any time in the manner described in the Preliminary Prospectus.

7. Application will be made to list the Capital Shares and Preferred Shares on the TSX.

8. The Capital Shares and the Class J Shares will be the only voting shares in the capital of the Issuer. At the time of filing the Final Prospectus, there will be 100 Class J Shares issued and outstanding. Scotia Capital will own all of the issued and outstanding Class J Shares of the Issuer.

9. The Issuer has a board of directors which currently consists of three directors. All of the directors are employees of Scotia Capital. Also, the offices of President/Chief Executive Officer and Chief Financial Officer/Secretary of the Issuer are held by employees of Scotia Capital. Prior to filing the Final Prospectus, it is contemplated that three additional directors, independent of Scotia Capital, will be appointed to the board of directors of the Issuer.

10. Pursuant to an agreement (the "Agency Agreement") to be made between the Issuer and Scotia Capital and such other agents as may be appointed after the date of this application (collectively, the "Agents" and individually, an "Agent"), the Issuer will appoint the Agents, as its agents, to offer the Capital Shares and Preferred Shares of the Issuer on a best efforts basis and the Final Prospectus qualifying the Offering will contain a certificate signed by each of the Agents in accordance with the Legislation.

11. The Issuer is considered to be a mutual fund as defined in the Legislation. Since the Issuer does not operate as a conventional mutual fund, it has made application for a waiver from certain requirements of National Instrument 81-102.

12. The Issuer is a passive investment company whose principal undertaking will be to invest the net proceeds of the Offering in a portfolio (the "Portfolio") of common shares (the "Scotiabank Shares") of Scotiabank in order to generate fixed cumulative preferential distributions for the holders of the Preferred Shares and to enable the holders of Capital Shares to participate in any capital appreciation in the Scotiabank Shares after payment of administrative and operating expenses.

13. The Final Prospectus will disclose the acquisition cost to the Issuer of the Scotiabank Shares and selected financial information and dividend and trading history of the Scotiabank Shares.

14. The Scotiabank Shares are listed and traded on the TSX.

15. The Issuer is not, and will not upon the completion of the Offering, be an insider of Scotiabank within the meaning of the Legislation.

16. Scotia Capital does not have knowledge of a material fact or material change with respect to Scotiabank that has not been generally disclosed.

17. Scotia Capital's economic interest in the Issuer and in the material transactions involving the Issuer are disclosed in the Preliminary Prospectus and will be disclosed in the Final Prospectus under the heading "Interest of Management and Others in Material Transactions" and include the following:

    (a) agency fees with respect to the Offering;

    (b) an administration fee under the Administration Agreement;

    (c) commissions in respect of the acquisition of Scotiabank Shares, the disposition of Scotiabank Shares to fund a redemption or retraction, or the purchase for cancellation, of the Capital Shares and Preferred Shares or if necessary, to fund a portion of the fixed distribution on the Preferred Shares;

    (d) interest and reimbursement of expenses, in connection with the acquisition of Scotiabank Shares; and

    (e) amounts in connection with Principal Sales and Principal Purchases (as described in paragraphs 21 and 28 below).

18. The net proceeds from the sale of the Capital Shares and Preferred Shares under the Final Prospectus, after payment of commissions to the Agents, expenses of issue and carrying costs relating to the acquisition of the Scotiabank Shares, will be used by the Issuer to:

    (a) pay the acquisition cost (including any related costs or expenses) of the Scotiabank Shares; and

(b) pay the initial fee payable to Scotia Capital for its services under the Administration Agreement (as defined below).

19. All Capital Shares and Preferred Shares outstanding on a date approximately five years from the closing of the Offering will be redeemed by the Issuer on such date. Capital Shares and Preferred Shares will be retractable at the option of the holder and redeemable at the option of the Issuer as described in the Preliminary Prospectus.

20. Pursuant to an agreement (the “Securities Purchase Agreement”) to be entered into between the Issuer and Scotia Capital, Scotia Capital will purchase, as agent for the benefit of the Issuer, Scotiabank Shares in the market on commercial terms or from non-related parties with whom Scotia Capital and the Issuer deal at arm’s length. Subject to receipt of all necessary regulatory approvals, Scotia Capital may, as principal, sell Scotiabank Shares to the Issuer (the “Principal Sales”). The aggregate purchase price to be paid by the Issuer for the Scotiabank Shares (together with carrying costs and other expenses incurred in connection with the purchase of Scotiabank Shares) will not exceed the net proceeds from the Offering.

21. Under the Securities Purchase Agreement, Scotia Capital may receive commissions at normal market rates in respect of its purchase of Scotiabank Shares, as agent on behalf of the Issuer, and the Issuer will pay any carrying costs or other expenses incurred by Scotia Capital, on behalf of the Issuer, in connection with its purchase of Scotiabank Shares as agent on behalf of the Issuer. In respect of any Principal Sales made to the Issuer by Scotia Capital as principal, Scotia Capital may realize a financial benefit to the extent that the proceeds received from the Issuer exceed the aggregate cost to Scotia Capital of such Scotiabank Shares. Similarly, the proceeds received from the Issuer may be less than the aggregate cost to Scotia Capital of the Scotiabank Shares and Scotia Capital may realize a financial loss, all of which is described in the Preliminary Prospectus and will be described in the Final Prospectus.

22. The Preliminary Prospectus discloses and the Final Prospectus will disclose that any Principal Sales will be made in accordance with the rules of the applicable stock exchange and the price paid by Scotia Capital (inclusive of all transaction costs, if any) will not be greater than the price which would have been paid (inclusive of all transaction costs, if any) if the acquisition had been made through the facilities of the principal stock exchange on which the Scotiabank Shares are listed and posted for trading at the time of the purchase from Scotia Capital.

23. Scotia Capital will not receive any commissions from the Issuer in connection with the Principal Sales and all Principal Sales will be approved by the independent directors of the Issuer.

24. For the reasons set forth in paragraphs 20 and 21 above, and the fact that no commissions are payable to Scotia Capital in connection with the Principal Sales, in the case of the Principal Sales, the interests of the Issuer and the shareholders of the Issuer may be enhanced by insulating the Issuer from price increases in respect of the Scotiabank Shares.

25. None of the Scotiabank Shares to be sold by Scotia Capital as principal to the Issuer have been acquired, nor has Scotia Capital agreed to acquire, any Scotiabank Shares while Scotia Capital had access to information concerning the investment program of the Issuer, although certain of the Scotiabank Shares to be held by the Issuer may be acquired or Scotia Capital may agree to acquire such Scotiabank Shares on or after the date of this Decision Document.

26. It will be the policy of the Issuer to hold the Scotiabank Shares and to not engage in any trading of the Scotiabank Shares, except:

(a) to fund retractions or redemptions of Capital Shares and Preferred Shares; or

(b) in certain other limited circumstances as described in the Preliminary Prospectus.

27. Pursuant to an administration agreement (the “Administration Agreement”) to be entered into, the Issuer will retain Scotia Capital to administer the ongoing operations of the Issuer and will pay Scotia Capital (i) a monthly fee of 1/12 of 0.15% of the market value of the Scotiabank Shares held in the Portfolio, and (ii) any interest income earned by the Issuer from time to time excluding interest earned on any investment of surplus dividends received on the Scotiabank Shares.

28. In connection with the services to be provided by Scotia Capital to the Issuer pursuant to the Administration Agreement, Scotia Capital may sell Scotiabank Shares to fund retractions of Capital Shares and Preferred Shares prior to the Redemption Date and upon liquidation of the Scotiabank Shares in connection with the final redemption of Capital Shares and Preferred Shares on the Redemption Date. These sales will be made by Scotia Capital as agent on behalf of the Issuer, but in certain circumstances, such as where a small number of Capital Shares and Preferred Shares have been surrendered for retraction, Scotia Capital may purchase Scotiabank Shares as principal (the “Principal Purchases”) subject to receipt of all regulatory approvals.

29. In connection with any Principal Purchases, Scotia Capital will comply with the rules, procedures and policies of the applicable stock exchange of which it is a member and in accordance with orders obtained from all applicable securities regulatory authorities. The Preliminary Prospectus discloses and the Final Prospectus will disclose that Scotia Capital may realize a gain or loss on the resale of such securities.

30. The Administration Agreement will provide that Scotia Capital must take reasonable steps, such as soliciting bids from other market participants or such other steps as Scotia Capital, in its discretion, considers appropriate after taking into account prevailing market conditions and other relevant factors, to enable the Issuer to obtain the best price reasonably available for the Scotiabank Shares so long as the price obtained (net of all transaction costs, if any) by the Issuer from Scotia Capital is at least as advantageous to the Issuer as the price which is available (net of all transaction costs, if any) through the facilities of the applicable stock exchange at the time of the trade.

31. Scotia Capital will not receive any commissions from the Issuer in connection with Principal Purchases and, in carrying out the Principal Purchases, Scotia Capital shall deal fairly, honestly and in good faith with the Issuer.

32. Scotiabank is a substantial security holder of Scotia Capital, which is a distribution company of the Issuer.

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

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

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

A. The Principal Trading Prohibitions shall not apply to Scotia Capital in connection with the Principal Sales and Principal Purchases.

B. The Investment Restrictions shall not apply to the Issuer in connection with investments in Scotiabank Shares for the purposes of the Offering as described in the Preliminary Prospectus.

July 25, 2002.

"Paul M. Moore" "Robert L. Shirriff"

2.1.19 MacKenzie Financial Corporation - MRRS Decision

Headnote

Revocation and replacement of MRRS decision document dated April 17, 2001. New decision document providing exemptions from the mutual fund self-dealing prohibitions of clauses 111(2)(a) and (c) and 111(3) of the *Securities Act* (Ontario). Mutual funds allowed to hold securities of companies that are related to the mutual funds and to make further purchases and sales of those securities and retain those securities provided that a fund governance mechanism is used to oversee the holdings, purchases or sales of securities of related companies for the mutual funds and to ensure that such holdings, purchases or sales have been made free from any influence by a related company and without taking into account any consideration relevant to a related company.

Statutes Cited

Securities Act (Ontario), R.S.O. 1990 c. S.5, as am., 111(2)(a) and (c) and 111(3) and 144.

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
MACKENZIE FINANCIAL CORPORATION
("MACKENZIE")
MAXXUM PENSION FUND
MAXXUM CANADIAN VALUE FUND
MACKENZIE BALANCED FUND
MAXXUM DIVIDEND GROWTH FUND
MACKENZIE INCOME FUND
MACKENZIE IVY ENTERPRISE FUND
MACKENZIE IVY GROWTH AND INCOME FUND
MACKENZIE IVY CANADIAN FUND
MACKENZIE HORIZON CAPITAL CLASS
MACKENZIE IVY CANADIAN CAPITAL CLASS
MACKENZIE IVY ENTERPRISE CAPITAL CLASS
MACKENZIE PREMIER INTERNATIONAL INVESTMENT CANADIAN EQUITY FUND
MACKENZIE UNIVERSAL FUTURE CAPITAL CLASS
MACKENZIE UNIVERSAL SELECT MANAGERS CANADA CAPITAL CLASS
MACKENZIE UNIVERSAL CANADIAN BALANCED FUND
MACKENZIE UNIVERSAL FUTURE FUND
MACKENZIE UNIVERSAL SELECT MANAGERS CANADA FUND

CLARICA SUMMIT EQUITY FUND
CLARICA SUMMIT GROWTH AND INCOME FUND
CLARICA SUMMIT DIVIDEND GROWTH FUND
KEYSTONE AIM/TRIMARK CANADIAN EQUITY FUND
KEYSTONE AGF EQUITY FUND
KEYSTONE SPECTRUM EQUITY FUND

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, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions") issued a decision on April 17, 2001 (the "Original Decision") pursuant to the securities legislation of the Jurisdictions (the "Legislation") that certain provisions of the Legislation did not apply so as to prevent Maxxum Pension Fund, Maxxum Canadian Value Fund, Mackenzie Balanced Fund, Maxxum Dividend Growth Fund, Mackenzie Income Fund, Mackenzie Ivy Enterprise Fund, Mackenzie Ivy Growth and Income Fund, Mackenzie Ivy Canadian Fund, Mackenzie Horizon Capital Class, Mackenzie Ivy Canadian Capital Class, Mackenzie Ivy Enterprise Capital Class, Mackenzie Premier International Investment Canadian Equity Fund, Mackenzie Universal Future Capital Class, Mackenzie Universal Select Managers Canada Capital Class, Mackenzie Universal Canadian Balanced Fund, Mackenzie Universal Future Fund, Mackenzie Universal Select Managers Canada Fund, Clarica Summit Equity Fund, Clarica Summit Growth and Income Fund, Clarica Summit Dividend Growth Fund, Keystone Aim/Trimark Canadian Equity Fund, Keystone AGF Equity Fund, and Keystone Spectrum Equity Fund (individually a "Current Fund" and collectively the "Current Funds") from holding their investments in certain Related Companies (as hereinafter defined) following the acquisition by Investors Group Inc. ("IG") of all the outstanding common shares of Mackenzie as a result of a formal take-over bid (the "Transaction") provided that such investments were subsequently disposed of;

AND WHEREAS the Decision Maker wishes to rescind the Original Decision made April 17, 2001;

AND WHEREAS Mackenzie has made a further application for a decision (the "Decision") pursuant to the Legislation as a result of the Transaction that the following provisions do not apply so as to prevent the Current Funds together with such other funds as may be established and advised by Mackenzie from time to time (individually a "Fund" and collectively the "Funds") from investing in, or continuing to hold an investment in, securities of the Related Companies:

(a) the provision prohibiting a mutual fund from knowingly making or holding an investment in any person or company who is a substantial security holder of the mutual fund, its management company or distribution company; and

(b) the provision prohibiting a mutual fund from knowingly making or holding an investment in an issuer in which a substantial security holder of the mutual fund, its management company or its distribution company has a significant interest (the provisions of (a) and (b) being collectively, the "Investment Restrictions");

AND WHEREAS the CSA recently released for comment its concept proposal 81-402 titled *"Striking a New Balance: A Framework for Regulating Mutual Funds and their Managers"* which contains, among other things, alternatives for mutual fund governance. The comment period ended June 7, 2002. The CSA has not yet developed a definitive model for mutual fund governance.

AND WHEREAS the CSA has a strategy for dealing with important matters on a timely basis even though they may be part of a larger comprehensive policy study by the CSA .

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

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

1. The Funds are open-ended mutual fund trusts established, or mutual fund corporations incorporated, under the laws of the Province of Ontario.

2. Mackenzie is the trustee, manager and registrar of each of the Current Funds, except Clarica Summit Equity Fund, Clarica Summit Growth and Income Fund and Clarica Summit Dividend Fund, for which it is retained as advisor, and Mackenzie will also be the advisor to the Funds and may also be the manager or trustee of the Funds.

3. The securities of the Funds are or will be offered for sale in all of the provinces and territories of Canada. Each of the Funds is or will be a reporting issuer under the Legislation and is not on a list of defaulting issuers maintained under the Legislation.

4. On April 17, 2001, IG purchased all of the outstanding common shares of Mackenzie.

5. Power Corporation of Canada ("PPC") owns more than 67% of the outstanding common shares of Power Financial Corporation ("PFC"). PFC owns more than 67% of the outstanding common shares in the capital of IG. PFC also owns 65% of the outstanding voting securities of Great-West Lifeco Inc. ("Lifeco"), and has an 80.2% economic interest therein. IG owns 100% of the outstanding common shares of Mackenzie.

6. As of April 17, 2001, each of the Current Funds owned voting securities of one or more of PCC, PFC or Lifeco (collectively, the "Related Companies").

7. The Funds have not made any investment in securities of the Related Companies since the Transaction.

8. At the time the securities of the Related Companies were purchased, the Related Companies were not affiliated with the Current Funds or Mackenzie, and each investment by the Current Funds in the securities of the Related Companies represented the business judgment of professional portfolio advisers uninfluenced by considerations other than the best interests of the investors of the Current Funds.

9. As a result of the Original Decision by the Decision Makers dated April 17, 2001, the Current Funds are required to divest all securities of the Related Companies and are not permitted to purchase additional securities of the Related Companies.

10. The Current Funds have been divesting their securities of the Related Companies and, in the opinion, of Mackenzie the divestiture is not in the best interests of the investors in the Current Funds. Rather, it is in the best interests of investors in the Current Funds to retain the investments in the securities of Related Companies and to be able to continue to invest in securities of the Related Companies up to the limits allowed by applicable Legislation.

11. Mackenzie believes that it would be in the best interests of investors of the Funds to be permitted to invest in securities of the Related Companies, in keeping with the investment objectives of the Funds, though only up to the limit allowed by applicable Legislation.

12. Mackenzie will create an Independent Review Committee (the “Independent Committee”), comprised entirely of individuals who are wholly independent of Mackenzie, to oversee the holdings, purchases or sales of securities of Related Companies for the Funds.

13. The Independent Committee shall review the holdings, purchases or sales of securities of the Related Companies to ensure that they have been made free from any influence by a Related Company and without taking into account any consideration relevant to a Related Company.

14. The Independent Committee will take into consideration the best interests of unitholders of the Funds and no other factors.

15. Compensation to be paid to members of the Independent Committee will be paid by the Funds based on the relative size of holdings of the Related Companies in a Fund.

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

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

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

1. the Original Decision is hereby rescinded;

2. the Funds are exempt from the Investment Restrictions so as to enable the Funds to invest, or continue to hold an investment in, securities of a Related Company; and

3. this 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 mutual fund governance in a manner that conflicts with or makes inapplicable any provision of this Decision;

provided that:

(a) Mackenzie has appointed the Independent Committee to review the Funds' purchases, sales and continued holdings of securities of a Related Company;

(b) the Independent Committee has at least three members, none of whom is an associate of (i) Mackenzie, (ii) any portfolio manager of the Funds; or (iii) any associate or affiliate of Mackenzie or the portfolio managers of the Funds;

(c) the Independent Committee has a written mandate describing its duties and standard of care which, as a minimum, sets out the conditions of this Decision;

(d) the members of the Independent Committee exercise their powers and discharge their duties honestly, in good faith and in the best interests of investors in the Funds and, in doing so, exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances;

(e) none of the Funds relieves the members of the Independent Committee from liability for loss that arises out of a failure to satisfy the standard of care set out in paragraph (d);

(f) none of the Funds indemnifies the members of the Independent Committee

against legal fees, judgments and amounts paid in settlement as a result of a breach of the standard of care set out in paragraph (d);

(g) none of the Funds incurs the cost of any portion of liability insurance that insures a member of the Independent Committee for a liability for loss that arises out of a failure to satisfy the standard of care set out in paragraph (d);

(h) the cost of any indemnification or insurance coverage paid for by Mackenzie, any portfolio manager of the Funds, or any associate or affiliate of Mackenzie or the portfolio managers of the Funds to indemnify or insure the members of the Independent Committee in respect of a loss that arises out of a failure to satisfy the standard of care set out in paragraph (d) is not paid either directly or indirectly by the Funds;

(i) the Independent Committee reviews the Funds' purchases, sales and continued holdings of securities of a Related Company on a regular basis, but not less frequently than every three months;

(j) the Independent Committee forms the opinion, after reasonable inquiry, that the decisions made on behalf of each Fund by Mackenzie or the Fund's portfolio manager to purchase, sell or continue to hold securities of a Related Company were and continue to be in the best interests of the Fund, and to:

(i) represent the business judgement of Mackenzie or the Fund's portfolio manager, uninfluenced by considerations other than the best interests of the Fund;

(ii) have been made free from any influence by a Related Company and without taking into account any consideration relevant to a Related Company; and

(iii) not exceed the limitations of the applicable legislation.

(k) the determination made by the Independent Committee pursuant to paragraph (j) is included in detailed written minutes provided to Mackenzie not less frequently than every three months;

(l) the reports required to be filed pursuant to the Legislation with respect to every purchase and sale of securities of a Related Company are filed on SEDAR in respect of the relevant mutual fund;

(m) the Independent Committee advises the Decision Makers in writing of:

(i) any determination by it that the condition set out in paragraph (j) has not been satisfied with respect to any purchase, sale or holding of securities of a Related Company;

(ii) any determination by it that any other condition of this Decision has not been satisfied;

(iii) any action it has taken or proposes to take following the determinations referred to above; and

(iv) any action taken, or proposed to be taken, by Mackenzie or a portfolio manager of the Funds in response to the determinations referred to above; and

(n) the existence, purpose, duties and obligations of the Independent Committee, the names of its members, whether and how they are compensated by the Funds, and the fact that they meet the requirements of the condition set out in paragraph (b) are disclosed:

(i) in a press release issued, and a material change report filed, prior to reliance on the Decision;

(ii) in item 12 of Part A of the simplified prospectus of the Funds; and

(iii) on Mackenzie's internet website.

July 26, 2002.

“Paul M. Moore” “D. A. Brown”

2.2 Orders

2.2.1 Skylon Advisors Inc. and Skylon Global High Yield Trust - s. 147

Headnote

Section 147 of the Act - issuer is exempt from the payment of the fee otherwise payable under section 7.3 of Rule 45-501 in connection with a dual structure transaction where prospectus fees have already been paid.

Statutes Cited

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

Regulations Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., subsection 18(2) of Schedule I.

Rules Cited

Ontario Securities Commission Rule 45-501 - Exempt Distributions, s. 7.3.

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

AND

IN THE MATTER OF
SKYLON ADVISORS INC. AND
SKYLON GLOBAL HIGH YIELD TRUST

ORDER
(Section 147)

UPON the application (the "Application") of Skylon Advisors Inc. (the "Manager") to the Ontario Securities Commission (the "commission") for an order pursuant to section 147 of the Act exempting the Skylon Global High Yield Trust (the "Global High Yield Trust") from the payment of fees otherwise payable under section 7.3 of Commission Rule 45-501 - *Exempt Distributions* ("Rule 45-501") in connection with the distribution of units of the Global High Yield Trust;

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 Manager is a corporation incorporated under the laws of Ontario on September 19, 2001. The registered office of the Manager is located in Toronto, Ontario;

2. The Manager acts as the manager and trustee of the Skylon Global Capital Yield Trust (the "Global Capital Yield Trust") and the Global High Yield Trust;

3. The Global Capital Yield Trust is an investment trust established under the laws of the Province of Ontario pursuant to a trust agreement made as of June 26, 2002;

4. The Global Capital Yield Trust is authorized to issue an unlimited number of redeemable, transferable units (the "Global Capital Yield Units"), each of which represents an equal undivided beneficial interest in the net assets of the Global Capital Yield Trust;

5. On June 26, 2002, the Global Capital Yield Trust filed a final prospectus (the "Global Capital Yield Prospectus") relating to the offering of Global Capital Yield Units with all of the provincial securities regulatory authorities. A final receipt for this prospectus was issued on June 27, 2002;

6. The Global Capital Yield Trust is a reporting issuer in each of the provinces of Canada and is not in default of any requirements of Canadian securities legislation;

7. The Global Capital Yield Trust will invest its assets in a portfolio of common shares of Canadian public companies (the "Common Share Portfolio"). The Global Capital Yield Trust will enter into forward purchase and sale agreements (collectively, the "Forward Agreement") with TD Global Finance ("TDGF"), a member of the TD Bank Financial Group, and Royal Bank of Canada ("RBC") (TDGF and RBC collectively referred to as the "Counterparty") pursuant to which the Counterparty agrees to pay to the Global Capital Yield Trust on or about the termination date of the Global Capital Yield Trust as the purchase price for the Common Share Portfolio an amount equal to 100% of the redemption proceeds of a corresponding number of units of the Global High Yield Trust;

8. The Global High Yield Trust is an investment trust established under the laws of the Province of Ontario pursuant to a trust agreement made as of June 26, 2002;

9. The Global High Yield Trust filed a final non-offering prospectus, dated June 26, 2002, with the Commission des valeurs mobilières du Québec (the "CVMQ") to enable the Global High Yield Trust to become a reporting issuer under the *Securities Act* (Québec). A receipt for the Global High Yield Trust prospectus, dated June 27, 2002, was issued by the CVMQ;

10. The Global High Yield Trust is a reporting issuer in the Province of Québec and is not in default of any requirements of the Québec Act or the Regulations to the Québec Act;

11. The Global High Yield Trust was established for the purpose of acquiring a portfolio (the "Global High Yield Portfolio") of high yield debt securities. The Global High Yield Portfolio will be actively managed and will primarily consist of global high yield instruments, including corporate debt, emerging market debt and other high yield instruments. The return to holders of Global Capital Yield Units and the Global Capital Yield Trust will be dependent upon the return of the Global High Yield Trust and the Global High Yield Portfolio by virtue of the Forward Agreement;

12. To provide the Global High Yield Trust with the funds to purchase the Global High Yield Portfolio, units of the Global High Yield Trust will be issued to the Counterparty or its affiliates. The issuance of units to the Counterparty or its affiliates will be made in reliance on the prospectus and registration exemptions under section 2.3 of Rule 45-501;

13. Pursuant to subsection 18(1) of Schedule 1 of Ontario Regulation 1015 made under the Act, the Global Capital Yield Trust has paid fees in the amount of $55,200 to the Commission in connection with the filing of the Global Capital Yield Prospectus qualifying the distribution of the Global Capital Yield Units;

14. Section 7.3 of Rule 45-501 requires the Global High Yield Trust to make payments to the Commission in respect of the distribution of units of the Global High Yield Trust to the Counterparty or its affiliates;

15. The return to holders of Global Capital Yield Units is dependent on the return of the Global High Yield Trust by virtue of the Forward Agreement, and as such, payment of additional fees by the Global High Yield Trust pursuant to Rule 45-501 will reduce the return of the Global High Yield Trust and therefore the amount payable by the Counterparty to the Global Capital Yield Trust under the Forward Agreement;

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

IT IS HEREBY ORDERED, pursuant to section 147 of the Act, that the Global High Yield Trust is exempt from the requirement to pay the fees required under section 7.3 of Rule 45-501 in connection with the distribution of units of the Global High Yield Trust to the Counterparty or their affiliates.

July 23, 2002.

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

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

Headnote

Reporting issuer in Alberta and British Columbia that is listed on TSX Venture deemed to be a reporting issuer in Ontario.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am. ss. 83(i).

Policies Cited

Policy 12-602 Deeming an Issuer from Certain Other Canadian Jurisdictions to be a Reporting Issuer in Ontario (2001) 24 OSCB 1531.

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

AND

IN THE MATTER OF
LANDORE RESOURCES INC.

ORDER
(Subsection 83.1(1))

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

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

AND UPON Landore representing to the Commission as follows:

1. Landore was incorporated on March 6, 1996 pursuant to the *Business Corporations Act* (Alberta).

2. Landore's head office is located in Thunder Bay, Ontario.

3. Landore has been a reporting issuer in the Province of Alberta pursuant to the *Securities Act* (Alberta) (the "Alberta Act") since July 30, 1996. Landore has been a reporting issuer in the Province of British Columbia pursuant to the *Securities Act* (British Columbia) (the "BC Act") since November 26, 1999 as a result of the merger between the Vancouver Stock Exchange and The Alberta Stock Exchange.

4. Landore is not a reporting issuer or the equivalent under the securities legislation of any other jurisdiction in Canada.

5. The common shares of Landore were initially listed on The Alberta Stock Exchange on October 9, 1996 and traded thereon until November 26, 1999. The common shares of Landore are presently listed and posted for trading on the TSX Venture Exchange Inc. ("TSX Venture") under the symbol "LDO".

6. Landore's authorized share capital consists of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series, without nominal or par value, of which 32,148,400 common shares were outstanding as at July 1, 2002.

7. Landore is not in default of any of the requirements of the Alberta Act, the BC Act or any requirement of the TSX Venture.

8. The continuous disclosure materials filed by Landore under the Alberta Act since July 1, 1997 and under the BC Act since November 26, 1999 are available on the System for Electronic Document Analysis and Retrieval.

9. Landore is not a capital pool company as defined in the policies of TSX Venture.

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

11. Neither Landore nor any of its officers, directors or controlling shareholders (i) is subject to any known ongoing or concluded investigations by any Canadian securities regulatory authority or any court or regulatory body, other than a Canadian securities regulatory authority, that would be likely to be considered important to a reasonable investor making an investment decision, or (ii) except as otherwise disclosed in the Application, is or has been subject to any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver manager or trustee, within the preceding ten years.

12. Except as otherwise disclosed in the Application, no director, officer or controlling shareholder of Landore is, or has been, within the preceding ten years, a director or officer of any other issuer which has been the subject of, (i) any cease-trade or similar order, or order that denied access to any exemption under Ontario securities law, for a period of more than 30 consecutive days, or (ii) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver manager or trustee.

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

14. Landore may be considered to have a significant connection to Ontario in that: (i) two of its five directors are resident in Ontario; (ii) its head office is located in Ontario; and (iii) as at the date of the Application, approximately 40% of its shareholders were resident in or had registration of their share certificates in Ontario.

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

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

July 23, 2002.

“John Hughes”

2.2.3 Rockwell Ventures Inc. - ss. 83(1)

Headnote

Reporting issuer in Alberta and British Columbia that is listed on the TSX Venture Exchange deemed to be a reporting issuer in Ontario.

Statutes Cited

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

Policies Cited

Policy 12-602 Deeming an Issuer from Certain Other Canadian Jurisdictions to be a Reporting Issuer in Ontario (2001) 24 OSCB 1531.

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

AND

IN THE MATTER OF
ROCKWELL VENTURES INC.

ORDER
(Subsection 83.1(1))

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

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

AND UPON Rockwell representing to the Commission as follows:

1. Rockwell was incorporated under the laws of the Province of British Columbia on November 10, 1988 under the name "Annabel Gold Mines Inc.". The Company changed its name to "Carissa Mining Corporation" on January 24, 1994. On October 26, 1995 the Company changed its name to "Rockwell Ventures Inc."

2. Rockwell's head office is in Vancouver, British Colombia.

3. Rockwell became a reporting issuer under the *Securities Act* (British Columbia) on July 25, 1990. As a result of the amalgamation of the Vancouver Stock Exchange and the Alberta Stock Exchange, Rockwell was deemed to be a reporting issuer in Alberta as of July 1, 2001.

4. Rockwell has maintained its continuous disclosure obligations under the *Securities Act* (British Columbia) since 1990, which requirements are substantially similar to those under the Act. The continuous disclosure material filed by Rockwell since August 1997 are available on the SEDAR system.

5. Rockwell's authorized share capital consists of 100,000,000 of common shares. As of July 1, 2002, the issued and outstanding share capital consisted of 54,162,150 common shares. In addition, as of July 1, 2002, options to purchase 1,305,000 common shares and warrants to purchase 12,053,950 common shares were also outstanding.

6. Rockwell's common shares are listed on the TSX Venture Exchange Inc. ("TSX Venture") under the trading symbol RCW, and have been continuously listed on the TSX Venture (or its predecessor, the Vancouver Stock Exchange) since October 1990. Rockwell's common shares are also quoted for trading on the National Association of Securities Dealers Over-the-Counter Bulletin Board.

7. Rockwell is not in default of any requirements of the securities legislation of British Columbia or Alberta, or of any of the requirements of the TSX Venture.

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

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

10. No director or officer of Rockwell and, to the best of its knowledge, none of its controlling shareholders, is or has been, within the preceding ten years, a director or officer of any other issuer which has been the subject of, (i) any cease-trade or similar order, or order that denied access to any exemption under Ontario securities law, for a

period of more than 30 consecutive days, or (ii) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver manager or trustee.

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

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

July 22, 2002.

"Margo Paul"

2.3. Rulings

2.3.1 1528998 Ontario Limited - s. 59(1) of Sched. 1

Headnote

Subsection 59(1) of Schedule 1 to the Regulation under the Act - reduction in fee otherwise due as a result of a takeover bid in connection with an internal corporate reorganization involving no change in beneficial ownership.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., clause 93(1)(c).

Regulation Cited

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

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

AND

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

AND

IN THE MATTER OF
1528998 ONTARIO LIMITED

RULING
(Subsection 59(1) of Schedule 1)

UPON the application (the "Application") of 1528998 Ontario Limited (the "Applicant") to the Ontario Securities Commission (the "Commission") for a ruling, pursuant to subsection 59(1) of Schedule 1 (the "Schedule") to the Regulation under the Act, exempting the Applicant from payment in part of the fee payable pursuant to subsection 32(1) of the Schedule;

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

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

1. The Applicant is a corporation incorporated under the laws of Ontario and is not a reporting issuer under the Act.

2. On June 14, 2002, the Applicant acquired 1,020,833 common shares of The Thomson Corporation ("TTC") (the "Shares") from SEB Family Corp. ("SEBFC") with the consideration therefor being satisfied by common shares of the Applicant.

3. The Applicant and SEBFC are both controlled by Kenneth R. Thomson and, as a result, the Applicant and SEBFC are affiliated corporations. Because the Applicant is deemed to own beneficially all of the TTC shares beneficially owned by companies controlled by Kenneth R. Thomson, the acquisition of the Shares by the Applicant resulted in the Applicant owning in excess of 20% of the outstanding common shares of TTC. Accordingly, the acquisition of the Shares by the Applicant constituted a take-over bid under the Act.

4. The Shares were acquired pursuant to the take-over bid exemption in clause 93(1)(c) of the Act.

5. The transaction was an internal corporate reorganization within the same control group and did not result in a change in beneficial ownership of the Shares.

6. In the absence of the relief provided by this ruling and pursuant to the formula in clause 32(1)(b) of the Schedule, the Applicant would be required to pay a fee of $6,616.19 as a result of the transaction described above.

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

IT IS RULED, pursuant to subsection 59(1) of the Schedule, that the Applicant be exempt from the requirement to pay the fee otherwise payable pursuant to clause 32(1)(b) of the Schedule, provided that the minimum fee of $800.00 is paid.

July 26, 2002.

"Howard I. Wetston" "Robert L. Shirriff"

2.3.2 D'Angelo Brands, Inc. - s. 74(1)

Headnote

Prospectus and registration relief in connection with acquisition of a private Ontario issuer by public U.S. company using an exchangeable share structure. Exchangeable shares economically equivalent to shares of U.S. acquirer. First trade relief for underlying securities not sought at this time due to the fact that U.S. company is not a reporting issuer in Ontario and upon the exercise of all exchangeable shares, persons or companies resident in Ontario will hold approximately 66.8% of the total issued and outstanding common shares of the U.S. acquirer.

Statutes Cited

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

Instrument Cited

Multilateral Instrument 45-102 – Resale of Securities.

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

AND

IN THE MATTER OF
D'ANGELO BRANDS, INC.

RULING
(SECTION 74(1))

UPON the application (the "**Application**") of D'Angelo Brands, Inc. ("**D'Angelo**") to the Ontario Securities Commission (the "**Commission**") for a ruling pursuant to subsection 74(1) of the Act, that the distribution by D'Angelo of common shares (the "**D'Angelo Common Shares**") to the holders of Class B non-voting special shares (the "**Exchangeable Shares**") of D'Angelo Acquisition Inc. ("**D'Angelo Acquisition**"), a subsidiary of D'Angelo, not be 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 D'Angelo having represented to the Commission that:

1. D'Angelo, a Nevada corporation, was incorporated pursuant to articles of incorporation dated June 9, 1995, under the name Cambridge Funding Group, Inc.

2. On October 2, 1998, articles of amendment were filed to change the name from Cambridge Funding Group, Inc. to Agriceuticals Technologies, Inc. On July 13, 1999 articles of amendment were filed to change the name from Agriceuticals Technologies, Inc. to Playandwin, Inc. On November 14, 2001 articles of amendment were filed to change the name from Playandwin, Inc. to D'Angelo Brands, Inc.

3. The head office of D'Angelo is located at 14 Brewster Court, Brampton, Ontario L6T 5B7.

4. D'Angelo is presently authorized to issue 200,000,000 common shares with a par value of $0.001 and 50,000,000 preferred shares with a par value of $0.001. As of May 31, 2002 there were 15,487,259 common shares issued and outstanding and nil preferred shares issued and outstanding.

5. D'Angelo is a reporting company under the United States *Securities Exchange Act of 1934*, but is not and has never been a reporting issuer in the Province of Ontario.

6. The D'Angelo Common Shares are quoted for trading on the NASD over-the-counter bulletin board (the "**Bulletin Board**") under the symbol "DNGO".

7. D'Angelo owns 100% of the issued and outstanding common shares of D'Angelo Acquisition.

8. D'Angelo Acquisition was incorporated under the laws of the Province of Ontario by articles of incorporation dated November 15, 2001.

9. The authorized capital of D'Angelo Acquisition consists of an unlimited number of common shares (the **"D'Angelo Acquisition Common Shares**"), an unlimited number of Class A non-voting special shares and an unlimited number of Exchangeable Shares, of which 100 D'Angelo Acquisition Common Shares and 35,950,000 Exchangeable Shares are issued and outstanding as fully paid and non-assessable. There are no Class A special shares outstanding. The D'Angelo Acquisition Common Shares are the only voting securities of D'Angelo Acquisition.

10. D'Angelo Acquisition is not and has never been a reporting issuer in any jurisdiction, and does not intend to become a reporting issuer in any jurisdiction.

11. The shares of D'Angelo Acquisition are not listed or quoted for trading on any stock exchange or over-the-counter market. D'Angelo Acquisition is a "private company" as that term is defined in the Act.

12. On November 15, 2001, D'Angelo Acquisition acquired all the issued and outstanding D'Angelo Brands Ltd., an Ontario private company.

13. D'Angelo Acquisition acquired all of the issued and outstanding common shares of D'Angelo

Brands Ltd. pursuant to a share exchange agreement made among D'Angelo Acquisition, D'Angelo Brands Ltd., the shareholders of D'Angelo Brands Ltd., and D'Angelo (formerly Playandwin, Inc.) dated October 29, 2001 (the "Share Exchange Agreement"). The trades made to date pursuant to this acquisition have been made in reliance on exemptions from the registration and prospectus requirements of Ontario securities law.

14. All of the shareholders of D'Angelo Brands Ltd. received the Exchangeable Shares that are exchangeable on a one-for-one basis for D'Angelo Common Shares for no further consideration. In total, D'Angelo Acquisition issued 36,000,000 Exchangeable Shares. The holders of the Exchangeable Shares can exchange any or all of their Exchangeable Shares into D'Angelo Common Shares at any time during the period ending on and including the day of the fifth (5th) anniversary of November 14, 2001. (the issuance of D'Angelo Common Shares pursuant to the holders of Exchangeable Shares pursuant to any such exchange or redemption to be referred to as a "**Trade**").

15. The Exchangeable Shares provide holders thereof with a security of a Canadian issuer having the economic attributes which are as nearly as practicable, equivalent to those of D'Angelo Common Shares.

16. If, as of May 31, 2002, holders of the Exchangeable Shares, resident in Ontario, exchanged such securities for D'Angelo Common Shares, they would hold approximately 66.8% of the 51,437,259 D'Angelo Common Shares that would be outstanding.

17. In connection with the issuance of D'Angelo Common Shares to holders of Exchangeable Shares pursuant to the Trades, D'Angelo will not be able to rely on the registration and prospectus exemptions set out in subsections 35(1)14(ii) and 72(1)(h)(ii) of the Act and in section 2.7 of Commission Rule 45-501, because D'Angelo is not a reporting issuer in Ontario.

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

IT IS RULED, pursuant to subsection 74(1) of the Act that the Trades will not be subject to sections 25 and 53 of the Act, provided that:

(a) the first trade in Exchangeable Shares other than the exchange thereof for D'Angelo Common Shares shall be deemed a distribution; and

(b) the first trade in D'Angelo Common Shares issued pursuant to this Ruling shall be deemed a distribution unless such first trade complies with section 2.6 of Multilateral Instrument 45-102.

July 26, 2002.

"Howard I. Wetston" "Robert L. Shirriff"

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 Lapse/Expire
360Networks Inc.	19 Jul 02	31 Jul 02	31 Jul 02	
Black Pearl Minerals Consolidated Inc.	23 Jul 02	02 Aug 02		
Grand Oakes Resources Corp.	23 Jul 02	02 Aug 02		
Greentree Gas & Oil Ltd.	22 Jul 02	02 Aug 02		
Knowledge House Inc.	23 Jul 02	02 Aug 02		
Merchant Capital Group Incorporated	23 Jul 02	02 Aug 02		
Petrolex Energy Corporation	05 Jul 02	06 Aug 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
Asset Management Software Systems Corp.	23 Jul 02	02 Aug 02			
Goldpark China Limited	24 May 02	06 June 02	06 June 02	25 Jul 02	
Petrolex Energy Corporation	28 May 02	10 June 02	10 June 02		25 Jul 02
Systech Retail Systems Inc.	27 June 02	10 July 02	10 Jul 02		
Vision SCMS Inc.	23 May 02	05 June 02	05 June 02	25 Jul 02	

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Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

Exempt Financings

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

REPORTS OF TRADES SUBMITTED ON FORM 45-501F1

Transaction Date	Purchaser	Security	Total Purchase Price ($)	Number of Securities
27-May-2002	Peter McMaster	Alliance Explorations Limited	1,000.00	1,000.00
10-Jul-2002	Peter Paul Charitable Foundation	Active Control Technology Inc. - Common Shares	7,500.00	7,500.00
17-Jul-2002	Peter Knittle	Acuity Funds Ltd. - Trust Units	200,000.00	13,810.00
17-Jul-2002	Douglas Plitz Enterprises	Acuity Funds Ltd. - Trust Units	106,114.36	7,327.00
03-Jul-2002	Judith Bates	Acuity Funds Ltd. - Trust Units	160,000.00	12,545.00
27-Jun-2002	Paa Seventh Man Films	Acuity Funds Ltd. - Trust Units	50,000.00	3,368.00
05-Jul-2002	1393163	Acuity Funds Ltd. - Trust Units	150,000.00	10,076.00
09-Jul-2002	Ross Sibbick	Acuity Funds Ltd. - Trust Units	143,466.10	9,673.00
10-Jul-2002	Ralph Guile	Acuity Funds Ltd. - Trust Units	250,000.00	16,856.00
11-Jul-2002	John Hagerman	Acuity Funds Ltd. - Trust Units	170,038.55	13,300.00
12-Jul-2002	David Burtch	Acuity Pooled High Income Fund - Trust Units	94,119.67	8,047.00
11-Jul-2002	3 Purchasers	Adventus Intellectual Property Inc. - Shares	6,116,003.00	6,765,400.00
05-Jul-2002	Canwest Media Sales Limited	AD2MEDIA, Ltd. - Debentures	60,000.00	60,000.00
27-May-2002	Nick Arcari	Alliance Exploration Limited - Common Shares	1,000.00	1,000.00
27-May-2002	Robert Baron	Alliance Exploration Limited - Common Shares	500.00	500.00
27-May-2002	Jim Pinder	Alliance Exploration Limited - Common Shares	500.00	500.00
27-May-2002	Richard McNulty	Alliance Exploration Limited - Common Shares	500.00	500.00

27-May-2002	Bill Smith	Alliance Exploration Limited - Common Shares	4,000.00	4,000.00
27-May-2002	Peter Rudoner	Alliance Exploration Limited - Common Shares	1,000.00	1,000.00
27-May-2002	Nazar Velji	Alliance Exploration Limited - Common Shares	2,000.00	2,000.00
27-May-2002	William Moore	Alliance Exploration Limited - Common Shares	2,000.00	2,000.00
27-May-2002	Health Light Inc.	Alliance Exploration Limited - Common Shares	2,000.00	2,000.00
27-May-2002	John J. Nen	Alliance Exploration Limited - Common Shares	2,000.00	2,000.00
27-May-2002	Winston Allen	Alliance Exploration Limited - Common Shares	500.00	500.00
27-May-2002	John Ellingson	Alliance Exploration Limited - Common Shares	500.00	500.00
27-May-2002	Ronald V. Olner	Alliance Exploration Limited - Common Shares	500.00	500.00
27-May-2002	Debra Slemko	Alliance Exploration Limited - Common Shares	1,000.00	1,000.00
27-May-2002	Peter McMaster	Alliance Exploration Limited - Common Shares	1,000.00	1,000.00
27-May-2002	James Charbonneau	Alliance Exploration Limited - Common Shares	1,000.00	1,000.00
27-May-2002	Leonard Woolsey	Alliance Exploration Limited - Common Shares	1,000.00	1,000.00
27-May-2002	Detlef von Ruczicki	Alliance Exploration Limited - Common Shares	1,000.00	1,000.00
27-May-2002	Francis T. O'Connor	Alliance Exploration Limited - Common Shares	1,000.00	1,000.00
27-May-2002	Franklin Callfas	Alliance Exploration Limited - Common Shares	5,000.00	5,000.00
27-May-2002	Marc Rivest	Alliance Exploration Limited - Common Shares	1,500.00	1,500.00
27-May-2002	Stephen M Hodges	Alliance Exploration Limited - Common Shares	4,500.00	4,500.00
08-Jul-2002	Chedington Corporation	Avenue Financial Corporation - Convertible Debentures	200,000.00	200,000.00
12-Jul-2002	22 Purchasers	BCS Collaborative Solutions Inc. - Common Shares	150,174.39	2,442,186.00
12-Jul-2002	41 Purchasers	BCS Collaborative Solutions Inc. - Rights	133.12	1,331,229.00

12-Jul-2002	14 Purchasers	BCS Collaborative Solutions Inc. - Warrants	73.18	731,811.00
11-Jul-2002	Murray Sinclair	Breakwater Resources Ltd. - Common Shares	175,609.80	975,610.00
05-Jul-2002	Terry Gervais	Canadian Imperial Venture Corp. - Flow-Through Shares	200,000.16	416,667.00
15-Jul-2002	9 Purchasers	Canica Design Inc. - Preferred Shares	355,786.00	177,893.00
03-Jul-2002	4 Purchasers	Carter Group Canada Inc. - Debentures	2,100,000.00	4.00
18-Jul-2002	N/A	Crispin Energy - Flow-Through Shares	462,000.00	1,400,000.00
11-Jul-2002	Harvey Husk	Discovery Biotech Inc. - Common Shares	3,000.00	1,000.00
11-Jul-2002	Pat Neniska	Discovery Biotech Inc. - Common Shares	6,000.00	2,000.00
11-Jul-2002	M. Keith Watson	Discovery Biotech Inc. - Common Shares	1,500.00	500.00
11-Jul-2002	T. Brent Bolger	Discovery Biotech Inc. - Common Shares	3,000.00	1,000.00
11-Jul-2002	Raymond Switzer	Discovery Biotech Inc. - Common Shares	30,000.00	10,000.00
11-Jul-2002	Peter Hummel	Discovery Biotech Inc. - Common Shares	9,000.00	3,000.00
11-Jul-2002	Pierre Paul Maurice	Discovery Biotech Inc. - Common Shares	6,000.00	2,000.00
11-Jul-2002	Winston Bestwick	Discovery Biotech Inc. - Common Shares	3,000.00	1,000.00
11-Jul-2002	Robert T. Davis	Discovery Biotech Inc. - Common Shares	3,000.00	1,000.00
11-Jul-2002	Muhammed Haque	Discovery Biotech Inc. - Common Shares	3,000.00	1,000.00
11-Jul-2002	Ray Elgie	Discovery Biotech Inc. - Common Shares	1,500.00	500.00
11-Jul-2002	Vandana Nagpal-Shah	Discovery Biotech Inc. - Common Shares	4,500.00	1,500.00
11-Jul-2002	Ricardo D'Costa	Discovery Biotech Inc. - Common Shares	3,000.00	1,000.00
11-Jul-2002	Paul E. Moyle	Discovery Biotech Inc. - Common Shares	3,000.00	1,000.00
11-Jul-2002	Michael B. Herbert	Discovery Biotech Inc. - Common Shares	3,000.00	1,000.00

11-Jul-2002	Stephen Urech	Discovery Biotech Inc. - Common Shares	1,500.00	500.00
11-Jul-2002	William Smith	Discovery Biotech Inc. - Common Shares	13,500.00	4,500.00
11-Jul-2002	Mark R. Auger	Discovery Biotech Inc. - Common Shares	1,500.00	500.00
11-Jul-2002	Mark Fox	Discovery Biotech Inc. - Common Shares	6,000.00	2,000.00
11-Jul-2002	Robert Carson	Discovery Biotech Inc. - Common Shares	3,000.00	1,000.00
11-Jul-2002	Jayant Patel	Discovery Biotech Inc. - Common Shares	1,500.00	500.00
11-Jul-2002	J.M.W. Automotive	Discovery Biotech Inc. - Common Shares	3,000.00	1,000.00
11-Jul-2002	Paul Howard	Discovery Biotech Inc. - Common Shares	3,000.00	1,000.00
11-Jul-2002	Ross Woodward	Discovery Biotech Inc. - Common Shares	3,000.00	1,000.00
11-Jul-2002	Jim Moltner	Discovery Biotech Inc. - Common Shares	1,500.00	500.00
11-Jul-2002	Fulbert Yao	Discovery Biotech Inc. - Common Shares	3,000.00	1,000.00
11-Jul-2002	Stephen M. Colquhoun	Discovery Biotech Inc. - Common Shares	1,500.00	500.00
11-Jul-2002	William & Shirley McMurray	Discovery Biotech Inc. - Common Shares	1,500.00	500.00
11-Jul-2002	Allan Lighfoot	Discovery Biotech Inc. - Common Shares	1,500.00	500.00
11-Jul-2002	Michael Carter	Discovery Biotech Inc. - Common Shares	1,500.00	500.00
11-Jul-2002	Huy Truong	Discovery Biotech Inc. - Common Shares	1,500.00	500.00
11-Jul-2002	Jim Shamaoun	Discovery Biotech Inc. - Common Shares	3,000.00	1,000.00
09-Jul-2002	VentureLink Fund Inc.	EC Webworks Inc. - Convertible Debentures	400,000.00	400,000.00
02-Jul-2002	Union Securities Limited	EnerVision Incorporated - Common Shares	150,000.00	150,000.00
04-Jul-2002	5 Purchasers	ExAlta Energy Inc. - Common Shares	440,001.00	586,668.00
03-Jul-2002	Sprout Capital Corporation	FSC Internet Corporation - Common Shares	17.50	418,460.00

15-Jul-2002	Canadian Medical Discoveries Fund Inc.	Geminx Biotechnologies Inc. - Preferred Shares	2,640,000.00	1,970,149.00
09-Jul-2002	Export Development Canada	Heat Wave Technologies Inc. - Units	571,428.84	1,272,670.00
03-Jun-2002	17 Purchasers	i Trade Finance Inc. - Preferred Shares	4,426,072.02	4,071.00
17-Jul-2002	3 Purchasers	Ivaco Inc. - Preferred Shares	6,500,000.00	260,000.00
27-Jun-2002	Business Development Bank of Canada;Venture Coaches Fund LP	JGKB Photonics Inc. - Preferred Shares	1,500,000.00	2,000,000.00
28-Jun-2002	John Eckhardt Holdings inc.	KBSH Private - Canadian Equity Fund - Units	260,000.00	18,105.00
05-Jul-2002	Maggie Arden	KBSH Private - Global Leading Companies Fund - Units	540,015.61	62,021.00
28-Jun-2002	John Eckhardt Holdings Inc.	KBSH Private - International Fund - Units	225,000.00	27,366.00
27-Jun-2002	John Eckhardt Holdings Inc.	KBSH Private - Money Market - Units	770,060.00	77,006.00
05-Jul-2002	Maggie Arden	KBSH Private - Money Market - Units	539,980.00	53,998.00
28-Jun-2002	John Eckhardt Holdings Inc.	KBSH Private - U.S. Equity Fund - Common Shares	255,000.00	17,993.00
11-Jul-2002	Primaxis Technology Ventures Inc.	Killdara Corporation - Preferred Shares	567,000.00	2,268,000.00
01-May-2002	3 Purchasers	Lancaster Fixed Income Fund - Trust Units	38,290,696.37	3,244,919.00
11-Jul-2002	3 Purchasers	Lexxor Energy Inc. - Flow-Through Shares	135,595.00	57,700.00
30-Jun-2002	37 Purchasers	Meston Resources Inc. - Units	8,707,790.00	1,274.00
10-Jul-2002	11 Purchasers	Metallic Ventures Inc. - Shares	4,381,240.00	1,156,000.00
11-Jul-2002	8 Purchasers	Moydow Mines International Inc. - Flow-Through Shares	240,600.00	300,750.00
30-Jun-2002	37 Purchasers	MSV Resources Inc. - Units	4,032,210.00	1,274.00
11-Jul-2002	CODAV Holdings Inc.	OceanLake Commerce Inc. - Warrants	141,000.00	42,300.00
11-Jul-2002	5 Purchasers	Pembina Pipeline Corporation - Notes	78,000,000.00	78,000.00
30-Jun-2002	Maureen Kerbel;Richard Zakaib	Performance Opportunities Fund - Limited Partnership Units	125,000.00	125.00
10-Jun-2002	469 Purchasers	RBC Global Investment Management Inc. - Units	126,921,921.46	139,864,061.00

23-Apr-2002	The Toronto-Dominion Bank;Royal Bank of Canada	Skylon High Yield Trust - Units	117,437,500.00	5,000,000.00
21-Jun-2002	10 Purchasers	Sonomax Hearing Healthcare Inc. - Units	230,400.00	384,000.00
15-Jul-2002	Edwards Mine	Strike Minerals Inc. - Warrants	10,000,000.00	500,000.00
12-Jul-2002	3 Purchasers	Tango Mineral Resources Inc. - Units	58,000.00	141,286.00
14-Jun-2002	C.M.H. Jennings Pyslinch	Tsodilo Resources Limited - Units	15,000.00	100,000.00
05-Jul-2002	3876446 Canada Inc.	Uroteq Inc. - Common Shares	100,000.00	50,000.00
12-Jul-2002	Dundee Precious Metals inc.	Wolfden Resources Inc. - Common Shares	1,092,750.00	775,000.00
12-Jul-2002	Dundee Precious Metals Inc.	Wolfden Resources Inc. - Common Shares	1,480,500.00	1,050,000.00
15-Jul-2003	Thomas Franklin Limited	ZTEST Electronics Inc. - Debentures	35,000.00	35,000.00

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

Seller	Security	Number of Securities
M.S. Carr + Associates Ltd.	Bitterroot Resources Ltd. - Common Shares	1,500,000.00
John Buhler	Buhler Industries Inc. - Common Shares	699,200.00
Glenn j. Mullan	Canadian Royalties Inc. - Common Shares	159,676.00
Larry Melnick	Champion Natural Health.com Inc. - Shares	119,765.00
Larry Melnick	Champion Natural Health.com Inc. - Shares	29,900.00
Larry Melnick	Champion Natural Health.com Inc. - Shares	119,765.00
Viceroy Resource Corporation	Channel Resources Ltd. - Common Shares	7,076,850.00
John P. Sheridan	Guyana Goldfields Inc. - Common Shares	500,000.00
John P. Sheridan	Langis Silver & Cobalt Mining Company Limited - Common Shares	200,000.00
Nava Silver	Phonetime Inc. - Common Shares	300,000.00
Linda Franklin	Phonetime Inc. - Common Shares	145,000.00
Rodney Franklin	Phonetime Inc. - Common Shares	360,000.00
1347265 Ontario Limited	Phonetime Inc. - Common Shares	1,000,000.00
Sea Change Corporation	Qnetix - Common Shares	2,000,000.00
Andrew J. Mailon	Spectra Inc. - Common Shares	550,000.00
Michael R. Faye	Spectra Inc. - Common Shares	250,000.00

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
BCE Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Shelf Prospectus dated July 24th, 2002
Mutual Reliance Review System Receipt dated July 24th, 2002
Offering Price and Description:
Common Shares
Preferred Shares
Debt Securities
Warrants to Purchase Equity Securities.
Warrants to Purchase Debt Securities
Cdn$5,000,000,000
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #467416

Issuer Name:
Brandes RSP U.S. Equity Fund
Brandes RSP International Equity Fund
Brandes RSP Global Equity Fund
Brandes Canadian Money Market Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated July 24th, 2002
Mutual Reliance Review System Receipt dated July 25th, 2002
Offering Price and Description:
(Class A, F and I units)
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #467718

Issuer Name:
Elliott & Page Diversified Fund
Elliott & Page Core Canadian Equity Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated July 26th, 2002
Mutual Reliance Review System Receipt dated July 29th, 2002
Offering Price and Description:
(Advisor Class Units)
Underwriter(s) or Distributor(s):
Promoter(s):
Elliott & Page Limited
Project #468099

Issuer Name:
Elliott & Page U.S. Alphametrics Fund
Elliott & Page Canadian Alphametrics Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated July 26th, 2002
Mutual Reliance Review System Receipt dated July 29th, 2002
Offering Price and Description:
(Advisor Class and Class I Units)
Underwriter(s) or Distributor(s):
Promoter(s):
Elliott & Page Limited
Project #468126

Issuer Name:
Midway Gold Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary Prospectus dated July 26th, 2002
Mutual Reliance Review System Receipt dated July 30th, 2002
Offering Price and Description:
1,134,500 Units to be issued upon the exercise of 1,134,500 Special Warrants
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
Brian J. McAlister
Project #468442

Issuer Name:
Synergy Canadian Growth Class
Synergy Canadian Momentum Class
Synergy Canadian Small Cap Class
Synergy Canadian Value Class
Synergy Canadian Style Management Class
Synergy Global Style Management Class
Synergy Tactical Asset Allocation Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated July 24th, 2002
Mutual Reliance Review System Receipt dated July 24th, 2002
Offering Price and Description:
(Series I Shares/Units)
Underwriter(s) or Distributor(s):
Synergy Asset Management Inc.
Promoter(s):
Synergy Asset Management Inc.
Project #467424

Issuer Name:
StrategicNova Canadian Large Cap Growth Fund
StrategicNova Canadian Large Cap Value Fund
StrategicNova Canadian Midcap Growth Fund
StrategicNova Canadian Midcap Value Fund
StrategicNova Canadian Small Cap Fund
StrategicNova U.S. Large Cap Growth Fund Ltd.
StrategicNova U.S. Large Cap Value Fund
StrategicNova U.S. Midcap Value Fund
StrategicNova U.S. Midcap Value RSP Fund
StrategicNova U.S. Small Cap Fund
StrategicNova Asia-Pacific Fund
StrategicNova Emerging Markets Fund
StrategicNova Europe Fund
StrategicNova Europe RSP Fund
StrategicNova Japan Fund
StrategicNova Latin America Fund
StrategicNova World Large Cap Fund
StrategicNova World Equity Fund
StrategicNova World Equity RSP Fund
StrategicNova Canadian Natural Resources Fund
StrategicNova Canadian Technology Fund
StrategicNova SAMI Fund
StrategicNova USTech Fund
StrategicNova World Precious Metals Fund
StrategicNova World Convertible Debentures Fund
StrategicNova Canadian Bond Fund
(formerly StrategicNova Income Fund)
StrategicNova Canadian Dividend Fund Ltd.
StrategicNova Canadian Government Bond Fund
(formerly StrategicNova Government Bond Fund)
StrategicNova Canadian High Yield Bond Fund
StrategicNova Canadian Money Market Fund
(formerly StrategicNova Money Market Fund)
StrategicNova Canadian Asset Allocation Fund
StrategicNova Canadian Balanced Fund
StrategicNova Commonwealth World Balanced Fund Ltd.
StrategicNova TopGuns Fund
StrategicNova Canadian Aggressive Balanced Fund
(formerly StrategicNova World Balanced Value RSP Fund)
StrategicNova World Strategic Asset Allocation Fund
StrategicNova World Strategic Asset Allocation RSP Fund
(Series A, F, I and O Units)
StrategicNova Canada Dominion Resource Fund Ltd.
(Series A preferred shares)
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated July 24th, 2002 to the amended and Restated Simplified Prospectus and Annual Information Form dated December 6th, 2001
Mutual Reliance Review System Receipt dated 30th day of July, 2002
Offering Price and Description:
Underwriter(s) or Distributor(s):
Promoter(s):
-
Project #376939

Issuer Name:
StrategicNova Venture Growth Fund Inc.
Type and Date:
Amendment #1 dated July 24th, 2002 to Final Prospectus dated January 30th, 2002
Receipt dated 30th day of July, 2002
Offering Price and Description:
Class A Shares
Underwriter(s) or Distributor(s):
Promoter(s):
CFG Sponsor Inc.
StrategicNova Funds Management Inc.
Project #407846

Issuer Name:
TD Global Select Fund
Principal Regulator - Ontario
Type and Date:
Amended and Restated Simplified Prospectus dated July 17th, 2002, amending and restating the Simplified Prospectus dated October 19th, 2001 and Amendment #5 dated July 17th, 2002 to the Annual Information Form dated October 19th, 2001.
Mutual Reliance Review System Receipt dated 24th day of July, 2002
Offering Price and Description:
(Investor Series, e-Series and Institutional Series units)
Underwriter(s) or Distributor(s):
TD Investment Services Inc.
TD Asset Management Inc.
Promoter(s):
TD Asset Management Inc.
Project #383561

Issuer Name:
TD Global Select Fund
Principal Regulator - Ontario
Type and Date:
Amendment #3 dated July 17th, 2002 to Simplified Prospectus and Annual Information Form
dated November 2nd, 2001
Mutual Reliance Review System Receipt dated 24th day of July, 2002
Offering Price and Description:
(Advisor Series and F-Series units)
Underwriter(s) or Distributor(s):
TD Asset Management Inc.
Promoter(s):
-
Project #390460

Issuer Name:
BNS Split Corp.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated July 25th, 2002
Mutual Reliance Review System Receipt dated 26th day of July, 2002
Offering Price and Description:
$50,020,800.00 - (1) $26,560,800.00 - 2040,000 Capital Shares; (2) $23,460,000 - 1,020,000 Preferred Shares @ $13,02 per Capital Share and $23.00 per Preferred Share
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
Promoter(s):
Scotia Capital Inc.
Project #459630

Issuer Name:
SFK Pulp Fund
Principal Regulator - Quebec
Type and Date:
Final Prospectus dated July 24th, 2002
Mutual Reliance Review System Receipt dated 24th day of July, 2002
Offering Price and Description:
$414,750,000.00 - 41,475,000 Units @$10.00 per Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
National Bank Financial Inc.
Scotia Capital Inc.
RBC Dominion Securities Inc.
UBS Warburg Inc.
Promoter(s):
Abitibi-Consolidated Inc.
Project #459404

Issuer Name:
Column Canada Issuer Corporation
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated July 25th, 2002
Mutual Reliance Review System Receipt dated 25th day July, 2002
Offering Price and Description:
$292,242,000.00 - Commercial Mortgage Pass-Through Certificates, Series 2002-CCL1
Underwriter(s) or Distributor(s):
Credit Suisse First Boston Canada Inc.
TD Securities Inc.
Promoter(s):
Column Canada Financial Corp.
Project #463838

Issuer Name:
Clarington Canadian Core Portfolio
Clarington U.S. Core Portfolio
Clarington Global Core Portfolio
Clarington Canadian Balanced Fund
Clarington Canadian Bond Fund
Clarington Canadian Dividend Fund
Clarington Canadian Equity Fund
Clarington Canadian Growth Fund
Clarington Canadian Income Fund
Clarington Canadian Income Fund II (Series A and Series B Units)
Clarington Canadian Small Cap Fund
Clarington Canadian Value Fund
Clarington Money Market Fund
Clarington Navellier U.S. All Cap Fund
Clarington RSP Navellier U.S. All Cap Fund
Clarington Technology Fund
Clarington RSP Technology Fund
Clarington U.S. Growth Fund
Clarington U.S. Smaller Company Growth Fund
Clarington Asia Pacific Fund
Clarington Global Communications Fund
Clarington RSP Global Communications Fund
Clarington Global Equity Fund
Clarington RSP Global Equity Fund
Clarington Global Income Fund
Clarington RSP Global Income Fund
Clarington Global Small Cap Fund
Clarington RSP Global Value Fund
Clarington International Equity Fund
Clarington RSP International Equity Fund
Clarington Canadian Equity Class
Clarington Global Communications Class
Clarington Global Equity Class
Clarington Global Health Sciences Class
Clarington Global Small Cap Class
Clarington Global Value Class
Clarington Navellier U.S. All Cap Class
Clarington Short-Term Income Class
Clarington U.S. Large Cap Value Class
Clarington U.S. Mid-Cap Value Class
(Classes of Clarington Sector Fund Inc.)
Principal Regulator - Ontario

Type and Date:
Final Simplified Prospectus and Annual Information Form dated July 23rd, 2002
Mutual Reliance Review System Receipt dated 25th day July, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
ClaringtonFunds Inc.
Promoter(s):
ClaringtonFunds Inc.
Project #460588

Issuer Name:
MD Balanced Fund
MD Bond Fund - "Class A" & "Private Trust Class" Mutual Fund Units
MD Bond and Mortgage Fund
MD Canadian Tax Managed Pool - "Class A" & "Private Trust Class" Mutual Fund Units
MD Dividend Fund
MD Equity Fund
MD Global Bond Fund
MD Global Equity RSP Fund
MD Growth Investments Limited
MD Growth RSP Fund
MD International Growth Fund
MD International Growth RSP Fund
MD Money Fund
MD Select Fund
MD US Large Cap Growth Fund
MD US Large Cap Growth RSP Fund
MD US Large Cap Value Fund
MD US Large Cap Value RSP Fund
MD US Small Cap Growth Fund
MD US Tax Managed Pool - "Class A" & "Private Trust Class" Mutual Fund Units
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated July 25th, 2002
Mutual Reliance Review System Receipt dated 29th day of July, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
MD Management Limited
Promoter(s):
-
Project #464682

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Ojala Financial Corp. Attention: Harjinder Singh Kang 54 Howell Street Brampton ON L6Y 3H7	Limited Market Dealer	Jul 26/02
New Registration	Integra Capital Limited Attention: Brian A. Rennie 2020 Winston Park Drive Suite 200 Oakville ON L6H 6X7	Limited Market Dealer Investment Counsel & Portfolio Manager	Jul 18/02
New Registration	I.G. Investment Management, Ltd. Attention: Alexander Scott Penman 447 Portage Avenue Winnipeg MB R3C 3B6	Investment Counsel & Portfolio Manager	Jul 15, 02
Change in Category (Categories)	Quadravest Capital Management Inc. Attention: Peter F. Cruickshank 77 King Street West, Suite 4500 PO Box 341, Royal Trust Tower Toronto ON M5K 1K7	From: Mutual Fund Dealer Investment Counsel & Portfolio Manager To: Limited Market Dealer Investment Counsel & Portfolio Manager	Jul 26/02

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 Amendments to Parts V, VI and VII of The Toronto Stock Exchange Company Manual in Respect of Non-Exempt Issuers, Changes in Structure of Issuers' Capital and Delisting Procedures

TORONTO STOCK EXCHANGE

REQUEST FOR COMMENTS

**AMENDMENTS TO PARTS V, VI AND VII
OF THE TORONTO STOCK EXCHANGE COMPANY MANUAL
IN RESPECT OF NON-EXEMPT ISSUERS, CHANGES IN STRUCTURE
OF ISSUERS' CAPITAL AND DELISTING PROCEDURES**

On July 9, 2002 the Board of Directors of the Toronto Stock Exchange (the "TSX") approved amendments (the "Amendments") to Parts V, VI and VII of the TSX Company Manual (the "Manual"). The Amendments are intended to provide transparency to current standards and practices of the TSX in respect of non-exempt issuers (Part V), changes in structure of issuers' capital (Part VI) and delisting procedures (Part VII).

The Amendments will be effective upon approval by the Ontario Securities Commission (the "OSC") following public notice and comment. Comments should be in writing and delivered by October 2, 2002 to:

Robert M. Fabes
Vice President, Advisory Affairs
Toronto Stock Exchange
The Exchange Tower
130 King Street West
Toronto, Ontario M5X 1J2
Fax: (416) 947-4547
Email: robert.fabes@tsx.ca

A copy should also be provided to the:

Manager, Market Regulation
Capital Markets Branch
Ontario Securities Commission
20 Queen Street West
19th Floor, P. O. Box 55
Toronto, Ontario M5H 3S8

Comments will be publicly available unless confidentiality is requested.

Overview

The TSX is seeking comments on the Amendments. The Amendments are intended to provide listed issuers with a complete and transparent set of TSX standards and practices allowing issuers and investors, and their respective advisors, to have certainty when planning and completing transactions. The TSX believes that this will result in more efficient, cost effective access to Canadian capital markets. The Amendments are the result of more than one year of review and consultation.

Once finalized, the Amendments will constitute the entire body of TSX standards and practices in respect of non-exempt issuers (Part V), changes in structure of issuers' capital (Part VI) and delisting procedures (Part VII). As new standards and practices develop, the TSX will continue to publish these by way of notices to issuers and their advisors and updates to the Manual.

Background

Over the years, the TSX has developed a body of standards and staff practices which has not always been published. Recognizing the importance of transparency, this review was undertaken with the goal of publishing a compete set of standards and practices for issuers, investors and their respective advisors.

In conducting its review, the TSX compiled all written and unwritten standards and practices. We also completed a comparative analysis of standards and practices of other exchanges (TSX Venture, New York Stock Exchange, Nasdaq, London Stock Exchange and Australian Stock Exchange). A number of key stakeholders across Canada were consulted, including issuers, lawyers, institutional investors and shareholder rights groups.

Principal Amendments

A description and analysis of the principal Amendments follows. In order to generate additional discussion and comment, the TSX has indicated specific questions to be considered by readers.

Please note that attached as Appendix A is a detailed analysis in table form of the existing TSX standards and practices as compared with the principal Amendments.

1. Discretion

Currently, the TSX has the ability to exercise discretion in granting relief from certain provisions of the Manual or in imposing additional conditions on proposed transactions. While such discretion has been exercised consistently, the TSX has not historically published the circumstances in which the exercise of such discretion occurs. Accordingly, proposed section 603 establishes that in exercising its discretion, the TSX will consider the effect that the transaction may have on the quality of the TSX marketplace, based on factors which include the following:

(i) the involvement of insiders or other related parties of the listed issuer in the transaction or the negotiation of the transaction;

(ii) the material affect on control of the listed issuer;

(iii) the listed issuer's corporate governance practices; and

(iv) the listed issuer's disclosure practices.

Question 1: Consider whether any additional factors be reviewed by the TSX when exercising Its discretion to grant relief from its standards or to impose conditions.

2. Definitions

A number of terms are used in the Manual which do not currently have specified definitions. In order to ensure consistency in interpretation and application, the TSX is proposing that certain key terms be properly defined. In particular, the TSX is seeking specific comments on the following definitions.

a. **Market price** is proposed as meaning the VWAP (defined as the volume weighted average trading price of the listed securities, calculated by dividing the total value by the total volume of securities traded for the relevant period) on the TSX, or another stock exchange where the majority of the trading volume and value of the listed securities occurs, for the five trading days immediately preceding the relevant date. If the five day VWAP, in the opinion of the TSX, does not accurately reflect the securities' current market price, the VWAP may be for such shorter or longer period as the TSX determines based on relevant factors including liquidity, trading activity immediately before, during or immediately after the relevant period or any material events, changes or announcements occurring immediately before, during or immediately after the relevant period. Market price is to be determined as at the date provided for in the agreement which obligates the issuer to issue the securities. If the listed securities are suspended from trading or have not traded on the TSX or another stock exchange for an extended period of time, the market price will be the fair market value of the listed securities as determined by the listed issuer's board of directors.

This definition allows issuers to have greater flexibility in structuring their transactions while at the same time reducing the possibility that the market price can be artificially manipulated. While the current procedure is for market price to be determined based on the closing price on the trading day prior to the TSX's receipt of notice of the proposed transaction (current section 619(b)), the TSX currently allows such five day VWAP calculations on an as requested basis.

Question 2: Consider the appropriateness of the proposed definition for market price, particularly with respect to the accessibility of a volume weighted average price.

b. **Materially affect control** is proposed as meaning the ability of any security holder or combination of security holders acting together to influence the outcome of a vote of security holders, including the ability to block

significant transactions. Such an ability will be affected by the circumstances of a particular case, including the presence or absence of other large security holdings, the pattern of voting behaviour by other holders at previous security holder meetings and the distribution of the voting securities. A transaction that results, or could result, in a new holding of more than 20% of the voting securities by one security holder or combination of security holders acting together will be considered to materially affect control, unless the circumstances indicate otherwise. Transactions resulting in a new holding of less than 20% of the voting securities may also materially affect control, depending on the circumstances.

While this term is used throughout the Manual, there is no published direction as to how the TSX applies this phrase. The proposed definition is meant to clarify current TSX practice and create efficiencies in structuring transactions.

The TSX currently does not require security holder approval for transactions which materially affect control of an issuer unless the dilution of the transaction exceeds 25% of the capital of the issuer or involves participation of insiders of the issuer. The TSX proposes that any transaction which materially affects control, independent of other factors, will require security holder approval.

Question 3: Consider whether the proposed definition for materially affect control is sufficiently clear and whether security holder approval for such transactions is a reasonable requirement.

3. Non-exempt Issuers

Under Part V of the Manual, non-exempt issuers must pre-clear all material transactions with the TSX. Historically, it is in those instances where a material transaction of a non-exempt issuer involves insiders, may materially affect control or is a transaction described in Part VI of the Manual that the TSX imposes conditions on a proposed transaction.

Accordingly, the TSX proposes revising Part V so that non-exempt issuers would continue to notify the TSX of all material changes (proposed section 501). The TSX would only review those transactions involving insiders, materially affecting control or described in Part VI of the Manual.

Question 4: Consider whether non-exempt issuers require pre-clearance by the TSX beyond those transactions involving insiders, materially affecting control or described in Part VI of the Manual.

4. Private Placements, Acquisitions and Warrants

Over time, the TSX has developed a number of standards and practices in respect of the issuance of share capital by issuers by way of private placement. The TSX has had to respond to a variety of transactions, resulting in the TSX adopting a number of standards and practices which historically have not been published. The Amendments address the principal changes to such standards and practices.

a. Dilutive transactions.

Currently, security holder approval is required for any transaction which may result in more than 25% of an issuer's capital being issued or issuable in a six month period, calculated on a non-diluted basis (current section 620).

The TSX proposes that, subject to the TSX's discretion to impose restrictions on transactions involving insiders or materially affecting control, transactions involving the issuance of shares priced at or above market price not be reviewed by the TSX (proposed section 607(c)). These transactions are economically neutral to all security holders and do not require TSX review. Reducing the scope of review in these instances will allow for more efficient access to capital markets.

Question 5: Consider whether the TSX should continue to review transactions that are priced at or above market price.

In addition, the TSX proposes that the 25% threshold for transactions priced below market be calculated on a per transaction basis rather than over a six month period (proposed section 607(g)). Current market conditions require that issuers act quickly when presented with favourable financing opportunities. Accordingly, the proposed TSX practice will allow for more efficient marketplace access.

Question 6: Consider the appropriateness of calculating dilution on a per transaction basis rather than over a six month period.

Question 7: Consider whether 25% is the appropriate threshold when reviewing dilutive transactions.

b. Pricing and Discounts.

The TSX is not proposing to change allowable discounts to market price for private placements (current section 619(b)).

Question 8: Consider whether the TSX should continue to set standards for discounts on market price and the appropriateness of the current discount levels.

Currently, the TSX does not permit private placements to be priced below the allowable discount in any circumstances. The TSX is proposing that security holders may approve a price per security which is below the stated discount (proposed section 607(e)).

Question 9: Consider whether security holders should be able to approve a price per security which is below the stated discounts.

c. Acquisitions.

The TSX proposes to clarify the standards and practices in place for the use of listed securities in payment of the purchase price for assets (current sections 623 and 624; proposed section 611). The proposed sections reflect current practice and clarify that additional documentation will be required if the assets are purchased from an insider and that security holder approval may be required if the total number of securities issued or issuable are below market price and exceed 25% of the issuer's capital.

Question 10: Consider whether security holder approval should be required in other circumstances, such as the purchase of the asset resulting in a change in the business of the issuer.

d. Warrants.

Currently, the TSX has a prescribed set of requirements for warrants issued in a private placement (current section 622). Over time, as a result of requests from issuers, the TSX has developed standards and practices in respect of warrants that historically have remained unpublished.

The TSX proposes to continue to allow the granting of warrants in private placements. Consistent with current practice, the TSX will continue to require that these warrants be priced at market price but all other conditions, such as number and term of warrants, are to be determined by the issuer (proposed section 608(a)). In addition, the TSX proposes that warrants may be amended provided that: (i) the exercise price is not less than the market price of the securities at the time of application; and (ii) disclosure of such amendments is made by way of press release 10 business days prior to the effective date of the change. Approval by security holders, other than those holding warrants proposed to be amended, will be required in respect of amendments to the terms of warrants held by insiders of the listed issuer.

The regime for the listing of warrants has been simplified to reflect current practice (proposed section 609).

Question 11: Consider whether the TSX should continue to impose other standards in respect of warrants, such as expiry date and the number of warrants issuable per security purchased.

e. Participation of insiders.

The Manual states that the TSX may impose additional conditions on non-arm's length transactions (current section 609) and over time certain practices have developed as a result of the application of that provision. Practices limiting insider participation in private placements were implemented to ensure investor confidence and promote a quality marketplace.

The TSX recognizes that insiders need not always be treated differently from other investors. Investor confidence and market quality can be realized by limiting insider participation rather than restricting the terms upon which insiders can participate in transactions.

Accordingly, the TSX proposes to formally limit insider participation without security holder approval in transactions over the course of a six month period to the ability to receive, or be entitled to receive, 10% of the issuer's capital, calculated on a non-diluted basis (proposed sections 607(g) and 611(b)).

Question 12: Consider whether 10% is the appropriate threshold when reviewing transactions involving insiders.

5. Security Based Compensation Arrangements

Current TSX standards and practice require security holder approval for security based compensation arrangements when certain factors, such as total securities issuable under all arrangements exceeding 10% of the issuer's capital, exist (current section 629). The existence of additional factors, such as insider participation above 10% of the issuer's capital, triggers the requirement for disinterested security holder approval (current section 630).

The TSX proposes that generally all security based compensation arrangements be submitted to disinterested security holders for their approval (proposed section 613(a)). These types of arrangements are sufficiently material and important to security holders so as to require their approval. Similar requirements are being proposed by other stock exchanges.

Security based compensation has become increasingly complex and important, varying from industry to industry. Based on this and on discussions with stakeholders, issuers, and ultimately their security holders, rather than the TSX (current section 633), are more appropriately positioned to determine the content of security based compensation arrangements. The TSX proposes (proposed section 613(d)), however, to prescribe the disclosure to be provided to security holders when issuers seek security holder approval for such arrangements. Meaningful disclosure of the content of such arrangements is necessary for informed security holder approval.

Question 13: Consider whether the TSX should continue to require that security based compensation arrangements have minimum exercise prices, a fixed number of issuable securities and a maximum term.

6. Charitable Options

The TSX currently sets standards for the granting of options to registered charities (current sections 637.1 through 637.10). The TSX recognizes that allowing issuers to set up such programs, within specified limits, does not affect the quality of the marketplace. Accordingly, the TSX proposes to allow issuers to issue securities to registered charities provided that security holder approval will be required if the number of securities issued or issuable: (i) to one registered charity exceeds 2% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of the issuance; or (ii) in a 12 month period in the aggregate exceeds 5% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis (proposed section 612).

Question 14: Consider whether the TSX should continue to impose additional conditions on securities issued or issuable to registered charities.

7. Security Holder Approval

Under current section 606 the TSX developed certain practices in respect of security holder approval to protect investors and ensure a quality marketplace. Proposed section 604 formalizes these practices, including the circumstances under which security holder approval will be required, the form of such approval and the requirement to pre-clear security holder materials with the TSX. In addition, the proposed section outlines when security holder approval by written consent will not be permitted.

Proposed section 604(c) states that the resolution approved by security holders must relate to a specific transaction and not to an unspecified future transaction. By requiring specific approval, the TSX ensures that transactions requiring security holder approval are executed in the form approved by such security holders contributing to transparency in the marketplace. Consequently, it is proposed that blanket approval for private placements in excess of 25% of the issuer's capital no longer be accepted by the TSX.

Question 15: Consider whether the TSX should continue to accept blanket approval for dilutive private placements.

In addition, and similar to an exemption available to reporting issuers under certain policies of the Ontario Securities Commission, issuers may apply for an exemption from the requirement for security holder approval if: (i) the listed issuer is in serious financial difficulty; (ii) the application is made upon the recommendation of a committee of independent board members; (iii) the transaction is designed to improve the listed issuer's financial situation; and (iv) the transaction is reasonable for the listed issuer in the circumstances. This exemption will not be available in respect of the security holder approval required for security based compensation arrangements or for the issuance of securities to registered charities.

Question 16: Consider whether security holder approval requirements should be waived under a financial hardship exemption.

Question 17: Consider whether additional conditions should be imposed on the availability of the financial hardship exemption.

8. Suspension and Delisting

Currently, Part VII of the Manual provides that an issuer will be delisted from the TSX within 12 months from the date of its suspension from trading.

The 12 month suspension period was originally established to facilitate reinstatement of suspended issuers able to meet original listing requirements during that time. Historically, reinstatement following suspension has been a rare occurrence. In most cases, a suspended issuer lists on TSX Venture, becoming subject to oversight by both exchanges. The Amendments would eliminate (i) the additional expense to issuers having to comply with two sets of standards and (ii) the potential of conflicting decisions resulting from differing standards.

Under current remedial review, prior to being suspended, issuers are provided with the opportunity to remedy their deficiencies. Security holders also have adequate time to liquidate their positions prior to any suspension decision.

The proposed revisions to Part VII provide that issuers, after being afforded an opportunity to be heard, will be suspended and delisted from the TSX 30 days after the expiry of the 120 remedial period. Issuers subject to an expedited review process will be suspended immediately upon completion of the expedited review and delisted 30 days after the suspension date.

Question 18: Consider whether the current 12 month delay between suspension and delisting should be retained.

9. Change in Management

Currently, only non-exempt issuers are required to submit Personal Information Forms for new officers and directors (current section 516). A quality marketplace is fostered by having quality participants. Ensuring the suitability of those persons in a position to influence management of a listed issuer is part of the TSX's current mandate (current section 716 of the Manual).

Accordingly, the TSX proposes that it review the suitability of new officers, directors and insiders for all listed issuers. The filing of a Personal Information Form will be required only if requested by the TSX (amended section 716).

Question 19: Consider whether the review by the TSX of new officers, directors or insiders should only be required of non-exempt issuers.

Public Interest

In accordance with the "Protocol for Commission Oversight of Toronto Stock Exchange Rule Proposals" between the OSC and the TSX, the TSX must determine whether a change in policies is of "public interest". Without specifically addressing whether each Amendment could have a material impact on investors or issuers and as a result be in the public interest, the TSX believes that as a whole the Amendments are sufficiently important to warrant public comment. The TSX has benefited from public comment in the past and believes that it is important for its key stakeholders to have an opportunity to review the amended policies prior to their implementation.

As a result, the Amendments will only become effective following public notice, a comment period and the approval of the OSC.

Given the scope of the Amendments, the TSX has established a 60 day comment period rather than the usual 30 day period.

Text of Amendments

Attached as Appendix B is a draft of those sections of the Manual reflecting the Amendments. Other than in respect of Part VII, the Amendments are extensive and as a result the changes have not been marked from the current version of the Manual. In particular, we refer readers as follows:

1. Sections 501 to 613 addressing non-exempt issuers, private placements, warrants and share based compensation;

2. Sections 628 to 632 addressing exchange takeover bids amended to align the TSX policy with securities legislation;

3. Section 641 addressing the effect of the Amendments on current transactions;

4. Part VII addressing the proposed delisting procedure; and

5. The second paragraph of Section 716 providing that the TSX will review changes in management for all listed issuers.

Readers are advised that the policies currently appearing as appendixes to the Manual have now been incorporated into the Manual as follows:

1. Policy on small security holder selling and purchase arrangements (formerly Appendix D) – Sections 638 through 640;

2. Policy on sales from a control block through the facilities of the Exchange (formerly Appendix D) – Section 637;

3. Policy on restricted shares (formerly Appendix E) – Section 624;

4. Policy on take-over bids and issuer bids through the facilities of the Exchange (formerly Appendix F) – Sections 628 through 632; and

5. Policy on security holder rights plans (formerly Appendix G) – Sections 633 through 636.

As indicated, only the policy on take-over bids and issuer bids through the facilities of the TSX has any substantive amendments.

BY ORDER OF THE BOARD OF DIRECTORS

LEONARD P. PETRILLO
VICE PRESIDENT, GENERAL
COUNSEL AND SECRETARY

APPENDIX A

COMPARATIVE ANALYSIS

Existing Standard [current reference]	Amended Standard [new reference]	Rationale
1. Not all TSX practices are written and/or published.	All TSX standards and practices will be in writing and published for issuers and their advisors.	Transparency of TSX policies will create greater certainty for issuers and their advisors. This will reduce the expense and time required for issuers to complete transactions.
2. Non-exempt TSX listed issuers must pre-clear all material changes with the TSX. [ss.502 through 519]	The TSX will require notice of all material changes and will review only those transactions which involve insiders or materially affect control. [s.501]	Limiting the types of transactions requiring TSX review will reduce the expense and time required for issuers to complete transactions. The TSX will continue to monitor transactions of non-exempt issuers as they require additional supervision.
3. TSX does not specify the time period for responding to a filing. [none]	Issuers will receive notice of acceptance or non-acceptance within 7 business days. For transactions not involving insiders or a material effect on control, the response time will be 3 business days. [ss.501(e), 602(c), 607(c)]	Specifying service response times provides issuers with certainty and guarantees quality customer service.
4. Not all terms and phrases used in the Manual are defined. [none]	All terms and phrases have been defined. [s.601]	Definitions create transparency and consistency of interpretation.
5. Market price is defined as the closing price on the day before the TSX receives notice of the transaction. [s.619(b)]	Market price is based on a 5-day volume weighted average trading price. [definition of market price in s.601]	Weighted average trading prices are less susceptible to market manipulation.
6. Any transaction resulting in an issuance of more than 25% of an issuer's share capital in a 6 month period requires security holder approval. [s.620]	Subject to 7. below, transactions done at or above market price will not be reviewed. [s.607(c)] In addition, the 25% limit on share capital issuances will be on a per transaction basis rather than the previous 6 months. [s.607(g)]	While unrestricted below market transactions affect the quality of the marketplace, transactions done at or above market are economically neutral to all security holders. This practice is similar to that of other exchanges.
7. The TSX currently has unspecified discretion to impose conditions on transactions that may affect the quality of the marketplace. [none]	The TSX continues to have discretion to impose conditions or grant exemptions in situations where marketplace quality may be compromised. In order to create certainty in the marketplace, this discretion will be limited to transactions involving insiders or that materially affect control. Specifically, the TSX will be able to require security holder approval for such transactions. [s.603]	The TSX currently acts to ensure a quality marketplace. Specific mention of this discretion creates greater transparency. Other exchanges retain supervision over transactions involving insiders or that materially affect control.
8. Only certain share compensation arrangements are subject to security holder approval. [ss.629, 630]	All share compensation arrangements will require security holder approval. Management and board insiders	Share based compensation is significant enough to security holders to always require their approval.

Existing Standard [current reference]	Amended Standard [new reference]	Rationale
	benefiting under such arrangements will not be permitted to vote. [s.613(a)]	We note that U.S. exchanges have proposed changes to their standards requiring shareholder approval for all share based compensation arrangements.
9. The TSX mandates certain terms for all share compensation arrangements. [ss.633, 634]	The TSX will only mandate the disclosure required by issuers in respect of share compensation arrangements. [s.613(c)]	The importance of share based compensation arrangements varies based on the size and industry of the issuer. While security holders need to know and approve the content of these arrangements, it is not appropriate for the TSX to determine the terms of such arrangements.
10. Issuers cannot apply for an exemption from security holder approval requirements. [none]	Issuers will be able to apply for an exemption from security holder approval requirements (other than share compensation arrangements). This exemption will be automatically granted to issuers meeting quantitative continued listing requirements if the issuer (1) is in serious financial difficulty, (2) the transaction is designed to improve the issuer's financial situation and (3) the transaction is reasonable in the circumstances. The issuer's board, upon the recommendation of a committee of independent directors, must determine that these 3 requirements are met. Issuers applying for this exemption will be required to disclose in a press release the transaction and the fact that the exemption has been applied for prior to the completion of the transaction. [s.604(e)]	It is in the best interest of security holders and the marketplace for issuers to enter into transactions in a timely manner when faced with financial difficulty. It is appropriate for the TSX to defer to the decision of an issuer's independent directors in this regard. The Ontario Securities Commission makes this exemption available in respect of related party and other special transactions.
11. Charitable options may be granted with security holder approval and must meet TSX requirements. [ss.637.1 through 637.10]	Terms of charitable options are set by the issuer, other than exercise price which must be at least market price. Options for more than 2% of an issuer's capital to one registered charity or an aggregate of 5% on annual basis require security holder approval. [s.612]	While security holders need to know and approve the content of these options, it is not appropriate for the TSX to determine the terms of such arrangements.
12. The TSX sets the standards for warrants issued to private placees. [s.622] The TSX has unwritten standards for requirements for changes to existing warrants.	The TSX will allow issuers to set the terms of warrants other than the exercise price, which must be at least market price. [s.608(a)] Issuers may amend warrants provided that details of the changes are press released 10 days prior to the effective date. If insiders hold amended warrants, these must be approved by	Transparency creates certainty and results in more efficient access to capital markets. Subject to restrictions on exercise price and the making of amendments, the TSX believes that issuers are in the best position to determine the commercial terms of warrants.

Existing Standard [current reference]	Amended Standard [new reference]	Rationale
	security holders. [s.608(b)]	
13. The TSX has unpublished standards for insider participation in private placements. Currently, insider participants may not benefit from more than one "advantage" (i.e., an insider could not receive a warrant and purchase shares at a discount even if all other placees are able to do so). [none]	All TSX standards in respect of private placements are published. In addition, insider participants may participate on the same terms as other private placement participants. Insider participation above 10% of the issuer's share capital, calculated on a 6 month basis rather than per transaction, will require security holder approval. [s.607(g)]	Transparency creates certainty and results in more efficient access to capital markets. The potential for undue influence by insiders is limited by the security holder approval requirement.
14. TSX EXCHANGE BIDS a. An offeror shall not attach conditions (other than with respect to a maximum number of securities and receipt of required Competition Act approvals) to any exchange bid. [Appendix F, s. 6-202(2)]	a. An offeror may attach conditions to an exchange bid. [s.629]	a. This restriction is not contained in securities laws. Generally, issuers offering to purchase securities want to ensure that a minimum number of securities (i.e. 66 2/3%) are tendered before they proceed. The removal of the restriction on conditions will more closely align the TSX rules with securities legislation on circular take-over and issuer bids.
b. An exchange bid shall not be withdrawn (other than for exchange take-over bids where a superior offer is made, previously undisclosed material information is discovered or there is material adverse change in the target). [Appendix F, s. 6-202(4)]	b. An exchange bid may be withdrawn. [no section]	b. This provision is related to item a. above. If a condition is not satisfied the bid will effectively be withdrawn and accordingly if conditions to bids are permitted, withdrawals should similarly be permitted.
c. The terms of a bid may only be amended to increase the consideration, the number of share sought or the seller's commission. [Appendix F, s. 6-207]	c. An exchange bid may be amended. [s.629(m)]	c. The removal of the restriction on conditions will more closely align the TSX rules with securities legislation on circular take-over and issuer bids. The TSX will ensure that the amendment does not negatively impact market quality. Where the proposed amendment is made relatively close to the expiry of the bid, the TSX may delay the timing of the book for tenders in order to ensure that security holders are aware of the amendment.
15. SMALL SHAREHOLDER SELLING AND PURCHASE ARRANGEMENTS TSX parametres for renewal of arrangements are not published.	2 automatic renewals of 30 days each will be permitted provided that the TSX is pre-notified and a press release is issued. [s.639(h)]	Transparency creates certainty and results in more efficient access to our capital market.
16. Issuers on a post-consolidation basis must meet certain financial	Issuers on a post-consolidation basis must meet continued listing	As security holders must approve the consolidation, the TSX should

Existing Standard [current reference]	Amended Standard [new reference]	Rationale
tests. [s.691]	requirements. [s.621(b)]	concentrate solely on continued listing requirements.
17. Following a period during which they can remedy their non-compliance, issuers are suspended from the TSX but remain listed for a 12 month period. During this period, the issuer remains subject to TSX requirements and must meet the TSX's original listing requirements to be reinstated. [Part VII]	Issuers will be suspended and delisted from the TSX 30 days after the expiry of the 120 day remedy period and the right to be heard. Where an issuer is subject to an expedited review, the issuer will be suspended immediately and delisted 30 days following the suspension date. Issuers will be required to meet TSX original listing requirements in order to be reinstated. [Part VII]	Issuers are currently provided with the opportunity to remedy their deficiencies and security holders also have adequate time to liquidate their positions prior to any suspension decision. The 12 month suspension period is of limited value to issuers. Historically, reinstatement following suspension has been a rare occurrence. Under the Universal Market Integrity Rules issuers listed but not trading on the TSX could trade on another trading system. This would compromise the quality of the marketplace. This amendment also avoids duplication of regulatory oversight for suspended issuers who transfer to the TSX Venture Exchange.
18. Only non-exempt issuers are required to submit a Personal Information Form for new officers and directors. [s.516]	New officers, directors and other insiders of all listed issuers will be reviewed by the TSX. Personal Information Forms will only be required if requested by the TSX. [s.716]	A quality marketplace is fostered by having quality participants. Ensuring the suitability of those persons in a position to influence management of a listed issuer is part of the TSX's current mandate under s. 716 of the Manual.
19. Private placees are required to undertake not to trade their securities for the longer of 4 months or the hold period under applicable securities legislation. [s.621]	The TSX will not require an undertaking from private placees not to trade securities. [none]	Securities legislation provides for a complete regime in respect of the resale of securities purchase pursuant to an exemption from prospectus requirements.

APPENDIX B

REVISED PARTS V, VI AND VII OF THE TSX COMPANY MANUAL

PART V - SPECIAL REQUIREMENTS FOR NON-EXEMPT ISSUERS

501. (a) This Part is applicable only to ‘‘non-exempt issuers’’. The decision as to whether an issuer is non-exempt is made by the TSX at the time the issuer is originally approved for listing. Reference should be made to Section 309.1 (Industrial companies), 314.1 (Mining companies) or 319.1 (Oil and Gas companies) of this Manual, which outline the requirements for eligibility for exemption from this Section 501. If these requirements are not met at the time of original listing, the exemption may be granted at such later time as they are met either (i) on application in writing accompanied by the applicable fee by the non-exempt issuer (see Part VIII), or (ii) upon review by the TSX. The TSX may revoke a previously granted exemption in appropriate circumstances. Non-exempt issuers are designated in stock quotations in the financial press as ‘‘subject to special reporting rules’’.

(b) Every non-exempt issuer shall give prompt notice to the TSX of any proposed material change in the business or affairs of the issuer. See Section 410 for a list of developments likely to require such notice. Material changes other than those described in Section 501(c) do not require TSX acceptance under this Part V.

(c) Transactions involving insiders or other related parties of the non-exempt issuer (both as defined in Section 601) or that materially affect control (as defined in Section 601) require TSX acceptance under this Part V before the non-exempt issuer may proceed with the proposed transaction. Failure to comply with this provision may result in the suspension and delisting of the non-exempt issuer’s listed securities (see Part VII of this Manual).

(d) The TSX will advise the non-exempt issuer in writing generally within seven (7) business days of the TSX’s acceptance of a transaction described in Section 501(c).

(e) Where a non-exempt issuer proposes to enter into a transaction described in Section 501(c) any public announcement of the proposed transaction must disclose that TSX acceptance is required. A statement that the transaction is subject to TSX acceptance is sufficient for this purpose.

(f) The requirements of this Section 501 are in addition to the timely disclosure obligations of listed issuers, as set out in Sections 406 to 423.4 of this Manual, the provisions of Section 602 and all the other requirements set out in Part VI of this Manual, and to all applicable corporate and securities legislation.

(g) The notice required by this Section 501 should initially take the form of a letter addressed to the TSX’s Advisory Affairs division, requesting acceptance of the notice for filing. Transactions described in Sections 501(c) must be accompanied by the applicable filing fee (see Part VIII). If applicable, the notice should include the appropriate Company Reporting Form (Appendix H: Company Reporting Forms). A press release or information circular filed with the TSX does not constitute notice under this Section 501. The letter should contain the essential particulars of the proposed transaction, and should state whether: (i) any insider has a beneficial interest, directly or indirectly, in the proposed transaction and the nature of such interest; and (ii) whether and how the transaction could materially affect control of the non-exempt issuer. Copies of all applicable executed agreements must be filed as part of the Section 501 notice as soon as they are available.

(h) If the proposed change entails an issuance, or potential issuance, of securities, the Section 501 and 602 notices should be combined in a single letter (see Part VI of this Manual).

(i) The TSX normally considers notices on Thursday of the week following the week of receipt of the notice. Further information or documentation may be requested before the TSX decides to accept or not accept notice of a transaction.

(j) The provisions of Sections 601 and 603 of Part VI of this Manual apply to transactions under this Part V.

PART VI – CHANGES IN CAPITAL STRUCTURE OF LISTED ISSUERS

GENERAL

601. Definitions.

In Parts V and VI of this Manual, the following words and phrases have these definitions:

"associate" has the same meaning as found in the OSA;

"CSA" means the Canadian Securities Administrators;

"insider" has the same meaning as found in the OSA and issuances to insiders include direct and indirect issuances to insiders and their associates;

"issuer" means a corporation, company, partnership, limited partnership, trust, income trust or investment trust or any other organized entity issuing securities;

"listed issuer" means any issuer having securities listed on the TSX;

"listed security" or **"listed securities"** means a security or securities listed on the TSX;

"market price" means the VWAP on the TSX, or another stock exchange where the majority of the trading volume and value of the listed securities occurs, for the five trading days immediately preceding the relevant date. If the five day VWAP, in the opinion of the TSX, does not accurately reflect the securities' current market price, the VWAP may be for such shorter or longer period as the TSX determines based on relevant factors including liquidity, trading activity immediately before, during or immediately after the relevant period or any material events, changes or announcements occurring immediately before, during or immediately after the relevant period. Market price is to be determined as at the date provided for in the agreement which obligates the issuer to issue the securities. If the listed securities are suspended from trading or have not traded on the TSX or another stock exchange for an extended period of time, the market price will be the fair market value of the listed securities as determined by the listed issuer's board of directors;

"materially affect control" means the ability of any security holder or combination of security holders acting together to influence the outcome of a vote of security holders, including the ability to block significant transactions. Such an ability will be affected by the circumstances of a particular case, including the presence or absence of other large security holdings, the pattern of voting behaviour by other holders at previous security holder meetings and the distribution of the voting securities. A transaction that results, or could result, in a new holding of more than 20% of the voting securities by one security holder or combination of security holders acting together will be considered to materially affect control, unless the circumstances indicate otherwise. Transactions resulting in a new holding of less than 20% of the voting securities may also materially affect control, depending on the circumstances;

"OSA" means the *Securities Act* of the Province of Ontario as amended from time to time, the rules and policies thereunder and any replacement legislation;

"OSC" means the Ontario Securities Commission;

"related party" has the same meaning as found in the OSA;

"security" or **"securities"** has the same meaning as found in the OSA;

"TSX" means the Toronto Stock Exchange; and

"VWAP" means the volume weighted average trading price of the listed securities, calculated by dividing the total value by the total volume of securities traded for the relevant period.

602. General.

(a) Every listed issuer shall immediately notify the TSX in writing of any transaction involving the issuance or potential issuance of its securities.

(b) A listed issuer may not proceed with a Section 602(a) transaction unless accepted by the TSX. Failure to comply with this provision may result in the suspension and delisting of the listed issuer's listed securities (see Part VII of this Manual).

(c) Unless otherwise provided, the TSX will advise the listed issuer in writing generally within seven (7) business days of receipt of by the TSX of the Section 602(a) notice, of the TSX's decision to accept or not to accept the notice, indicating its reasons. In reviewing the transaction described in the notice, the TSX will consider the applicable provisions of this Manual.

(d) Where a listed issuer proposes to enter into a Section 602(a) transaction, any public announcement of the transaction must disclose that TSX acceptance is required. A statement that the transaction is subject to TSX

acceptance is sufficient for this purpose.

(e) The notice required by Section 602(a) should initially take the form of a letter addressed to the TSX's Advisory Affairs division, requesting acceptance of the notice for filing, unless the applicable section of Part VI requires otherwise. A press release or information circular filed with the TSX does not constitute notice under Section 602. The letter should contain the essential particulars of the transaction, and should state whether: (i) any insider has a beneficial interest, directly or indirectly, in the transaction and the nature of such interest; and (ii) whether and how the transaction could materially affect control of the listed issuer. A copy of any written agreement in respect of the transaction must be provided with the notice. The TSX must be provided with prompt notice of any changes to the material terms of the transaction described in the notice.

(f) The requirements of Section 602 are in addition to the timely disclosure obligations of listed issuers, as set out in Sections 406 to 423.4 of this Manual and to all applicable corporate and securities legislation.

(g) The TSX normally considers notices on Thursday of the week following receipt of the Section 602(a) notice. Further information or documentation may be requested before the TSX decides to accept or not accept notice of a transaction.

603. Discretion.

The TSX has the discretion: (i) to accept notice of a transaction; (ii) to impose conditions on a transaction; and (iii) to allow exemptions from any of the requirements contained in Parts V or VI of this Manual.

In exercising this discretion, the TSX will consider the effect that the transaction may have on the quality of the marketplace provided by the TSX, based on factors including the following:

(i) the involvement of insiders or other related parties of the listed issuer in the transaction;

(ii) the material affect on control of the listed issuer;

(iii) the listed issuer's corporate governance practices; and

(iv) the listed issuer's disclosure practices.

604. Security Holder Approval.

(a) The TSX will generally require security holder approval as a condition of acceptance of a notice under Section 602 if, in the opinion of the TSX, the transaction:

(i) may materially affect control of the listed issuer;

(ii) has not been negotiated at arm's length; or

(iii) is of such a nature as to make security holder approval desirable, having regard to the interests of the listed issuer's security holders and the investing public.

(b) As specified in this Manual, security holder approval is a requirement for TSX approval of certain transactions. For other transactions, the TSX's decision as to whether to require security holder approval will depend on the particular fact situation having specific regard to those items listed in Section 604(a). For the purposes of Section 604(a)(ii), the insiders participating in the transaction are not eligible to vote their securities in respect of such approval.

(c) If the TSX requires security holder approval of a transaction, the resolution to be voted upon must relate specifically to the transaction in question, rather than an unspecified transaction that may take place in the future.

(d) Security holder approval is to be obtained from a majority of security holders voting at a duly called meeting of security holders. In certain circumstances where the TSX requires security holder approval of a transaction, the listed issuer may be in a position to provide the TSX with written evidence that holders of more than 50% of the voting securities of the listed issuer are familiar with the terms of the proposed transaction and are in favour of it. In such circumstances, the TSX will give consideration to permitting the listed issuer to proceed with the transaction without holding a meeting of security holders to formally approve it; provided that listed issuers proceeding in this manner must disclose by way of press release such fact and the transaction to

which such procedure relates at least 10 business days in advance of the closing of the transaction. The press release must be pre-cleared with the TSX.

This procedure will not be available for security based compensation arrangements described in Section 613, backdoor listings described in Section 626 and security holder rights plans described in Section 633.

The disclosure provided to security holders in seeking security holder approval must be pre-cleared with the TSX.

(e) Upon written application, and other than in respect of Sections 612 and 613, a listed issuer meeting continued listing requirements as set out in Part VII of this Manual will be exempted from security holder approval requirements if the application is accompanied by a resolution of the listed issuer's board of directors stating that:

(i) the listed issuer is in serious financial difficulty;

(ii) the application is made upon the recommendation of a committee of independent board members;

(iii) the transaction is designed to improve the listed issuer's financial situation; and

(iv) the transaction is reasonable for the listed issuer in the circumstances.

Listed issuers using this exemption will be required to issue a press release at least ten (10) business days in advance of the closing of the transaction disclosing the material terms of the transaction and that the listed issuer has relied upon this exemption. The press release must be pre-cleared with the TSX.

605. Changes in Issued Securities.

The TSX must be notified immediately of any increase or decrease in the number of issued securities of a listed issuer. The notice must be on Form 1 "Change in Outstanding and Reserved Securities" found in Appendix H. Changes resulting from the issuance of securities over a prolonged period of time may be reported on a monthly basis. See Section 424 of this Manual.

DISTRIBUTIONS OF SECURITIES OF A LISTED CLASS

606. Prospectus Offerings

(a) Listed issuers proposing to issue securities of a listed class pursuant to a prospectus must file two copies of the preliminary prospectus with the TSX's Advisory Affairs division concurrently with the filing thereof with the applicable securities commissions.

(b) The TSX will generally accept notice of distributions by way of prospectus. The TSX may, however, apply the provisions of Section 607 to a prospectus distribution. In making such a decision the TSX will consider factors such as:

(i) the method of the distribution;

(ii) the participation of insiders;

(iii) the number of placees;

(iv) the offering price; and

(v) the economic dilution.

(c) Prior to the filing of the final prospectus, the TSX will notify the listed issuer of any required additional documentation.

(d) The additional securities will normally be listed as soon as the prospectus offering has closed. Upon request, the listing may take place prior to the closing of the offering.

607. Private Placements.

(a) The TSX defines the term ''private placement'' as an issuance of treasury securities without prospectus

disclosure, in reliance on an exemption from the prospectus requirements under applicable securities laws. Private placements include, but are not limited to, issuances of securities by a listed issuer for cash and in payment of an outstanding debt of the listed issuer.

Securities issued for no cash consideration to registered charities as defined under the *Income Tax Act* (Canada) as described in Section 612, securities issued in payment of the purchase price for property described in Section 611, security based compensation arrangements described in Section 613, rights offerings described in Section 614 and backdoor listings described in Section 626 are not considered by the TSX as being Section 607 private placements.

(b) This Section 607 is applicable to issuances of unlisted securities which are convertible into or exchangeable for securities of a class listed on the TSX. This Section 607 is not applicable to private placements of securities which are neither of a class listed on the TSX nor convertible into securities of a class listed on the TSX.

(c) Other than those transactions described in Sections 604 and 717, private placements:

(i) offered at a price per security at or above market price, regardless of the number of listed securities issuable, or

(ii) for an aggregate number of listed securities issuable equal to or less than 25% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the transaction where the price per security is less than the market price but within the applicable discounts set out in Section 607(e),

will be accepted by the TSX generally within three (3) business days of the TSX receiving notice thereof. Notice to the TSX of this type of private placement is effected by submitting Form 11 “Private Placement – Expedited Filing” found in Appendix H.

(d) Private placements other than those described in Section 607(c) will be reviewed by the TSX. The TSX will advise the listed issuer generally within seven (7) business days of receipt of the notice that either the TSX (i) accepts notice of the transaction and of any conditions attached to such acceptance, or (ii) does not accept the notice, indicating its reasons. Notice to the TSX of this type of private placement is effected by submitting Form 12 “Private Placement – Regular Filing” found in Appendix H.

(e) The price per listed security for any private placement must not be lower than the market price less the applicable discount as follows:

Market price	Maximum discount
$0.50 or less	25%
$0.51 to $2.00	20%
Above $2.00	15%

The TSX will allow the price per listed security for a particular transaction to be less than as provided for in this Section 607(e) provided that the listed issuer has received security holder approval for such transaction. Anti-dilution provisions not applicable to all security holders and which may result in securities being issued at a price lower than market price less the applicable discount will be permitted, provided they have been approved by security holders not benefiting from such anti-dilution provisions.

(f) For all private placements:

(i) subject to paragraph (ii), the transaction must not close and the securities must not be issued prior to acceptance thereof by the TSX and not later than 45 days from the date upon which the market price of the securities being issued is established;

(ii) an extension of the time period prescribed in paragraph (i) may be granted in justifiable circumstances, provided that a written request for an extension is filed with the TSX’s Advisory Affairs division in advance of the expiry of the 45-day period;

(iii) in the case of a private placement of convertible securities, the underlying listed securities will be considered as being issued at a price per security less than the market price, unless the conversion price of such convertible security is defined as at least market price at the time of conversion, and will be regarded as being part of the number of securities being issued pursuant to the transaction;

(iv) listed securities issuable upon the exercise of warrants will be considered as being issued at a price per security less than the market price and will be regarded as being part of the number of securities being issued pursuant to the transaction;

(v) successive private placements will be aggregated for the purposes of Sections 607(c)(ii) and 607(g)(i) if they are proximate in time, have common placees and/or a common use of proceeds; and

(vi) the listed issuer must give the TSX immediate notice in writing of the closing of the transaction.

(g) The TSX will require that security holder approval be obtained for private placements:

(i) for an aggregate number of listed securities issuable greater than 25% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the transaction where the price per security is less than the market price; or

(ii) where as a group, insiders of the listed issuer, during any six month period, receive, or are entitled to receive, a number of securities pursuant to the transaction greater than 10% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the transaction.

For the purposes of Sections 607(c) and 607(g)(i), any private placements providing flow-through tax credits to the subscribers will be considered as having a price per security less than the market price.

For the purposes of Section 607(g)(ii), the insiders participating in the private placement are not eligible to vote their securities in respect of such approval.

Section 607(g)(ii) shall also apply to circumstances in which insiders participate in a private placement pursuant to the exercise of a preemptive right.

608. Unlisted Warrants.

(a) Other than in respect of prospectus offerings described in Section 606 and rights offerings described in Section 614, and unless otherwise approved by the listed issuer's security holders, warrants to purchase listed securities may be issued to a placee if the warrant exercise price is not less than the market price of the security initially purchased.

(b) A listed issuer may apply to the TSX to amend the warrant exercise price and the term of the warrant provided that: (i) the exercise price is not less than the market price of the securities determined on the date of the amending agreement; (ii) the application is accompanied by a filing fee (see Part VIII); and (iii) disclosure of such amendments is made by way of press release ten (10) business days prior to the effective date of the change. Approval by security holders other than those holding warrants proposed to be amended is required in respect of amendments to the terms of warrants issued to insiders of the listed issuer. A copy of the press release, and evidence of security holder approval if applicable, must be provided to the TSX prior to the press release being issued.

609. Listed Warrants.

(a) The listing of warrants on the TSX is considered on a case-by-case basis.

(b) Warrants will not be listed unless the underlying securities are listed, or conditionally approved for listing, on the TSX. In order for warrants to be eligible for listing on the TSX, there must be at least 100 public holders of 100 warrants or more and at least 100,000 publicly held warrants. See Section 346 for the requirements respecting notations in prospectuses or other offering documents referring to a TSX listing.

(c) The warrant trust indenture, or other document prescribing the rights of warrant holders, must be pre-cleared by the TSX and contain appropriate anti-dilution provisions to ensure that the rights of the holders are protected in the event of an amalgamation, merger, stock dividend, subdivision, consolidation or other form of capital reorganization, or in the case of a major asset distribution to security holders.

(d) Any proposed amendment to the terms of outstanding listed warrants must be accepted by the TSX prior to the amendment becoming effective. Once warrants have been listed, the TSX will not permit amendments to any of the essential terms of the warrants, such as the exercise price (except for anti-dilution purposes) or the expiry date. The TSX will not list warrants in respect of which the warrant trust indenture (or equivalent

document) entitles the directors of the issuer to change the exercise price (except for anti-dilution purposes) or which provides for the possibility of an amendment to the expiry date.

(e) Prior to the listing of warrants on the TSX, the listed issuer will normally be required to take the necessary steps to ensure that the warrants are freely tradable by residents across Canada.

(f) To apply to have warrants listed on the TSX, the listed issuer must file a letter application and draft warrant indenture with the TSX's Advisory Affairs division.

(g) Notice of a listed issuer's intention to pay a subscription fee to one or more Participating Organizations for assisting in obtaining exercises of warrants must be given to the TSX's Advisory Affairs division as soon as such an arrangement is entered into by the listed issuer.

The TSX will not permit any arrangement to solicit clients to purchase or exercise warrants if the arrangement could have the effect of artificially changing the exercise price of the warrants or could subsidize certain market participants to exercise warrants at an effective price that is not available to others. The TSX will also not permit any arrangement between a listed issuer and a securities dealer that would have a similar effect, such as an over-the-counter derivatives transaction, or a direct subsidy, advisory fee or other form of payment, the impact of which would be to create an incentive to buy warrants at a higher price than would other wise be the case.

The TSX will not permit soliciting dealer arrangements unless the following are provided for: (1) a maximum solicitation fee to be paid in respect of any one beneficial holder of warrants, similar to the maximum amount normally payable to soliciting dealers in a rights offering; (2) a prohibition on a solicitation fee being passed through to a client by a dealer, either directly or through indirect subsidies; and (3) full public disclosure of the essential terms of the soliciting dealer arrangement.

610. Convertible Securities.

(a) The conversion price of a convertible security privately placed is subject to Section 607(e), however the conversion price may be based on the market price either at the time of issuance of the convertible security or at the time of conversion of such security.

(b) Where two or more classes of securities are interconvertible and one is listed, the other must also be listed.

611. Acquisitions.

(a) Where a listed issuer proposes to issue securities as full or partial consideration for property purchased from an insider of the listed issuer, the TSX may require that documentation such as an independent valuation or engineer's report be provided.

(b) Security holder approval will be required in those instances where the number of securities issued or issuable to insiders as a group in payment of the purchase price for an acquisition exceeds 10% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the transaction. Insiders receiving securities pursuant to the transaction are not eligible to vote their securities in respect of such approval.

(c) Security holder approval will be required in those instances where the securities issued or issuable in payment of the purchase price for an acquisition are issued at a price per security below market price and the number of securities issued or issuable exceeds 25% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the transaction. The TSX will consider granting relief from this Section 611(c) where the assets acquired are not closely held.

612. Securities Issued to Registered Charities.

(a) Subject to Section 612(b), listed issuers may issue securities for no cash consideration to registered charities as defined under the *Income Tax Act* (Canada).

(b) Security holder approval will be required in those instances where the number of listed securities issued or issuable:

(i) to one registered charity exceeds 2% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of the issuance; or

(ii) in a 12 month period in the aggregate exceeds 5% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis at the beginning of that 12 month period.

SECURITY BASED COMPENSATION ARRANGEMENTS

613. (a) Subject to Sections 613(c) and 613(g), all security based compensation arrangements must be approved by the listed issuer's security holders. Insiders of the listed issuer entitled to receive a benefit under the arrangement, and all associates of such insiders (as defined under the OSA), are not eligible to vote their securities in respect of such approval. Security holder approval must be by way of a duly called meeting. For this purpose, holders of Restricted Securities, as defined in Section 624, must be entitled to vote with the holders of any class of securities of the listed issuer which otherwise carry greater voting rights, on a basis proportionate to their respective residual equity interests in the issuer. The exemption from security holder approval contained in Section 604(e) is not available in respect of security based compensation arrangements.

(b) For the purposes of this Section 613, security based compensation arrangements include:

(i) individual stock options granted to employees, service providers or insiders;

(ii) stock option plans for the benefit of employees, insiders, service providers or any one of such groups;

(iii) stock purchase plans;

(iv) stock appreciation rights;

(v) any other compensation or incentive mechanism involving the issuance or potential issuances of securities of the listed issuer; and

(vi) security purchases from treasury by an employee, insider or service provider which is financially assisted by the listed issuer by any means whatsoever.

(c) Security holder approval is not required for security based compensation arrangements used as an inducement to a person not previously employed by and not previously an insider of the listed issuer, to enter into a contract of full time employment as an officer of the listed issuer, provided that the securities issuable to such person do not exceed 2% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of the arrangement.

(d) Materials provided to security holders in respect of a meeting at which the approval of security based compensation arrangements will be requested must be pre-cleared with the TSX. Such materials must provide disclosure in respect of:

(i) eligible participants under the arrangement;

(ii) the total number of securities issuable under the arrangements and the percentage of the listed issuer's currently outstanding capital represented by such securities;

(iii) the percentage of securities under the arrangements available to insiders of the listed issuers;

(iv) the maximum number of securities any one person is entitled to receive under the arrangements and the percentage of the listed issuer's currently outstanding capital represented by such securities;

(v) the exercise price or purchase price for securities under the arrangements with specific disclosure as to whether such exercise price or purchase price is below the market price of the securities;

(vi) the formula for calculating market appreciation of stock appreciation rights;

(vii) vesting of stock options and other rights;

(viii) the term of stock options and other rights;

(ix) the causes of termination of entitlement under the arrangements;

(x) the assignability of stock options or other rights and the conditions for such assignability;

(xi) the procedure for amending the arrangements, including specific disclosure as to whether security holder approval is required for amendments;

(xii) any financial assistance provided by the listed issuer to participants under the arrangements to facilitate the purchase of securities under the arrangements, including the terms of such assistance;

(xiii) entitlements under the arrangements previously granted but subject to ratification by security holders; and

(xiv) such other material information as may be reasonably required by a security holder in formulating a decision whether or not to approve the arrangements.

(e) A listed issuer may grant options or rights under a security based compensation arrangement that has not been approved by security holders provided that no exercise of such option or right may occur until security holder approval is obtained.

(f) All security based compensation plans, and any amendments thereto, must be filed with the TSX, along with evidence of security holder approval where required. Listed securities issuable under the arrangements will not be listed on the TSX until such documentation is received.

(g) A listed issuer may, without security holder approval, incorporate into its security based compensation arrangements, security based compensation arrangements of another issuer acquired by or merged with the listed issuer provided that:

(i) if the other issuer is not a listed issuer, the number of securities issuable under such other issuer's arrangements does not exceed 2% of the issued capital of the listed issuer calculated on a non-diluted post-transaction basis; or

(ii) the other issuer is a listed issuer, the number of securities issuable under all arrangements continuing on a post-transaction basis does not exceed 25% of the issued capital of the listed issuer calculated on a non-diluted post-transaction basis.

RIGHTS OFFERINGS

614. (a) A preliminary discussion with the TSX's Advisory Affairs division is recommended to a listed issuer proposing to offer rights to its security holders.

(b) A rights offering by a listed issuer must be accepted for filing by the TSX before the offering proceeds. The offering must also be cleared with the securities commissions having jurisdiction (see section 2.1 of National Instrument 45-101).

The rights offering must receive final acceptance from the TSX and the securities commissions, and all particulars related to the offering must be provided to the TSX, at least seven trading days in advance of the record date for the rights offering, the record date being the date of the closing of the transfer books for the preparation of the final list of security holders who are entitled to receive rights. Exceptions to this requirement will be permitted by the TSX only in cases where applicable legislation renders the requirement impracticable.

A listed issuer may not announce a firm record date for a rights offering before all necessary approvals have been received.

(c) A draft copy of the rights offering circular (''circular'' includes a prospectus, if applicable) must be filed with the TSX's Advisory Affairs division concurrently with the filing thereof with the securities commissions. The TSX will subsequently advise the listed issuer of any deficiencies in the draft circular and of the further documentation that will be required.

(d) If the rights offering is acceptable to the TSX (subject only to the correction of minor deficiencies, if any, and the filing of the required documents), the TSX will so advise the securities commissions.

(e) At least seven trading days in advance of the record date:

(i) all deficiencies raised by the TSX must be resolved;

(ii) clearances for the rights offering must be obtained from all securities commissions having jurisdiction, and the listed issuer must so advise the TSX;

(iii) all the terms of the rights offering must be finalized; and

(iv) the TSX's Advisory Affairs division must receive all requested documents and applicable fees (see Section 804).

(f) There is no fee for the listing of rights on the TSX, although there is a fee for listing securities issuable upon exercise of the rights. If such securities are of a class already listed, the listed issuer must list the maximum number of securities issuable under the rights offering.

(g) The information that must be contained in a rights offering circular is prescribed in the rules and policies of the securities commissions. See National Instrument 45-101 and Form 45-101F. The TSX may have additional requirements, depending on the circumstances.

(h) The standard notation on final prospectuses or other offering documents referring to conditional approval of a listing is not appropriate for a rights offering circular with respect to the rights themselves, nor is such notation appropriate with respect to the securities issuable upon exercise of the rights if such securities are of a class already listed. The rights will normally be listed on the TSX, as will the underlying securities (if of a class already listed), before the rights offering circular is mailed to the security holders.

(i) Rights which receive all required approvals will be automatically listed on the TSX if the rights entitle the holders to purchase securities of a listed class. Rights which do not fall into this category will also normally be listed on the TSX at the request of the listed issuer. If rights issued to security holders of a listed issuer entitle the holders to purchase securities of another issuer which is not listed, the rights will not be listed on the TSX unless such securities have been conditionally approved for listing on the TSX.

(j) Rights are listed on the TSX on the second trading day preceding the record date. At the same time, the listed securities of the listed issuer commence trading on an ex-rights basis, which means that purchasers of the securities are not entitled to receive the rights.

(k) When the rights offering circular and rights certificates are mailed to the security holders, the listed issuer must concurrently file with the TSX's Advisory Affairs division two commercial copies of the rights offering circular and a definitive specimen of the rights certificate.

(l) Trading in rights on the TSX ceases at 12:00 noon on the expiry date.

(m) The TSX will generally require that rights be transferable, whether listed on the TSX or not. Any proposed restriction on their transferability must receive the prior consent of the TSX.

(n) The following requirements apply to rights which are listed on the TSX, although the TSX may, in appropriate circumstances, apply these requirements to rights not so listed:

(i) once the rights have been listed on the TSX, the TSX will not permit the essential terms of the rights offering, such as the exercise price or the expiry date, to be amended. However, under extremely exceptional circumstances, such as an unexpected postal disruption, the TSX may grant an exemption from the requirement that the expiry date not be extended;

(ii) the rights offering must be open for a period of at least 21 calendar days following the date on which the rights offering circular is sent to security holders or such longer period as is necessary to ensure that security holders, including security holders residing in foreign countries, will have sufficient time to exercise or sell their rights on an informed basis;

(iii) security holders must receive exactly one right for each security held. An exemption from this requirement will be considered if the rights offering entitles security holders to purchase more than one security for each security held (prior to giving effect to any additional subscription privilege);

(iv) if the listed issuer proposes to provide a rounding mechanism, whereby security holders not holding a number of securities equally divisible by a specified number would have their entitlements adjusted upward, adequate arrangements must be made to ensure that beneficial owners of securities registered in the names of banks, trust companies, investment dealers or similar institutions will be treated, for purposes of such additional entitlements, as though they were registered security

holders; and

(v) the rights offering must be unconditional.

(o) As soon as possible after the expiry of the rights offering, the listed issuer must advise the TSX in writing of the number of securities issued as a result of the rights offering, including securities issued pursuant to any underwriting or similar arrangement.

ADDITIONAL LISTINGS

615. General.

(a) In addition to the requirements of Section 601, every listed issuer proposing to issue additional securities of a listed class, or to authorize such additional securities to be issued for a specific purpose, must apply to have the additional securities listed on the TSX. Application must be made to list the maximum number of securities issuable pursuant to the proposed transaction.

With regard to the additional listing of securities sold by prospectus, see Section 606.

(b) In determining the number of additional securities to be listed, securities listed in connection with earlier transactions must not be taken into account. Credits for fee purposes or refunds will not be given for securities which have previously been listed but are no longer issued or authorized for issuance for a specific purpose.

616. Documentation.

(a) There is no prescribed form for an additional listing application. A letter notice pursuant to Section 601 will be regarded by the TSX as including an application to list the applicable additional securities.

(b) The documentation required in connection with an additional listing application will depend on the nature of the application. In all cases, however, the following documentation will be required:

(i) copies of all relevant executed agreements;

(ii) an opinion of counsel that the securities to be listed have been validly created in accordance with applicable law and that the securities have been (or will be, when issued in accordance with the terms of the transaction) validly issued as fully paid and non-assessable; and

(iii) the additional listing fee (see Section 804).

617. Stock Dividends.

Listed issuers which issue stock dividends on a regular basis, whether pursuant to a formal stock dividend plan or otherwise, can either apply to list securities each time a dividend is declared or, alternatively, apply to list as a block the number of securities the listed issuer estimates will be issued as stock dividends over the next two years. The latter procedure could result in an ultimate saving in listing fees.

SUBSTITUTIONAL LISTINGS

618. General.

(a) Where a listed issuer proposes to change its name, split or consolidate its stock, or undergo a security reclassification, the listed issuer must make a substitutional listing application to the TSX.

(b) Where a listed issuer proposes to undergo a change which would give rise to a substitutional listing, the listed issuer must pre-clear with the TSX's Advisory Affairs division the materials for the requisite security holders' meeting.

619. Name or Symbol Changes.

(a) A listed issuer proposing to change its name should notify the TSX's Advisory Affairs division as soon as possible after the decision to change the name has been made. The new name must be acceptable to the TSX.

(b) If the proposed change is substantial, it may be appropriate for the TSX to assign a new stock symbol to the listed issuer's securities. The listed issuer's choices, if any, in this regard should be communicated to the TSX's Advisory Affairs division, in order of preference, well in advance of the effective date of the name change. The symbol may consist of up to three letters (excluding the letters that differentiate between different classes of securities).

(c) The following documents must be filed with the TSX's Advisory Affairs division in connection with a name change:

(i) a notarial or certified copy of the Certificate of Amendment, or equivalent document;

(ii) a definitive specimen of the new or over-printed security certificate;

(iii) a copy of the written notice from The Canadian Depository for Securities Limited disclosing the CUSIP number(s) assigned to the issuer's listed securities after giving effect to the name change (see Section 350); and

(iv) the substitutional listing fee (see Section 805).

(d) The listed issuer's securities will normally commence trading on the TSX under the new name at the opening of business two or three trading days after all the documents set out in Section 619(c) are received by the TSX.

(e) A listed issuer may request a change to the symbol assigned to its listed securities upon payment of the applicable fee (see Section 810).

620. Stock Split.

(a) There are two methods of effecting a stock split: the ''push-out'' method and the ''call-in'' method. If the stock split is accompanied by a security reclassification, either the push-out method or the call-in method may be used; otherwise the push-out method is preferable.

(b) Under the push-out method, the security holders keep the security certificates they currently hold, and security holders of record as of the close of business on a specified date (the ''record date'') are provided with additional security certificates by the listed issuer.

(c) Where the push-out method is to be used, the Certificate of Amendment, or equivalent document, giving effect to the split must be issued at least seven, and preferably not less than ten, trading days prior to the record date. Accordingly, if the stock split must be approved by security holders, the meeting of security holders must take place at least seven trading days in advance of the record date. If the push-out method is to be used, the following documents must be received by the TSX's Advisory Affairs division at least seven trading days in advance of the record date:

(i) written confirmation of the record date including the time of day (''close of business'' will be sufficient for this purpose);

(ii) a notarial or certified copy of the Certificate of Amendment, or equivalent document;

(iii) an opinion of counsel that all the necessary steps have been taken to validly effect the split in accordance with applicable law and that the additional securities will be validly issued as fully paid and non-assessable;

(iv) a written statement as to the date on which it is intended that the additional security certificates will be mailed to the security holders;

(v) the substitutional listing fee (see Section 805); and

(vi) if the stock split is accompanied by a security reclassification,

(1) definitive specimens of the new security certificates; and

(2) a letter from The Canadian Depository for Securities Limited disclosing the CUSIP numbers assigned to each new class of securities (see Section 350).

(d) Where the push-out method is used, the securities will commence trading on the TSX on a split basis at the opening of business on the second trading day preceding the record date.

(e) Under the call-in method, the listed issuer implements the stock split by replacing the security certificates currently in the hands of the security holders with new certificates. Letters of Transmittal are sent to the security holders requesting them to exchange their security certificates at the offices of the listed issuer's transfer agent.

(f) Where the call-in method is to be used, the following documents must be received by the TSX's Advisory Affairs division on or before the day on which the Letters of Transmittal are mailed to the security holders:

(i) two copies of the Letters of Transmittal;

(ii) a notarial or certified copy of the Certificate of Amendment, or equivalent document;

(iii) an opinion of counsel that all the necessary steps have been taken to validly effect the split in accordance with applicable law and that the additional securities will be validly issued as fully paid and non-assessable;

(iv) definitive specimens of the new security certificates;

(v) a copy of the written notice from The Canadian Depository for Securities Limited disclosing the CUSIP numbers assigned to each new class of securities (see Section 350);

(vi) a written statement as to the intended mailing date of the Letters of Transmittal; and

(vii) the substitutional listing fee (see Section 805).

(g) Where the call-in method is used, the securities will normally commence trading on the TSX on a split basis at the opening of business two or three trading days after later of the date all required documents are received by the TSX and the date the Letters of Transmittal are mailed to the security holders.

(h) Where a listed issuer proposing to split its stock has warrants posted for trading on the TSX, the form of warrant certificate must not be changed by virtue of the split, but any new warrant certificate issued by the issuer after the stock split becomes effective must contain a notation disclosing the effect of the stock split on the rights of the warrant holders and a statement that the number of warrants represented by the warrant certificate for trading purposes is equal to the number imprinted in the top right-hand corner (or other location, if appropriate) of the certificate.

621. Stock Consolidation.

(a) A stock consolidation by a listed issuer requires the prior consent of the TSX.

(b) A listed issuer undergoing a stock consolidation must meet, post-consolidation, the continued listing requirements contained in Part VII of this Manual.

(c) A stock consolidation must be accompanied by a concurrent change in the colour of the security certificates and a new CUSIP number.

(d) The following documents must be filed with the TSX's Advisory Affairs division on or prior to the day on which the Letters of Transmittal are sent to the security holders:

(i) two copies of the Letters of Transmittal;

(ii) a notarial or certified copy of the Certificate of Amendment, or equivalent document;

(iii) opinion of counsel that all the necessary steps have been taken to validly effect the consolidation in accordance with applicable law;

(iv) a definitive specimen of the new security certificates;

a copy of the written notice from The Canadian Depository for Securities Limited disclosing the new CUSIP number assigned to the securities (see Section 350);

(vi) a written statement as to the intended mailing date of the Letters of Transmittal; and

(vii) the substitutional listing fee (see Section 805).

In addition, the listed issuer may be required to file with the TSX a completed form (Appendix D) showing the distribution of the securities on a post-consolidation basis.

(e) The securities will normally commence trading on the TSX on a consolidated basis at the opening of business two or three trading days after the later of the date upon which all required documents are received by the TSX and the date the Letters of Transmittal are mailed to the security holders.

622. Security Reclassification (with no stock split).

(a) The following documentation must be filed with the TSX's Advisory Affairs division in connection with a security reclassification (with no stock split):

(i) a notarial or certified copy of the Certificate of Amendment, or equivalent document;

(ii) an opinion of counsel that all the necessary steps have been taken to validly effect the security reclassification in accordance with applicable law;

(iii) a definitive specimen of the new or over-printed security certificate;

(iv) a copy of the written notice from The Canadian Depository for Securities Limited disclosing the CUSIP number(s) assigned to the securities (see Section 350);

(v) the substitutional listing fee (see Section 805);

(vi) two copies of the Letters of Transmittal, if applicable; and

(vii) a written statement as to the intended mailing date of the Letters of Transmittal, if applicable.

(b) The reclassification will normally become effective for trading purposes at the opening of business two or three trading days after the later of the date upon which all required documents are received by the TSX and the date the Letters of Transmittal are mailed to the security holders.

SUPPLEMENTAL LISTINGS

623. (a) A listed issuer proposing to list securities of a class not already listed should apply for the listing by letter addressed to the TSX's Advisory Affairs division. The letter must be accompanied by two copies of the preliminary prospectus or, if applicable, the draft circular describing the provisions attaching to the securities.

(b) If the TSX conditionally approves the listing of the securities, this fact may be disclosed in the final prospectus, or in other documents, in accordance with the rules set out in Section 346.

(c) The minimum public distribution requirements for a supplemental listing are the same as the minimum requirements for original listing as set out in Section 310. However, the TSX will give consideration to listing nonparticipating preferred securities that do not meet these requirements if the market value of such securities outstanding is at least $2,000,000 and:

(i) if the securities are convertible into participating securities, such participating securities are listed on the TSX and meet the minimum public distribution requirements for original listing; and

(ii) if the securities are not convertible into participating securities, the issuer is exempt from Section 501.

(d) The following documents must be filed with the TSX's Advisory Affairs division within 90 days of the TSX's conditional acceptance of the supplemental listing (or within such later time as the TSX may stipulate):

(i) a notarial or certified copy of the resolution of the board of directors of the listed issuer authorizing the application to list the securities;

(ii) a notarial or certified copy of the Certificate of Amendment, or equivalent document, giving effect to the creation of the securities;

(iii) two commercial copies of the final prospectus, or other offering document, if applicable;

(iv) an opinion of counsel that the securities to be listed have been validly created in accordance with applicable law and that the securities are validly issued as fully paid and non-assessable;

(v) a definitive specimen of the security certificate;

(vi) a copy of the written notice from The Canadian Depository for Securities Limited disclosing the CUSIP number assigned to the securities (see Section 341);

(vii) one completed copy of the Statement Showing Number of Shareholders form (Appendix D) or, in the case of a prospectus underwriting, a certificate from the underwriter confirming that the securities have been distributed to at least 300 public board lot holders (unless the TSX waives this requirement); and

(viii) the supplemental listing fee (see Section 806).

(e) In the case of the listing of securities being offered to the public, the listing may take place prior to the closing of the offering, at the listed issuer's request. TSX staff will advise the issuer of the requirements in this regard. Any trading that takes place prior to closing will be on an ''if, as and when issued'' basis.

RESTRICTED SECURITIES

624. (a) Except as otherwise provided in this Section 624, the TSX's requirements respecting the listing of Restricted Securities (as defined in Section 624(b)) are applicable to all listed issuers having Restricted Securities listed on the TSX, regardless of when the securities were listed. These requirements are to be read in conjunction with OSC Rule 56-501.

(b) For the purposes of this Section 624:

(i) **"Common Securities"** means Residual Equity Securities that are fully franchised, in that the holder of each such security has a right to vote each security in all circumstances calling for a vote under the applicable corporate legislation, irrespective of the number of securities owned, that is not less, on a per security basis, than the right to vote attaching to any other security of an outstanding class of securities of the listed issuer;

(ii) **"Non-Voting Securities"** means Restricted Securities which do not carry the right to vote at security holders' meetings except for a right to vote in certain limited circumstances (e.g., to elect a limited number of directors or to vote in circumstances where the applicable corporate legislation provides the right to vote for securities which are otherwise non-voting);

(iii) **"Preference Securities"** means securities to which there is attached a genuine and non-specious preference or right over any class of Residual Equity Securities of the listed issuer;

(iv) **"Residual Equity Securities"** means securities which have a residual right to share in the earnings of the listed issuer and in its assets upon liquidation or winding up;

(v) **"Restricted Securities"** means Residual Equity Securities which are not Common Securities;

(vi) **"Restricted Voting Securities"** means Restricted Securities which carry a right to vote which is subject to some limit or restriction on the number or percentage of securities which may be voted by a person or company or group of persons or companies (except where the restriction or limit is applicable only to persons who are not Canadians or residents of Canada); and

(vii) **"Subordinate Voting Securities"** means Restricted Securities, which carry a right to vote at security holders' meetings but another class of securities of the same listed securities carries a greater right to vote, on a per security basis.

(c) The legal designation of a class of securities, which shall be set out in the constating documents of the listed issuer and which shall appear on all security certificates representing such securities, shall, except where the securities are Preference Securities and are legally designated as such, include the words:

(i) "subordinate voting" if the securities are Subordinate Voting Securities;

(ii) "non-voting" if the securities are Non-Voting Securities;

(iii) "restricted voting" if the securities are Restricted Voting Securities;

or such other appropriate term as the TSX may approve.

(d) The TSX will abbreviate the above designations for Restricted Securities in certain publications of the TSX and will identify Restricted Securities in the quotations prepared for the financial press with a code. Brief explanations of the abbreviation or code will appear as a footnote in such publications and quotations.

(e) A class of securities may not include the word "common" in its legal designation unless such securities are Common Securities.

(f) A class of securities may not be designated as "preference" or "preferred" unless, in the opinion of the TSX, there is attached thereto a genuine and non-specious right or preference. Whether a class of securities has attached thereto a genuine and non-specious right or preference is a question of fact to be determined by examining all of the relevant circumstances.

(g) The TSX may, subject to such terms and conditions as it may impose:

(i) exempt a listed issuer from the designation requirements of Sections 624(c), (d), (e) and (f);

(ii) permit or require the use by a listed issuer, in respect of any class of securities, of a designation other than set forth in Sections 624(c), (d), (e) and (f); and

(iii) deem a class of securities to be Non-Voting, Subordinate Voting, or Restricted Voting Securities and require a listed issuer to designate such securities in a manner satisfactory to the TSX notwithstanding that such securities do not fall within the applicable definition set out in Section 624(b).

In exercising its discretion, the TSX will be guided by the public interest and the principles of disclosure underlying this Section 624.

(h) Every listed issuer shall give notice of security holders' meetings to holders of Restricted Securities and permit the holders of such securities to attend, in person or by proxy, and to speak at all security holders' meetings to the extent that a holder of Voting Securities of that listed issuer would be entitled to attend and to speak at security holders' meetings. The notice shall be sent to holders of Restricted Securities at least 21 days in advance of the meeting. Issuers applying for listing, whether by way of an original listing application or notice of a capital reorganization, shall include such rights in their charter documents.

(i) Every listed issuer whose Restricted Securities are listed on the TSX shall describe the voting rights, or lack thereof, of all Residual Equity Securities of the listed issuer in all documents, other than financial statements, sent to security holders and filed with the TSX. Such documents include, but are not limited to, information circulars, proxy statements and directors' circulars.

(j) Unless exempted by the TSX, every listed issuer shall send concurrently to all holders of Residual Equity Securities all informational documents required by applicable law or TSX requirements to be sent to holders of Voting Securities, or voluntarily sent to holders of Voting Securities in connection with a specific meeting of security holders. Such documents would include, but not be limited to, information circulars, notices of meeting, annual reports and financial statements.

(k) Where TSX requirements contemplate security holder approval, the TSX may, in its discretion, require that such approval be given at a meeting at which holders of Restricted Securities are entitled to vote with the holders of any class of securities of the listed issuer which otherwise carry greater voting rights, on a basis proportionate to their respective residual equity interests in the listed issuer.

(l) The TSX will not accept for listing classes of Restricted Securities that do not have take-over protective provisions ("coattails") meeting the criteria below. The actual wording of a coattail is the responsibility of the listed issuer and must be pre-cleared with the TSX.

(1) If there is a published market for the Common Securities, the coattails must provide that if there is an offer to purchase Common Securities that must, by reason of applicable securities legislation or the requirements of a stock exchange on which the Common Securities are listed, be made to all or

substantially all holders of Common Securities who are in a province of Canada to which the requirement applies, the holders of Restricted Securities will be given the opportunity to participate in the offer through a right of conversion, unless:

(i) an identical offer (in terms of price per security and percentage of outstanding securities to be taken up exclusive of securities owned immediately prior to the offer by the offeror, or associates or affiliates of the offeror, and in all other material respects) concurrently is made to purchase Restricted Securities, which identical offer has no condition attached other that the right not to take up and pay for securities tendered if no securities are purchased pursuant to the offer for Common Securities; or

(ii) less than 50% of the Common Securities outstanding immediately prior to the offer, other than Common Securities owned by the offeror, or associates or affiliates of the offeror, are deposited pursuant to the offer.

(2) If there is no published market for the Common Securities, the holders of at least 80% of the outstanding Common Securities will be required to enter into an agreement with a trustee for the benefit of the holders of Restricted Securities from time to time, which agreement will have the effect of preventing transactions that would deprive the holders of Restricted Securities of rights under applicable take-over bid legislation to which they would have been entitled in the event of a take-over bid if the Common Securities had been Restricted Securities.

Where there is a material difference between the equity interests of the Common Securities and Restricted Securities, or in other special circumstances, the TSX may permit or require appropriate modifications to the above criteria.

The criteria are designed to ensure that the fact that Common Securities are not of the same class as Restricted Securities will not prevent the holders of Restricted Securities from participating in a take-over bid on an equal footing with the holders of Common Securities. If, in the face of these coattails, a take-over bid is structured in such a way as to defeat this objective, the TSX may take disciplinary measures against any person or listed issuer under the jurisdiction of the TSX who is involved, directly or indirectly, in the making of the bid. The TSX may also seek intervention from regulators in appropriate cases.

Where a listed issuer has an outstanding class of securities that carry more than one vote per security but are not Common Securities, coattails will be considered on an individual basis. Coattails may also be required by the TSX in the case of a listed issuer that has more than one outstanding class of voting securities but no securities that fall within the definition of Restricted Securities.

(m) The TSX will not consent to the issuance by a listed issuer of any securities that have voting rights greater than those of the securities of any class of listed voting securities of the listed issuer, unless the issuance is by way of a distribution to all holders of the listed issuer's voting Residual Equity Securities on a pro rata basis.

For this purpose, the voting rights of different classes of securities will be compared on the basis of the relationship between the voting power and the equity for each class. For example, Class B Shares will be considered to have greater voting rights than Class A Shares if:

(i) the shares of the two classes have similar rights to participate in the earnings and assets of the company, but the Class B Shares have a greater number of votes per share; or

(ii) the two classes have the same number of votes per share, but it is proposed that Class B Shares will be issued at a price per share significantly lower than the market price per share of the Class A Shares.

This prohibition relates only to differences in voting rights attaching to securities of separate classes. It does not apply to an issuance of securities that reduces the collective voting power of the other outstanding securities of the same class without affecting the voting power of any other outstanding class, although other TSX policies may be applicable in this case. It also does not apply to a stock split of all of a listed issuer's outstanding Residual Equity Securities (or a stock dividend that has the same effect) if the stock split does not change the ratio of outstanding Restricted Securities to Common Securities.

The TSX generally will exempt listed issuers from this Section 624(m) in the case of an issuance of multiple voting securities that would maintain (but not increase) the percentage voting position of a holder of multiple voting securities, subject to any conditions the TSX may consider desirable in any particular case. One

condition will be minority approval of security holders, as defined in Section 624(n) unless the legal right of the holder of multiple voting securities to maintain its voting percentage has been established and publicly disclosed prior to the later of November 6, 1989 and the time the listed issuer was first listed on the TSX.

This Section 624(m) is intended to prevent transactions, which would reduce the voting power of existing security holders through the use of securities carrying multiple voting rights. This result would normally be accomplished by way of an issuance of multiple voting securities. However, it is possible to arrive at the same result by means of mechanisms that are not technically "security issuances" such as amendments to security conditions, amalgamations and plans of arrangement. The TSX may object to and/or impose such conditions, which it may consider desirable on any transaction that would result in voting dilution similar to that which would be brought about by the issuance of multiple voting security, even if no security issuance is involved.

A *pro rata* distribution to security holders that creates or affects Restricted Securities must be subject to minority approval of security holders as described in Section 624(n).

(n) The TSX will not consent to a capital reorganization or *pro rata* distribution of securities to security holders of a listed issuer, which would have the effect of creating a class of Restricted Securities or changing the ratio of outstanding Restricted Securities to Common Securities, unless the proposal receives minority approval. For this purpose, minority approval means approval given by a majority of the votes cast at a security holders' meeting called to consider the proposal, other than votes attaching to securities beneficially owned by:

(i) any person that beneficially owns, directly or indirectly, securities carrying more than 20% of the votes attaching to all outstanding voting securities of the listed issuer;

(ii) any associate, affiliate or insider (each as defined in the OSA) of any person excluded by virtue of (i);

(iii) any person or company excluded by virtue of OSC Rule 56-501; and

(iv) if (i) and (iii) are both inapplicable, all directors and officers of the listed issuer and their associates (as defined in the OSA).

The TSX may require that persons not specified above be excluded from a particular minority security holder vote if this is considered necessary to ensure that the objectives behind this Section 624(n) are not defeated.

A transaction generally will only be regarded as a "capital reorganization" for the purposes of the minority approval requirement if it involves a subdivision or conversion of one or more classes of Residual Equity Securities or if it has an effect similar to a *pro rata* distribution to holders of one or more classes of Residual Equity Securities. If a proposed capital reorganization would reduce the voting power of the existing security holders though the use of securities carrying multiple voting rights, the TSX may regard the proposed reorganization as equivalent, in substance, to the type of security issuance that is prohibited by Section 624(m). This could be the case, for example, where the reorganization would not treat all holders of Residual Equity Securities in an identical fashion. In this case, the TSX may not consent to the reorganization even with minority approval.

An issuance of Restricted Securities in the form of a stock dividend paid in the ordinary course will be exempted from the minority approval requirement. For this purpose, stock dividends generally will be regarded as being paid in the ordinary course if the aggregate of such dividends over any one-year period does not increase the number of outstanding Residual Equity Securities of the listed issuer by more than 10%.

(o) The TSX may, where it determines that it is in the public interest to do so, exempt a listed issuer from compliance with this Section 624 or any requirement thereof, subject to such terms and conditions as the TSX may impose. In special circumstances, the TSX may also set requirements or restrictions in addition to those set out in this Section 624 having regard to the public interest and the principles underlying this Section 624.

(p) This Section 624 does not apply to classes of Restricted Securities that were listed on the TSX prior to August 1, 1987. This Section will apply to any new class of Restricted Securities applied for listing by a listed issuer having securities listed on the TSX prior to August 1, 1987.

REDEMPTIONS OF LISTED SECURITIES

625. (a) Where a listed issuer proposes to redeem, or partially redeem, listed securities, two copies of the notice of redemption must be filed with the TSX's Advisory Affairs division concurrently with the sending of the notices to the security holders, but in any event no later than seven trading days prior to the redemption date. For a

full redemption of a list class of securities, such securities will normally be delisted from the TSX at the close of business on the redemption date.

(b) Where a listed issuer redeems or partially redeems securities which were convertible into listed securities, the listed issuer must advise the TSX, as soon as possible after the redemption date, of the number of securities which were authorized for issuance for potential conversion of the redeemed securities but were not in fact issued. The TSX will adjust its listing records accordingly.

BACKDOOR LISTINGS

626. (a) A ‘‘backdoor listing’’ occurs when an issuance of securities of a listed issuer results, directly or indirectly, in the acquisition of the listed issuer by an unlisted issuer and a change in effective control of the listed issuer. A transaction giving rise to a backdoor listing may take one of a number of forms, including an issuance of securities for assets, an amalgamation or a merger. Such transactions will normally be regarded as backdoor listings if they would (or potentially could) result in the security holders of the listed issuer owning less than 50% of the securities or voting power of the resulting company, with an accompanying change in effective control of the listed issuer.

(b) Where the TSX determines that a proposed transaction would constitute a backdoor listing, the approval procedure is similar to that of an original listing application. The listed issuer resulting from the combination must meet all the original listing requirements of the TSX, unless the unlisted entity meets the original listing requirements of the TSX, except for the public distribution requirements, and the entity resulting from the combination:

(i) meets the public distribution requirements for original listing;

(ii) would appear to have a substantially improved financial condition as compared to the listed issuer; and

(iii) has adequate working capital to carry on the business.

(c) The transaction must also be approved by the security holders of the listed issuer’s participating securities at a meeting prior to completion of the transaction. For this purpose, holders of Restricted Securities, as defined in Section 624, must be entitled to vote with the holders of any class of securities of the listed issuer which otherwise carry greater voting rights, on a basis proportionate to their respective residual equity interests in the issuer.

The TSX’s approval of a backdoor listing must be obtained before the transaction is submitted to security holders for approval. If this is impracticable, the information circular sent to security holders must include a statement that the proposed transaction is subject to the acceptance of the TSX. The TSX will require the listed issuer to file a draft of the information circular with the TSX for review before the sending of the circular to the security holders.

TAKE-OVER BIDS AND ISSUER BIDS

627. (a) Where a take-over bid or issuer bid is made for securities of a listed issuer, it is the responsibility of the target issuer to ensure that two copies of the offering circular, directors’ circular and all other materials sent to the security holders in connection with the bid are filed with the TSX’s Advisory Affairs division either concurrently with the sending of materials to the security holders or as quickly as possible thereafter.

The TSX’s Advisory Affairs division must be advised as soon as possible of any amendments to the terms of the bid, in order for the TSX to have sufficient time to establish appropriate trading and settlement rules, if necessary.

(b) The rules for take-over bids and issuer bids are prescribed by securities legislation and, in some cases, corporate legislation. See, for example, Part XX of the OSA.

(c) Participating Organizations of the TSX who are registered owners, or holders through nominees or depositories, of securities beneficially owned by clients, and who are furnished with sufficient copies of any take-over bid circular, issuer bid circular or directors’ circular or similar document in respect of such securities, must forthwith send to each beneficial owner a copy of such material if the target issuer, or other sender of the material, or beneficial owner has agreed to bear the costs of so doing.

EXCHANGE TAKE-OVER BIDS AND ISSUER BIDS

628. General.

(a) The requirements for take-over bids and issuer bids through the facilities of the TSX are as follows. By virtue of sections 93(1)(a) and 93(3)(e) of the OSA, a take-over bid or issuer bid is exempted from the requirements of Part XX of the OSA where the bid is made through the facilities of the TSX in accordance with the rules of the TSX.

(b) In Sections 628, 629, 630, 631 and 632:

(i) **“bid”** means either a stock exchange take-over bid or a substantial issuer bid, as the case may be;

(ii) **"circular bid"** means a take-over bid or an issuer bid made in compliance with the requirements of Part XX of the OSA;

(iii) **"competing stock exchange take-over bid"** means a stock exchange take-over bid announced while another stock exchange take-over bid for the same class of securities of an offeree issuer is outstanding;

(iv) **"insider bid"** means a stock exchange take-over bid made by an insider of a listed offeree issuer, by any associate or affiliate of an insider of a listed offeree issuer, by any associate or affiliate of a listed offeree issuer or by an offeror acting jointly or in concert with any of the foregoing;

(v) **"issuer bid"** means an offer to acquire listed securities made by or on behalf of a listed issuer for securities issued by that listed issuer, unless:

(a) the securities are purchased or otherwise acquired in accordance with the terms and conditions attaching thereto that permit the purchase or acquisition of the securities by the issuer without the prior agreement of the owners of the securities, or where the securities are purchased to meet sinking fund or purchase fund requirements;

(b) the purchase or other acquisition is required by instrument creating or governing the class of securities or by the statute under which the issuer was incorporated, organized or continued; or

(c) the securities carry with them or are accompanied by a right of the owner of the securities to require the issuer to repurchase the securities and the securities are acquired pursuant to the exercise of such right;

(vi) **"normal course issuer bid"** means an issuer bid where the purchases (other than purchases by way of a substantial issuer bid):

(a) do not, when aggregated with the total of all other purchases in the preceding 30 days, whether through the facilities of a stock exchange or otherwise, aggregate more than 2% of the securities of that class outstanding on the date of acceptance of the notice of normal course issuer bid by the TSX; and

(b) over a 12-month period, commencing on the date specified in the notice of the normal course issuer bid, do not exceed the greater of

(i) 10% of the public float, or

(ii) 5% of such class of securities issued and outstanding, excluding any held by or on behalf of the issuer on the date of acceptance of the notice of normal course issuer bid by the TSX, whether such purchases are made through the facilities of a stock exchange or otherwise;

(vii) **"normal course purchase"** means a take-over bid made by way of a purchase on the TSX of such number of a class of securities of a listed offeree issuer that, together with all purchases of such securities made by the offeror and any person or company acting jointly or in concert with the offeror in the preceding 12 months through the facilities of a stock exchange or otherwise, do not aggregate more than 5% of the securities of that class outstanding at the time such purchase is made;

(viii) **"principal security holder"** of an issuer means a person who beneficially owns or exercises control or direction over more than 10% of the issued and outstanding securities of any class of voting securities or equity securities of the issuer;

(ix) **"public float"** means the number of securities of the class which are issued and outstanding, less the number of securities of the class beneficially owned, or over which control or direction is exercised by:

(a) every senior officer or director of the listed issuer;

(b) every principal security holder of the listed issuer; and

(c) the number of securities that are pooled, escrowed or non-transferable;

(x) **"stock exchange take-over bid"** means a take-over bid, other than a normal course purchase, made through the facilities of the TSX;

(xi) **“substantial issuer bid”** means an issuer bid, other than a normal course issuer bid, made through the facilities of the TSX; and

(xii) **"take-over bid"** means an offer to acquire such number of the listed voting or listed equity securities of an offeree issuer that will in the aggregate constitute 20% or more of the outstanding securities of that class, together with the offeror’s securities.

(c) For the purposes of Sections 628, 629, 630, 631 and 632, a purchase shall be deemed to have taken place when the offer to buy or the offer to sell, as the case may be, is accepted.

(d) For the purposes of Sections 628, 629, 630, 631 and 632,

(i) the beneficial ownership of securities of an offeror or of any person or company acting jointly or in concert with the offeror shall be determined in accordance with section 90 of the OSA; and

(ii) where any person or company is deemed by subsection (a) of this section to be the beneficial owner of unissued securities, the number of outstanding securities of a class in respect of an offer to acquire shall be determined in accordance with subsection 90(3) of the OSA.

(e) For the purposes of Sections 628, 629, 630, 631 and 632, whether a person is acting jointly or in concert with an offeror shall be determined in accordance with section 91 of the OSA.

629. General Rules Applicable To Exchange Take-over and Issuer Bids.

(a) An offeror shall not make a take-over bid or issuer bid through the facilities of the TSX except in accordance with TSX requirements.

(b) An offeror making a bid shall file with the TSX, and shall not proceed with the bid until the notice has been accepted by the TSX.

(c) An offeror shall not take up more than the number of securities sought without the approval of the TSX.

(d) Except where otherwise provided, an offeror making a bid shall take the following steps to inform securityholders of the offeree issuer of the terms of the bid forthwith after the TSX has accepted notice of the bid:

(i) disseminate details of the bid to the news media in the form of a press release;

(ii) communicate the terms of the bid:

Section 629 by first class mail to each registered holder of the class of securities

i. by sending a copy of the notice filed pursuant to subsection (b) of this that is the subject of the bid in Canada and in each other jurisdiction where the bid is made and such communication is not prohibited by law, and to each such registered holder of securities

convertible or exchangeable for such class of securities or that otherwise has a right to participate in the offer, and

ii. by advertising in the manner prescribed by the TSX, or by such other means as may be approved by the TSX.

(e) If an offeror makes or intends to make a bid, neither the offeror nor any person acting jointly or in concert with the offeror shall enter into any collateral agreement, commitment or understanding with any holder or beneficial owner of securities of the offeree issuer that has the effect of providing to the holder or owner, a consideration of greater value than that offered to the other holders of the same class of securities.

(f) An offeror filing a notice of a stock exchange take-over bid, substantial issuer bid or normal course issuer bid shall pay the filing fee prescribed by Part VIII.

(g) A notice of a stock exchange take-over bid filed by an offeror with the TSX shall provide the information prescribed in Form 13 found in Appendix H.

(h) A notice of a substantial issuer bid filed by an offeror with the TSX shall provide the information prescribed in Form 13 with appropriate modifications for a transaction that is not a take-over bid and such notice shall contain such additional information as may be required by the TSX.

(i) A copy of the notice shall be filed with the OSC and, in the case of a stock exchange take-over bid, with the offeree issuer forthwith after acceptance by the TSX.

(j) A book for receipt of tenders to the bid shall be opened on the TSX not sooner than the thirty-fifth calendar day after the date on which notice of the bid is accepted by the TSX and at such time, and for such length of time, as may be determined by the TSX.

(k) In respect of a bid:

(i) no Participating Organization shall knowingly assist or participate in the tendering of more securities than are owned by the tendering party; and

(ii) tendering, trading and settlement by Participating Organizations shall be in accordance with such rules as the TSX shall specify to govern each bid.

(l) Where in a bid more securities are tendered than the number of securities sought, the offeror shall take up a proportion of all securities tendered equal to the number of securities sought divided by the number of securities tendered, and Participating Organizations shall make allocations in respect of securities tendered in accordance with the instructions of the TSX.

(m) A notice of amendment shall be filed with the TSX for any proposed amendment to the terms of the bid. The proposed amendment will only be effective upon the acceptance of the TSX.

(n) Forthwith upon acceptance of the notice of amendment by the TSX, the offeror shall issue a press release containing a summary of the information set forth in such notice of amendment, including reference to any change in the date of the book and the offeror shall disseminate such notice of amendment in such manner as the TSX may deem to be appropriate in the circumstances.

(o) Where the offeror becomes aware of a material change in any of the information contained in the notice in respect of a bid, the offeror shall file with the TSX forthwith a notice of amendment in a form acceptable to the TSX.

(p) Forthwith upon acceptance of the notice of amendment by the TSX, the offeror shall issue a press release containing a summary of the information set forth in such notice of amendment, including reference to any change in the date of the book and the offeror shall disseminate such notice of change in such manner as the TSX may deem to be appropriate in the circumstances.

(q) As soon after the closing of the book for receipt of tenders as may be possible, the TSX shall announce the results of the bid including: the waiver or failure to satisfy any conditions attaching to the bid, the withdrawal of the bid, the total number of securities acquired by the offeror pursuant to the terms of the bid and any allocation thereof.

630. Special Rules Applicable to Exchange Take-over Bids.

(a) The board of directors of the offeree issuer shall, within seven trading days of the date of acceptance by the TSX of the notice of a stock exchange take-over bid, issue a press release recommending acceptance or rejection of the offer and the reasons therefor, or indicating that they are not making a recommendation and the reasons therefor and such press release shall also contain the following information:

(i) a summary of any agreement entered into or proposed between the offeree issuer and its senior executives in regard to any payment or other benefit granted as indemnity for the loss of their positions or in regard to their retaining or losing their positions if the bid is accepted; and

(ii) a summary of any transaction, board resolution, agreement in principle or signed contracts in response to the bid, indicating whether or not the offeree issuer has undertaken any negotiations that relate to or would result in one of the following:

i. an extraordinary transaction such as a merger or reorganization involving the offeree issuer or one of its subsidiaries,

ii. the purchase, sale or transfer of a material amount of assets of the offeree issuer or of one of its subsidiaries,

iii. the acquisition of its own securities by way of an issuer bid or of the securities of another company, or

iv. any material change in the present capitalization or dividend policy of the offeree issuer.

(b) The press release required by subsection (a) of this Section 630 should disclose negotiations underway, without giving details if there has been no agreement in principle.

(c) A copy of the press release required by subsection (a) of this Section 630 shall be delivered to the TSX prior to its release.

(d) A stock exchange take-over bid may proceed notwithstanding failure by the board of directors of the offeree issuer to comply with the requirements of subsection (a) of this Section 630.

(e) If granted an exemption under Section 603, an offeror making a stock exchange take-over bid and any person or company acting jointly or in concert with the offeror may purchase securities that are the subject of the bid through the facilities of the TSX provided that:

(i) a press release is issued announcing the offeror's intention to make such purchases;

(ii) such purchases do not begin until the second clear trading day following the date of the issuance of the press release;

(iii) such purchases, together with all purchases of such securities made by the offeror and any person or company acting jointly or in concert with the offeror during the preceding 90 days through the facilities of a stock exchange or otherwise, do not aggregate more than 5 percent of the securities of that class outstanding at the time such purchases are made;

(iv) the offeror issues and files with the TSX a press release immediately after the close of each trading day on which securities are purchased under Sections 628, 629, 630, 631 and 632 disclosing:

i. the identity of the purchaser,

ii. the number of securities of the offeree issuer purchased that day,

iii. the highest price paid per security,

iv. the aggregate number of securities of the offeree issuer purchased up to and including that day under Section 630 during the currency of the take-over bid,

v. the average price paid for such securities,

vi. the total number of securities owned by the purchaser at the time; and

(v) if the offeror or any person or company acting jointly or in concert with the offeror pays a price for any such securities that is higher than the price offered pursuant to the stock exchange take-over bid, then the price offered pursuant to the stock exchange take-over bid shall be increased to equal such higher price.

(f) A notice in respect of an insider bid shall, in addition to the information prescribed by Form 13, provide the information required by the TSX.

(g) An offeror making a normal course purchase is not subject to any notice requirement under this part.

631. Special Rules Applicable to Substantial Issuer Bids.

(a) Notwithstanding any other provision of Sections 628, 629, 630, 631 and 632, an offeror and any person acting jointly or in concert with an offeror shall not make any other purchases or agreements or commitments to purchase securities that are the subject of the issuer bid during the course of such bid unless such purchases are permitted by the TSX.

(b) The provisions of this section shall apply to a substantial issuer bid for securities that are neither voting nor equity securities provided that:

(i) there is no legal or regulatory requirement to provide a valuation of the securities that are the subject of the bid to security holders; or

(ii) exemptions from all applicable requirements have been obtained.

(c) The provisions of Sections 629(d), 629(g) and 629(j) shall not apply to a bid made pursuant to this Section 631.

(d) A notice filed with the TSX pursuant to Section (631) shall provide the information prescribed in Form 14 found in Appendix H.

(e) Forthwith after the TSX has accepted notice of the bid, the offeror shall:

(i) disseminate details of the bid to the media in the form of a press release; and

(ii) communicate the terms of the bid by advertising in the manner prescribed by the TSX, or by such other means as may be approved by the TSX.

(f) A book for receipt of tenders to the bid shall be opened on the TSX not sooner than the thirty-fifth calendar day after the date on which notice of the bid is accepted by the TSX and at such time, and for such length of time, as may be determined by the TSX.

632. Special Rules Applicable to Normal Course Issuer Bids.

(a) The filing of a notice is a declaration by the issuer that it has a present intention to acquire securities. The notice should set out the number of securities that the issuer's board of directors has determined may be acquired rather than simply reciting the maximum number of securities that may be purchased pursuant to Section 632. A notice is not to be filed if the issuer does not have a present intention to purchase securities.

(b) The TSX will not accept a notice if the issuer would not meet the criteria for continued listing on the TSX, assuming all of the purchases contemplated by the notice were made.

(c) The TSX requires that the issuer prepare and submit to the TSX a draft of the notice containing the information prescribed by Form 15, Notice of Intention to Make a Normal Course Issuer Bid found in Appendix H. When the notice is in a form acceptable to the TSX, the issuer shall file the notice in final form, duly executed by a senior officer or director of the issuer, for acceptance by the TSX. The final form of the notice must be filed at least two clear trading days prior to the commencement of any purchases under the bid.

(d) A normal course issuer bid shall not extend for a period of more than one year from the date on which purchases may begin.

(e) The issuer will generally issue a press release indicating its intention to make a normal course issuer bid, subject to TSX acceptance, prior to acceptance of the executed notice by the TSX. The press release shall

summarize the material aspects of the contents of the notice, including the number of securities sought, the reason for the bid and details of previous purchases, including the number of securities purchased and the average price paid. If a press release has not already been issued, a draft press release must be provided to the TSX and the issuer shall issue a press release as soon as the notice is accepted by the TSX. A copy of the final press release shall be filed with the TSX.

(f) The issuer shall include a summary of the material information contained in the notice in the next annual report, information circular, quarterly report or other document mailed to security holders. The document should indicate that security holders may obtain a copy of the notice, without charge, by contacting the issuer.

(g) A normal course issuer bid may commence on the date that is two trading days after the later of:

(i) the date of acceptance by the TSX of the issuer's notice in final executed Form 15; or

(ii) the date of issuance of the press release required by subsection (e) of this Section 632.

(h) Upon acceptance of the notice, the TSX will publish a summary notification of the normal course issuer bid in its Daily Record.

(i) During a normal course issuer bid, an issuer may determine to amend its notice by increasing the number of securities sought while not exceeding the maximum percentages referred to in the definition of normal course issuer bid. The issuer may do so by issuing a press release and advising the TSX in writing. A trustee or other purchasing agent (hereinafter referred to as a "trustee") for a pension, stock purchase, stock option, dividend reinvestment or other plan in which employees or security holders of a listed issuer may participate, is deemed to be making an offer to acquire securities on behalf of the listed issuer where the trustee is deemed to be non-independent. Trustees that are deemed to be non-independent are subject only to Sections 632(j) and (k) and to the limits on purchases of the issuer's securities prescribed by the definition of "normal course issuer bid". Trustees that are non-independent must notify the TSX before commencing purchases. A trustee is deemed to be non-independent where:

(i) the trustee (or one of the trustees) is an employee, director associate or affiliate of the issuer; or

(ii) the issuer, directly or indirectly, has control over the time, price, amount and manner of purchases or the choice of the broker through which the purchases are to be made. The issuer is not considered to have control where the purchase is made on the specific instructions of the employee or security holder who will be the beneficial owner of the securities.

The TSX should be contacted where there is uncertainty as to the independence of the trustee.

(j) Within 10 days of the end of each month in which any purchases are made, whether the securities were purchased through the facilities of the TSX or otherwise, the issuer shall report its purchases to the TSX stating the number of securities purchased during its purchases that month, giving the average price paid and stating whether the securities have been cancelled, reserved for issuance or otherwise dealt with. Nil reports are not required. The notice must be on Form 1 “Change in Outstanding and Reserved Securities” found in Appendix H. The issuer may delegate the reporting requirement to the Participating Organization appointed to make its purchases; however, the issuer bears the responsibility of ensuring timely reports are made. The TSX periodically publishes a list of securities purchased pursuant to normal course issuer bids.

This paragraph also applies to purchases by non-independent trustees and to purchases by any party acting jointly or in concert with the issuer.

(k) The TSX has set the following rules for issuers and Participating Organizations acting on their own behalf:

1. ***Price Limitations*** - It is inappropriate for an issuer making a normal course issuer bid to abnormally influence the market price of its securities. Therefore, purchases made by issuers pursuant to a normal course issuer bid shall be made at a price which is not higher than the last independent trade of a board lot of the class of securities which is the subject of the normal course issuer bid. In particular, the following are not "independent trades":

(a) trades directly or indirectly for the account of (or an account under the direction of) an insider of the issuer, or any associate or affiliate of either the issuer or an insider of the issuer;

(b) trades for the account of (or an account under the direction of) the Participating Organization making purchases for the bid; and

(c) trades solicited by the Participating Organization making purchases for the bid.

2. ***Prearranged Trades*** - It is important to investor confidence that all holders of identical securities be treated in a fair and even-handed manner by the issuer. Therefore, a cross or pre-arranged trade is not generally permitted.

3. ***Private Agreements*** - It is the view of the TSX that it is in the interest of security holders that transactions pursuant to an issuer bid should be made in the open market. This philosophy is also reflected in the OSA, which provides very limited exemptions for private agreement purchases. The TSX, therefore, will not normally accept a notice which indicates that purchases will be made other than by means of open market transactions.

4. ***Sales from Control*** - Purchases pursuant to a normal course issuer bid shall not be made from a person effecting a sale from control block pursuant to Part 2 of Multi-lateral Instrument 45-102 and Section 637 of this Manual. It is the responsibility of the Participating Organization acting as agent for the issuer to ensure that it is not bidding in the market for the normal course issuer bid at the same time as a Participating Organization is offering the same class of securities of the issuer under a sale from control.

5. ***Purchases During a Take-Over Bid*** - An issuer shall not make any purchases of its securities pursuant to a normal course issuer bid during a take-over bid for those securities. This restriction applies during the period from the first public announcement of the bid until the termination of the period during which securities may be deposited under such bid, including any extension thereof. This restriction does not apply to purchases made solely as a trustee pursuant to a pre-existing obligation under a pension, stock purchase, stock option, dividend reinvestment or other plan.

   In addition, if the issuer is making a securities exchange take-over bid, it shall not make any purchases of the security offered in the bid pursuant to OSC Policy 62-601.

(l) The issuer shall appoint only one Participating Organization at any one time as its broker to make purchases. The issuer shall inform the TSX in writing of the name of the responsible broker. The Participating Organization shall be provided with a copy of the notice and be instructed to make purchases in accordance with the provisions of Sections 628, 629, 630, 631 and 632 and the terms of such notice. The TSX will look to its Participating Organizations to make purchases in accordance with such instructions. To assist the TSX in its surveillance function, the issuer is required to receive the written consent of the TSX where it intends to change its broker.

(m) Failure to comply with any requirement herein may result in the suspension of the bid.

SECURITY HOLDER RIGHTS PLANS

633. General.

(a) Security holder rights plans (commonly referred to as ‘‘poison pills’’) fall under the TSX’s jurisdiction by virtue of Section 601 which requires listed issuers to pre-clear with the TSX any potential issuance of equity securities.

(b) The TSX neither endorses nor prohibits the adoption of poison pills generally or in connection with any particular take-over bid. The securities commissions in Canada are responsible for reviewing the propriety or operation of take-over bid defensive tactics pursuant to National Policy 62-202, including the adoption of a poison pill after the announcement or commencement of a hostile take-over bid. In the latter example, the TSX will defer its review of such a poison pill until after the appropriate securities commission has determined whether it will intervene pursuant to National Policy 62-202.

(c) The TSX believes that security holders of the listed issuer should have the opportunity to decide whether the continued existence of a plan that has been adopted by the board of directors of the listed issuer in the normal course of affairs (i.e. absent a threatened or actual specific take-over bid) is in the security holders’ best interests.

634. Filing and Listing Procedure.

(a) A draft of the proposed security holder rights plan (the "plan") or poison pill should be filed with the TSX Advisory Affairs division along with a covering letter requesting the TSX accept the plan for filing. The letter must include the following:

(i) a statement as to whether the listed issuer is aware of any specific take-over bid for the listed issuer that has been made or is contemplated, together with full details regarding any such bid;

(ii) a description of any unusual features of the plan; and

(iii) a statement as to whether the plan treats any existing security holder differently from other security holders. The usual example of this is where, at the time of the plan's adoption a security holder (or group of related security holders) owns a percentage of securities that exceeds the triggering ownership threshold identified in the plan but such security holder is exempted form the operation of the plan.

(b) If a listed issuer adopts a plan without pre-clearance from the TSX, the listed issuer must:

(i) publicly announce the adoption of its plan as subject to TSX acceptance, and

(ii) as soon as possible after the adoption of the plan, file with the TSX a copy of the plan along with the covering letter described in Section 634(a).

(c) If the TSX consents to the adoption of a plan, the rights issued to security holders will be automatically listed on the TSX when those securities are issued. The rights will not appear as a separate entry on the TSX trading list. There is a filing fee described in Section 811 that is payable to the TSX for its review of the plan.

635. TSX Approach.

(a) If a plan is adopted at a time when the listed issuer is not aware of any specific take-over bid for the listed issuer that has been made or is contemplated, the TSX will not generally refuse the plan for filing, provided that it is ratified by the security holders of the listed issuer at a meeting held within six months following the adoption of the poison pill. Pending such security holders ratification, the plan is allowed to be in effect so that its intent is not circumvented prior to the security holders meeting. If security holders do not ratify the plan by the required time, the plan must be immediately cancelled and any rights issued thereunder must be immediately redeemed or cancelled.

(b) In cases where a particular security holder may be exempted from the operation of a plan even though the security holder's percentage holding exceeds the plan's triggering ownership threshold, the TSX will normally require that the plan be ratified by a vote of security holders that excludes the votes of the exempted security holder and its associates, affiliates and insiders (as these terms are defined in the OSA), as well as by a vote that does not exclude such security holder.

(c) If a plan can be reasonably perceived to have been proposed or adopted as a response to a specific take-over bid for a listed issuer that has been made or is contemplated, the TSX will normally defer its decision on whether to consent to the plan until the OSC has had the opportunity to consider whether it will initiate proceedings by virtue of National Policy 62-202 regarding defensive tactics. If the OSC chooses not to intervene, the TSX will generally not object to the adoption of a poison pill in the circumstances set out in Sections 633, 634, 635 and 636.

636. Plan Amendment.

No amendment of a plan that has been adopted by a listed issuer may be made without the prior written consent of the TSX. In order to seek such consent, the listed issuer must file with the TSX Advisory Affairs division (i) a black-lined draft of the amended plan, (ii) a letter that summarizes the proposed changes to the plan, and (iii) the requisite filing fee payable to the TSX (see Section 811).

SALES FROM CONTROL BLOCK THROUGH THE FACILITIES OF THE EXCHANGE

637. Responsibility of Participating Organization and Seller.

It is the responsibility of both the selling security holder and Participating Organization (as defined in the TSX Rule Book) acting on their behalf to ensure compliance with TSX requirements and applicable securities laws. In particular, Participating Organizations and selling security holders should familiarize themselves with the procedures and requirements set out in Part 2 of Multilateral Instrument 45-102.

638. Sales Pursuant to an Order or Exemption.

If securities are to be sold from a control block pursuant to an order made under section 74 of the OSA or an exemption contained in subsection 72(1) of the OSA or Part 2 of Rule 45-501, the securities acquired by the purchaser may be subject to a hold period in accordance with the provisions of the OSA. Sales of securities subject to a hold period are special terms trades and will normally be permitted to take place on the TSX without interference.

639. General Rules for Control Block Sales on the Exchange.

1. ***Filing*** **-** The seller shall file "Form 45-102 F3 – Notice of Intention to Distribute Securities and Accompanying Declaration" under subsection 2.8 of Multilateral Instrument 45-102 with the TSX at least seven days prior to the first trade made to carry out the distribution.

2. ***Notification of Appointment of Participating Organization*** **-** The seller must notify the TSX of the name of the Participating Organization which will act on behalf of the seller. The seller shall not change the Participating Organization without prior notice to the TSX.

3. ***Acknowledgement of Participating Organization*** **-** The Participating Organization acting as agent for the seller shall give notice to the TSX of its intention to act on the sale from control, and such notice shall be accepted in writing by the TSX, before any sales commence.

4. ***Report of Sales*** **-** The Participating Organization shall report in writing to the Advisory Affairs Division of the TSX on the last day of each month the total number of securities sold by the seller during the month, and, if and when all of the securities have been sold, the Participating Organization shall so report forthwith in writing to the TSX.

5. ***Issuance of Exchange Bulletin*** **-** The TSX shall issue a bulletin respecting the proposed sale from control which bulletin will contain the name of the seller, the number of securities of the listed company held by the seller, the number proposed to be sold, and any other information that the TSX considers appropriate. The TSX may issue further bulletins from time to time regarding the sales made by the seller.

6. ***Special Conditions*** **-** The TSX may, in circumstances it considers appropriate, require that special conditions be met with respect to any sales. Possible conditions include, but are not limited to, the requirement that the seller not make a sale below the price of the last sale of a board lot of the security on the TSX which is made by another person acting independently.

7. ***Term and Renewal*** **-** The initial filing of Form 45-102 F3 is valid for a period of 60 days and a renewal of the Form 45-102 F3 must be filed with the TSX every 28 days thereafter if sales are to continue.

8. ***First Sale*** **-** The first sale cannot be made until at least seven days after the filing of Form 45-102 F3 and the first sale under the initial Form 45-102 F3 must be made within 14 days of the filing.

640. Restrictions on Control Block Sales on the Exchange.

1. ***Private Agreements*** – A Participating Organization is not permitted to participate in sales from control by private agreement transactions. If Participating Organizations are to participate, transactions must be executed on the TSX or the transactions must be exempt from the requirement to be conducted on the TSX in accordance with Rule 4-102.

2. ***Normal Course Issuer Bids*** – If the issuer of the securities which are the subject of the sale from control block is undertaking a normal course issuer bid in accordance with Section 632 of this Manual, the normal course issuer bid and the sale from control block will be permitted on the condition that:

(a) the Participating Organization acting for the issuer confirms in writing to the TSX that it will not bid for securities on behalf of the issuer at a time when securities are being offered on behalf of the control block seller;

(b) the Participating Organization acting for the control block seller confirms in writing to the TSX that it will not offer securities on behalf of the control block seller at a time when securities are being bid for under the issuer bid; and

(c) transactions in which the issuer is on one side and the control block seller on the other are not permitted.

3. ***Price Guarantees*** – The price at which the sales are to be made can not be established or guaranteed prior to the seventh day after the filing of Form 45-102 F3 with the TSX.

4. ***Crosses* -** A Participating Organization may distribute the whole of a control block sale to its own clients by means of a cross. Established crossing rules require that, prior to execution, all orders that are entered on any Canadian exchange at better prices than the price of the proposed cross must be filled in full. If the market is to be moved before execution of a cross, the responsible registered trader should be notified in advance.

ODD LOT SELLING AND PURCHASE ARRANGEMENTS

641. General.

(a) An odd lot of securities is less than a board lot. Listed issuers may reduce the number of holders of odd lots by using the following procedure.

(b) The procedure described in Section 642 is intended to facilitate odd lot sales at a reasonable cost to listed issuers. It is consistent with the objective of the TSX to enhance the marketability of small holdings.

(c) The procedure described in Section 642 must be followed where a listed issuer seeks the assistance of a Participating Organization to solicit odd lots for resale on the TSX, or to offer to defray the commissions payable by odd lot holders in acquiring additional securities on the TSX to make up a board lot.

642. Procedures Applicable to Small Security Holder Selling and Purchase Arrangements.

(a) Under a small security holder selling arrangement (a "Selling Arrangement") a listed issuer agrees to pay a fee per odd lot account to Participating Organizations to sell listed securities on behalf of odd lot holders. Under a small security holder purchase arrangement (a "Purchase Arrangement", together with a Selling Arrangement referred to herein as an "Arrangement") a listed issuer agrees to pay a fee per odd lot account to Participating Organizations to purchase a sufficient number of listed securities on behalf of odd lot holders to constitute a board lot.

(b) The listed issuer shall request odd lot holders wishing to take advantage of an Arrangement to either:

(1) place orders under the Arrangement with any Participating Organization of the TSX; or

(2) transmit orders under the Arrangement directly to the listed issuer or an agent (such as a broker or transfer agent) designated by it.

If option (1) is selected, a Participating Organization shall be appointed as manager of the Arrangement (the "Manager") and shall be responsible for maintaining records of transactions and remitting the fees payable to other Participating Organizations. Special procedures applicable to options (1) and (2) are set out in Sections 642(d) and (e).

(c) **Trading Odd Lots.** A Selling Arrangement may be carried out in one of two ways:

(1) the listed securities tendered by odd lot holders must be aggregated into board lots and sold promptly by a Participating Organization on the TSX; or

(2) the listed securities must be sold promptly in the form of odd lots through the minimum guarantee fill system ("MGF"). In the event that odd lots are sold through the MGF the responsible Registered Trader will aggregate odd lots for resale in the normal course of his activities.

Similarly, under a Purchase Arrangement a Participating Organization must promptly acquire a sufficient number of listed securities to increase an odd lot holder's holding to a full board lot either (1) by purchases by the Participating Organization on the TSX; or (2) through the MGF.

(d) **Rules Applicable to Arrangements through Participating Organizations.** The following applies to Arrangements where odd lot holders are to place orders with any Participating Organization of the TSX (option (1) under Section 642(b)):

(i) It is anticipated that many odd lot holders will not currently have an account with a Participating Organization. In order to simplify the administration of an Arrangement being effected through Participating Organizations new account forms are not required to be completed for odd lot holders and transactions made pursuant to an Arrangement may be effected through an omnibus account. The Participating Organization must maintain proper records of orders as required by TSX Rule 2-404 "Records of Orders".

(ii) If required by the listed issuer, Participating Organizations selling odd lots on behalf of clients under a Selling Arrangement, or purchasing listed securities under a Purchase Arrangement, shall prepare a signed statement that to the best of the knowledge of the representative of the Participating Organization the listed securities of each named beneficial owner sold under a Selling Arrangement constitute all of the listed securities owned by such beneficial owner and that the number of listed securities purchased under a Purchase Arrangement for each named beneficial owner is the number of listed securities required to increase each beneficial owner's holding to the level of one board lot, as the case may be, and shall keep each such statement in its files for inspection by the TSX. Participating Organizations are not required to disclose the names of their clients to the Manager of an Arrangement or the listed issuer.

(iii) In the event that odd lots are held in the name of a Participating Organization on behalf of a customer who wishes to sell his listed securities pursuant to a Selling Arrangement the Participating Organization shall either (A) sell such listed securities on behalf of the customer pursuant to the Arrangement, (B) provide the customer with deliverable listed securities in order to permit the customer to tender such securities to another Participating Organization along with a certificate stating that, to the best of the Participating Organization's knowledge, the customer held a stated number of listed securities as of the record date of the Arrangement, or (C) tender such listed securities to another Participating Organization who is willing to sell the listed securities pursuant to the Arrangement on behalf of the customer.

(iv) The Manager shall maintain records of the transactions effected by Participating Organizations pursuant to the Arrangement. Participating Organizations shall report such transactions to the Manager on a weekly basis. The Manager shall remit the amount offered by the listed issuer per odd lot account promptly after the receipt of each weekly report. The amount receivable by each Participating Organization is required to be used, in its entirety, to replace or reduce the normal brokerage commissions otherwise payable by odd lot holders.

(v) The price received or to be paid for an odd lot shall be the quoted price at which the trade is executed by the Participating Organization. If the listed securities of an odd lot holder are sold or purchased as part of more than one board lot and different prices are received or paid, the amount remitted to the customer, or paid by the customer, shall be the average price and the confirmation must disclose that an average price has been used and must list the prices at which the trades were made.

The TSX anticipates that the Manager will advise the listed issuer concerning a reasonable fee payable per odd lot account.

(e) **Rules Applicable to Arrangements through the Listed Issuer.** The following applies to Arrangements where odd lot holders are to place orders through the listed issuer or an agent designated by it (option (2) under Section 642(b)):

(i) The listed issuer or its agent shall send orders received pursuant to the Arrangement to one or more Participating Organizations for execution forthwith after clearance of such orders for trading. Orders received and cleared for execution shall be placed with the Participating Organization no later than 12:00 p.m. on the next business day for execution on the TSX. Orders may be aggregated, but not netted, by the listed issuer or its agent.

(ii) The Participating Organization shall execute aggregated buy or sell orders as soon as possible, subject to its discretion in fulfilling its obligation to obtain the best available price for the customer and to avoid any undue impact on such price.

(iii) The price received or to be paid for an odd lot shall be the average price received on all orders placed with the Participating Organization for execution on a given day, regardless of when any of such orders are executed.

(iv) In addition to the information required by Section 642(i), the disclosure document shall contain a statement that the price received or to be paid for an odd lot will be the average price received on all orders placed with the Participating Organization for execution on a given day, regardless of when any of such orders are executed. An estimate of the period of time required for mailing and clearing an order must be disclosed, and that the quoted price of the stock may change during such period.

(f) **Obligations to Odd Lot Holders.** A Participating Organization must obtain the best price available for its customer (the odd lot holder) in executing trades pursuant to an Arrangement. Notwithstanding any financial arrangement with the listed issuer, Participating Organizations must satisfy their fiduciary duty to odd lot holders in accordance with this Policy and applicable law. The listed issuer shall not, directly or indirectly, influence the time, price, amount or manner of sales or purchases of odd lots.

Subject to any agreement to the contrary, Participating Organizations may acquire or sell odd lots in principal transactions in accordance with TSX Policy 4-502 “Exposure of Client Orders” and TSX Rule 4-502 “Client Principal Trading”. Participating Organizations may not be a prominent influence in the market for the listed securities at a time when a principal transaction is proposed to be executed.

(g) **Security Holders Eligible to Participate.** Only persons who are holders of less than one board lot as defined in Part I of this Manual are eligible to participate in either type of Arrangement. The determination as to whether a person is the holder of an odd lot shall be made as of a record date established by the listed issuer. The record date must be prior to the public announcement of the Arrangement in accordance with Section 642(h) in order to ensure that board lots will not be broken up in order to participate in the Arrangement.

An Arrangement is required to be extended to both registered holders of odd lots and beneficial owners of odd lots registered in nominee form. The TSX will approve an Arrangement directed to the holders of a specific number of listed securities or less that does not include all odd lot holders where it is satisfied that holders of more than the specified number of listed securities are not disadvantaged as a result of minimum commission rates.

The TSX recognizes an exception from the requirement that either type of Arrangement be extended to all odd lot holders in the case of participants in stock ownership plans established by a listed issuer for its employees and in the case of participants in dividend reinvestment plans. Since plans of this kind are intended to promote security ownership as an incentive to employees and security holders and provide a special advantage to its participants listed issuers may wish to exclude plan participants from an Arrangement. Accordingly, a listed issuer will be permitted to exclude from an Arrangement any participant in a bonus, profit-sharing, pension, retirement, incentive, stock purchase, stock ownership, stock option or similar plan instituted for employees of the listed issuer or its subsidiaries or any participant in a dividend reinvestment plan instituted by the listed issuer.

(h) **Duration of an Arrangement.** An Arrangement is required to remain open for at least thirty calendar days from acceptance by the TSX in order to ensure adequate dissemination of information. An Arrangement may continue for a maximum period of ninety calendar days and may thereafter be renewed with the prior written consent of the TSX for two additional thirty day periods following the expiry of the initial period. In order for the TSX to consider the renewal of an Arrangement, a written request must be provided to the Advisory Affairs division of the TSX of the proposed renewal at least seven business days prior to the expiry of the previous period. (see Section 642(i)(iv)).

(i) **Dissemination of Information.**

(i) The listed issuer shall file with the Advisory Affairs division of the TSX a copy of a draft press release announcing an Arrangement and a draft disclosure document which includes the information required under clause (iii) below at least seven business days before the record date. The press release shall

not be issued and the disclosure document shall not be distributed to securityholders until written approval has been given by the TSX.

(ii) A press release shall be issued on the first business day following the record date after written approval has been given by the TSX.

(iii) Following issuance of the press release a disclosure document shall be sent by the listed issuer to each securityholder of record on the record date that holds an odd lot. Where a securityholder of record holds listed securities on behalf of other persons, the listed issuer shall provide, upon the request of such holder, a sufficient number of copies for each beneficial owner of an odd lot. The disclosure document, the original of which must be signed by a duly authorized officer of the listed issuer and filed with the TSX, shall include the following items of information:

i. Name of listed issuer and the nature of the Arrangement being made available to odd lot holders.

ii. A description of the class or classes of listed securities subject to the Arrangement and the holders eligible to participate.

iii. A statement that: (a) the listed issuer will pay one or more Participating Organizations a fee to sell or purchase odd lots, as the case may be, in the open market on behalf of odd lot holders; (b) for the purpose of the Arrangement, the odd lot holder is the customer of the Participating Organization agreeing to sell or purchase listed securities, as the case may be, pursuant to the Arrangement, and; (c) the Participating Organization is required to obtain the best available price for the odd lot holder.

iv. If applicable, state that the Participating Organization may purchase or sell odd lots under the Arrangement as principal in accordance with TSX requirements.

v. The duration of the Arrangement.

vi. The purpose of the Arrangement.

vii. A description of the procedure that must be followed by both registered odd lot holders and beneficial owners of odd lots held in nominee form to participate in an Arrangement.

viii. The name, address and telephone number of the department or person at the listed issuer from whom additional information may be obtained and that the odd lot holder should consider contacting his or her broker concerning the advisability of participating in the Arrangement.

(iv) See Section 642(e)(iv) for additional information required in the disclosure document in connection with Arrangements through the listed issuer. A request for a renewal of an Arrangement shall be accompanied by a statement of the number of listed securities previously sold or purchased, as the case may be, under the Arrangement. Upon acceptance by the TSX the listed issuer shall issue a press release announcing the renewal of the Arrangement.

(j) A filing fee is required in connection with each Arrangement filed with the TSX, and with each renewal thereof (see Part VIII).

643. Normal Course Issuer Bids.

(a) The procedure described herein is the exclusive method that may be used by a listed issuer to solicit odd lots for resale on the TSX, or to offer to assist odd lot holders in acquiring additional listed securities on the TSX to make up a board lot.

(b) A listed issuer may also purchase odd lots offered in the marketplace pursuant to a normal course issuer bid implemented in accordance with Section 632.

(c) A listed issuer may have both a Normal Course Issuer Bid, and either a Selling Arrangement, or a Purchase Arrangement, or both, in effect at the same time.

AMENDMENTS TO SECURITY PROVISIONS

644. Any proposed amendment to the provisions attaching to any securities of a listed issuer must be pre-cleared with the TSX prior to implementation.

EFFECT OF AMENDMENTS ON EXISTING ARRANGEMENTS

645. These amendments will be effective for all notices filed with the TSX on and after **[December 1, 2002]** (the **"Effective Date"**).

The following will be unaffected by these amendments:

1. Any transaction, including a security based compensation arrangement, of which the TSX has been notified of in writing prior to the Effective Date.

2. Any transactions for which either the listed issuer has mailed final materials to security holders or for which security holder approval has been received.

3. Security based compensation arrangements approved by security holders prior to the Effective Date.

4. A resolution of security holders in a form acceptable to the TSX giving blanket approval to a listed issuer to conduct private placements resulting in the issuance of securities greater than 25% of the number of securities of the listed issuer in a six month period, provided that such private placements are conducted in accordance with the terms of such resolution.

PART VII – HALTING OF TRADING, SUSPENSION AND DELISTING OF SECURITIES

(NOTE – comparative full text of Part VII with changes in bold)

A. GENERAL

Sec. 701. The ***TSX*** may at any time:

(a) temporarily halt trading in any listed securities; or

(b) suspend from trading ***and*** delist an ***issuer***'s securities if the ***TSX*** is satisfied that:

  (i) the ***issuer*** has failed to comply with any of the provisions of its Listing Agreement with the ***TSX*** or with any other ***TSX*** requirement; or

  (ii) such action is necessary in the public interest .

B. HALTING OF TRADING

Sec. 702. The ***TSX*** may halt trading in the securities of an ***issuer*** for disclosure of material information which requires immediate public disclosure under the ***TSX***'s timely disclosure policy. A halt of trading is a temporary measure which will usually not last more than one hour following the dissemination of the announcement. The ***TSX*** may also temporarily halt trading where such action is deemed to be in the public interest (for example, in order to maintain a fair and orderly market).

Refer to Sections 406 to 423.8 for a description of the timely disclosure policy, including more complete information regarding trading halts.

Sec. 703. During the period when trading is halted, no ***TSX*** Participating Organization may execute an order in the over-the-counter market.

Trading may also be halted when the market activity indicates that significant news appears to be available to some investors but not to the public at large, and the ***issuer*** either will not, or cannot, make a clarifying statement.

If trading is halted but an announcement is not immediately forthcoming, the ***TSX*** may establish a reopening time, which shall not be later than 24 hours after the time that the halt was imposed (excluding non-business days). The ***issuer*** is urged to make an announcement, but if it will not, the ***TSX*** will issue a notice stating the reason for the trading halt, that an announcement was not immediately forthcoming and that trading will therefore resume at a specific time.

Sec. 704. Trading may also be halted due to failure by the ***issuer*** to comply with requirements of the ***TSX***. In some cases, a halt may be changed to a suspension ***and/or delisting***.

C. SUSPENSION AND DELISTING

Objective

Sec. 705. The objective of the ***TSX***'s policies regarding continued listing privileges is to facilitate the maintenance of an orderly and effective auction market for securities of a wide variety of ***issuers*** that are actively engaged in an ongoing business, in which there is a substantial public interest, and that comply with the requirements of the ***TSX***. The policies are designed and administered in a manner consistent with that objective.

Application of Policy

Sec. 706. The ***TSX*** has adopted certain quantitative and qualitative criteria (the "suspension ***and delisting*** criteria"), that are outlined in the following sections, under which it will normally consider the suspension from trading ***and*** delisting of securities. However, no set of criteria can effectively anticipate the unique circumstances which may arise in any given situation. Accordingly, each situation is considered individually on the basis of relevant facts and circumstances. As such, whether or not any of the suspension ***and delisting*** criteria has become applicable to a listed ***issuer*** or security, the ***TSX*** may, at any time, suspend from trading ***and*** delist securities if, in the opinion of the ***TSX***, such action is consistent with the objective cited above or further dealings in the securities on the ***TSX*** may be prejudicial to the public interest.

Process

Sec. 707. The ***TSX*** examines the affairs and the performance of listed ***issuers*** to ensure that they are of a standard that merits the continued listing of such companies. If, as a result of such examination, the ***TSX*** determines that any of the suspension ***and delisting*** criteria outlined in Sections 708 to 717 has become applicable to a listed ***issuer*** or to its securities, the ***TSX*** will notify the ***issuer*** (by telephone or telecopied letter) and the market (by ***trader note and bulletin***) that the ***issuer*** is under a suspension ***and delisting*** review.

The suspension ***and delisting*** review process will be conducted through either the "Remedial Review Process" or the "Expedited Review Process", as follows:

Remedial Review Process

(a) An ***issuer*** that has been notified that it is under suspension ***and delisting*** review because of the applicability of any of the suspension ***and delisting*** criteria set out in Section 709, paragraphs (b) or (c) of Section 710, Section 711 or Section 712 will normally be given up to 120 days from the date of such notification (the "suspension ***and delisting*** review period") to correct the deficiencies that triggered the suspension ***and delisting*** review.

At any time prior to the end of the suspension ***and delisting*** review period, the ***TSX*** will provide the ***issuer*** with an opportunity to be heard where the ***issuer*** may present submissions to satisfy the ***TSX*** that all deficiencies identified in the ***TSX***'s notice have been rectified. If the ***issuer*** cannot satisfy the ***TSX*** at the conclusion of the hearing that the deficiencies identified have been rectified and that no other suspension ***and delisting*** criteria are then applicable to the ***issuer***, the ***TSX*** will determine to suspend ***from*** trading ***and delist*** the ***issuer***'s securities.

Upon such determination, the ***TSX*** will issue a written notice to the market to confirm the date that the suspension ***and delisting*** will be effective, which date will generally be the 30th calendar day after the issuance of such notice.

The ***TSX*** may abridge the term of the suspension ***and delisting*** review period at any time upon written notice to the ***issuer***, particularly after the occurrence of any of the events described in Section 708, paragraph (a) of Section 710, or Sections 713 to 717 inclusive. In any such case, the ***issuer*** that is under a suspension ***and delisting*** review will be provided with an opportunity to be heard on an expedited basis where the ***issuer*** may present submissions as to why its securities should not be suspended from trading ***and delisted***. If the ***issuer*** cannot satisfy the ***TSX*** that a suspension ***and delisting*** is unwarranted, the ***TSX*** will determine to suspend the ***issuer***'s securities from trading as soon as practicable after such hearing ***and the issuer's securities will be automatically delisted on the 30th calendar day after the suspension date***. ***During the period between the suspension date and delisting date, the issuer remains subject to all TSX requirements, including compliance with the provisions of sections 501 and 602, regardless of whether the issuer had been exempted from the requirements of section 501 prior to suspension***; or

Expedited Review Process

(b) An ***issuer*** that has been notified that it is under suspension ***and delisting*** review:

(i) because of the applicability of any of the suspension ***and delisting*** criteria in Section 708, paragraph (a) of Section 710 or Sections 713 to 716 inclusive; or

(ii) because the ***issuer*** has failed to meet original listing requirements by the deadline set by the ***TSX*** in connection with any of the events described in Section 717; or

(iii) because the ***TSX*** believes that the expedited suspension from trading ***and delisting*** of the ***issuer***'s securities is warranted;

will be allowed an opportunity to be heard, on an expedited basis, where the ***issuer*** may present submissions as to why its securities should not be suspended from trading ***and delisted***. If the ***issuer*** cannot satisfy the ***TSX*** that an immediate suspension is unwarranted, the ***TSX*** will determine to suspend the ***issuer***'s securities from trading as soon as practicable after such hearing ***and the issuer's securities will be automatically delisted on the 30th calendar day after the suspension date***. ***During the period between the suspension date and delisting date, the issuer remains subject to all TSX requirements, including compliance with the provisions of sections 501 and 602, regardless of whether the issuer had been exempted from the requirements of section 501 prior to suspension.***

SUSPENSION AND DELISTING CRITERIA

(1) Insolvency

Sec. 708. At such time as the ***TSX*** is advised or becomes aware that a listed ***issuer*** (or any of its significant subsidiaries), has become insolvent or bankrupt or has made an assignment for the benefit of creditors; or a trustee, receiver, liquidator or monitor has been appointed for the ***issuer*** or for a substantial part of its assets; or bankruptcy, reorganization, creditor arrangement or protection, insolvency, liquidation, winding up or similar proceedings are instituted by or against the ***issuer*** under the laws of any jurisdiction, the securities of the ***issuer*** may, at the discretion of the ***TSX***, be immediately halted from trading on the ***TSX***.

During the trading halt, or as soon as practicable after the trading halt is lifted, the ***TSX*** shall notify the ***issuer*** that it is under suspension ***and delisting*** review and is subject to the Expedited Review Process (see Section 707).

(2) Financial Condition and/or Operating Results

Sec. 709. The ***TSX*** will normally consider the suspension from trading ***and*** delisting of securities of an ***issuer*** if, in the opinion of the ***TSX***, the financial condition and/or operating results of the ***issuer*** appear to be unsatisfactory or appear not to warrant continuation of the securities on the trading list.

Sec. 710. Specifically, securities of an ***issuer*** may be suspended from trading ***and*** delisted if:

All Issuers

(a) (i) the issuer's financial condition is such that, in the opinion of the TSX, it is questionable as to whether the issuer will be able to continue as a going concern. The TSX will consider, among other things, the issuer's ability to meet its obligations as they come due, as well as its working capital position, quick asset position, total assets, capitalization, cash flow and earnings as well as accountants' or auditors' disclosures in financial statements regarding the issuer's ability to continue as a going concern; or

(ii) the ***issuer*** has ceased, or has expressed an intention to cease, to be actively engaged in any ongoing business; or

(iii) the ***issuer*** has discontinued or divested a substantial portion of its operations, thereby so reducing its business as to no longer merit continued listing; or

Industrial *Issuers*

(b) the ***issuer*** fails to have:

(i) total assets of at least $3,000,000; and

(ii) annual revenue from ongoing operations of at least $3,000,000 in the most recent year.

Criteria (b)(i) and (ii) above do not apply to a research and development ***issuer***; however, such a company may be suspended from trading ***and*** delisted if it has failed to spend at least $1,000,000 on research and development, acceptable to the ***TSX***, in the most recent year; or

Resource *Issuers*

(c) (i) in the most recent year, the ***issuer*** has failed to carry out at least $350,000 of exploration and/or development work that is acceptable to the ***TSX*** and has failed to generate revenue of at least $3,000,000 from the sale of resource-based commodities; or

(ii) the ***issuer*** does not have adequate working capital and an appropriate capital structure to carry on its business.

(3) Market Value and Public Distribution

Sec. 711. The ***TSX*** will normally consider the suspension from trading ***and*** delisting of securities of an ***issuer*** if, in the opinion of the ***TSX***, it appears that the public distribution, price, or trading activity of the securities has been so reduced as to make further dealings in the securities on the ***TSX*** unwarranted.

Sec. 712. Specifically, participating securities may be suspended from trading ***and*** delisted if:

(a) the market value of the ***issuer***'s issued securities that are listed on the ***TSX*** is less than $3,000,000 over any period of 30 consecutive trading days; or

(b) the market value of the ***issuer***'s freely-tradeable, publicly held securities is less than $2,000,000 over any period of 30 consecutive trading days; or

(c) the number of freely-tradeable, publicly held securities is less than 500,000; or

(d) the number of public security holders, each holding a board lot or more, is less than 150.

Non-participating securities will be subject to (b) above as well as Section 711.

(4) Failure To Comply With *TSX* Requirements & Policies

Listing Agreement

Sec. 713. The ***TSX*** may suspend from trading ***and*** delist the securities of an ***issuer*** that fails to comply with its Listing Agreement or other agreements with the ***TSX***, or fails to comply with ***TSX*** requirements and policies. Examples of failure to comply with the Listing Agreement include, but are not limited to, failure to obtain the prior consent of the ***TSX*** to issue additional equity securities; failure to obtain the consent of the ***TSX*** before undergoing a material change in the business if the ***issuer*** is subject to section 501; and failure to comply with the ***TSX***'s requirements for stock options and security based compensation arrangements.

Disclosure Policies

Sec. 714. The *TSX* may suspend from trading *and* delist the securities of an *issuer* that has failed to comply with the *TSX*'s Timely Disclosure policy (see Sections 406 to 423.8) or with disclosure requirements under any securities law to which the *issuer* is subject. In addition, the *TSX* may suspend from trading *and* delist the securities of an *issuer* that is engaged in the business of mineral exploration, development or production if such *issuer* has failed to comply with the *TSX*'s "Disclosure Standards for *Issuers* Engaged in Mineral Exploration, Development & Production" (see Appendix B).

Payment of Fees or Charges

Sec. 715. The *TSX* may suspend from trading *and* delist the securities of an *issuer* that fails or refuses to pay, when due, any fee or charge payable by the company pursuant to Exchange requirements.

Management

Sec. 716. The *TSX* requires that each listed *issuer* must meet on an ongoing basis the management requirements relevant to its category of listing that are described in Section 311 (for Industrial Issuers), Section 316 (for Mining Issuers) and Section 321

(for Oil & Gas Issuers). The *TSX* may suspend from trading and delist the securities of an issuer that has failed to meet such management requirements.

Upon receipt of a Form 3 (see Section 424) from a listed issuer, or upon notice of a new insider of a listed issuer, the TSX will conduct a review of the new director, officer, trustee or insider with a view to determining the suitability of such individual or entity as an insider of the listed issuer. Upon the request of the TSX, listed issuers will submit a Personal Information Form (Form 4, Appendix D) for any person so requested. The TSX may suspend from trading and delist the securities of a listed issuer in the event the TSX determines that such individual or entity is not suitable as an insider of the listed issuer.

(5) Change In Business

Sec. 717. Where an *issuer* substantially discontinues its business (for example, through the sale of all or substantially all of its assets in one or more transactions) or changes the nature of its business (for example, through the acquisition of an interest in another business which represents the majority of the market value of the *issuer*'s assets or which becomes the principal operating enterprise of the *issuer*), the *TSX* will normally require that the *issuer* meet original listing requirements. Failure of the *issuer* to meet these requirements may result in the suspension *and* delisting of its securities.

REINSTATEMENT OF LISTING

Sec. 718. An ***issuer*** whose securities are suspended from trading ***and/or delisted*** must remedy all of the conditions which resulted in the suspension ***and/or delisting,*** and must meet the ***TSX***'s requirements for original listing in order to ***qualify for reinstatement or*** be ***re***considered for ***listing***. The ***issuer must submit a complete listing application with the required supporting documentation and the TSX*** will consider each application individually on the basis of all relevant facts and circumstances.

REVIEW OF SUSPENSION AND DELISTING DECISIONS

Sec. 719. Decisions in respect of the application of this Part VII are made by either the Listings Committee or the Advisory Affairs Committee. If an issuer wishes to contest a decision made under Part VII, the issuer may request that the matter be heard by the relevant committee, with the additional participation of the Senior Vice President, TSX, and/or his/her designate. If after being heard, the issuer remains dissatisfied with the decision, the issuer may appeal the decision to a three-person panel of the TSX's Board.

An issuer may request that the OSC review the Board's decision provided that the provisions of Section 21 of the OSA (or any replacement legislation) apply.

VOLUNTARY DELISTING

Sec. 720. An **issuer** wishing to have all its listed securities, or any class of its securities, delisted from the **TSX** must apply formally to the **TSX** to do so. The application should take the form of a letter addressed to the **TSX**. The letter should outline the reasons for the request and be accompanied by a certified copy of a resolution of the company's board of directors authorizing the request.

13.1.2 IDA Amendment to Regulation 400.1 - Mail Insurance Requirement

INVESTMENT DEALERS ASSOCIATION OF CANADA
AMENDMENT TO REGULATION 400.1 -
MAIL INSURANCE REQUIREMENT

THE BOARD OF DIRECTORS of the Investment Dealers Association of Canada hereby makes the following amendments to the By-laws, Regulations, Forms and Policies of the Association:

1. Regulation 400.1 Mail Insurance is amended by adding the following sentence at the end of the paragraph:

   "The Vice President of Financial Compliance may exempt a Member from the requirements of Regulation 400.1 if the Member delivers a written undertaking to the Vice President of Financial Compliance that it will not use the mail for out-going shipments of money or securities, negotiable or non-negotiable, by first-class mail, registered mail, registered air mail, express or air express."

PASSED AND ENACTED BY THE Board of Directors this 16th day of January 2002, to be effective on a date to be determined by Association staff.

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Chapter 25

Other Information

25.1 Exemptions

25.1.1 Norlyn Financial Group Inc. - s. 59(2) of Sched. 1 to Reg. 1015 and s. 5.1 of Rule 31-506

Headnote

Section 5.1 – OSC Rule 31-506 – exemption to mutual fund dealer from the requirement to be a member of the Mutual Fund Dealers Association of Canada – exemption for a limited period of time.

Applicable Ontario Securities Commission Rule

Rule 31-506 - SRO Membership - Mutual Fund Dealers.

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 31-506
SRO MEMBERSHIP - MUTUAL FUND DEALERS
(the "Rule")

AND

IN THE MATTER OF
NORLYN FINANCIAL GROUP INC.

EXEMPTION
(Section 59(2) of Schedule 1 to
Ontario Regulation 1015)
(Section 5.1 of the Rule)

UPON the Director having received an application (the "Application") from Norlyn Financial Group Inc. ("Norlyn") seeking a decision (i) pursuant to section 5.1 of the Rule, to exempt Norlyn from the application of section 2.1 of the Rule, which would require Norlyn to be a member of the Mutual Fund Dealers Association of Canada (the "MFDA") by July 2, 2002 on the condition that Norlyn is a member of the MFDA by December 1, 2002, and (ii) pursuant to section 59(2) of Schedule I to Ontario Regulation 1015 to exempt Norlyn from the requirement to pay an application fee in respect of the Application;

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

AND UPON Norlyn having represented to the Director that:

1. Norlyn is registered under the Act as a mutual fund dealer and has its head office in Ontario;

2. Norlyn filed a membership application (the "MFDA Application") with the MFDA;

3. Norlyn has complied, on a timely basis, with all requests by the MFDA for information and/or documents pertaining to its MFDA Application;

4. Norlyn is not aware of any issues which remain unresolved between it and the MFDA in respect f its MFDA Application;

5. Norlyn is not, to its knowledge, in breach of any requirements of the Act or the regulations or rules made thereunder; and

6. Norlyn will not be a member of the MFDA by July 2, 2002.

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 5.1 of the Rule, that Norlyn is exempt from the requirement of section 2.1 of the Rule on the condition that from and after December 1, 2002, so long as Norlyn is registered as a mutual fund dealer under the Act, it is a member of the MFDA.

IT IS THE FURTHER DECISION of the Director, pursuant to section 59(2) of Schedule I to Ontario Regulation 1015, that Norlyn is exempt from the requirement to pay the application fee required by section 53(1) of Schedule 1 to Ontario Regulation 1015 in respect of the MFDA Application.

June 28, 2002.

"David M. Gilkes"

25.1.2 Multiple Retirement Services Inc. - s. 59(2) of Sched. 1 to Reg. 1015 and s. 5.1 of Rule 31-506

Headnote

Section 5.1 – OSC Rule 31-506 – exemption to mutual fund dealer from the requirement to be a member of the Mutual Fund Dealers Association of Canada – exemption for a limited period of time.

Applicable Ontario Securities Commission Rule

Rule 31-506 - SRO Membership - Mutual Fund Dealers.

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 31-506
SRO MEMBERSHIP - MUTUAL FUND DEALERS
(the "Rule")

AND

IN THE MATTER OF
MULTIPLE RETIREMENT SERVICES INC.

EXEMPTION
(Section 59(2) of Schedule 1 to
Ontario Regulation 1015)
(Section 5.1 of the Rule)

UPON the Director having received an application (the "Application") from Multiple Retirement Services Inc. ("MRS") seeking a decision pursuant to section 5.1 of the Rule, to exempt MRS from the application of section 2.1 of the Rule, which would require MRS to be a member of the Mutual Fund Dealers Association of Canada (the "MFDA") by July 2, 2002 on the condition that MRS is a member of the MFDA by December 1, 2002;

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

AND UPON MRS having represented to the Director that:

1. MRS is registered under the Act as a mutual fund dealer and limited market dealer and has its head office in Ontario;

2. MRS filed a membership application (the "MFDA Application") with the MFDA in May, 2001;

3. MRS has complied, on a timely basis, with all requests by the MFDA for information and/or documents pertaining to its MFDA Application;

4. the unresolved issues which MRS has with the MFDA in respect of its MFDA Application relate to the treatment of client accounts which are located in Quebec. The issue of Quebec accounts is not unique to MRS and is a result of the fact that the MFDA cannot take jurisdiction over Quebec-based accounts. Other than the issue relating to the Quebec accounts, MRS is not aware of any issues which remain unresolved between it and the MFDA in respect of its MFDA Application;

5. MRS is not, to its knowledge, in breach of any requirements of the Act or the regulations or rules made thereunder; and

6. MRS will not be a member of the MFDA by July 2, 2002.

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 5.1 of the Rule, that MRS is exempt from the requirement of section 2.1 of the Rule on the condition that from and after December 1, 2002, so long as MRS is registered as a mutual fund dealer under the Act, it is a member of the MFDA.

June 28, 2002.

"David M. Gilkes"

25.1.3 Independent Multi-Funds Inc. - s. 5.1 of Rule 31-506

Headnote

Section 5.1 – OSC Rule 31-506 – exemption to mutual fund dealer from the requirement to be a member of the Mutual Fund Dealers Association of Canada – exemption for a limited period of time.

Applicable Ontario Securities Commission Rule

Rule 31-506 - SRO Membership - Mutual Fund Dealers.

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 31-506
SRO MEMBERSHIP - MUTUAL FUND DEALERS
(the "Rule")

AND

IN THE MATTER OF
INDEPENDENT MULTI-FUNDS INC.

EXEMPTION
(Section 5.1 of the Rule)

UPON the Director having received an application (the "Application") from Independent Multi-Funds Inc. ("IMF") seeking a decision pursuant to section 5.1 of the Rule, to exempt IMF from the application of section 2.1 of the Rule, which would require IMF to be a member of the Mutual Fund Dealers Association of Canada (the "MFDA") by July 2, 2002 on the condition that IMF is a member of the MFDA by December 1, 2002;

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

AND UPON IMF having represented to the Director that:

1. IMF is registered under the Act as a mutual fund dealer and has its head office in Ontario;

2. IMF filed a membership application (the "MFDA Application") with the MFDA;

3. the MFDA has raised certain issues with IMF in respect of its financial reporting in connection with the MFDA Application;

4. IMF has retained its accountant to assist it with the financial reporting requirements and is working diligently with the MFDA to resolve the outstanding issues between it and the MFDA in respect of its MFDA Application;

5. IMF is not, to its knowledge, in breach of any requirements of the Act or the regulations or rules made thereunder; and

6. IMF will not be a member of the MFDA by July 2, 2002.

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 5.1 of the Rule, that IMF is exempt from the requirement of section 2.1 of the Rule on the condition that from and after December 1, 2002, so long as IMF is registered as a mutual fund dealer under the Act, IMF is a member of the MFDA.

June 28, 2002.

"David M. Gilkes"

25.1.4 Info Financial Consulting Group Inc. - s. 59(2) of Sched. 1 to Reg. 1015 and s. 5.1 of Rule 31-506

Headnote

Section 5.1 – OSC Rule 31-506 – exemption to mutual fund dealer from the requirement to be a member of the Mutual Fund Dealers Association of Canada – exemption for a limited period of time.

Applicable Ontario Securities Commission Rule

Rule 31-506 - SRO Membership - Mutual Fund Dealers.

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 31-506
SRO MEMBERSHIP - MUTUAL FUND DEALERS
(the "Rule")

AND

IN THE MATTER OF
INFO FINANCIAL CONSULTING GROUP INC.

EXEMPTION
(Section 59(2) of Schedule 1 to
Ontario Regulation 1015)
(Section 5.1 of the Rule)

UPON the Director having received an application (the "Application") from Info Financial Consulting Group Inc. ("Info") seeking a decision (i) pursuant to section 5.1 of the Rule, to exempt Info from the application of section 2.1 of the Rule, which would require Info to be a member of the Mutual Fund Dealers Association of Canada (the "MFDA") by July 2, 2002 on the condition that Info is a member of the MFDA by December 1, 2002, and (ii) pursuant to section 59(2) of Schedule I to Ontario Regulation 1015 to exempt Info from the requirement to pay an application fee in respect of such application;

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

AND UPON Info having represented to the Director that:

1. Info is registered under the Act as a mutual fund dealer and limited market dealers and has its head office in Ontario;

2. Info filed a membership application (the "MFDA Application") with the MFDA;

3. Info has complied, on a timely basis, with all requests by the MFDA for information and/or documents pertaining to its MFDA Application;

4. Info is not aware of any issues which remain unresolved between it and the MFDA in respect of its MFDA Application; and

5. Info is not, to its knowledge, in breach of any requirements of the Act or the regulations or rules made thereunder.

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

IT IS THE DECISION of the Director, pursuant to section 5.1 of the Rule, that Info is exempt from the requirement of section 2.1 of the Rule on the condition that from and after December 1, 2002, so long as Info is registered as a mutual fund dealer under the Act, it is a member of the MFDA.

IT IS THE FURTHER DECISION of the Director, pursuant to section 59(2) of Schedule I to Ontario Regulation 1015, that Info is exempt from the requirement to pay the application fee required by section 53(1) of Schedule 1 to Ontario Regulation 1015 in respect of the MFDA Application.

June 28, 2002.

"David M. Gilkes"

25.1.5 Craig & Taylor Financial Services Inc. - s. 59(2) of Sched. 1 to Reg. 1015 and s. 5.1 of Rule 31-506

Headnote

Section 5.1 – OSC Rule 31-506 – exemption to mutual fund dealer from the requirement to be a member of the Mutual Fund Dealers Association of Canada – exemption for a limited period of time.

Applicable Ontario Securities Commission Rule

Rule 31-506 - SRO Membership - Mutual Fund Dealers.

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 31-506
SRO MEMBERSHIP – MUTUAL FUND DEALERS
(the "Rule")

AND

IN THE MATTER OF
CRAIG & TAYLOR FINANCIAL SERVICES INC.

EXEMPTION
(Section 59(2) of Schedule 1 to
Ontario Regulation 1015)
(Section 5.1 of the Rule)

UPON the Director having received an application (the "Application") from Craig & Taylor Financial Services Inc. ("C&T") seeking a decision (i) pursuant to section 5.1 of the Rule, to exempt C&T from the application of section 2.1 of the Rule, which would require C&T to be a member of the Mutual Fund Dealers Association of Canada (the "MFDA") upon being registered under the Act as a mutual fund dealer on the condition that C&T is a member of the MFDA by December 1, 2002, and (ii) pursuant to section 59(2) of Schedule I to Ontario Regulation 1015 to exempt C&T from the requirement to pay an application fee in respect of the Application;

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

AND UPON C&T having represented to the Director that:

1. C&T has applied to be registered under the Act as a mutual fund dealer and has its head office in Ontario;

2. C&T filed a membership application (the "MFDA Application") with the MFDA;

3. C&T has complied, on a timely basis, with all requests by the MFDA for information and/or documents pertaining to its MFDA Application;

4. C&T is in the process of responding to deficiencies noted by the MFDA with respect to its MFDA Application;

5. C&T is not, to its knowledge, in breach of any requirements of the Act or the regulations or rules made thereunder; and

6. C&T is not currently a member of the MFDA.

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 5.1 of the Rule, that C&T is exempt from the requirement of section 2.1 of the Rule on the condition that from and after December 1, 2002, so long as C&T is registered as a mutual fund dealer under the Act, it is a member of the MFDA.

IT IS THE FURTHER DECISION of the Director, pursuant to section 59(2) of Schedule I to Ontario Regulation 1015, that C&T is exempt from the requirement to pay the application fee required by section 53(1) of Schedule 1 to Ontario Regulation 1015 in respect of the Application.

July 24, 2002.

"David M. Gilkes"

25.1.6 Dardan Capital Financial Ltd. - s. 59(2) of Sched. 1 to Reg. 1015 and s. 5.1 of Rule 31-506

Headnote

Section 5.1 – OSC Rule 31-506 – exemption to mutual fund dealer from the requirement to be a member of the Mutual Fund Dealers Association of Canada – exemption for a limited period of time.

Applicable Ontario Securities Commission Rule

Rule 31-506 - SRO Membership - Mutual Fund Dealers.

**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 31-506
SRO MEMBERSHIP - MUTUAL FUND DEALERS
(the "Rule")**

AND

**IN THE MATTER OF
DARDAN CAPITAL FINANCIAL LTD.**

**EXEMPTION
(Section 59(2) of Schedule 1 to
Ontario Regulation 1015)
(Section 5.1 of the Rule)**

UPON the Director having received an application (the "Application") from Dardan Capital Financial Ltd. ("DCFL") seeking a decision (i) pursuant to section 5.1 of the Rule, to exempt DCFL from the application of section 2.1 of the Rule, which would require DCFL to be a member of the Mutual Fund Dealers Association of Canada (the "MFDA") by July 2, 2002 on the condition that DCFL is a member of the MFDA by December 1, 2002, and (ii) pursuant to section 59(2) of Schedule I to Ontario Regulation 1015 to exempt DCFL from the requirement to pay an application fee in respect of such application;

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

AND UPON DCFL having represented to the Director that:

1. DCFL is registered under the Act as a mutual fund dealer and has its head office in Ontario;

2. DCFL filed a membership application (the "MFDA Application") with the MFDA;

3. DCFL has complied, on a timely basis, with all requests by the MFDA for information and/or documents pertaining to its MFDA Application;

4. DCFL is not aware of any issues which remain unresolved between it and the MFDA in respect of its MFDA Application; and

5. DCFL is not, to its knowledge, in breach of any requirements of the Act or the regulations or rules made thereunder.

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 5.1 of the Rule, that DCFL is exempt from the requirement of section 2.1 of the Rule on the condition that from and after December 1, 2002, so long as DCFL is registered as a mutual fund dealer under the Act, it is a member of the MFDA.

IT IS THE FURTHER DECISION of the Director, pursuant to section 59(2) of Schedule I to Ontario Regulation 1015, that DCFL is exempt from the requirement to pay the application fee required by section 53(1) of Schedule 1 to Ontario Regulation 1015 in respect of the MFDA Application.

June 28, 2002.

"David M. Gilkes"

25.1.7 Capstone Consultants Limited - s. 59(2) of Sched. 1 to Reg. 1015 and s. 5.1 of Rule 31-506

Headnote

Section 5.1 – OSC Rule 31-506 – exemption to mutual fund dealer from the requirement to be a member of the Mutual Fund Dealers Association of Canada – exemption for a limited period of time.

Applicable Ontario Securities Commission Rule

Rule 31-506 - SRO Membership - Mutual Fund Dealers.

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 31-506
SRO MEMBERSHIP - MUTUAL FUND DEALERS
(the "Rule")

AND

IN THE MATTER OF
CAPSTONE CONSULTANTS LIMITED

EXEMPTION
(Section 59(2) of Schedule 1 to
Ontario Regulation 1015)
(Section 5.1 of the Rule)

UPON the Director having received an application (the "Application") from Capstone Consultants Limited ("Capstone") seeking a decision (i) pursuant to section 5.1 of the Rule, to exempt Capstone from the application of section 2.1 of the Rule, which would require Capstone to be a member of the Mutual Fund Dealers Association of Canada (the "MFDA") by July 2, 2002 on the condition that Capstone is a member of the MFDA by December 1, 2002, and (ii) pursuant to section 59(2) of Schedule I to Ontario Regulation 1015 to exempt Capstone from the requirement to pay an application fee in respect of the Application;

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

AND UPON Capstone having represented to the Director that:

1. Capstone is registered under the Act as a mutual fund dealer and has its head office in Ontario;

2. Capstone filed a membership application (the "MFDA Application") with the MFDA;

3. Capstone has complied, on a timely basis, with all requests by the MFDA for information and/or documents pertaining to its MFDA Application;

4. Capstone is not aware of any issues which remain unresolved between it and the MFDA in respect of its MFDA Application;

5. Capstone is not, to its knowledge, in breach of any requirements of the Act or the regulations or rules made thereunder; and

6. Capstone will not be a member of the MFDA by July 2, 2002.

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 5.1 of the Rule, that Capstone is exempt from the requirement of section 2.1 of the Rule on the condition that from and after December 1, 2002, so long as Capstone is registered as a mutual fund dealer under the Act, it is a member of the MFDA.

IT IS THE FURTHER DECISION of the Director, pursuant to section 59(2) of Schedule I to Ontario Regulation 1015, that Capstone is exempt from the requirement to pay the application fee required by section 53(1) of Schedule 1 to Ontario Regulation 1015 in respect of the MFDA Application.

June 28, 2002.

"David M. Gilkes"

25.1.8 NBG Securities Inc. - s. 59(2) of Sched. 1 to Reg. 1015 and s. 5.1 of Rule 31-506

Headnote

Section 5.1 – OSC Rule 31-506 – exemption to mutual fund dealer from the requirement to be a member of the Mutual Fund Dealers Association of Canada – exemption for a limited period of time.

Applicable Ontario Securities Commission Rule

Rule 31-506 - SRO Membership - Mutual Fund Dealers.

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 31-506
SRO MEMBERSHIP - MUTUAL FUND DEALERS
(the "Rule")

AND

IN THE MATTER OF
NBG SECURITIES INC.

EXEMPTION
(Section 59(2) of Schedule 1 to
Ontario Regulation 1015)
(Section 5.1 of the Rule)

UPON the Director having received an application (the "Application") from NBG Securities Inc. ("NBG") seeking a decision (i) pursuant to section 5.1 of the Rule, to exempt NBG from the application of section 2.1 of the Rule, which would require NBG to be a member of the Mutual Fund Dealers Association of Canada (the "MFDA") by July 2, 2002 on the condition that NBG is a member of the MFDA by December 1, 2002, and (ii) pursuant to section 59(2) of Schedule I to Ontario Regulation 1015 to exempt NBG from the requirement to pay an application fee in respect of the Application;

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

AND UPON NBG having represented to the Director that:

1. NBG is registered under the Act as a mutual fund dealer and has its head office in Quebec. NBG has branch offices in Quebec, Ontario and British Columbia;

2. NBG filed a membership application (the "MFDA Application") with the MFDA;

3. NBG has complied, on a timely basis, with all requests by the MFDA for information and/or documents pertaining to its MFDA Application;

4. NBG is not aware of any issues which remain unresolved between it and the MFDA in respect of its MFDA Application;

5. NBG is not, to its knowledge, in breach of any requirements of the Act or the regulations or rules made thereunder; and

6. NBG will not be a member of the MFDA by July 2, 2002.

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 5.1 of the Rule, that NBG is exempt from the requirement of section 2.1 of the Rule on the condition that from and after December 1, 2002, so long as NBG is registered as a mutual fund dealer under the Act, it is a member of the MFDA.

IT IS THE FURTHER DECISION of the Director, pursuant to section 59(2) of Schedule I to Ontario Regulation 1015, that NBG is exempt from the requirement to pay the application fee required by section 53(1) of Schedule 1 to Ontario Regulation 1015 in respect of the MFDA Application.

June 28, 2002.

"David M. Gilkes"

25.1.9 Canadian Investment Consultants (888) Inc. - s. 59(2) of Sched. 1 to Reg. 1015 and s. 5.1 of Rule 31-506

Headnote

Section 5.1 – OSC Rule 31-506 – exemption to mutual fund dealer from the requirement to be a member of the Mutual Fund Dealers Association of Canada – exemption for a limited period of time.

Applicable Ontario Securities Commission Rule

Rule 31-506 - SRO Membership - Mutual Fund Dealers.

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 31-506
SRO MEMBERSHIP - MUTUAL FUND DEALERS
(the "Rule")

AND

IN THE MATTER OF
CANADIAN INVESTMENT CONSULTANTS (888) INC.

EXEMPTION
(Section 59(2) of Schedule 1 to
Ontario Regulation 1015)
(Section 5.1 of the Rule)

UPON the Director having received an application (the "Application") from Canadian Investment Consultants (888) Inc. ("CIC") seeking a decision (i) pursuant to section 5.1 of the Rule, to exempt CIC from the application of section 2.1 of the Rule, which would require CIC to be a member of the Mutual Fund Dealers Association of Canada (the "MFDA") by July 2, 2002 on the condition that CIC is a member of the MFDA by December 1, 2002, and (ii) pursuant to section 59(2) of Schedule I to Ontario Regulation 1015 to exempt CIC from the requirement to pay an application fee in respect of the Application;

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

AND UPON CIC having represented to the Director that:

1. CIC is registered under the Act as a mutual fund dealer and has its head office in Ontario;

2. CIC filed a membership application (the "MFDA Application") with the MFDA in May, 2001;

3. CIC has complied, on a timely basis, with all requests by the MFDA for information and/or documents pertaining to its MFDA Application;

4. CIC is not aware of any issues which remain unresolved between it and the MFDA in respect of its MFDA Application;

5. except for the issues discussed with OSC Compliance staff after a field review conducted by them in May, 2002, CIC is not, to its knowledge, in breach of any requirements of the Act or the regulations or rules made thereunder; and

6. CIC will not be a member of the MFDA by July 2, 2002.

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 5.1 of the Rule, that CIC is exempt from the requirement of section 2.1 of the Rule on the condition that from and after December 1, 2002, so long as CIC is registered as a mutual fund dealer under the Act, it is a member of the MFDA.

IT IS THE FURTHER DECISION of the Director, pursuant to section 59(2) of Schedule I to Ontario Regulation 1015, that CIC is exempt from the requirement to pay the application fee required by section 53(1) of Schedule 1 to Ontario Regulation 1015 in respect of the MFDA Application.

June 28, 2002.

"David M. Gilkes"

25.1.10 C.S.T. Investors Inc. - s. 59(2) of Sched. 1 to Reg. 1015 and s. 5.1 of Rule 31-506

Headnote

Section 5.1 – OSC Rule 31-506 – exemption to mutual fund dealer from the requirement to be a member of the Mutual Fund Dealers Association of Canada – exemption for a limited period of time.

Applicable Ontario Securities Commission Rule

Rule 31-506 - SRO Membership - Mutual Fund Dealers.

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 31-506
SRO MEMBERSHIP - MUTUAL FUND DEALERS
(the "Rule")

AND

IN THE MATTER OF
C.S.T. INVESTORS INC.

EXEMPTION
(Section 59(2) of Schedule 1 to
Ontario Regulation 1015)
(Section 5.1 of the Rule)

UPON the Director having received an application (the "Application") from C.S.T. Investors Inc. ("C.S.T.I.I.") seeking a decision (i) pursuant to section 5.1 of the Rule, to exempt C.S.T.I.I. from the application of section 2.1 of the Rule, which would require C.S.T.I.I. to be a member of the Mutual Fund Dealers Association of Canada (the "MFDA") by July 2, 2002 on the condition that C.S.T.I.I. is a member of the MFDA by December 1, 2002, and (ii) pursuant to section 59(2) of Schedule I to Ontario Regulation 1015 to exempt C.S.T.I.I. from the requirement to pay an application fee in respect of such application;

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

AND UPON C.S.T.I.I. having represented to the Director that:

1. C.S.T.I.I. is registered under the Act as a mutual fund dealer and has its head office in Ontario;

2. C.S.T.I.I. filed a membership application (the "MFDA Application") with the MFDA;

3. C.S.T.I.I. has complied, on a timely basis, with all requests by the MFDA for information and/or documents pertaining to its MFDA Application;

4. C.S.T.I.I. is not aware of any issues which remain unresolved between it and the MFDA in respect of its MFDA Application; and

5. C.S.T.I.I. is not, to its knowledge, in breach of any requirements of the Act or the regulations or rules made thereunder.

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 5.1 of the Rule, that C.S.T.I.I. is exempt from the requirement of section 2.1 of the Rule on the condition that from and after December 1, 2002, so long as C.S.T.I.I. is registered as a mutual fund dealer under the Act, it is a member of the MFDA.

June 28, 2002.

"David M. Gilkes"

25.1.11 JVK Life & Wealth Advisory Group Inc. - s. 59(2) of Sched. 1 to Reg. 1015 and s. 5.1 of Rule 31-506

Headnote

Section 5.1 – OSC Rule 31-506 – exemption to mutual fund dealer from the requirement to be a member of the Mutual Fund Dealers Association of Canada – exemption for a limited period of time.

Applicable Ontario Securities Commission Rule

Rule 31-506 - SRO Membership - Mutual Fund Dealers.

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 31-506
SRO MEMBERSHIP - MUTUAL FUND DEALERS
(the "Rule')

AND

IN THE MATTER OF
JVK LIFE & WEALTH ADVISORY GROUP INC.

EXEMPTION
(Section 59(2) of Schedule 1 to
Ontario Regulation 1015)
(Section 5.1 of the Rule)

UPON the Director having received an application (the "Application") from JVK Life & Wealth Advisory Group Inc. ("JVK") seeking a decision (i) pursuant to section 5.1 of the Rule, to exempt JVK from the application of section 2.1 of the Rule, which would require JVK to be a member of the Mutual Fund Dealers Association of Canada (the "MFDA") by July 2, 2002 on the condition that JVK is a member of the MFDA by December 1, 2002, and (ii) pursuant to section 59(2) of Schedule I to Ontario Regulation 1015 to exempt JVK from the requirement to pay an application fee in respect of such application;

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

AND UPON JVK having represented to the Director that:

1. JVK is registered under the Act as a mutual fund dealer and limited market dealer and has its head office in Ontario;

2. JVK filed a membership application (the "MFDA Application") with the MFDA;

3. JVK has complied, on a timely basis, with all requests by the MFDA for information and/or documents pertaining to its MFDA Application;

4. JVK is not aware of any issues which remain unresolved between it and the MFDA in respect of its MFDA Application; and

5. JVK is not, to its knowledge, in breach of any requirements of the Act or the regulations or rules made thereunder.

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 5.1 of the Rule, that JVK is exempt from the requirement of section 2.1 of the Rule on the condition that from and after December 1, 2002, so long as JVK is registered as a mutual fund dealer under the Act, it is a member of the MFDA.

IT IS THE FURTHER DECISION of the Director, pursuant to section 59(2) of Schedule I to Ontario Regulation 1015, that JVK is exempt from the requirement to pay the application fee required by section 53(1) of Schedule 1 to Ontario Regulation 1015 in respect of the MFDA Application.

June 28, 2002.

"David M. Gilkes"

25.1.12 Parglobal Inc. - s. 59(2) of Sched. 1 to Reg. 1015 and s. 5.1 of Rule 31-506

Headnote

Section 5.1 – OSC Rule 31-506 – exemption to mutual fund dealer from the requirement to be a member of the Mutual Fund Dealers Association of Canada – exemption for a limited period of time.

Applicable Ontario Securities Commission Rule

Rule 31-506 - SRO Membership - Mutual Fund Dealers.

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 31-506
SRO MEMBERSHIP - MUTUAL FUND DEALERS
the "Rule")

AND

IN THE MATTER OF
PARGLOBAL INC.

EXEMPTION
(Section 59(2) of Schedule 1 to
Ontario Regulation 1015)
(Section 5.1 of the Rule)

UPON the Director having received an application (the "Application") from Parglobal Inc. ("PI") seeking a decision (i) pursuant to section 5.1 of the Rule, to exempt PI from the application of section 2.1 of the Rule, which would require PI to be a member of the Mutual Fund Dealers Association of Canada (the "MFDA") by July 2, 2002 on the condition that PI is a member of the MFDA by December 1, 2002, and (ii) pursuant to section 59(2) of Schedule I to Ontario Regulation 1015 to exempt PI from the requirement to pay an application fee in respect of such application;

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

AND UPON PI having represented to the Director that:

1. PI is registered under the Act as a mutual fund dealer and has its head office in Ontario;

2. PI filed a membership application (the "MFDA Application") with the MFDA;

3. PI has complied, on a timely basis, with all requests by the MFDA for information and/or documents pertaining to its MFDA Application;

4. PI is not aware of any issues which remain unresolved between it and the MFDA in respect of its MFDA Application; and

5. PI is not, to its knowledge, in breach of any requirements of the Act or the regulations or rules made thereunder.

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 5.1 of the Rule, that PI is exempt from the requirement of section 2.1 of the Rule on the condition that from and after December 1, 2002, so long as PI is registered as a mutual fund dealer under the Act, it is a member of the MFDA.

IT IS THE FURTHER DECISION of the Director, pursuant to section 59(2) of Schedule I to Ontario Regulation 1015, that PI is exempt from the requirement to pay the application fee required by section 53(1) of Schedule 1 to Ontario Regulation 1015 in respect of the MFDA Application.

June 28, 2002.

"David M. Gilkes"

25.1.13 Progressive Financial Strategy Capital Group Corp. - s. 59(2) of Sched. 1 to Reg. 1015 and s. 5.1 of Rule 31-506

Headnote

Section 5.1 – OSC Rule 31-506 – exemption to mutual fund dealer from the requirement to be a member of the Mutual Fund Dealers Association of Canada – exemption for a limited period of time.

Applicable Ontario Securities Commission Rule

Rule 31-506 - SRO Membership - Mutual Fund Dealers.

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 31-506
SRO MEMBERSHIP B MUTUAL FUND DEALERS
(the "Rule")

AND

IN THE MATTER OF
PROGRESSIVE FINANCIAL STRATEGY CAPITAL GROUP CORP.

EXEMPTION
(Section 59(2) of Schedule 1 to Ontario Regulation 1015)
(Section 5.1 of the Rule)

UPON the Director having received an application (the "Application") from Progressive Financial Strategy Capital Group Corp. ("Progressive") seeking a decision (i) pursuant to section 5.1 of the Rule, to exempt Progressive from the application of section 2.1 of the Rule, which would require Progressive to be a member of the Mutual Fund Dealers Association of Canada (the "MFDA") by July 2, 2002 on the condition that Progressive is a member of the MFDA by December 1, 2002, and (ii) pursuant to section 59(2) of Schedule I to Ontario Regulation 1015 to exempt Progressive from the requirement to pay an application fee in respect of such application;

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

AND UPON Progressive having represented to the Director that:

1. Progressive is registered under the Act as a mutual fund dealer and has its head office in Ontario;

2. Progressive filed a membership application (the "MFDA Application") with the MFDA;

3. Progressive has complied, on a timely basis, with all requests by the MFDA for information and/or documents pertaining to its MFDA Application;

4. Progressive is not aware of any issues which remain unresolved between it and the MFDA in respect of its MFDA Application; and

5. Progressive is not, to its knowledge, in breach of any requirements of the Act or the regulations or rules made thereunder.

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 5.1 of the Rule, that Progressive is exempt from the requirement of section 2.1 of the Rule on the condition that from and after December 1, 2002, so long as Progressive is registered as a mutual fund dealer under the Act, it is a member of the MFDA.

IT IS THE FURTHER DECISION of the Director, pursuant to section 59(2) of Schedule I to Ontario Regulation 1015, that Progressive is exempt from the requirement to pay the application fee required by section 53(1) of Schedule 1 to Ontario Regulation 1015 in respect of the MFDA Application.

June 28, 2002.

"David M. Gilkes"

25.1.14 Polyfunds Investment Inc. - s. 59(2) of Sched. 1 to Reg. 1015 and s. 5.1 of Rule 31-506

Headnote

Section 5.1 – OSC Rule 31-506 – exemption to mutual fund dealer from the requirement to be a member of the Mutual Fund Dealers Association of Canada – exemption for a limited period of time.

Applicable Ontario Securities Commission Rule

Rule 31-506 - SRO Membership - Mutual Fund Dealers.

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 31-506
SRO MEMBERSHIP - MUTUAL FUND DEALERS
(the “Rule”)

AND

IN THE MATTER OF
POLYFUNDS INVESTMENT INC.

EXEMPTION
(Section 59(2) of Schedule 1 to
Ontario Regulation 1015)
(Section 5.1 of the Rule)

UPON the Director having received an application (the “Application”) from Polyfunds Investment Inc. ("PII") seeking a decision (i) pursuant to section 5.1 of the Rule, to exempt PII from the application of section 2.1 of the Rule, which would require PII to be a member of the Mutual Fund Dealers Association of Canada (the “MFDA”) by July 2, 2002 on the condition that PII is a member of the MFDA by December 1, 2002, and (ii) pursuant to section 59(2) of Schedule I to Ontario Regulation 1015 to exempt PII from the requirement to pay an application fee in respect of such application;

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

AND UPON PII having represented to the Director that:

1. PII is registered under the Act as a mutual fund dealer and has its head office in Ontario;

2. PII filed a membership application (the “MFDA Application”) with the MFDA;

3. PII has complied, on a timely basis, with all requests by the MFDA for information and/or documents pertaining to its MFDA Application;

4. PII is not aware of any issues which remain unresolved between it and the MFDA in respect of its MFDA Application; and

5. PII is not, to its knowledge, in breach of any requirements of the Act or the regulations or rules made thereunder.

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 5.1 of the Rule, that PII is exempt from the requirement of section 2.1 of the Rule on the condition that from and after December 1, 2002, so long as PII is registered as a mutual fund dealer under the Act, it is a member of the MFDA.

IT IS THE FURTHER DECISION of the Director, pursuant to section 59(2) of Schedule I to Ontario Regulation 1015, that PII is exempt from the requirement to pay the application fee required by section 53(1) of Schedule 1 to Ontario Regulation 1015 in respect of the MFDA Application.

June 28, 2002.

“David M. Gilkes”

25.1.15 Olympian Financial Inc. - s. 59(2) of Sched. 1 to Reg. 1015 and s. 5.1 of Rule 31-506

Headnote

Section 5.1 – OSC Rule 31-506 – exemption to mutual fund dealer from the requirement to be a member of the Mutual Fund Dealers Association of Canada – exemption for a limited period of time.

Applicable Ontario Securities Commission Rule

Rule 31-506 - SRO Membership - Mutual Fund Dealers.

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 31-506
SRO MEMBERSHIP - MUTUAL FUND DEALERS
(the "Rule")

AND

IN THE MATTER OF
OLYMPIAN FINANCIAL INC.

EXEMPTION
(Section 59(2) of Schedule 1 to
Ontario Regulation 1015)
(Section 5.1 of the Rule)

UPON the Director having received an application (the "Application") from Olympian Financial Inc. ("Olympian") seeking a decision (i) pursuant to section 5.1 of the Rule, to exempt Olympian from the application of section 2.1 of the Rule, which would require Olympian to be a member of the Mutual Fund Dealers Association of Canada (the "MFDA') by July 2, 2002 on the condition that Olympian is a member of the MFDA by December 1, 2002, and (ii) pursuant to section 59(2) of Schedule I to Ontario Regulation 1015 to exempt Olympian from the requirement to pay an application fee in respect of the Application;

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

AND UPON Olympian having represented to the Director that:

1. Olympian is registered under the Act as a mutual fund dealer and has its head office in Ontario;

2. Olympian filed a membership application (the "MFDA Application") with the MFDA;

3. Olympian has complied, on a timely basis, with all requests by the MFDA for information and/or documents pertaining to its MFDA Application;

4. other than submitting additional financial information, Olympian is not aware of any issues which remain unresolved between it and the MFDA in respect of its MFDA Application;

5. Olympian is not, to its knowledge, in breach of any requirements of the Act or the regulations or rules made thereunder; and

6. Olympian will not be a member of the MFDA by July 2, 2002.

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 5.1 of the Rule, that Olympian is exempt from the requirement of section 2.1 of the Rule on the condition that from and after December 1, 2002, so long as Olympian is registered as a mutual fund dealer under the Act, it is a member of the MFDA.

IT IS THE FURTHER DECISION of the Director, pursuant to section 59(2) of Schedule I to Ontario Regulation 1015, that Olympian is exempt from the requirement to pay the application fee required by section 53(1) of Schedule 1 to Ontario Regulation 1015 in respect of the MFDA Application.

June 28, 2002.

"David M. Gilkes"

25.2 Consents

25.2.1 Dynacare Inc. - cl. 4(b) of Reg. 290/00

Headnote

Consent given to OBCA corporation to continue under the Nova Scotia Companies Act.

Statutes Cited

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

Regulations Cited

Regulation made under the Business Corporation Act, R.R.O., Reg. 62, as am by Reg. 290/00, s. 4(b).
Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am.

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

AND

IN THE MATTER OF DYNACARE INC.

CONSENT (Clause 4(b) of the Regulation)

UPON the application (the "Application") of Dynacare Inc. ("Dynacare") to the Ontario Securities Commission (the "Commission") requesting a consent from the Commission for Dynacare to continue into another jurisdiction pursuant to clause 4(b) of the Regulation;

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

AND UPON Dynacare having represented to the Commission that:

1. Dynacare is proposing to make application (the "Application for Continuance") to the Director appointed under the OBCA for authorization to continue under the *Companies Act* (Nova Scotia), R.S. 1989, c. 81 (the "NSCA"), pursuant to section 181 of the OBCA;

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

3. Dynacare was amalgamated under the laws of the Province of Ontario on November 22, 2000.

4. Dynacare's registered office is located at 20 Eglinton Avenue West, Suite 1600, Toronto, Ontario M4R 2H1.

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

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

7. the authorized capital of Dynacare consists of an unlimited number of common shares, of which approximately 19,368,568 are outstanding. Dynacare's common shares are currently quoted on the Nasdaq market, as well as the Toronto Stock Exchange;

8. Dynacare announced on May 9, 2002 that it had entered into an agreement pursuant to which Laboratory Corporation of America ("LabCorp") will acquire 100 percent of the outstanding common shares of Dynacare pursuant to a Plan of Arrangement under the OBCA;

9. the Plan of Arrangement is to be approved at a special meeting of the shareholders of Dynacare on July 24, 2002 (the "Meeting"). It is expected that the transaction will close on July 25, 2002 (the "Effective Date"). At the Meeting shareholders will also be asked to approve the Application for Continuance;

10. the board of directors of Dynacare has approved the continuance to Nova Scotia;

11. immediately following the closing of the transaction on the Effective Date, LabCorp will be the sole shareholder of Dynacare. On that date, Dynacare will file an application to cease to be a reporting issuer in Ontario;

12. immediately following the closing of the transaction on the Effective Date, LabCorp wishes to effect the continuance of Dynacare to Nova Scotia in order to complete an internal corporate reorganization;

13. the continuance under the laws of the Province of Nova Scotia has been proposed so that the Corporation may conduct its affairs in accordance with the NSCA;

14. the material rights, duties and obligations of a corporation incorporated under the NSCA are substantially similar to those under the OBCA;

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

THE COMMISSION HEREBY CONSENTS to the continuance of Dynacare from the OBCA to the NSCA.

July 19, 2002.

"Paul Moore" "Robert L. Shirriff"

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