The Ontario Securities Commission

OSC Bulletin

September 13, 2002

Volume 25, Issue 37

(2002), 25 OSCB

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

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

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

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

U.S.	$175
Outside North America	$400

Single issues of the printed Bulletin are available at $20.00 per copy as long as supplies are available.

ISSN 0226-9325

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Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

SEPTEMBER 13, 2002

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

- -

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

The Harry S. Bray Hearing Room
Ontario Securities Commission
Cadillac Fairview Tower
Suite 1700, Box 55
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Mary Theresa McLeod	—	MTM
H. Lorne Morphy, Q.C.	—	HLM
Robert L. Shirriff, Q.C.	—	RLS

SCHEDULED OSC HEARINGS

September 19, 2002 5:00 p.m. to 8:30 p.m.	**Lydia Diamond Explorations of Canada, Jurgen von Anhalt, Emilia von Anhalt** s. 127
September 15, 2002 10:30 to 4:30 p.m.	M. Britton in attendance for Staff Panel: PMM / HLM / MTM
September 19, 2002 10:00 a.m.	**Phoenix Research And Trading Corporation, Ronald Mock And Stephen Duthie** s. 127 in attendance for Staff Panel: HIW
October 4, 2002 9:30 a.m.	**Livent Inc., Garth H. Drabinsky, Myron I. Gottlieb, Gordon Eckstein, Robert Topol** s. 127 in attendance for Staff Panel: HIW
October 21 - 25, 2002 10:00 a.m.	**Malcolm Robert Bruce Kyle & Derivative Services Inc.** s. 8(4) and 21.7 J. Superina in attendance for Staff Panel: HLM / RLS
October 28 to November 8, 2002 10:00 a.m.	**Teodosio Vincent Pangia, Agostino Capista and Dallas/North Group Inc.** s. 127 Y. Chisholm in attendance for Staff
November 11 to December 6, 2002 10:00 a.m.	**Brian Costello** s. 127 H. Corbett in attendance for Staff Panel: PMM / KDA / MTM

November 18 to December 4, 2002 10:00 a.m.	**Michael Goselin, Irvine Dyck, Donald Mccrory and Roger Chiasson** s. 127 T. Pratt in attendance for Staff Panel: HLM / HPH
November 19 to 29, 2002 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

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

1.1.2 Notice of Commission Approval – TSX Inc. (formerly The Toronto Stock Exchange Inc.) – Reorganization and Initial Public Offering

NOTICE OF COMMISSION APPROVAL
TSX INC. (FORMERLY THE
TORONTO STOCK EXCHANGE INC.)
REORGANIZATION AND INITIAL PUBLIC OFFERING

On September 3, 2002, the Commission approved the following documents in connection with the reorganization of TSX Inc. and the initial public offering (IPO) of TSX Group Inc. (TSX Group), a new holding company for TSX Inc.:

(i) An amended and restated recognition order for TSX Group and TSX Inc.:

(ii) An order pursuant to subsection 21.11(4) of the *Securities Act* approving the transfer of ownership of all of the shares of TSX Inc. to the new holding company, TSX Group and applying the ownership limit currently imposed on The Toronto Stock Exchange Inc. to TSX Group.

(iii) A regulation made by the Commission pursuant to subsection 21.11(5) of the Act to raise the ownership limit from 5% to 10%.

(iv) An order amending and restating the Commission's amended exemption order of the Canadian Venture Exchange Inc. (CDNX) to reflect the reorganization of TSX Inc. and the name change of CDNX to TSX Venture Exchange Inc.

(v) A letter from the Commission to the Alberta Securities Commission (ASC) and the British Columbia Securities Commission (BCSC) agreeing to advise the ASC and BCSC of certain information about TSX Inc. and TSX Group that may be relevant to their assessment of TSX Venture Exchange Inc.'s operations and financial condition.

All documents set out above are being published in chapter 13 of this bulletin.

On July 26, 2002, the Commission published for comment the application of TSX Inc. and related documents at (2002) 25 OSCB 4995. Two comment letters were received. A summary of comments and the response prepared by TSX Inc. is also being published in chapter 13 of this bulletin.

1.1.3 Notice of Commission Approval of Memorandum of Understanding about the Oversight of Exchanges and Quotation and Trade Reporting Systems

NOTICE OF COMMISSION APPROVAL OF
MEMORANDUM OF UNDERSTANDING ABOUT THE
OVERSIGHT OF EXCHANGES AND QUOTATION AND
TRADE REPORTING SYSTEMS

The Commission approved a memorandum of understanding (MOU) about the oversight of exchanges and quotation and trade reporting systems (QTRSs). The MOU will replace the MOU regarding oversight of the Canadian Venture Exchange and include all securities commissions with exchanges and QTRSs in their jurisdiction based on a lead regulator model. It is intended that this MOU will form the basis in the future for the oversight of exchanges and QTRSs.

The MOU is subject to the approval of the Minister of Finance. The MOU was sent to the Minister on September 6, 2002.

The MOU is being published in chapter 13 of this bulletin (attached as Schedule C to the TSX Venture Exchange exemption order).

1.2 Notices of Hearing

1.2.1 Edwards Securities Inc, David Gerald Edwards, David Frederick Johnson, Clansman 98 Investments Inc. and Douglas G. Murdock

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

AND

IN THE MATTER OF
EDWARDS SECURITIES INC,
DAVID GERALD EDWARDS,
DAVID FREDERICK JOHNSON,
CLANSMAN 98 INVESTMENTS INC. and
DOUGLAS G. MURDOCK

NOTICE OF HEARING
(Sections 127 and 127.1)

TAKE NOTICE that the Commission will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c.S.5, as amended (the "Act") at the offices of the Ontario Securities Commission, 20 Queen Street West, 17th Floor Hearing Room on Wednesday, September 11, 2002 at 10:00 a.m. or as soon thereafter as the hearing can be held:

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

(a) to make an order that trading in securities by the respondents, or any of them, cease permanently or for such other period as specified by the Commission;

(b) to make an order that David Gerald Edwards and David Frederick Johnson, or either of them, resign their positions as officers and/or directors of the respondent Edwards Securities Inc. and resign their positions as an officer and/or director of any other issuer;

(c) to make an order that Douglas G. Murdock resign his position as an officer and/or director of the respondent Clansman 98 Investments Inc. and resign his positions as an officer and/or director of any other issuer;

(d) to make an order that Edwards, Johnson and Murdock, or any of them, are prohibited from becoming or acting as a director or officer of any issuer;

(e) to make an order that the respondents or any of them be reprimanded;

(f) to make an order that the respondents, or any of them, pay the costs of Staff's investigation in relation to this proceeding;

(g) to make an order that the respondents, or any of them, pay the costs of the proceeding incurred by or on behalf of the Commission; and

(h) to make such other order as the Commission considers appropriate.

BY REASON OF the allegations set out in the Statement of Allegations and such additional allegations as counsel may advise and the Commission may permit;

AND TAKE FURTHER NOTICE that any party to the proceeding may be represented by counsel if that party attends or submits evidence at the hearing;

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

August 9, 2002.

"John Stevenson"

TO:

Edwards Securities Inc.
c/o Mr. David Gerald Edwards
1485 Baseline Road
Ottawa, Ontario
K2C 3L8

AND TO:

David Gerald Edwards
1485 Baseline Road
Ottawa, Ontario
K2C 3L8

AND TO:

David Frederick Johnson
9 Bluegrass Drive
Kanata, Ontario
K2M 1G2

AND TO:

Clansman 98 Investments Inc.
c/o Douglas G. Murdock
1896 Stoneybrook Court
Mississauga, Ontario
L5L 3S5

AND TO:

Douglas G. Murdock
1896 Stoneybrook Court
Mississauga, Ontario
L5L 3S5

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

AND

IN THE MATTER OF
EDWARDS SECURITIES INC,
DAVID GERALD EDWARDS,
DAVID FREDERICK JOHNSON,
CLANSMAN 98 INVESTMENTS INC. and
DOUGLAS G. MURDOCK

STATEMENT OF ALLEGATIONS
OF STAFF OF THE ONTARIO SECURITIES COMMISSION

Staff of the Ontario Securities Commission make the following allegations:

Edwards Securities Inc., David Edwards and David Johnson

1. Edwards Securities Inc. ("ESI") is a corporation incorporated under the laws of Ontario with a registered office at 240 Argyle Avenue in Ottawa. ESI was registered with the Commission as a Dealer in the category of Securities Dealer from September 15, 1988 to March 6, 2000.

2. David Gerald Edwards was at all material times an officer and the owner of the majority of the shares of ESI. Edwards was registered with the Commission as a Salesperson of ESI from September 22, 1988 to March 6, 2000.

3. David Frederick Johnson was at all material times the President and sole Director of ESI. Johnson was registered with the Commission as ESI's designated Trading Officer from September 15, 1988 to March 6, 2000.

Mercristo Developments, Inc.

4. Mercristo Developments, Inc. is a corporation incorporated pursuant to the laws of Delaware, which traded on the OTC Bulletin Board under the symbol "MDEX". At all material times, Edwards was the President, Chief Executive Officer, Chief Financial Officer, Director and the owner of the majority of the shares of Mercristo. In 1998, Mercristo changed its name to Addison Industries, Inc., which trades under the symbol "ADIS".

Clansman 98 Investments Inc. and Douglas Murdock

5. Clansman 98 Investments Inc. is a corporation incorporated under the laws of Ontario with a registered office at 3660 Hurontario Street in Mississauga. Clansman has never been registered in any capacity under the *Securities Act*, and is not a reporting issuer in Ontario.

6. Douglas G. Murdock was at all material times the President, Secretary, Treasurer and sole Director of Clansman. He has never been registered in any capacity under the *Securities Act*.

Trading Without a Prospectus

7. During the period between February and April, 1998 the respondents traded in securities, namely shares of Clansman, where such trading constituted a distribution of securities, without a receipted prospectus contrary to section 53(1) of the Securities Act.

8. In the case of Clansman and Murdock, these trades were also conducted without registration contrary to section 25(1) of the Securities Act.

9. As a result of this illegal distribution, at least $1,412,750 was raised from at least 89 individual investors.

Failure to Disclose Commission

10. In addition, ESI, Edwards and Johnson failed to disclose to investors that ESI would receive a commission of 20% on the sale of all Clansman shares, such failure being contrary to sections 40 and 41 of the *Securities Act*.

Failure to Disclose Interest

11. Finally, ESI, Edwards and Johnson and failed to disclose that some of the proceeds of the Clansman share purchases would be employed to purchase shares of Mercristo, such failure being contrary to sections 40 and 41 of the *Securities Act*.

Failure to Supervise

12. As the designated Trading Officer of ESI, Johnson failed to adequately supervise the sales of Clansman shares to ESI customers, as required by section 114(3) of the Securities Act Regulations and section 1.3(2) of Ontario Securities Commission Rule 31-505.

Conduct Contrary to the Public Interest

13. The conduct detailed in paragraphs 7 to 12, above, was also contrary to the public interest.

14. Such additional allegations as Staff may advise and the Commission may permit.

August 9, 2002.

1.3 News Releases

1.3.1 OSC Commences Proceedings in Respect of Edwards Securities Inc., David Gerald Edwards, David Frederick Johnson, Clansman 98 Investments Inc. and Douglas G. Murdock

FOR IMMEDIATE RELEASE
September 6, 2002

OSC COMMENCES PROCEEDINGS IN RESPECT OF EDWARDS SECURITIES INC., DAVID GERALD EDWARDS, DAVID FREDERICK JOHNSON, CLANSMAN 98 INVESTMENTS INC. and DOUGLAS G. MURDOCK

TORONTO – The Ontario Securities Commission has issued a Notice of Hearing and Statement of Allegations in respect of Edwards Securities Inc., David Gerald Edwards, David Frederick Johnson, Clansman 98 Investments Inc. and Douglas G. Murdock. Edwards and Johnson were executives of Edwards Securities Inc., and Murdock is the President of Clansman 98 Investments.

Edwards Securities, Edwards and Johnson were registered with the Commission until March of 2000. Johnson was the designated trading officer of Edwards Securities. Murdock and Clansman have never been registered with the Commission.

The allegations relate to events that took place between February and April of 1998. During this time, staff allege that the respondents sold shares of Clansman 98 to at least 89 individual investors, for proceeds of at least $1,412,750. Staff allege that these sales were not conducted pursuant to a prospectus, and in the case of Clansman and Murdock, without proper registration.

Staff further allege that Edwards Securities, Edwards and Johnson failed to disclose the commission that Edwards Securities received from these sales, and that some of the proceeds of sale would be used to purchase shares of another company owned by Edwards. Finally, staff allege that Johnson failed to properly supervise the activities of Edwards Securities and Edwards.

The first appearance in this matter will be held at 10:00am on September 11, 2002, in the Main Hearing Room of the Commission, which is located on the 17th Floor of the Commission's offices at 20 Queen Street West, Toronto. The purpose of the first appearance is to set a date for the hearing.

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

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Michael Watson
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1.3.2 OSC Issues Report on Compliance Deficiencies

FOR IMMEDIATE RELEASE
September 9, 2002

OSC ISSUES REPORT ON COMPLIANCE DEFICIENCIES

TORONTO – The Ontario Securities Commission has issued a report outlining deficiencies identified in field reviews of market participants' compliance practices during the period April 1, 2001 to March 31, 2002. Where problems were found, ten common deficiencies were identified in advisers' practices and seven common deficiencies were identified in fund managers' practices. The report also provides best practice guidelines to assist market participants in improving their compliance environments.

"Capital calculations were the most frequent problem for advisers," said Marrianne Bridge, Manager, Compliance. "Some advisers either didn't prepare capital calculations on a timely basis or prepared the calculations incorrectly. As a result, it was difficult for those advisers to meet their obligations under the *Securities Act* to ensure that an appropriate level of capital is maintained on an ongoing basis."

Another common deficiency for advisers related to the requirement to collect and maintain current "know your client" (KYC) information enabling them to understand their clients' general investments needs and to check the suitability of transactions proposed. Bridge noted: "KYC information was not always collected for all clients, or was sometimes incomplete or informally documented. We provide best practice guidance to help advisers get complete KYC information for all clients and to keep it up to date".

Field reviews completed by the team are comprehensive reviews of market participants' operations. All market participants reviewed were given a report identifying any compliance deficiencies noted. In most cases, market participants had good compliance regimes in place and only relatively minor deficiencies were noted. In some cases, substantial deficiencies were identified. In these cases, customized terms and conditions were imposed on advisers' registration to encourage their greater compliance with securities laws. In fewer cases, advisers were also required to have their registration reviewed and renewed monthly.

The 2002 Compliance Team Annual Report also describes the mandate of the Compliance team and its recent initiatives. The Compliance Team mandate includes establishing effective outreach programs to provide guidance to market participants. "Conducting field reviews, collaborating with market participants and publishing an annual report fulfill our outreach mandate and generally help market participants improve their compliance," said Bridge.

The Compliance Team has also recently published a Canadian Securities Administrators staff report on the 2001 national compliance review of advising firms, the *OSC Staff Notice 33-720 2001 National Compliance Review*. It is anticipated that this information will provide further tools to help market participants assess and, if necessary, improve the effectiveness of their compliance environments.

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Marrianne Bridge
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1.3.3 OSC Proceedings in Respect of Piergiorgio Donnini

FOR IMMEDIATE RELEASE
September 9, 2002

OSC PROCEEDINGS IN RESPECT OF PIERGIORGIO DONNINI

TORONTO – The hearing in respect of Piergiorgio Donnini will reconvene on Thursday September 12, 2002 commencing at 11:30 a.m. in the Large Hearing Room, 17th Floor, 20 Queen Street West, Toronto, Ontario, at which time the panel of the Commission presiding on the matter will deliver its decision on sanctions and release its written reasons.

Copies of the Notice of Hearing and Statement of Allegations and the decision of the Commission of June 11, 2002 in respect of this matter, are available at **www.osc.gov.on.ca** or from the Commission, 19th Floor, 20 Queen Street West, Toronto, Ontario.

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1.3.4 In the Matter of Lydia Diamond Exploration of Canada Ltd., Jurgen Von Anhalt and Emilia Von Anhalt

FOR IMMEDIATE RELEASE
September 11, 2002

IN THE MATTER OF
LYDIA DIAMOND EXPLORATION OF CANADA LTD., JURGEN VON ANHALT AND EMILIA VON ANHALT

TORONTO – The Ontario Securities Commission will continue the hearing in relation to Lydia Diamond Exploration of Canada Ltd., Jurgen von Anhalt and Emilia von Anhalt on the following dates:

September 18, 2002	5:30	-	9:00
September 19, 2002	10:00	-	5:30
September 20, 2002	9:00	-	12:30
October 10, 2002	9:00	-	5:00
October 11, 2002	8:00	-	3:30
October 15, 2002	2:00	-	6:30
October 16, 2002	8:00	-	2:30

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1.3.5 OSC Sets Hearing Dates in the Matter of Edwards Securities Inc., David Gerald Edwards, David Frederick Johnson, Clansman 98 Investments Inc. and Douglas G. Murdock

FOR IMMEDIATE RELEASE
September 11, 2002

OSC SETS HEARING DATES IN THE MATTER OF EDWARDS SECURITIES INC., DAVID GERALD EDWARDS, DAVID FREDERICK JOHNSON, CLANSMAN 98 INVESTMENTS INC. and DOUGLAS G. MURDOCK

TORONTO – The Ontario Securities Commission has set a hearing date in the matter of Edwards Securities Inc., David Gerald Edwards, David Frederick Johnson, Clansman 98 Investments Inc. and Douglas G. Murdock. The hearing will take place on March 24, 25, 26 and 27, 2003 in the Main Hearing Room, 17th Floor, 20 Queen Street West, Toronto.

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

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Iceberg Media.com Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Compulsory acquisition procedure - exemption from the requirement to make up, certify, file and send and deliver, as the case may be, interim financial statements for the second quarter ended June 30, 2002.

Section 5.1 of Ontario Securities Commission Rule 51-501 - AIF and MD&A - Compulsory acquisition procedure - exemption from the requirement to file and send and deliver, as the case may be, interim management's discussion and analysis of financial condition and results of operations for the second quarter ended June 30, 2002.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am, s. 77, s. 79 and clause 80(b)(iii).

Rules Cited

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

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

AND

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

AND

IN THE MATTER OF
ICEBERG MEDIA.COM INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Ontario, Alberta, British Columbia and Nova Scotia (the "Jurisdictions") has received an application from Iceberg Media.com Inc. (the "Filer") for:

1. a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirements contained in the Legislation to make up, certify, prepare, file and send and deliver to the registered holders (the "Shareholders") of the Filer's common shares (the "Common Shares"), as the case may be, its interim financial statements and quarterly report, as applicable (the "Interim Financials") for the second quarter ended June 30, 2002 (the "Second Quarter");

shall not apply to the Filer; and

2. in Ontario only, an order under Ontario Securities Commission Rule 51-501 – AIF and MD&A ("Rule 51-501"), that the requirements contained in Rule 51-501 to prepare, file and send and deliver to the Shareholders, as the case may be, its interim management's discussion and analysis of financial condition and results of operations (the "Interim MD&A") for the Second Quarter

shall not apply to the Filer.

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 as follows:

1. The Filer was amalgamated under the *Business Corporations Act* (Ontario) (the "OBCA") on December 31, 2001 and its principal and registered office is located at 49 Ontario Street, Suite 400, Toronto, Ontario M5A 2V1.

2. Subsequent to the completion of the Offer (defined and more particularly described below), approximately 91.5% of the outstanding Common Shares are held by Standard Radio Inc. (the "Offeror"), a corporation amalgamated under the laws of the Province of Ontario and a wholly-owned subsidiary of Standard Broadcasting Corporation Limited.

3. The Filer is a "reporting issuer" in each of the Jurisdictions and is not in default of the requirements under the Legislation.

4. The Common Shares are listed for trading on the TSX Venture Exchange (the "TSX Venture").

5. On May 27, 2002, the Offeror made a formal offer (the "Offer") by take-over bid to acquire all the issued and outstanding Common Shares for $0.05 per Common Share.

6. The Offer was originally set to expire on July 3, 2002 but was extended to July 19, 2002 by a Notice of Extension dated July 5, 2002, and further extended to August 2, 2002 by a Notice of Extension dated July 19, 2002.

7. On July 3, 2002, July 19, 2002 and August 2, 2002, the Offeror acquired a total of 23,845,713 Common Shares, or approximately 89.5% of the Common Shares then outstanding, excluding the 5,964,240 Common Shares held by the Offeror prior to the date of the Offer.

8. As disclosed in the Offer, it has been the intention of the Offeror to pursue other means of acquiring, directly or indirectly, all of the Common Shares not deposited under the Offer (a "Subsequent Acquisition Transaction").

9. The parties have agreed that the Subsequent Acquisition Transaction will be by way of an amalgamation of the Filer and the Offeror (the "Amalgamation"), with the amalgamated corporation ("Amalco") continuing under the name "Standard Radio Inc."

10. Upon the Amalgamation becoming effective:

    (a) each Common Share (other than those held by the Offeror and by the Dissenting Shareholders (as defined below)) will be converted into one Class A redeemable preferred share in the capital of Amalco (the "Amalco Preferred Shares");

    (b) each Common Share held by the Offeror will be cancelled;

    (c) each common share in the capital of the Offeror issued and outstanding immediately prior to the Amalgamation will be converted into one issued and outstanding common share in the capital of Amalco; and

    (d) a Dissenting Shareholder will be entitled to be paid the fair value for such Dissenting Shareholder's Common Shares by Amalco and the Common Shares held by such Dissenting Shareholder will be cancelled.

11. The terms of the Amalco Preferred Shares will require Amalco to redeem (the "Redemption") all such shares for $0.05 per share, subsequent to the conversion referred to in paragraph 10(a) above.

12. The net effect of the Amalgamation and the subsequent Redemption is that Shareholders (other than the Offeror) will receive $0.05 for each of their Common Shares and cease to be Shareholders of the Filer.

13. To obtain the requisite shareholder approvals for the Amalgamation, a special meeting of the Shareholders will be held on August 28, 2002 (the "Meeting").

14. A management proxy circular and related documentation for the Meeting (the "Meeting Materials") were sent to the Shareholders on August 7, 2002.

15. As set out in the Meeting Materials, the Offeror has a sufficient number of Common Shares to ensure approval of the Amalgamation.

16. In accordance with section 185 of the OBCA, a Shareholder may dissent in respect of the shareholders resolution to approve the Amalgamation (a "Dissenting Shareholder").

17. Upon the Amalgamation becoming effective, the Common Shares of a Dissenting Shareholder who dissents in accordance with section 185 of the OBCA will be cancelled and the Dissenting Shareholder will be entitled to be paid the fair value for such Common Shares in accordance with section 185 of the OBCA.

18. Upon the Amalgamation becoming effective and the subsequent Redemption being completed, the Filer will be amalgamated with the Offeror, with Amalco continuing as a wholly-owned subsidiary of Standard Broadcasting Corporation Limited. This is anticipated to occur on or about September 1, 2002.

19. The Filer intends to seek to de-list the Common Shares from the TSX Venture shortly after the Amalgamation.

20. Assuming the completion of the Amalgamation and the Redemption, the issuance of this decision will allow the Filer to apply for an order deeming it to have ceased to be a reporting issuer in each of the Jurisdictions.

21. Absent the granting of the relief requested hereby, the Filer would be required to prepare, make up, certify, prepare, file and send and deliver to the Shareholders, as the case may be, the Interim Financials and the Interim MD&A by August 29, 2002.

22. Other than as publicly disclosed, there has been no material change in the financial position of Iceberg as represented in the interim financial statements for the period ending March 31, 2002.

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

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

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

THE DECISION of the Decision Makers under the Legislation is that the requirements contained in the Legislation to make up, certify, prepare, file and send and deliver the Interim Financials to the Shareholders shall not apply to the Filer.

August 29, 2002.

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

AND IT IS HEREBY ORDERED by the Director under section 5.1 of Rule 51-501 that the requirements contained in Rule 51-501 to file and send and deliver the Interim MD&A to the Shareholders shall not apply to the Filer.

August 29, 2002.

"John Hughes"

2.1.2 Bank of America Corporation - MRRS Decision

Headnote

MRRS – Relief from the registration and prospectus requirements for issuance of securities by foreign issuer to Canadian employees and former employees pursuant to an employee stock option plan – Relief from issuer bid requirements for acquisition by foreign issuer of securities in connection with exercise mechanism under plan – Issuer with *de minimis* presence in Canada.

Applicable Ontario Statutory Provisions

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

Applicable Ontario Rules

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

Applicable Instrument

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

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

AND

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

AND

IN THE MATTER OF
BANK OF AMERICA CORPORATION

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "**Decision Maker**") in each of Ontario, British Columbia, Saskatchewan and Alberta (the "**Jurisdictions**") has received an application from Bank of America Corporation ("**Bank of America**" or the "**Company**") for a decision pursuant to the securities legislation of the Jurisdictions (the "**Legislation**") that: (i) the dealer registration requirement contained in the Legislation (the "**Registration Requirement**") and the prospectus requirement contained in the Legislation (the "**Prospectus Requirement**") (the Registration Requirement and the Prospectus Requirement are, together, the "**Registration and Prospectus Requirements**") will not apply to certain trades in securities of Bank of America made in connection with the Bank of America 2002 Associates Stock Option Plan (the "**Plan**"); (ii) the Registration Requirement will not apply to first

trades of shares ("**Shares**") acquired under the Plan executed on an exchange or market outside of Canada; and (iii) the requirements contained in the Legislation relating to the delivery of an offer and issuer bid circular and any notices of change or variation thereto, minimum deposit periods and withdrawal rights, taking up and paying for securities tendered to an issuer bid, disclosure, restrictions upon purchases of securities, bid financing, identical consideration and collateral benefits together with the requirement to file a reporting form within 10 days of an exempt issuer bid and pay a related fee (the "**Issuer Bid Requirements**") will not apply to certain acquisitions by the Company of Shares pursuant to the Plan in each of the Jurisdictions;

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

AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions;

AND WHEREAS Bank of America has represented to the Decision Makers as follows:

1. Bank of America is presently a corporation in good standing incorporated under the laws of the State of Delaware. It is registered with the Securities and Exchange Commission ("SEC") in the United States under the United States Securities Exchange Act of 1934 (the "Exchange Act") and is not exempt from the reporting requirements of the Exchange Act pursuant to Rule 12g3-2 made thereunder. Bank of America and affiliates of Bank of America ("Bank of America Affiliates")(Bank of America and Bank of America Affiliates are, collectively, the "Bank of America Companies") provide a diversified range of banking and non-banking financial services and products in the U.S. and in selected international markets. Bank of America's head office is located in North Carolina.

2. The authorized share capital of Bank of America consists of 5,000,000,000 shares of common stock ("Shares") and 100,000,000 shares of preferred stock ("**Preferred Shares**"), of which 1,536,219,076 Shares and 1,483,324 Preferred Shares were issued and outstanding as of March 1, 2002.

3. The Shares are listed on the New York Stock Exchange (the "**NYSE**"). Bank of America is not a reporting issuer in any of the Jurisdictions and has no present intention of becoming a reporting issuer in any of the Jurisdictions. The majority of Bank of America's directors reside outside of Canada.

4. Bank of America Canada is a wholly-owned, indirect subsidiary of Bank of America, and was incorporated pursuant to the *Bank Act* (Canada) as a Schedule II Foreign Bank Subsidiary ("**Bank of America Canada**"). Bank of America Canada is not a reporting issuer in any of the Jurisdictions and has no present intention of becoming a reporting issuer in any of the Jurisdictions.

5. The Plan is administered by the Corporate Personnel Executive of Bank of America (the "**Plan Administrator**").

6. Bank of America intends to use the services of one or more agents / brokers ("**Agents**") under the Plan. The current Agent for the Plan is Salomon Smith Barney Inc. The current Agent is not registered to conduct retail trades in the Jurisdictions and, if replaced, or if additional Agents are appointed, such replacement Agents or additional Agents are not expected to be so registered in the Jurisdictions. The current Agent is, and Replacement Agents and or additional Agents will be, registered under applicable U.S. securities or banking legislation to trade in securities, if required under such legislation, and will be authorized by Bank of America to provide services under the Plan.

7. The Agent's role in the Plan may include: (a) assisting with the administration of the Plan, including record-keeping functions; (b) facilitating the exercise of Options (as defined below) granted under the Plan (including cashless and stock-swap exercises) to the extent that they are exercisable for Shares; (c) facilitating the issuance of Shares; (d) facilitating the cancellation and surrender of Awards (as defined below) as permitted under the Plan; (e) holding Shares issued under the Plan on behalf of Participants (as defined below), Former Participants (as defined below) and Permitted Transferees (as defined below); (f) facilitating the resale of Shares issued in connection with the Plan; and (g) facilitating the mechanisms as set out in the Plan for the payment of withholding taxes.

8. The Shares issued under the Plan may be original issue Shares, treasury Shares or Shares purchased in the open market or otherwise.

9. All necessary securities filings have been made in the U.S. in order to offer the Plan to Participants resident in the U.S.

10. Stock options ("**Options**") and stock appreciation rights ("**SARs**") (Options and SARs are, collectively, "**Awards**") may be offered under the Plan. Awards may be granted to employees of the Bank of America Companies eligible to participate in the Plan ("**Participants**").

11. As of December 7, 2001, there were three hundred and thirty four (334) Participants in Canada eligible to receive Awards under the Plan:

two hundred ninety-six (296) Participants resident in Ontario; thirteen (13) Participants resident in British Columbia; ten (10) Participants resident in Alberta; one (1) Participant resident in Saskatchewan; and fourteen (14) Participants resident in Québec.

12. The purpose of the Plan is to advance the interests of Bank of America by giving employees a stake in the Corporation's future growth, thereby improving such employees' long-term incentives and aligning their interests with those of Bank of America's shareholders.

13. Participants will not be induced to purchase Shares by expectation of employment or continued employment.

14. Subject to adjustment as described in the Plan, Awards covering a maximum of 55,000,000 Shares will be available under the Plan.

15. The Shares offered under the Plan have been registered with the SEC under the U.S. *Securities Act of 1933*, as amended.

16. Following the termination of a Participant's relationship with the Bank of America Companies for reasons of disability, retirement, termination, change of control or any other reason ("**Former Participants**"), and on the death of a Participant where Awards have been transferred by will or pursuant to the laws of intestacy to a designated beneficiary ("**Permitted Transferees**"), the Former Participants and Permitted Transferees will continue to have rights in respect of the Plan ("**Post-Termination Rights**"). Post-Termination Rights may include, among other things, the right of a Former Participant or Permitted Transferee to exercise Options for a period determined in accordance with the Plan, the right to sell Shares acquired under the Plan through the Agent, and the right to acquire Shares in certain circumstances. Post-Termination Rights will only be available where the right to receive them was earned by a Participant while the Participant had a relationship with Bank of America. Awards are otherwise non-transferable.

17. The resale of Shares acquired under the Plan may be made by Participants, Former Participants or Permitted Transferees through the Agent.

18. As there is no market for the Shares in Canada and none is expected to develop, it is expected that the resale by Participants, Former Participants and Permitted Transferees of the Shares acquired under the Plan will be effected through the NYSE.

19. As of March 25, 2002, Canadian shareholders did not own, directly or indirectly, more than 10% of the issued and outstanding Shares and did not represent in number more than 10% of the shareholders of the Company. If at any time during the currency of the Plan Canadian shareholders of the Company hold, in aggregate, greater than 10% of the total number of issued and outstanding Shares or if such shareholders constitute more than 10% of all shareholders of the Company, the Company will apply to the relevant Jurisdiction for an order with respect to further trades to and by Participants, Former Participants, Permitted Transferees in that Jurisdiction in respect of the Shares acquired under the Plan.

20. The Option exercise price (the "**Option Price**") for each Share covered by an Option shall be the Closing Price (as such term is defined in the Plan) thereof on the date of the grant of such Option (the "**Grant Date**"). The term of each Option will be fixed by the Plan Administrator.

21. The Plan Administrator will establish procedures governing the exercise of Options. Generally, in order to exercise an Option, an eligible Participant, Former Participant or Permitted Transferee participating in the Plan must submit to Bank of America or to the Agent a written notice of exercise identifying the Option and number of Shares being exercised, together with full payment for the Shares.

22. Although the Plan does not prescribe specific methods of exercise, a number of different methods are expected to be available to Participants, Former Participants and Permitted Transferees to satisfy the Closing Price, such methods to be specified in the exercise request. The methods expected to be available are the following:

    (a) a regular Option exercise, in which case the Option holder will deliver the full Option Price and applicable withholding taxes and transaction fees (collectively, the "Exercise Costs") in cash to the Agent or to Bank of America at the time of exercise. As soon as practicable thereafter, Bank of America will deliver the Shares to the Option holder or to the Agent on the Option holder's behalf;

    (b) if permitted by the Plan Administrator, an Option exercise and sale of all (Shares being purchased through the Option exercise ("Cashless for Cash Exercise"). If the Option holder requests a Cashless for Cash Exercise, the Agent will sell all of the Shares underlying the Option being exercised as soon as practicable and, upon settlement of the trade, transfer to Bank of America from the proceeds of the sale an amount equal to the Option Price and withholding taxes

payable for the Shares purchased. As soon as practicable thereafter, the proceeds from the sale of the Shares (less the Exercise Costs) will be delivered to the Option holder;

(c) if permitted by the Plan Administrator, an Option exercise and sale of a sufficient number of Shares to cover the Exercise Costs of the Shares being purchased through the Option exercise, with the remainder of the Shares to be issued to the Option holder ("Cashless for Stock Exercise"). If the Option holder requests a Cashless for Stock Exercise, the Agent will sell the applicable number of Shares to satisfy the Exercise Costs as soon as practicable and, upon settlement of the trade, transfer to Bank of America an amount equal to the Option Price and withholding taxes for the Shares purchased. As soon as practicable thereafter, the remaining Shares will be delivered to the Option holder or the Agent on his or her behalf; provided, however, that the Option holder will receive cash in lieu of any fractional Shares;

(d) if permitted by the Plan Administrator, an Option exercise and transfer of Shares already owned by the Option holder having a Fair Market Value equal to the Exercise Costs ("**Stock-Swap Exercises**"). If the Option holder requests a Stock-Swap Exercise, the Option holder must deliver to the Agent Shares owned by the Option holder having an aggregate Fair Market Value equal to the Exercise Costs. As soon as practicable thereafter, the applicable number of Shares will be delivered to the Agent on behalf of the Option holder; and

(e) in any other form of legal consideration that may be acceptable to the Plan Administrator.

23. An SAR shall confer on its holder the right to receive a payment from the Company, upon exercise, equal to the product of (i) the difference between the Closing Price (as defined in the Plan) of a Share on the date of exercise and the Closing Price of a Share on the Grant Date of the SAR and (ii) the number of Shares with respect to which the SAR is exercised. SARs are subject to the terms of the Plan and shall be settled in cash, unless the Plan Administrator determines that settlement should be in Shares.

24. Bank of America shall have the right to deduct applicable taxes from any Option or SAR payment or to withhold at the time of delivery of cash or vesting of Shares under the Plan, an appropriate amount of cash or Shares or a combination thereof for a payment of taxes required by law, or to take such other action as may be necessary in the opinion of Bank of America or the Plan Administrator to satisfy all obligations for the withholding of such taxes ("**Share Withholding Exercises**"). If Shares are used to satisfy the withholding of tax, the Shares will be valued based on the Shares' fair market value (determined in accordance with the rules of the Plan) when the tax withholding is required to be made.

25. A prospectus prepared according to U.S. securities laws describing the terms and conditions of the Plan will be delivered to each Participant who is eligible to participate in the Plan. The annual reports, proxy materials and other materials Bank of America provides to its U.S. shareholders will be provided to Participants resident in the Jurisdictions who acquire and retain Shares under the Plan at the same time and in the same manner as such documents would be provided to U.S. shareholders.

26. Pursuant to the Plan, the acquisition of Shares by the Company in the following circumstances may constitute an "issuer bid:" Stock Swap Exercises and Share Withholding Exercises.

27. The issuer bid exemptions in the Legislation may not be available for such acquisitions by the Company since such acquisitions may occur at a price that is not calculated in accordance with the "market price," as that term is defined in the Legislation and may be made from Permitted Transferees.

28. The Legislation of all of the Jurisdictions does not contain exemptions from the Prospectus and Registration Requirements for all the intended trades in Awards under the Plans.

29. When the Agents sell Shares on behalf of Participants, Former Participants and Permitted Transferees, the Agents, Participants, Former Participants and Permitted Transferees may not be able to rely upon the exemptions from the Registration Requirement contained in the Legislation of the Jurisdictions.

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

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

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

(a) the Registration and Prospectus Requirements shall not apply to any trade or distribution of Awards made in connection with the Plan, including trades or distributions involving Bank of America or its affiliates, the Agent, Participants, Former Participants or Permitted Transferees, provided that the first trade in Shares acquired under the Plan pursuant to this Decision in a Jurisdiction shall be deemed a distribution to the public under the Legislation of such Jurisdiction unless the conditions in subsection 2.14(1) of Multilateral Instrument 45-102 Resale of Securities are satisfied;

(b) the first trade by Participants, Former Participants or Permitted Transferees in Shares acquired pursuant to the Plan, including first trades effected through the Agent shall not be subject to the Registration Requirement provided that conditions in subsection 2.14(1) of Multilateral Instrument 45-102 Resale of Securities are satisfied; and

(c) the Issuer Bid Requirements shall not apply to the acquisition by Bank of America of Awards and or Shares from Participants, Former Participants or Permitted Transferees in connection with the Plan provided such acquisitions are made in accordance with the provisions of the Plan.

August 27, 2002.

"R. W. Davis" "H. Lorne Morphy"

2.1.3 NCE Energy Assets (1993) Fund et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – issuers have recently closed transactions with a purchaser providing for the purchase of all of their assets, the assumption of all of their liabilities and their subsequent dissolution – completion of transactions is expected to occur within 60 days - exemption from the requirement to file and send interim financial statements for the second quarter ended June 30, 2002, subject to conditions.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am, s. 77, 79, and 80(b)(iii).

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
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

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions") has received an application from 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, (collectively, the "Partnerships") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirements contained in the Legislation to file and send to securityholders the interim financial statements for the period ended June 30, 2002

(the “Second Quarter Financial Statements”) shall not apply to the Partnerships;

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, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definition or in Québec Commission Notice 14-101;

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

1. The Partnerships are limited partnerships formed under *the Limited Partnerships Act* (Ontario), each pursuant to a limited partnership agreement, as amended and restated, between the general partner of each of the Partnerships (the "General Partners"), John F. Driscoll, as the initial limited partner, and those individuals who from time to time are admitted as limited partners of each of the Partnerships.

2. The Partnerships were established to earn income from production from oil and natural gas properties in Western Canada in which the Partnerships financed the drilling of development wells and, to a lesser extent, exploration wells.

3. The head office of each of the Partnerships is located in Toronto, Ontario.

4. NCE Energy Assets (1993) Fund is a reporting issuer or equivalent in all of the Jurisdictions except Alberta, Quebec and Nova Scotia; NCE Oil & Gas (1993) Fund is a reporting issuer or equivalent in all of the Jurisdictions except Alberta and Newfoundland and Labrador; NCE Energy Assets (1994) Fund is a reporting issuer or equivalent in all of the Jurisdictions except Alberta and Quebec; NCE Oil & Gas (1994) Fund is a reporting issuer or equivalent in all Jurisdictions except Alberta; NCE Energy Assets (1995) Fund is a reporting issuer or equivalent in all of the Jurisdictions except Alberta, Manitoba, Saskatchewan, Quebec and Nova Scotia; NCE Oil & Gas (1995) Fund is a reporting issuer or equivalent in all of the Jurisdictions except Alberta; and NCE Energy Assets (1996) Fund, NCE Oil & Gas (1996) Fund and NCE Oil & Gas (1997) Fund are reporting issuers or equivalent in all of the Jurisdictions.

5. The interests of the limited partners in each Partnership is divided into an unlimited number of limited partnership units (the "Units"). Each Unit has the same rights and obligations attaching to it as each other Unit of the same Partnership. There is currently no market for the Units.

6. On April 19, 2002, the General Partners of each of the Partnerships entered into various letter agreements with Flock Resources Ltd., now known as Endev Energy Inc. (the "Purchaser"), pursuant to which the Purchaser agreed to:

   (a) concurrently make an offer to acquire all the issued and outstanding Units of each of the Partnerships, as well as, under certain conditions, to acquire all of the shares of each General Partner in exchange for common shares of the Purchaser (the "Offer"), and

   (b) proceed with an asset acquisition, pursuant to which the Purchaser would acquire all of the assets of each of the Partnerships in exchange for common shares of the Purchaser, the assumption of all of the Partnerships' liabilities and the subsequent dissolution of each of the Partnerships (the "Partnership Transaction").

7. If the above transactions proceed as intended, the Purchaser will, directly or indirectly, acquire all of the assets and liabilities of each of the Partnerships, and all of the former limited partners of the Partnerships will become shareholders of the Purchaser. The number of common shares of the Purchaser that each limited partner will receive per Unit is identical whether the limited partner tendered to the Offer or opts to receive a pro rata share of the Purchaser's common shares held by a Partnership upon the dissolution of the Partnerships.

8. On May 1, 2002, the Purchaser made concurrent offers to purchase all of the outstanding Units of each of the Partnerships pursuant to a formal take-over bid circular dated April 30, 2002.

9. The first quarter results for the period ending March 31, 2002 for each of the Partnerships were prepared, filed and distributed to limited partners as required within sixty days of March 31, 2002.

10. On June 18, 2002 the Offer expired. In each Partnership a minimum of 43% of the total number of Units outstanding were tendered to the Offer (the "Tendered Units") by the limited partners of record. On July 4, 2002 the Purchaser took up the Tendered Units issued common shares of the Purchaser to the limited partners accordingly. As a result, the Purchaser is currently a unitholder in each of the Partnerships, holding a minimum of 43% of the total Units outstanding.

11. The limited partners of each of the Partnerships approved the Partnership Transaction at the Partnerships meetings held on June 5, 6 and 7, 2002.

12. The Partnership Transaction closed on August 13, 2002. Within 60 days of this closing date the common shares of the Purchaser received by each Partnership will be distributed to the limited partners (in proportion to the number of Units of such Partnership held by each of such limited partners), and each of the Partnerships will be dissolved. No conditions or requirements exist which would prohibit the distribution of the common shares of the Purchaser to the limited partners by each of the Partnerships as described above.

13. Given that the Partnership Transaction has been approved by the limited partners of each of the Partnerships and was completed on August 13, 2002, and that the dissolution of the Partnerships is expected to occur on or before October 13, 2002, the provision of the Second Quarter Financial Statements for the Partnerships will be of no benefit or assistance to limited partners.

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 requirements contained in the Legislation to file and send to securityholders the Second Quarter Financial Statements shall not apply to the Partnerships that are reporting issuers or the equivalent in their respective Jurisdictions, provided that:

(a) the Partnerships undertake to advise the Decision Makers promptly of any material change in the facts noted above; and

(b) if the Partnership Transactions have not been completed by October 13, 2002, then the Partnerships shall be required to file and send to securityholders the Second Quarter Financial Statements by no later than October 15, 2002.

August 29, 2002.

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

2.1.4 Phillips, Hager & North Investment Management Ltd. and Phillips, Hager & North Community Values Balanced Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief granted from certain mutual fund self-dealing restrictions and reporting requirements to permit existing and future top funds to invest in certain underlying funds under common management, subject to certain conditions.

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, ss. 121, 123, 126 and 130.

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
PHILLIPS, HAGER & NORTH INVESTMENT MANAGEMENT LTD. and PHILLIPS, HAGER & NORTH COMMUNITY VALUES BALANCED FUND

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (collectively, the "Decision Makers") in each of the provinces of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia and Newfoundland and Labrador (collectively, the "Jurisdictions") has received an application from Phillips, Hager & North Investment Management Ltd. (the "Applicant") for itself and on behalf of Phillips, Hager & North Community Values Balanced Fund (the "Balanced Fund") and additional mutual funds (collectively with the Balanced Fund, the "Top Funds") which may be established by the Applicant from time to time having as part of their investment objective investing all or substantially all of their assets in other mutual funds managed by the Applicant (such other mutual funds, the "Underlying Funds") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the following provisions of the Legislation (the "Applicable Requirements") shall not apply to the Applicant or the Top Funds, as the case may be, in respect of certain investments to be made from time to time by the Top Funds in mutual fund units or other securities issued by the Underlying Funds:

(a) the restrictions contained in the Legislation prohibiting a mutual fund from knowingly making or holding an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial security holder; and

(b) the requirements contained in the Legislation requiring a management company, or in British Columbia, a mutual fund manager, to file a report in the required form relating to each purchase or sale of securities between a mutual fund and any related person or company, or any transaction in which, by arrangement other than an arrangement relating to insider trading in portfolio securities, the mutual fund is a joint participant with one or more of its related persons or companies;

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

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

1. the Applicant is a company incorporated under the laws of British Columbia and is and will be the manager, principal portfolio advisor and promoter of the Top Funds and the Underlying Funds;

2. each of the Top Funds and the Underlying Funds is or will be an open-end mutual fund trust or mutual fund corporation established under a trust agreement or other trust document; units or other securities of each of the Top Funds and Underlying Funds will be qualified for distribution in each of the Jurisdictions under a simplified prospectus and annual information form (together, the "Prospectus") filed with and accepted by the Decision Makers;

3. each of the Top Funds and the Underlying Funds is or will be a reporting issuer in each of the Jurisdictions and is not or will not be in default of any requirements of the Legislation;

4. to achieve their respective investment objectives, each of the Top Funds will invest fixed percentages (the "Fixed Percentages") of its net assets, excluding cash and cash equivalents, directly in units or other securities of the specified Underlying Funds, subject to a permitted deviation to account for market fluctuations of not more than 2.5 percent above or below the Fixed Percentages (the "Permitted Ranges");

5. the Prospectus for the Top Funds will disclose the names, investment objectives, investment strategies, risks and restrictions of the Top Fund and Underlying Funds, as well as the Fixed Percentages to be invested in each Underlying Fund and the Permitted Ranges;

6. where an Underlying Fund or a Fixed Percentage is changed, the Applicant will amend the Prospectus in accordance with securities legislation to reflect this change, or will file a new simplified prospectus reflecting the change within 10 days thereof, and will in any case provide 60 days' prior written notice of the change to unitholders of the relevant Top Fund;

7. none of the Top Funds will invest in a mutual fund whose investment objective includes investing in other mutual funds;

8. Phillips, Hager & North Investment Funds Ltd., a wholly-owned subsidiary of the Applicant, acts or will act as dealer for the purchase by a Top Fund of units of an Underlying Fund; the Top Fund will not be charged any initial sales charge or any deferred sales charge in connection with its purchase of units or other securities of an Underlying Fund;

9. except as evidenced by this Decision (defined herein) and specific approvals granted by the regulator or the securities regulatory authority in each of the provinces and territories of Canada under National Instrument 81-102 Mutual Funds ("NI 81-102"), the investments by each Top Fund in an Underlying Fund have been structured to comply with the investment restrictions of the Legislation and NI 81-102;

10. in the absence of this Decision, under the Legislation, the Top Funds are prohibited from knowingly making or holding an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial security holder; as a result, in the absence of this Decision, the Top Funds would not be permitted to invest in securities issued by the Underlying Funds;

11. in the absence of this Decision, the Legislation requires the Applicant to file a report on every purchase and sale of securities of the Underlying Funds by the Top Funds;

12. the investments by each of the Top Funds in securities of the Underlying Funds represent the business judgment of "responsible persons" (as defined in the Legislation) uninfluenced by considerations other than the best interests of the Top Funds;

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 Applicable Requirements do not apply to prevent the Top Funds from making or holding an investment in securities of the Underlying Funds, or to require the Applicant to file a report relating to the purchase or sale of such securities;

PROVIDED THAT IN RESPECT OF the investments by the Top Funds in securities of the Underlying Funds:

1. the Decision, as it relates to the jurisdiction of a Decision Maker, will terminate one year after the publication in final form of any legislation or rule of that Decision Maker dealing with the matters in section 2.5 of NI 81-102;

2. at the time a Top Fund makes or holds an investment in its Underlying Funds, the following conditions are satisfied:

   (a) the units or other securities of both the Top Fund and the Underlying Funds are offered for sale in the jurisdiction of the Decision Maker under a simplified prospectus and annual information form which has been filed with and accepted by the Decision Maker;

   (b) the investment by the Top Fund in the Underlying Funds is compatible with the fundamental investment objectives of the Top Funds;

   (c) the Prospectus discloses the intent of the Top Fund to invest in units or other securities of the Underlying Funds, the names of the Underlying Funds, the Fixed Percentages and the Permitted Ranges within which the Fixed Percentages may vary;

   (d) the investment objective of the Top Fund discloses that the Top Fund invests in units or other securities of other mutual funds;

   (e) the Underlying Funds are not mutual funds whose investment objective includes investing directly or indirectly in other mutual funds;

   (f) the Top Fund invests its assets (exclusive of cash and cash equivalents) in the Underlying Funds in accordance with the Fixed Percentages disclosed in the Prospectus;

   (g) the Top Fund's holding of securities in the Underlying Funds does not deviate from the Permitted Ranges;

   (h) any deviation from the Fixed Percentages is caused by market fluctuations only;

   (i) subject to condition (j), where an investment by a Top Fund in any of the Underlying Funds has deviated from the Permitted Ranges as a result of market fluctuations, the Top Fund's investment portfolio is re-balanced to comply with the Fixed Percentages on the next day on which the net asset value is calculated following the deviation;

   (j) if, due to the foreign property investment limitations under the Income Tax Act (Canada), the Top Fund is precluded from purchasing additional securities of the Underlying Funds in order to comply with condition (i), the Top Fund complies with condition (i) as soon as it is possible to do so in compliance with those foreign property investment limitations;

   (k) if the Fixed Percentages and the Underlying Funds which are disclosed in the Prospectus are changed, either the Top Fund's Prospectus will be amended or a new simplified prospectus will be filed to reflect the change, and in any case the security holders of the Top Fund will be given at least 60 days' notice of the change;

   (l) there are compatible dates for the calculation of the net asset value of the Top Fund and the Underlying Funds for the purpose of the issue and redemption of the securities of such mutual funds;

   (m) no sales charges are payable by the Top Fund in relation to its purchases of securities of the Underlying Funds;

   (n) no redemption fees or other charges are charged by an Underlying Fund in respect of the redemption by a Top Fund of securities of the Underlying Fund owned by that Top Fund;

   (o) no fees or charges of any sort are paid by the Top Fund and the Underlying Funds, by their respective managers or principal distributors, or by any affiliate or associate of any of the foregoing entities, to anyone in respect of the Top Fund's purchase, holding or redemption of the securities of the Underlying Funds;

   (p) the arrangements between or in respect of the Top Fund and the Underlying Funds avoid duplication of management fees;

(q) any notice provided to security holders of an Underlying Fund as required by applicable laws or the constating documents of that Underlying Fund has been delivered by the Top Fund to its security holders;

(r) all of the disclosure and notice material prepared in connection with a meeting of security holders of the Underlying Funds and received by the Top Fund has been provided to its security holders, the security holders have been permitted to direct a representative of the Top Fund to vote its holdings in the Underlying Fund in accordance with their direction, and the representative of the Top Fund has not voted its holdings in the Underlying Fund except to the extent the security holders of the Top Fund have directed;

(s) in addition to receiving the annual, and upon request, the semi-annual financial statements, of the Top Fund, security holders of the Top Fund have received appropriate summary disclosure in respect of the Top Fund's holdings of securities of the Underlying Funds in the financial statements of the Top Fund; and

(t) to the extent that the Top Fund and the Underlying Funds do not use a combined simplified prospectus and annual information form containing disclosure about the Top Fund and the Underlying Funds, copies of the simplified prospectus and annual information form of the Underlying Funds will be provided upon request to security holders of the Top Fund and the right to receive these documents is disclosed in the Prospectus of the Top Fund.

August 22, 2002.

"Derek E. Patterson"

2.1.5 Ivanhoe Cambridge I Inc. - MRRS Decision

Headnote

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

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

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 83.
Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 1(6).

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

AND

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

AND

IN THE MATTER OF
IVANHOE CAMBRIDGE I INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Ontario, Quebec, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions") has received an application from Ivanhoe Cambridge I Inc. (the "Corporation") for:

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

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

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

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

1. The Corporation is a corporation governed by the OBCA and its head office is located in Toronto, Ontario.

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

3. The Corporation is the successor company to Cambridge Shopping Centres Limited ("CSCL") by virtue of several corporate reorganizations. These corporate reorganizations followed the completion of a take-over bid made in June 2000 (the “Offer”) by Ivanhoe Inc. and its affiliates (“Ivanhoe”) to purchase all of CSCL’s common shares (the “CSCL Shares”) not already held by Ivanhoe and the subsequent compulsory acquisition, in September 2000, of all the CSCL Shares not tendered under the Offer.

4. The authorized capital of the Corporation consists of common shares and special shares, of which 222,000,000 common shares and 100 special shares (collectively, the "Shares") are currently issued and outstanding.

5. All of the Shares are held by Ivanhoe Realties Inc. ("Realties"), a wholly-owned subsidiary of Ivanhoe Cambridge Inc. (formerly Ivanhoe Inc.).

6. The Corporation is, as a result, a wholly-owned subsidiary of Realties.

7. On April 16, 2002, the Corporation obtained relief from the requirement to file and send certain continuous disclosure documents for the year ended December 31, 2001 and the quarter ended March 31, 2002 (the “CD Relief”). The CD Relief was conditional upon the Corporation (i) redeeming all of its outstanding 6% Convertible Subordinated Debentures due June 30, 2007 (the "Debentures") on or about June 30, 2002, and (ii) filing an application as soon as reasonably possible after the redemption of the Debentures to have the Corporation deemed to have ceased to be a reporting issuer in the Jurisdictions.

8. On July 2, 2002, the Corporation redeemed all of the outstanding Debentures at their redemption price in accordance with the terms thereof and as required by the CD Relief.

9. As a result of the foregoing redemption, the Corporation has no securities outstanding except for the Shares and certain mortgage bonds secured by its real estate (the “Mortgages”).

10. The Corporation has less than 15 securityholders, including holders of Mortgages, in each of the provinces of Nova Scotia, Newfoundland and Labrador, Saskatchewan and Quebec.

11. No securities, including debt securities, of the Corporation are listed or quoted on any exchange or market. The CSCL Shares were de-listed from the Toronto Stock Exchange in October 2000.

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

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 Corporation is deemed to have ceased to be a reporting issuer under the Legislation as of the date hereof.

August 30, 2002.

“John Hughes”

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

August 30, 2002.

“Paul M. Moore” “Robert L. Shirriff”

2.1.6 Scimitar Hydrocarbons Corporation - MRRS Decision

Headnote

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

Applicable Ontario Statutory Provisions

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

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA AND ONTARIO

AND

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

AND

IN THE MATTER OF
SCIMITAR HYDROCARBONS CORPORATION

MRRS DECISION DOCUMENT

1. WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of Alberta and Ontario (the "Jurisdictions") has received an application from Scimitar Hydrocarbons Corporation ("Scimitar") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that Scimitar be deemed to have ceased to be a reporting issuer under the Legislation;

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

3. AND WHEREAS Scimitar has represented to the Decision Makers that:

   3.1 Scimitar is a corporation incorporated under the laws of the Province of Alberta on June 24, 1986, under the name Village Ventures Inc. On September 4, 1992, Village Ventures Inc. changed its name to Sunventures Corporation and, on December 2, 1993, Sunventures Corporation changed its name to Sunventures Resources Inc. On January 13, 1995, the name of the corporation was changed to Commonwealth Energy Inc. Effective November, 1995, Commonwealth Energy Inc. completed a reverse take-over transaction when it acquired all of the issued and outstanding shares of Scimitar Production International Limited, a company organized under the laws of the British Virgin Islands. Upon completion of the reverse take-over and effective January 2, 1996, the corporation changed its name to Scimitar Hydrocarbons Corporation;

   3.2 Scimitar's head office is located in Calgary, Alberta;

   3.3 the authorized capital of Scimitar consists of an unlimited number of common shares and 50,000,000 preferred shares of which, there are currently 49,080,143 common shares (the "Common Shares") and no preferred shares issued and outstanding;

   3.4 Scimitar is a reporting issuer in each of the provinces of British Columbia, Alberta, and Ontario;

   3.5 effective May 24, 2002, Scimitar and Rally Energy Corp. ("Rally") entered into an arrangement agreement pursuant to which the parties agreed, subject to a number of conditions, including Scimitar shareholder, Court and regulatory approvals, to effect a business combination among Rally and Scimitar by way of plan of arrangement under the provisions of the *Business Corporations Act* (Alberta) ("ABCA");

   3.6 on May 27, 2002, Scimitar caused to be mailed to its shareholders a Notice of Special Meeting, Information Circular and Proxy Statement and a Notice of Petition in accordance with an interim Order issued by the Court of Queen's Bench of Alberta on May 27, 2002 (the "Interim Order");

   3.7 at a special meeting of the shareholders of Scimitar held on June 28, 2002, the arrangement was approved by the shareholders of Scimitar in accordance with the requirements of section 193 of the ABCA and the Interim Order and, in addition, in excess of 98% of the shares represented in person or by proxy were voted in favour of the arrangement after excluding any shares owned or controlled by Scimitar, interested parties or related parties of an interested party (as contemplated by OSC Rule 61-501);

   3.8 on June 28, 2002, the Court of Queen's Bench of Alberta issued an Order granting final approval for the plan of

arrangement and Articles of Arrangement were filed on July 10, 2002;

3.9 Scimitar's securities were delisted from the TSX Venture Exchange on August 9, 2002 and no securities of Scimitar are listed or quoted on any exchange or market;

3.10 other than the Common Shares, Scimitar has no securities, including debt securities, outstanding;

3.11 the sole shareholder of Scimitar is Rally;

3.12 neither Rally nor Scimitar intend to seek public financing by way of an offering of securities of Scimitar; and

3.13 Scimitar is not in default of the securities legislation of the Jurisdictions.

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 Scimitar is deemed to have ceased to be a reporting issuer under the Legislation.

September 3, 2002.

"Patricia M. Johnston"

2.1.7 Del Cano Properties Trust - MRRS Decision

Headnote

MRRS - Issuer exempted from interim financial reporting requirements for first and third quarter of each financial year. Exemption terminates upon the occurrence of a material change in the business affairs of the Issuer unless the Decision Makers have confirmed in writing that the exemption should continue.

Applicable Ontario Statutory Provisions

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

Applicable Ontario Rules Cited

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

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

AND

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

AND

IN THE MATTER OF
DEL CANO PROPERTIES TRUST

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in British Columbia and Ontario (the "Jurisdictions") has received an application from Del Cano Properties Trust (the "Issuer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation to file interim financial statements with the Decision Makers and deliver such statements to its shareholders (the "Interim Financial Requirement"), shall not apply to the Issuer;

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

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

1. the Issuer is a closed-end real estate investment trust, formed under the laws of the State of Maryland, with a head office located in Vancouver, British Columbia;

2. the Issuer is a reporting issuer under the Legislation and is not in default of any requirement of the Legislation;

3. the Issuer's authorized capital consists of 20,000 priority preferred shares ("Priority Shares") and 7,000 common shares of which 4,237.6 Priority Shares and no common shares are outstanding;

4. the Priority Shares may be traded through a licensed broker of the Canadian Unlisted Board, which is an over-the-counter market;

5. until April 30, 2002, the Issuer owned and operated 11 residential income-producing properties (the "Properties"), through a series of wholly-owned limited partnerships;

6. on April 30, 2002, the Issuer controlled limited partnerships sold the Properties to nominees of Aspen Square Management, Inc. for US $107.55 million, of which the Issuer received net proceeds of approximately US $32.7 million;

7. since selling the Properties, the Issuer has begun a winding up process of its business and affairs, which should be completed by early 2003;

8. as part of the winding up process, the Issuer is divesting itself of all its material assets, and has made or is going to make the following distributions from sale proceeds of the Properties to holders of Priority Shares:

   (a) first cash distribution announced on May 31, 2002 of approximately US $3,836 per share before withholding taxes;

   (b) second cash distribution announced on June 27, 2002 of approximately US $3,431 per share before withholding taxes; and

   (c) final liquidating dividend to be announced in late 2002 or early 2003;

9. the holders of Priority Shares will obtain adequate financial information from the audited annual financial statements of the Issuer; and

10. since the Issuer is in the process of winding up, satisfying the Interim Financial Requirement will not be of significant benefit to the holders of Priority Shares and may impose a material financial burden on 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 under the Legislation is that the Interim Financial Requirement shall not apply to the Issuer, provided that this relief will terminate if a material change occurs in the affairs of the Issuer, unless the Decision Makers have confirmed in writing to the Issuer that the relief should continue.

August 16, 2002.

"Brenda Leong"

2.1.8 Enserco Energy Service Company Inc. - MRRS Decision

Headnote

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

Applicable Ontario Statutes

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

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

AND

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

AND

IN THE MATTER OF
ENSERCO ENERGY SERVICE COMPANY INC.

MRRS DECISION DOCUMENT

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

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

3. AND WHEREAS Enserco has represented to the Decision Makers that:

   3.1 Enserco is a corporation governed by the Canada Business Corporations Act ("CBCA");

   3.2 Enserco's head office is located in Calgary, Alberta.;

   3.3 Enserco is a reporting issuer, or the equivalent, in each of the Jurisdictions by virtue of obtaining final receipts for its prospectuses in the Jurisdictions on April 19, 1994 (Alberta), November 4, 1997 (Saskatchewan), September 3, 1996 (Ontario) and February 10, 1997 (Québec);

   3.4 other than its failure to file an annual information form for the year ended December 31, 2001, Enserco is not in default of any of the requirements of the Legislation;

   3.5 Enserco's authorized capital consists of an unlimited number of common shares (the "Common Shares") of which 26,179,861 Common Shares are issued and outstanding;

   3.6 on April 26, 2002 (the "Date of the Arrangement"), Nabors Exchangeco (Canada) Inc. (“Exchangeco”) acquired 100% of the outstanding Common Shares (excluding shares held at the Date of the Arrangement by or on behalf of Exchangeco and its affiliates) pursuant to a Plan of Arrangement involving Enserco under Section 192 of the CBCA;

   3.7 Exchangeco beneficially owns all of the issued and outstanding Common Shares;

   3.8 the Common Shares were delisted from the Toronto Stock Exchange on April 26, 2002 and no securities of Enserco are listed or quoted on any exchange or market;

   3.9 Enserco has no securities, including debt securities, outstanding other than the Common Shares; and

   3.10 Enserco does not intend to seek public financing by way of an offering of securities;

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

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

6. The Decision of the Decision Makers pursuant to the Legislation is that Enserco is deemed to have ceased to be a reporting issuer, or the equivalent, under the Legislation.

May 30, 2002.

“Patricia M. Johnston”

2.1.9 Altamira Investment Services Inc. - MRRS Decision

Headnote

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

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as amended, s. 111(2)(a), 111(3) and 113.

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
ALTAMIRA PRECISION CANADIAN INDEX FUND

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia and Newfoundland (the "Jurisdictions") has received an application from Altamira Investment Services Inc. (“AISI”), in its capacity as manager of Altamira Precision Canadian Index Fund (the “Fund”), and Altamira Management Ltd. (“AML”), in its capacity as the portfolio adviser of the Fund (collectively, the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the following requirements (the “Restrictions”) contained in the Legislation shall not apply in respect of investments made by the Fund in securities of National Bank of Canada (“NBC”) or its affiliates or associates (collectively, “NBC Securities”):

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

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, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions or in Québec Commission Notice 14-101;

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

1. AISI is a corporation amalgamated under the laws of Canada. AISI is the manager of the Fund.

2. AML, a corporation continued under the laws of Ontario, is a wholly-owned subsidiary of AISI and is registered as an investment counsel and portfolio manager.

3. The Fund is an open end mutual fund trust established under the laws of Ontario. The investment objective of the Fund is to seek long-term growth of capital by tracking the performance of the S&P/TSX 60 Index (“the Target Index”).

4. The units of the Fund are offered by prospectus (the “Prospectus”) in each of the provinces and territories of Canada. The Fund is reporting issuer under the securities legislation of each Jurisdiction.

5. NBC, AISI, and the shareholders of AISI have entered into a purchase agreement, made as of June 11, 2002, pursuant to which NBC will acquire from the shareholders of AISI all of the outstanding shares of AISI (the “Transaction”).

6. Following satisfaction of all closing conditions and the receipt of all applicable regulatory approvals, the Transaction was completed on August 7, 2002.

7. The Target Index for the Fund is disclosed in its investment objectives in the Prospectus. AML is not required to invest in all of the stocks in the Target Index as the Fund may be managed using an “optimization technique” whereby securities are selected for the portfolio so that industry weightings, market capitalization and certain fundamental characteristics match the Target Index or using a full replication strategy in which the Fund will generally hold the same investments and in the same proportion as the Target Index.

8. The number of securities comprising the Target Index in which the Fund actually invests from time to time will vary depending upon the size and value of the assets of the Fund and the composition of the Target Index. The Fund will therefore be periodically rebalanced to reflect the Target Index as closely as possible.

9. The portfolio of the Fund is not actively managed, and is comprised of securities comprising, or derivatives giving exposure to, the Target Index. All purchases and sales of the portfolio of the Fund will be determined by the composition of the

Target Index and the weighting of its constituent securities.

10. The securities which comprise the Target Index include NBC Securities. As the result of the tracking the Target Index, the Fund currently holds 20,300 NBC common shares representing approximately 1.28% of the assets of the Fund; in order to track the Target Index following completion of the Transaction, the Fund will have to continue to hold NBC common shares, and may need to acquire additional NBC Securities in the future.

11. All of the NBC Securities currently held by the Fund were purchased prior to the date of the Agreement and the Fund has not purchased NBC Securities since that date.

12. The deviation from the Restrictions will not be the result of any active decision of AML to increase the investment of the Fund in NBC Securities, but rather it would be an indirect consequence of carrying out the investment objective of the Fund, to match the performance of the Target Index.

13. AML will ensure that the Fund does not invest in NBC Securities in a proportion larger than that reflected in the Target Index.

14. The investments of the Fund in the Target Index represents the business judgement of responsible persons uninfluenced by considerations other than the best interests of the Fund.

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 Restrictions do not apply to the investment or the holding of an investment by the Fund in NBC Securities;

PROVIDED THAT the portion of the Fund's assets invested in NBC Securities is determined in accordance with the Fund's investment objective of the tracking the performance of the Target Index and not pursuant to the discretion of AISI or AML.

August 29, 2002.

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

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

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - National Instrument 33-105, section 5.1 and equivalent Quebec legislation - issuer is related issuer and therefore connected issuer of sole underwriter - issuer administered by underwriter and both issuer and underwriter are subsidiaries of common parent - issuer proposing distribution by prospectus of tranche of asset-backed securities - complete relief from independent underwriter requirement granted since over 90% of offering expected to be sold to institutional investors and no purchase under the prospectus shall be for less than $500,000.

Confidentiality of decision and application granted for limited period of time.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 140(2).

Applicable Rules

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

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

AND

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

AND

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

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Ontario, British Columbia, Alberta, Québec, Nova Scotia, Prince Edward Island and Newfoundland and Labrador (the "Jurisdictions") has received an application from Merrill Lynch Financial Assets Inc. (formerly Merrill Lynch Mortgage Loans Inc.) (the "Issuer") and Merrill Lynch Canada Inc. ("ML Canada") (the Issuer and ML Canada are collectively referred to herein as the "Filer") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the provision contained in the

Legislation mandating independent underwriter involvement shall not apply to ML Canada and the Issuer in respect of the proposed offering (the "Offering") of the Tour Bell Certificates (as defined below);

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

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

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

2. to date the Issuer has completed ten public real estate-based asset-backed securities transactions (the “Prior Transactions”);

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

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

5. the Issuer currently has no assets or liabilities other than its rights and obligations under certain of the material contracts related to the Prior Transactions and does not presently carry on any activities except in relation to the certificates offered under the Prior Transactions;

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

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

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

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

10. the Issuer proposes to offer Commercial Mortgage Pass-Through Certificates, Series 2002 - 700 DLG Certificates (the “Tour Bell Certificates”), issuable in classes, with an Approved Rating by an Approved Rating Organization, as those terms are defined in the Legislation with respect to short form prospectus distributions, to the public in Canada, to finance the purchase by the Issuer of ownership interests in a mortgage loan or mortgage loans and deposited with BNY Trust Company of Canada or another trust company as custodian or an affiliate or subsidiary thereof. Each Tour Bell Certificate will represent an undivided co-ownership interest in the mortgage loan or mortgage loans;

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

12. the Filers expect that approximately 90% of the Offering, in which the minimum subscription will be $500,000, will be made to Canadian institutions, pension funds, endowment funds or mutual funds based upon the experience of the Prior Transactions;

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

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

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

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

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

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

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

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

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

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

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

(iv) a statement that the minimum subscription amount is $500,000,

(b) in the body of each such document,

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

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

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

(iv) details of the financial benefits described in paragraph 13 of this Decision Document which ML Canada will receive from the proposed Offering, and

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

AND WHEREAS the Filer has requested that the Decision of the Decision Makers (as defined herein) and the application dated May 6, 2002 filed in connection with the Decision (collectively, the “Confidential Materials”) be held in confidence for up to 90 days from the date of the Decision by the Decision Makers, subject to certain conditions;

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the requirement contained in the Legislation mandating independent underwriter involvement shall not apply to ML Canada and the Issuer in connection with the Offering provided that the Issuer complies with Paragraph 16 hereof;

June 11, 2002.

“Iva Vranic”

THE DECISION of the Decision Makers, pursuant to the Legislation, is that the Confidential Materials will be held in confidence by the Decision Makers until the occurrence of the earliest of the following:

(a) the date on which the preliminary prospectus in connection with the Offering is filed with the Decision Makers or a press release or other public announcement in respect of the Offering is made by the Filer;

(b) the date the Filer advises the Decision Makers that there is no longer any need to hold the Confidential Materials in confidence; and

(c) the date that is ninety (90) calendar days from the date of the Decision.

June 11, 2002.

“Paul M. Moore” “Harold P. Hands”

2.1.11 Bloomberg Tradebook Canada Company - MRRS Decision

Headnote

Exemptions pursuant to section 15.1 of National Instrument 21-101 Marketplace Operation and section 12.1 of National Instrument 23-101 Trading Rules.

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

AND

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

AND

IN THE MATTER OF
BLOOMBERG TRADEBOOK CANADA COMPANY

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator in each of the Provinces of British Columbia, Alberta, Ontario and Quebec (each, a "Decision Maker") has received an application from Bloomberg Tradebook Canada Company ("Bloomberg Tradebook Canada") for a decision under section 15.1 of National Instrument 21-101 Marketplace Operation (“NI 21-101”) and under section 12.1 of National Instrument 23-101 Trading Rules (“NI 23-101”) granting Bloomberg Tradebook Canada:

(a) an exemption from section 6.3 of NI 21-101 to permit non-Canadian debt securities to be traded through the Bloomberg Tradebook System and displayed on the Bloomberg BondTrader System;

(b) an exemption from sections 8.1 and 8.2 of NI 21-101 to relieve Bloomberg Tradebook Canada from the transparency requirements in respect of debt securities until the earlier of December 31, 2003 or certain thresholds are reached;

(c) an exemption from sections 8.1 and 8.2 of NI 21-101 to relieve Bloomberg Tradebook Canada from the transparency requirements in respect of non-Canadian debt securities until December 1, 2004;

(d) an exemption from subsection 9.2(1) of NI 21-101 to relieve Bloomberg Tradebook Canada from the market integration requirements;

(e) an exemption from sections 8.1 and 8.3 of NI 23-101 to relieve Bloomberg Tradebook Canada from the requirement to enter into an agreement with a regulation services provider; and

(f) an exemption from sections 8.1 and 8.4 of NI-23-101 to relieve Bloomberg Tradebook Canada from the requirement to enter into the prescribed agreement with its subscribers.

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 Bloomberg Tradebook Canada has represented to the Decision Makers as follows:

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

2. Bloomberg Tradebook Canada is currently registered or has applied to be registered as an investment dealer in British Columbia, Alberta, Ontario and Quebec and has also applied to be a member of the Investment Dealers Association.

3. Bloomberg Tradebook Canada will offer the Bloomberg Tradebook System to brokers, investment dealers and institutional investors located in the Provinces of Ontario, British Columbia, Quebec and Alberta who represent under contractual arrangements with Bloomberg Tradebook Canada that they are an “Institutional Investor”, as defined in Schedule A to this MRRS Decision Document (a “Permitted Tradebook User”).

4. The Bloomberg Tradebook System is an electronic trading system in equity and debt securities. Although approximately 90% of its activity in equity securities is limited to order-routing, it does have an internal order-matching facility which constitutes it as an alternative trading system (an “ATS”) under NI 21-101. In addition, the Bloomberg Tradebook System matches orders in debt securities.

5. Bloomberg Tradebook Canada also proposes to offer a system in Canada, which consists of an electronic bulletin board system (the “Bloomberg BondTrader System”) on which securities dealers

display quotations in both Canadian government and foreign government debt securities.

6. The Bloomberg BondTrader System also has an "inquiry" function that allows customers to transmit a general and non-binding "Bid Wanted" or "Offer Wanted" notice to participating dealers that have authorized the particular customer. This part of the Bloomberg BondTrader System constitutes an ATS under NI 21-101.

7. The Bloomberg BondTrader System will be available to brokers and investment dealers who agree under contractual arrangements with Bloomberg Tradebook Canada that their use of the Bloomberg BondTrader System will comply with applicable securities laws ("Permitted Dealer Participants") and to users, other than individuals, that

   (a) are customers of the Permitted Dealer Participants;

   (b) are enabled by a Permitted Dealer Participant to use the BondTrader System; and

   (c) meet the definition of "Institutional Investor" as defined in Schedule A to this MRRS Decision Document (users meeting (a), (b) and (c) are "Permitted Customer Participants").

8. The following non-Canadian debt securities are currently traded through the Bloomberg Tradebook System:

   (a) corporate debt securities, and preferred and convertible securities;

   (b) U.S. Government and agency securities, including securities issued by agencies of the U.S. Government but not backed by the full faith and credit of the U.S. Government;

   (c) securities issued by state and local municipalities of the United States regardless of whether they are backed by the full faith and credit of the municipality;

   (d) mortgage-backed and asset-backed securities and collateralized mortgage obligations;

   (e) sovereign debt issued by governments and political subdivisions of countries other than the United States; and

   (f) corporate and governmental commercial paper, certificates of deposit, bankers' acceptances, repurchase and reverse repurchase agreements and other money market instruments.

10. Section 6.3 of NI 21-101 provides that an ATS can only execute trades in the debt securities included in the definitions of "corporate debt security" and "government debt security" found in section 1.1 of NI 21-101. The definition of "corporate debt security" only includes debt securities issued in Canada by companies or corporations that are not listed on a recognized exchange or quoted on a recognized quotation and trade reporting system. Similarly, while the definition of "government debt security" includes a debt security issued by the government of any foreign country or any political division thereof, it does not include debt securities of other foreign government-like entities.

11. Section 8.1 and 8.2 of NI 21-101 impose pre-trade and post-trade transparency requirements for unlisted debt securities. These provisions require that the relevant information be provided to an information processor, as defined in NI 21-101.12.

12. Subsection 9.2(1) of NI 21-101 requires a marketplace subject to 8.1(1) to have an electronic connection to the principal market for each security traded on that marketplace.

13. For securities listed on the Toronto Stock Exchange (TSX), Bloomberg Tradebook Canada satisfies subsection 9.2(1) as it routs orders, via the Bloomberg Tradebook System, to the TSX. If Bloomberg Tradebook Canada or the Bloomberg Tradebook System matched TSX orders internally, or if the TSX was no longer the principal market for TSX securities, Bloomberg Tradebook Canada would no longer comply with this subsection.

14. Section 8.1 of NI 23-101 prohibits an ATS from executing a subscriber's order unless the ATS has executed and is subject to the written agreements in sections 8.3 and 8.4 of NI 23-101.

15. Bloomberg Tradebook Canada has requested an exemption from section 8.3 of NI 23-101 which requires an ATS to enter into an agreement with a regulation services provider. Bloomberg Tradebook Canada will enter into an agreement with Market Regulation Services Inc. with respect to exchange-traded securities that are routed to recognized exchanges or exchanges that are recognized for the purposes of NI 21-101 and NI 23-101.

16. The exemption from the requirement to contract with a regulation services provider for foreign exchange-traded securities means that the subscribers of Bloomberg Tradebook Canada will not be complying with the requirements of a recognized exchange, recognized quotation and trade reporting system or a regulation services provider with respect to trades in those securities.

Consequently, the exemption provided in section 2.1 of NI 23-101 is not applicable and Parts 3, 4 and 5 of NI 23-101 apply.

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

AND WHEREAS each of the Decision Makers are satisfied that the test contained in NI 21-101 and NI 23-101 that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers is that Bloomberg Tradebook Canada is:

(a) exempt from section 6.3 of NI 21-101 in respect of trading non-Canadian debt securities through the Bloomberg Tradebook System and on the Bloomberg BondTrader System

PROVIDED THAT:

(i) the Bloomberg Tradebook System is only made available to Permitted Tradebook Users; and

(ii) the Bloomberg BondTrader System is only made available to Permitted Dealer Participants and Permitted Customer Participants;

(b) exempt from the requirements of sections 8.1 and 8.2 of NI 21-101 in respect of Canadian debt securities until the earlier of:

(i) December 31, 2003; and

(ii) the date when the total trading volume on Bloomberg Tradebook Canada (including the Bloomberg BondTrader System) in any of the following categories in at least three of the preceding four calendar quarters exceeds 5% of the total aggregate trading in such securities by all ATSs, inter-dealer bond brokers and dealers for such calendar quarter, as determined by staff of the Ontario Securities Commission:

A. Canadian government debt securities - 0-3 years;

B. Canadian government debt securities - 3-10 years;

C. Canadian government debt securities - 10 years and over;

D. provincial government debt securities - 0-10 years;

E. provincial government debt securities - 10 years and over;

F. Canadian corporate debt securities – 0-10 years;

G. Canadian corporate debt securities - 10 years and over;

(c) exempt from the requirements of sections 8.1 and 8.2 of NI 21-101 in respect of non-Canadian debt securities until December 1, 2004;

(d) exempt from subsection 9.2(1) of NI 21-101 with respect to trades of

(i) foreign exchange-traded securities; and

(ii) non-Canadian debt securities;

(e) exempt from sections 8.1 and 8.3 of NI 23-101 with respect to foreign exchange-traded securities, **provided that** Bloomberg Tradebook Canada routs the subscriber orders via the Bloomberg Tradebook System to marketplaces subject to regulatory oversight by either an IOSCO member or a self-regulatory organisation that is regulated by an IOSCO member;

(f) exempt from section 8.4 of NI 23-101 with respect to foreign exchange-traded securities, **provided that** Bloomberg Tradebook Canada enters into an agreement with its subscribers and includes as part that agreement an acknowledgment by subscribers that orders routed via the Bloomberg Tradebook System to foreign marketplaces will not be regulated by a regulation services provider but by the

regulatory body in the jurisdiction to which the order is routed.

September 6, 2002.

"Randee B. Pavalow"

SCHEDULE A

In this Decision Document, "Institutional Investor" means:

(a) a bank listed in Schedule I or II of the *Bank Act* (Canada), or an authorized foreign bank listed in Schedule III of that Act;

(b) the Business Development Bank incorporated under the *Business Development Bank Act* (Canada);

(c) a loan corporation, trust corporation, savings company or loan and investment society registered under the *Loan and Trust Corporations Act* (Ontario) or under the *Trust and Loan Companies Act* (Canada), or under comparable legislation in any other province of Canada;

(d) a co-operative credit society, credit union central, federation of caisses populaires, credit union or league, or regional caisse populaire, or an association under the *Cooperative Credit Associations Act* (Canada), in each case, located in Canada;

(e) a company licensed to do business as an insurance company in a province of Canada;

(f) a subsidiary of any company referred to in paragraph (a), (b), (c), (d) or (e), where the company owns all of the voting shares of the subsidiary;

(g) a federation within the meaning of the *Act respecting Financial Services Cooperatives* (Quebec);

(h) the Caisse centrale Desjardins du Québec established under the *Act respecting the Movement des Caisses Desjardins* (Quebec);

(i) a person or company registered under the securities legislation of the applicable province of Canada as an adviser or dealer, other than a limited market dealer;

(j) the government of Canada or of any jurisdiction, or any crown corporation, instrumentality or agency of a Canadian federal, provincial or territorial government;

(k) any Canadian municipality or any Canadian provincial or territorial capital city;

(l) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any instrumentality or agency thereof;

(m) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a provincial pension commission or similar regulatory authority;

(n) a registered charity under the *Income Tax Act* (Canada);

(o) a company, limited partnership, limited liability partnership, trust or estate, other than a mutual fund or non-redeemable investment fund, that had net assets of at least Cdn.$5,000,000 as reflected in its most recently prepared financial statements;

(p) a person or company, other than an individual, that is recognized by the British Columbia, Alberta or Ontario Securities Commission as an "exempt purchaser" or "accredited investor" or by the Commission des valeurs mobilières du Québec as a "sophisticated purchaser";

(q) a mutual fund or non-redeemable investment fund that, in the applicable province of Canada, distributes its securities only to persons or companies that are accredited investors;

(r) a mutual fund or non-redeemable investment fund that, in the applicable province of Canada, distributes its securities under a prospectus for which a receipt has been granted;

(s) an account that is fully managed by a registered portfolio manager or an entity listed in paragraphs (a), (c), (d) or (e);

(t) an entity organized outside of Canada that is analogous to any of the entities referred to in paragraphs (a) through (f) and paragraph (m) in form and function; and

(u) a person or company in respect of which all of the owners of interests, direct or indirect, legal or beneficial, are persons or companies that are Institutional Investors; provided that:

(i) two or more persons who are the joint registered holders of one or more securities of the issuer shall be counted as one beneficial owner of those securities; and

(ii) a corporation, partnership, trust or other entity shall be counted as one beneficial owner of securities of the issuer unless the entity has been created or is being used primarily for the purpose of acquiring or holding securities of the issuer, in which event each beneficial owner of an equity interest in the entity or each beneficiary of the entity, as the case may be, shall be counted as a separate beneficial owner of those securities of the issuer.

2.1.12 Richard Carrick Elwood - Director's Decision

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

AND

IN THE MATTER OF
THE APPLICATION FOR
REINSTATEMENT OF REGISTRATION OF
RICHARD CARRICK ELWOOD

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

Motion Heard: September 4, 2002

Director: David M. Gilkes

Appearances: Gavin Smith, Counsel to Mr. Elwood
Richard Elwood

Chris Jepson, Counsel to the staff of the Ontario Securities Commission

DIRECTOR'S DECISION

In response to the application of Richard Carrick Elwood (OSC Registration File Number 697264) under the *Securities Act* (Ontario) (the "Act") for registration as a mutual fund salesperson on behalf of Fundtrade Financial Corporation, staff of the Ontario Securities Commission (the "Commission") advised Mr. Elwood, in a letter dated May 22, 2002, that staff were recommending that Mr. Elwood's application for registration be denied on the grounds that he was not suitable for registration.

In the letter, Mr. Elwood was advised that, pursuant to subsection 26(3) of the Act, before a decision of the Director would be made in respect of his application for registration, he would have an opportunity to be heard. Mr. Elwood requested that opportunity and a hearing was held before me on September 4, 2002, where I acted as Director pursuant to the current Determination by the Executive Director of positions within the Commission that are designated as "Director" for the purposes of the Act.

At the hearing, I received submissions from counsel for Mr. Elwood and counsel for staff of the Commission. I also heard testimony from Mr. Elwood.

On the basis of the testimony of Mr. Elwood and after having considered the submissions, it appears to me that the applicant, Richard Carrick Elwood is suitable for registration as a mutual fund salesperson on behalf of Fundtrade Financial Corporation, subject to monthly supervisory terms and conditions being imposed that are attached to this order.

I therefore grant the application subject to the terms and conditions attached to this order.

September 5, 2002.

"David M. Gilkes"

Monthly Supervision Report

Salesperson: Richard Carrick Elwood

I hereby certify that strict supervision has been conducted for the month ending by the undersigned. I further certify the following:

1. All orders, both by and sell, and sales contracts have been initialed and reviewed by the supervising officer before execution.

2. All client accounts have been reviewed for:

   a) suitability of investments;

   b) excess trading; and

   c) any changes to client address or any amendments thereto.

3. A review of trading activity on a daily basis has been conducted relative to 's client accounts.

4. No transactions have been made in any new account until the full and correct documentation is in place.

5. No client complaints have been received during the period covered. (If any client complaint is received, please attach a copy of the complaint documentation.)

6. There has been no handling of clients' accounts involving one of and no issuance of cheque to clients without management approval.

7. Any transfer of securities between clients' accounts involving on of 's client accounts has been authorized in writing and reviewed and approved by the supervising officer.

8. Any client account generating commissions in excess of $500.00 in one month has been reviewed and a prima facie check has been made on the authenticity of orders entered.

_____ _____

Supervising officer Date

2.1.13 Brompton MVP Income Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - closed-end investment trust exempt from prospectus and registration requirements in connection with issuance of units to existing unit holders pursuant to distribution reinvestment plan whereby distributions of are reinvested in additional units of the trust, subject to certain conditions - first trade in additional units deemed a distribution unless made in compliance with MI 45-102.

Applicable Ontario Statutory Provisions

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

Multilateral Instrument Cited

Multilateral Instrument 45-102 Resale of Securities (2001), 24 OSCB 5522.

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

AND

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

AND

IN THE MATTER OF
BROMPTON MVP INCOME FUND

MRRS DECISION DOCUMENT

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

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications

("System"), the Ontario Securities Commission is the principal regulator for this application;

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

1. The Fund is an unincorporated closed-end investment trust established under the laws of the Province of Ontario by an amended and restated declaration of trust dated June 25, 2002.

2. The beneficial interests in the Fund are divided into a single class of limited voting units (the "Units"). The Fund is authorized to issue an unlimited number of Units, of which, as of August 12, 2002, being the closing of the over-allotment (the "Over-Allotment Option") granted to the underwriters pursuant to the Prospectus (as defined below), a total of 8,200,000 Units were issued and outstanding. Each Unit represents a Unitholder's (as defined below) proportionate undivided beneficial interest in the Fund.

3. The Fund became a reporting issuer or the equivalent thereof in each province and territory in Canada upon obtaining a receipt for its final prospectus dated June 25, 2002 (the "Prospectus"). As of the date hereof, the Trust is not in default of any requirements under the Legislation. The initial public offering of the Units to the public took place on July 17, 2002 (the "Closing Date") under the Prospectus.

4. The Fund is not a "mutual fund" as defined in the Legislation because the holders of Units ("Unitholders") are not entitled to receive on demand an amount computed by reference to the value of a proportionate interest in the whole or in part of the net assets of the Fund as contemplated in the definition of “mutual fund“ contained in the Legislation.

5. The Units are listed and posted for trading on The Toronto Stock Exchange (the “TSX”) under the symbol "MVP.UN".

6. The investment objectives of the Fund are to:

   (a) provide Unitholders with monthly Distributions initially targeted to yield approximately 0.75% per month or 9.0% per annum based on the offering price of the Trust Units; and

   (b) preserve the Net Asset Value per Trust Unit.

7. The Fund currently intends to make cash distributions of distributable income ("Distributions") on the tenth business day of each month (each a "Distribution Date") to Unitholders of record on the last business day of the immediately preceding calendar month with the first Distribution to be made in September of 2002.

8. The Fund intends to establish the Plan pursuant to which Unitholders may, at their option, invest cash Distributions paid on their Units in additional Units ("Plan Units"). The Plan will not be available to Unitholders who are not Canadian residents.

9. Distributions due to participants who opt to participate in the Plan ("Plan Participants") will be paid to Computershare Trust Company of Canada in its capacity as agent under the Plan (in such capacity, the "Plan Agent") and applied to purchase Plan Units. Plan Units purchased under the Plan will be purchased by the Plan Agent directly from the Fund or in the market in the following manner:

   (a) if the weighted average trading price on the TSX (or such other stock exchange on which the Units are listed, if the Units are no longer listed on the TSX) for the 10 trading days immediately preceding the relevant Distribution Date, plus applicable commissions and brokerage charges, (the "Market Price") is less than the Net Asset Value per Fund Unit (as determined in accordance with the Plan Agreement) on the Distribution Date, the Plan Agent shall apply the Distribution either to purchase Plan Units in the market or from treasury in accordance with subparagraph (c) below;

   (b) if the Market Price is equal to or greater than the Net Asset Value per Unit on the relevant Distribution Date, the Plan Agent shall apply the Distribution to purchase Plan Units from the Fund through the issue of new Trust Units at a purchase price equal to the higher of (i) the Net Asset Value per Unit on the relevant Distribution Date and (ii) 95% of the Market Price on the relevant Distribution Date;

   (c) purchases of Plan Units made by the Fund in the market pursuant to subparagraph (a) above will be made by the Plan Agent on an orderly basis during the 10 trading day period following the Distribution Date and the price paid for those Plan Units will not exceed 115% of the Market Price of the Trust Units on the relevant Distribution Date. On the expiry of such 10 day period, the unused part, if any, of the Distributions attributable to the Plan Participants will be used to purchase Plan Units from the Fund at a purchase price equal to the higher of (i) the Net Asset Value per Trust Unit on the relevant Distribution Date and (ii) 95% of

the Market Price on the relevant Distribution Date.

10. The Plan Agent will be purchasing Plan Units only in accordance with the mechanisms described in the Plan and, accordingly, there is no opportunity for a Plan Participant or the Plan Agent to speculate on changes in the Net Asset Value per Unit.

11. The Fund will invest in the assets with the objective of providing Unitholders with a high level of sustainable income as well as a cost-effective method of reducing the risk of investing in such securities. Accordingly, the Net Asset Value per Unit should be less volatile than that of a typical equity fund, and the potential for significant changes in the Net Asset Value per Unit over short periods of time is moderate.

12. The amount of Distributions that may be reinvested in Plan Units issued from treasury is small relative to the Unitholders' equity in the Fund. The potential for dilution arising from the issuance of Units by the Fund at the Net Asset Value per Unit on a Distribution Date is not significant.

13. The Plan is open to participation by all Unitholders other than Unitholders who are non-residents of Canada, so that any Unitholder can ensure protection against potential dilution, albeit insignificant, by electing to participate in the Plan.

14. No commissions, service charges or brokerage fees will be payable by Plan Participants in connection with the Plan.

15. Pursuant to the Plan, Plan Participants may also make cash payments ("Optional Cash Payments") which will be invested in Units by the Plan Agent. Any Plan Participant may invest a minimum of $100 per Optional Cash Payment with a maximum $20,000 per calendar year per Plan Participant. Optional Cash Payments will be invested on the same basis as Distributions. Optional Cash Payments must be received by the Plan Agent at least five business days prior to a Distribution Date. Optional Cash Payments received less than five business days prior to a Distribution Date will be held by the Plan Agent until the next Distribution Date.

16. Plan Units purchased under the Plan will be registered in the name of the Canadian Depository for Securities Limited ("CDS") and credited to the account of the participant in the CDS depository service (the "CDS Participant") through whom a Unitholder holds Trust Units.

17. Each Unitholder must elect to participate in the Plan on a monthly basis through the applicable CDS Participant and will not be required to participate in the Plan in respect of any particular Distribution unless a Unitholder has specifically elected to do so. The Fund has the right to amend, suspend or terminate the Plan at any time, provided that such action shall not have a retroactive effect which would prejudice the interests of the Plan Participants. All Plan Participants will be sent notice of any such amendment, suspension or termination via the applicable CDS Participant.

18. The distribution of the Plan Units by the Fund pursuant to the Plan cannot be made in reliance on certain registration and prospectus exemptions contained in the Legislation as the Plan involves the reinvestment of income distributed by the Fund and not the reinvestment of dividends, interest, capital gains or distributions out of earnings or surplus of the Fund.

19. The distribution of the Plan Units by the Fund pursuant to the Plan cannot be made in reliance on registration and prospectus exemptions contained in the Legislation for distribution reinvestment plans of mutual funds, as the Fund is not a "mutual fund" as defined in the Legislation.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the trades in Plan Units by the Fund to the Plan Participants pursuant to the Plan shall not be subject to the Registration and Prospectus Requirements of the Legislation provided that:

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

(b) no sales charge is payable in respect of the distributions;

(c) the Fund has caused to be sent to the person or company to whom the Plan Units are traded, not more than 12 months before the trade, a statement describing:

(i) their right to elect to participate in the Plan on a monthly basis to receive Plan Units instead of cash on the making of a distribution of income by the Fund; and

(ii) instructions on how to exercise the election referred to in (i);

(d) in the financial year during which the trade takes place, the aggregate number of Plan Units issued pursuant to the Cash Payment Option of the Plan before the trade plus the aggregate number of Plan Units issued in the trade, shall not exceed 2% of the aggregate number of Units outstanding at the commencement of that financial year (or for financial year 2002, outstanding immediately following the closing of the Over-Allotment Option);

(e) except in Québec, the first trade in Plan Units acquired pursuant to this Decision in a Jurisdiction shall be deemed a distribution or primary distribution to the public under the Legislation unless the conditions set out in paragraphs 2 through 5 of subsection 2.6(4) of Multilateral Instrument 45-102 *Resale of Securities* are satisfied;

(f) in Québec, the first trade (alienation) in Plan Units acquired pursuant to this Decision will be a distribution unless:

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

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

(iii) if the seller of the securities is an insider of the Fund, the seller has no reasonable grounds to believe that the Fund is in default of any requirement of securities legislation; and

(g) disclosure of the distribution of the Plan Units to Plan Participants is made to the relevant Jurisdictions by providing the particulars of the date of the distribution of such Plan Units, the number of such Plan Units and the purchase price paid or to be paid for such Plan Units in:

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

(ii) a letter with the Decision Maker in the relevant Jurisdiction by a person or company certifying that the person or company has knowledge of the facts contained in the letter,

when the Fund distributes such Plan Units for the first time and thereafter, not less frequently than annually, unless the aggregate number of Plan Units so traded in any month exceeds 1% of the Units outstanding at the beginning of a month in which the Plan Units were traded, in which case a separate report shall be filed in each relevant Jurisdiction in respect of that month within ten days of the end of such month.

September 10, 2002.

"Howard I. Wetston" "Robert W. Korthals"

2.1.14 Ketch Energy Ltd. and Acclaim Energy Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – exemption in Part 13 of National Instrument 44-101 not available for technical reasons – relief granted to permit short form eligible issuers to incorporate documents by reference into information circular.

Applicable Ontario Statutes

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

Applicable National Instruments

National Instrument 44-101 Short Form Prospectus Distributions (2000) 23 OSCB (Supp) 867.

Applicable Ontario Rules

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

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

AND

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

AND

IN THE MATTER OF
KETCH ENERGY LTD. AND
ACCLAIM ENERGY TRUST

DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Saskatchewan, Ontario and Québec (the "Jurisdictions") have received an application from Ketch Energy Ltd. and Acclaim Energy Trust (collectively, the "Filers") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that with respect to the requirement contained in the Legislation to describe the substance of the matters to be submitted to Ketch's securityholders (the "Ketch Securityholders") at the special meeting (the "Meeting") to be held on September 26, 2002 in the information circular dated August 21, 2002 (the "Circular") provided by Ketch Energy Ltd. ("Ketch") to the Ketch Securityholders, which matters must be described in sufficient detail to permit the Ketch Securityholders to form a reasoned judgment concerning said matters having reference to a prospectus form for guidance as to what is material (the "Prospectus Form Disclosure"), Ketch be exempt from the requirement that it must include the Prospectus Form Disclosure in the Circular (the "Prospectus Form Disclosure Inclusion Requirements"), provided that the Circular incorporate by reference the following information in respect of Ketch and Acclaim Energy Trust ("Acclaim") required under National Instrument 44-101 – Short Form Prospectus Distributions ("NI 44-101") to be included in a short form prospectus of Ketch and Acclaim, respectively:

1. Ketch's 2001 Annual Information Form and management's discussion and analysis of financial condition and results of operations for the year ended December 31, 2001 incorporated therein;

2. the audited consolidated financial statements as at December 31, 2001 and December 31, 2000 together with the notes thereto and the auditors' report therein, which are contained in the 2001 Annual Report of Ketch;

3. the unaudited consolidated financial statements of Ketch and management's discussion and analysis of the financial condition and operations as at and for the three month period ended March 31, 2002;

4. the historical financial statements of Post Energy Corporation contained in Appendix B to the short form prospectus of Ketch dated April 19, 2002;

5. Ketch's Information Circular - Proxy Statement dated March 31, 2002 in connection with the annual and special meeting of shareholders held on May 23, 2002 (excluding those portions that are not required pursuant to NI 44-101 to be incorporated by reference in a short form prospectus, being the disclosure given under the headings, "Directors' and Officers' Compensation — Composition of the Compensation Committee", "Directors' and Officers' Compensation — Report of the Compensation Committee", "Directors' and Officers' Compensation — Performance Graph" and "Statement of Corporate Governance Practices");

6. the material change report of Ketch dated July 19, 2002 with respect to the Arrangement (as defined below);

7. Acclaim's 2001 Annual Information Form and management's discussion and analysis of financial conditions and results of operations for the year ended December 31, 2001 included therein;

8. the audited consolidated financial statements of Acclaim as at and for the year ended December 31, 2001, together with the notes thereto and the auditors' report thereon;

9. the unaudited consolidated financial statements of Acclaim and management's discussion and analysis of the financial condition and operations of Acclaim as at and for the three month period ended March 31, 2002;

10. Acclaim's Information Circular dated March 31, 2002 relating to the annual and special meeting of Unitholders held on May 14, 2002, excluding the sections entitled "Compensation Committee of Acclaim", "Performance Graph" and "Corporate Governance";

11. the material change report of Acclaim dated February 21, 2002 with respect to an offering of trust units;

12. the material change report of Acclaim dated July 22, 2002 with respect to the Arrangement; and

13. any material change reports (excluding confidential reports), comparative interim financial statements, comparative annual financial statements and the auditors' report thereon and information circulars (excluding those portions that are not required pursuant to NI 44-101 to be incorporated by reference in a short form prospectus) filed by Ketch or Acclaim with the securities commissions or similar authorities in the provinces of Canada subsequent to the date of the Circular and prior to the effective date of the Arrangement.

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

AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 or in Québec Commission Notice 14-101;

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

1. Ketch is a corporation continued under the Business Corporations Act (Alberta) (the "ABCA") and is headquartered in Calgary, Alberta;

2. Ketch's business is the acquisition of interests in petroleum and natural gas rights and the exploration for and the development, production, marketing and sale of, petroleum and natural gas;

3. The authorized capital of Ketch consists of 100,000,000 common shares (the "Ketch Shares"), of which, as at June 30, 2002, 46,744,285 Ketch Shares and 3,338,000 options ("Options") to acquire Ketch Shares were issued and outstanding;

4. Ketch is, and has been for a period of time in excess of 12 months, a reporting issuer (where such concept exists) under the Legislation of each of the Jurisdictions. To the best of its knowledge, information and belief, Ketch is not in default of the requirements under the Legislation or the regulations made thereunder;

5. The Ketch Shares are listed and posted for trading on the Toronto Stock Exchange (the "TSX") under the trading symbol "KCH";

6. Acclaim is a trust settled under the laws of Alberta and is headquartered in Calgary, Alberta;

7. Acclaim's business is the acquisition of interests in crude oil and natural gas rights and the exploration, development, production, marketing and sale of crude oil and natural gas;

8. The authorized capital of Acclaim consists of an unlimited number of trust units ("Trust Units") and an unlimited number of special voting units ("Special Voting Units") of which, as of July 18, 2002, there were 32,252,809 Trust Units and 1 Special Voting Unit (representing 29,174,184 votes) issued and outstanding;

9. Acclaim is, and has been for a period of time in excess of 12 months, a reporting issuer (where such concept exists) under the Legislation of each of the Jurisdictions. To the best of its knowledge, information and belief, Acclaim is not in default of the requirements under the Legislation or the regulations made thereunder;

10. The Trust Units are listed and posted for trading on the TSX under the trading symbol "AE.UN";

11. Acclaim Energy Inc. ("AEI") is a corporation wholly-owned by Acclaim;

12. AEI is the corporation resulting from the amalgamation on April 20, 2001 of Danoil Energy Ltd. and Nevis Ltd.;

13. The head and principal offices of AEI are located at Suite 500, 505 – 3rd Avenue S.W., Calgary, Alberta, T2P 3G6;

14. The principal business of AEI is to manage and administer the operating activities associated with the oil and gas properties in which it has an interest;

15. Ketch Resources Ltd. ("ExploreCo"), a wholly owned subsidiary of Ketch, is a corporation incorporated under the ABCA and is headquartered in Calgary, Alberta;

16. After giving effect to the proposed plan of arrangement (the "Arrangement") involving Ketch, the Ketch Securityholders, Acclaim and ExploreCo, all of Ketch's assets located in the Boundary Lake, Cecil/Hamelin, Progress/Valhalla, Ferrier/Ricinis, Kaybob and Orion areas of Alberta and British Columbia will be transferred to ExploreCo;

17. The authorized capital of ExploreCo includes an unlimited number of common shares ("ExploreCo Shares");

18. ExploreCo will apply to list the ExploreCo Shares on the TSX;

19. Under the terms of the Arrangement, each Ketch Share will be exchanged for 1.15 Trust Units. In addition, each holder of Ketch Shares will receive one ExploreCo Share for each three Ketch Shares held pursuant to the Arrangement, all unexercised options to acquire Ketch Shares ("Options") will be cancelled and the holders thereof will be entitled to receive Trust Units in respect of each such Option. The number of Trust Units received will be based upon the 95% of the amount by which the weighted average trading price of the Ketch Shares exceeds the exercise price of such Option, multiplied by the number of Ketch Shares to which such Option relates divided by the weighted average trading price of the Trust Units. Optionholders who exercise their Options prior to the effective time of the Arrangement and thereby acquire Ketch Shares will receive the Trust Units and ExploreCo Shares issuable to Ketch Shareholders pursuant to the Arrangement;

20. The Circular forwarded to the Ketch Securityholders on August 23, 2002 in connection with the Meeting will be prepared in accordance with the Legislation, except with respect to the relief granted therefrom, and will contain disclosure of the Arrangement and the business and affairs of each of Ketch and Acclaim;

21. The Circular will incorporate by reference information in respect of each of the Filers required under NI 44-101 to be included in a short form prospectus (which information has been filed pursuant to National Instrument 13-101 – System for Electronic Document Analysis and Retrieval) of each of the Filers;

22. The Trust Units to be distributed in connection with the Arrangement are of a type for which Acclaim is qualified under NI 44-101 to file a prospectus in the form of a short form prospectus; and

23. The Ketch Shares are of a type for which Ketch is qualified under NI 44-101 to file a prospectus in the form of a short form prospectus;

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the Prospectus Form Disclosure Inclusion Requirements shall not apply in connection with the disclosure pertaining to the Filers in the Circular, provided that the Circular incorporates by reference the following information in respect of the Filers required under NI 44-101 to be included in a short form prospectus of the Filers:

1. Ketch's 2001 Annual Information Form and management's discussion and analysis of financial condition and results of operations for the year ended December 31, 2001 incorporated therein;

2. the audited consolidated financial statements as at December 31, 2001 and December 31, 2000 together with the notes thereto and the auditors' report therein, which are contained in the 2001 Annual Report of Ketch;

3. the unaudited consolidated financial statements of Ketch and management's discussion and analysis of the financial condition and operations as at and for the three month period ended March 31, 2002;

4. the historical financial statements of Post Energy Corporation contained in Appendix B to the short form prospectus of Ketch dated April 19, 2002;

5. Ketch's Information Circular - Proxy Statement dated March 31, 2002 in connection with the annual and special meeting of shareholders held on May 23, 2002 (excluding those portions that are not required pursuant to NI 44-101 to be incorporated by reference in a short form prospectus, being the disclosure given under the headings, "Directors' and Officers' Compensation — Composition of the Compensation Committee", "Directors' and Officers' Compensation — Report of the Compensation Committee", "Directors' and Officers' Compensation — Performance Graph" and "Statement of Corporate Governance Practices");

6. the material change report of Ketch dated July 19, 2002 with respect to the Arrangement (as defined below);

7. Acclaim's 2001 Annual Information Form and management's discussion and analysis of financial conditions and results of operations for the year ended December 31, 2001 included therein;

8. the audited consolidated financial statements of Acclaim as at and for the year ended December 31, 2001, together with the notes thereto and the auditors' report thereon;

9. the unaudited consolidated financial statements of Acclaim and management's discussion and analysis of the financial condition and operations of Acclaim as at and for the three month period ended March 31, 2002;

10. Acclaim's Information Circular dated March 31, 2002 relating to the annual and special meeting of Unitholders held on May 14, 2002, excluding the sections entitled "Compensation Committee of Acclaim", "Performance Graph" and "Corporate Governance";

11. the material change report of Acclaim dated February 21, 2002 with respect to an offering of trust units;

12. the material change report of Acclaim dated July 22, 2002 with respect to the Arrangement; and

13. any material change reports (excluding confidential reports), comparative interim financial statements, comparative annual financial statements and the auditors' report thereon and information circulars (excluding those portions that are not required pursuant to NI 44-101 to be incorporated by reference in a short form prospectus) filed by Ketch or Acclaim with the securities commissions or similar authorities in the provinces of Canada subsequent to the date of the Information Circular and prior to the effective date of the Arrangement.

September 6, 2002.

"Agnes Lau"

2.1.15 3M-AiT, Ltd. - MRRS Decision

Headnote

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

Applicable Ontario Statutory Provisions

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

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

AND

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

AND

IN THE MATTER OF
3M-AiT, LTD.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of Alberta, Saskatchewan, Ontario, Québec, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions") has received an application (the "Application") from 3M-AiT, Ltd. ("3M-AiT") for a decision under the securities legislation of each of the Jurisdictions (the "Legislation") that 3M-AiT be deemed to have ceased to be a reporting issuer or the equivalent thereof under the Legislation;

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

AND WHEREAS 3M-AiT has represented to the Decision Makers as follows:

1. 3M-AiT is the corporation continuing under the *Canada Business Corporations Act* following the amalgamation (the "Amalgamation") on July 19, 2002 of AiT Advanced Information Technologies Corporation ("AiT") and 4081803 Canada Inc., a wholly-owned subsidiary of 3M Canada Company.

2. The head office of 3M-AiT is located in London, Ontario.

3. AiT was a reporting issuer or the equivalent in the Jurisdictions at the time of the Amalgamation and,

as a result of the Amalgamation, 3M-AiT became a reporting issuer or the equivalent in the Jurisdictions.

4. 3M-AiT is not in default of any of its obligations as a reporting issuer under the Legislation.

5. Upon the Amalgamation: (i) all of the issued common shares of 4081803 Canada Inc. were converted into common shares of 3M-AiT and (ii) all of the issued common shares of AiT were converted into Class A Preferred Shares of 3M-AiT on the basis of one Class A Preferred Share of 3M-AiT for each issued common share of AiT (collectively, the "Share Conversion"). Effective July 23, 2002 all of the outstanding Class A Preferred Shares of 3M-AiT were redeemed for $2.88 per share.

6. As a result of the Amalgamation and subsequent Share Conversion, all of the issued common shares of 3M-AiT are owned by 3M Canada Company.

7. 3M-AiT has no other securities, including debt securities, outstanding.

8. The common shares of AiT have been de-listed from The Toronto Stock Exchange and no securities, including debt securities, of 3M-AiT are listed or quoted on any stock exchange or market.

9. 3M-AiT has no present intention of seeking public financing by way of an offering of its securities in Canada.

AND WHEREAS under the MRRS, 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 3M-AiT is deemed to have ceased to be a reporting issuer or the equivalent thereof under the Legislation.

September 9, 2002.

"John Hughes"

2.1.16 AEGON Dealer Services Canada Inc. - MRRS Decision

Headnote

Representatives of mutual fund dealer exempted from the prohibition against payment of commission/fee rebates to clients who switch investments from third party mutual funds to mutual funds managed by affiliate of mutual fund dealer.

Rules Cited

National Instrument 81-105 Mutual Fund Sales Practices, subsection 7.1(1), section 9.1.

IN THE MATTER OF
NATIONAL INSTRUMENT 81-105 MUTUAL FUND SALES PRACTICES ("NI 81-105")

AND

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

AND

IN THE MATTER OF
AEGON DEALER SERVICES CANADA INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, and Prince Edward Island, (the "Jurisdictions") has received an application from AEGON Dealer Services Canada Inc. ("ADSCI") on behalf of itself and its current and future sales representatives (the "Representatives") from time to time for a decision pursuant to section 9.1 of NI 81-105 that the prohibitions on certain rebates ("Rebates") of redemption commissions or fees contained in paragraph 7.1(1)(b) of NI 81-105 shall not apply to Rebates paid by Representatives to clients who switch from Third Party Funds (defined below) to imaxxFunds (defined below) (the "Proprietary Rebates");

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 ADSCI has represented to the Decision Makers as follows:

1. ADSCI is registered as a mutual fund dealer in the Provinces of British Columbia, Prince Edward Island, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, and Nova Scotia;

2. AEGON Fund Management Inc. ("AFMI") is the manager of the mutual funds known as the imaxxFunds (these mutual funds together with any mutual funds of which AFMI becomes manager in the future are referred to collectively as the "imaxxFunds").

3. No Representative owns more than 10% of the outstanding voting or equity securities of ADSCI and no Representative owns any of the outstanding voting or equity securities of ADSCI;

4. ADSCI is an affiliate of AFMI and is therefore a "member of the organization" of the imaxxFunds pursuant to NI 81-105.

5. ADSCI is a participating dealer of the imaxxFunds as well as of other mutual funds not managed by AFMI ("Third Party Funds");

6. Paragraph 7.1(1)(b) of NI 81-105 prohibits Representatives from paying Proprietary Rebates to clients who are switching from Third Party Funds to imaxxFunds;

7. The relief is being applied for in order to facilitate the Proprietary Rebates;

8. The decision to pay such Proprietary Rebates will be made by the Representatives based on the best interests of the particular client;

9. Representatives are not required by ADSCI or any of its affiliates to sell imaxxFunds to clients and do not have any quotas to sell imaxxFunds and are not provided with incentives by ADSCI (other than as permitted by NI 81-105) or any of its affiliates to sell imaxxFunds.

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

AND WHEREAS each of the Decision Makers is satisfied that the test contained in NI 81-105 that provides the Decision Maker with the jurisdiction to make the decision has been met;

THE DECISION of the Decision Makers pursuant to section 9.1 of NI 81-105 is that ADCSI is exempt from the prohibitions on payment of Rebates contained in paragraph 7.1(1)(b) of NI 81-105 to the extent necessary to allow Representatives to pay Proprietary Rebates;

PROVIDED that in respect of each such payment:

(i) ADSCI and the relevant Representative, as the case may be, complies with the informed written consent provisions of paragraph 7.1(1)(a) and the disclosure and consent provisions of Part 8 of NI 81-105;

(ii) The Representative advises each client in advance that any Rebate proposed to be made available by a Representative in connection with the purchase of securities of imaxxFunds (a) will be available to the client regardless of whether the redemption proceeds are invested in an imaxxFund or a Third Party Fund (to a maximum of the commission earned by the Representative on the purchase), and (b) will not be conditional on a purchase of securities of the imaxxFunds;

(iii) Representatives are not and shall not in the future be subject to quotas (either express or implied) in respect of the distribution of the imaxxFunds and shall continue to be entitled to offer competing Third Party Funds to their clients;

(iv) Except as permitted by NI 81-105, neither ADSCI nor any of its affiliates shall provide an incentive (monetary or non-monetary) to any Representative to recommend the imaxxFunds over Third Party Funds;

(v) The amount of the Proprietary Rebate that is borne by a Representative is determined by the Representative and the client; and

(vi) The Representatives that pay the Proprietary Rebates are not and will not be reimbursed directly or indirectly for such payment by ADSCI or any of its affiliates.

AND PROVIDED FURTHER that this Decision shall cease to be operative with respect to a Decision Maker following the entry into force of a rule of that Decision Maker that replaces or amends section 7.1 of NI 81-105.

September 10, 2002.

"Robert W. Davis" "H. Lorne Morphy"

2.2 Orders

2.2.1 Kingfisher plc - cl. 104(2)(c)

Headnote

French securities exchange take-over bid made in Ontario - securities of offeree issuer held in bearer form, so that offeror unable to determine the number of Ontario holders or percentage of securities held by Ontario holders - number of Ontario holders and percentage of securities held believed to be *de minimis* - offering documents subject to substantive review by French regulatory authorities - bid exempted from requirements of Part XX, subject to certain conditions.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as amended, ss. 93(1)(e), 95-100 and 104(2)(c).

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

AND

IN THE MATTER OF
KINGFISHER PLC

ORDER
Clause 104(2)(c) of the Act

UPON the application from Kingfisher plc ("**Kingfisher**") to the Ontario Securities Commission (the "**Commission**") for an order pursuant to clause 104(2)(c) of the Act exempting Kingfisher from the requirements of sections 95 through 100 of the Act (the "**Take-Over Bid Requirements**") in connection with an offer, as it may be amended from time to time (the "**Offer**"), by Kingfisher to acquire the 44.43% minority interest in Castorama Dubois Investissements SCA ("**CDI**") that it does not already own;

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

AND UPON Kingfisher representing to the Commission that:

1. Kingfisher was incorporated under the laws of England and Wales and it is Europe's leading home improvement retailer and the third largest in the world. Kingfisher is also a leading electronics retailer in Europe. Its executive offices are located in London, England.

2. Kingfisher is not a reporting issuer, or its equivalent, in any Canadian jurisdiction. Kingfisher ordinary shares are listed on the London Stock Exchange and quoted on the Paris Stock Exchange. Kingfisher ordinary shares are also listed on the New York Stock Exchange in the form of American Depositary Shares.

3. CDI is a home improvement retailer. It is governed by the laws of France and its executive office is located in France. It is not a reporting issuer, or its equivalent, in any Canadian jurisdiction and none of its securities are listed or quoted for trading on any Canadian stock exchange or market.

4. As at June 30, 3002, the authorized and issued capital of CDI consisted of 158,641,367 ordinary shares (the "CDI Shares"). The CDI Shares are quoted on the Paris Stock Exchange.

5. Kingfisher is the indirect parent company of CDI and currently owns 55.57% of the CDI Shares and 55.70% of the voting rights represented by the CDI Shares.

6. Kingfisher will make the Offer in early September in accordance with the General Rules of the Conseil des Marché Financiers (the "**CMF**") and Commission des Opérations de Bourse (the "**COB**"), the French financial institutions and securities regulatory authorities, respectively.

7. Kingfisher wants to provide all holders of CDI Shares and stock options ("**Options**") with the opportunity to participate in the Offer, which will be outlined in an information notice containing the terms and conditions of the Offer and the disclosure required under French law (the "**Information Notice**").

8. Pursuant to French laws governing public offerings, the Information Notice has been submitted by Kingfisher to the CMF and the COB for their approval. The Information Notice will be posted on the COB website and published in a French newspaper of general circulation in France advising of the Offer. Shareholders can obtain a copy of the Information Notice by expedited delivery at Kingfisher's expense. French laws do not require the Information Notice to be sent to every holder of CDI Shares.

9. On July 8, 2002, Rothschild et Cie, an independent investment bank, delivered a fairness opinion in respect of the offer price to the effect that the offer price of €67 per CDI Share is fair to the minority shareholders of CDI.

10. In 1997, CDI indirectly acquired Réno-Dépôt Inc. ("**Réno-Dépôt**"), a company governed under the laws of Canada, by way of a take-over bid. Réno-Dépôt operates Réno-Dépôt stores in Québec and The Building Box stores in Ontario. Réno-Dépôt's executive office is located in Montréal, Québec.

11. Réno-Dépôt is not a reporting issuer, or its equivalent, in any Canadian jurisdiction and none

of its securities are listed or quoted for trading on any Canadian stock exchange or market.

12. CDI has established ten employee stock option plans (the "**Plans**") designed to reward, motivate, and engender loyalty in executives and other managers of CDI and certain of its affiliates (collectively, the "**CDI Group**") who have contributed or will continue to contribute to developing the CDI Group's performance. Options were issued under certain of the Plans to employees of Réno-Dépôt.

13. Kingfisher does not intend to issue Kingfisher options in exchange for outstanding CDI Options, accordingly holders of CDI Options are being invited to participate in the Offer by way of two liquidity agreements (the "**Series I Liquidity Agreement**" for Options exercisable after February 7, 2003 and prior to April 30, 2003 and the "**Series II Liquidity Agreement**" for Options exercisable on or after April 30, 2003, collectively, the "**Liquidity Agreements**") pursuant to which Kingfisher will purchase CDI Shares obtained on the exercise of such Options for an amount in cash equal to the offer price of €67 (the "**Liquidity Agreement Alternative**"). A circular (the "**Circular**"), the Information Notice, and the Liquidity Agreements will be sent to all holders of Options describing the terms and conditions of the Liquidity Agreement Alternative. The offer price under the Liquidity Agreement Alternative will be adjusted in the event of certain changes in the outstanding CDI Shares (e.g. stock split or consolidation).

14. Pursuant to French laws, securities of a company must be issued by way of an account registration and are transferable only through an entry to that account. Securities may be issued in registered form or in bearer form. The majority of the CDI Shares are issued in bearer form, thus the number of holders are unknown to CDI, moreover Kingfisher does not have access to the CDI share register. Accordingly, Kingfisher is not in a position to definitively determine the number of holders of CDI Shares or their geographical location.

15. To the knowledge of Kingfisher, there are 36 holders of Options resident in Ontario holding an aggregate of 11,672 Options as June 30, 2002. The CDI Shares issuable on the exercise of such Options represent less than 1% of the issued and outstanding CDI Shares.

16. To the knowledge of Kingfisher, other than Options and CDI Shares issued in accordance with the Plans, CDI has not issued securities into Ontario through a prospectus or any exemption therefrom. Options were granted to employees of Réno-Dépôt on September 22, 1997, October 6, 1997, March 22, 2000, May 14, 2001 and November 5, 2001 with an exercise price of €24.69, €24.66, €53.75, €62.00 and €53.96, respectively.

17. Kingfisher cannot rely on the exemption set forth in section 93(1)(e) of the Act as Kingfisher cannot determine definitively the number of holders of CDI Shares resident in Ontario or the number of CDI Shares held by those persons and France is not a jurisdiction recognized by the Commission for purposes of such exemption.

18. The Offer will be made to Ontario holders of CDI Shares and Options on the same terms and conditions as to all such holders of CDI Shares and Options in France.

19. If the Offer is completed and Kingfisher obtains not less than 95% of the CDI Shares that are subject to the Offer, Kingfisher will consider whether to make a squeeze-out offer or other public offer for any remaining CDI Shares not obtained under the Offer (a "**Second Stage Transaction**"). Such a Second Stage Transaction will permit Kingfisher to effect a compulsory acquisition of any remaining CDI Shares not already owned by Kingfisher.

20. Kingfisher will issue a press release and place an advertisement in an English language newspaper of general circulation in Ontario advising of the Offer, describing its principal terms and conditions, describing how holders of CDI Shares can obtain access to a copy of the Information Notice on the COB website and indicating where, upon request, holders of CDI Shares can obtain by expedited delivery at Kingfisher's expense a copy of the Information Notice. Kingfisher will also file a Form 42 in Ontario to report the Offer and pay the applicable fee.

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

IT IS HEREBY ORDERED pursuant to clause 104(2)(c) of the Act that Kingfisher is exempt from the Take-Over Bid Requirements in connection with the Offer provided that, Kingfisher:

1. issues a press release and places an advertisement in an English language newspaper of general circulation in Ontario advising of the Offer, describing its principal terms and conditions, describing how holders of CDI Shares can obtain access to a copy of the Information Notice on the COB website and indicating where, upon request, holders of CDI Shares can obtain by expedited delivery at Kingfisher's expense a copy of the Information Notice; and

2. sends a copy of the Information Notice, the Circular, the Liquidity Agreements and their English translations to the Commission.

August 30, 2002.

"Howard I. Wetston" "Robert W. Korthals"

2.2.2 Wastecorp. International Investments Inc. - s. 144

Headnote

Cease-trade order revoked where the issuer has remedied its default in respect of disclosure requirements under the Act.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127(1)2, 127(5), 127(8), 144.

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

AND

IN THE MATTER OF
WASTECORP. INTERNATIONAL INVESTMENTS INC.

ORDER
(Section 144)

WHEREAS the securities of Wastecorp. International Investments Inc. (The "Reporting Issuer") currently are subject to a Temporary Order (the "Temporary Order") made by the Director on behalf of the Ontario Securities Commission (the "Commission"), pursuant to paragraph 2 of the Subsection 127(1) and subsection 127(5) of the Act, on August 8, 2002, as extended by a further order (the "Extension Order") of a Director, made on August 20, 2002 on behalf of the Commission pursuant to subsection 127(8) of the Act, that trading in the securities of the Reporting Issuer cease until the Temporary Order, as extended by the Extension Order, is revoked by a further Order of Revocation;

AND WHEREAS the Reporting Issuer has applied to the Ontario Securities Commission (the "Commission") for revocation of the Cease Trade Order pursuant to section 144 of the Act;

AND UPON the Reporting Issuer having represented to the Commission that:

1. Wastecorp. International Investments Inc. was incorporated under the laws of Ontario on September 7, 1990, and is a reporting issuer under the Act.

2. The Cease Trade Order was issued as a result of the Reporting Issuer's failure to file its interim financial statements for the quarter ended May 31, 2002 (the "interim financial statements").

3. The Common Shares of the Reporting Issuer were halted from trading on the TSX Venture Exchange on August 8, 2002 for failure to meet its continuous disclosure requirements.

4. On August 27, 2002, the Reporting Issuer filed its three-month interim financial statements. The Corporation has now brought its Continuous Disclosure filings up to date.

5. Except for the Cease Trade Order, the Reporting Issuer is not otherwise in default of any of the requirements of the Act or Regulation;

AND WHEREAS the Temporary Order and Extension Order were each made on the basis that the Reporting Issuer was in default of certain filing requirements;

AND WHEREAS the undersigned Manager is satisfied that the Reporting Issuer has remedied its default in respect of the filing requirements and is of the opinion that it would not be prejudicial to the public interest to revoke the Temporary Order as extended by the Extension Order;

NOW THEREFORE, IT IS ORDERED, pursuant to section 144 of the Act, that the Temporary Order and Extension Order be and they are hereby revoked.

September 5, 2002.

"John Hughes"

2.3 Rulings

2.3.1 Jaldi Semiconductor Corp. et al. - ss. 74(1)

Headnote

Subsection 74(1) - Registration and prospectus relief granted in respect of trades in connection with merger transaction in which exchangeable shares are issued where statutory exemptions are unavailable for technical reasons - first trade deemed a distribution unless trade is made through an exchange or market outside of Canada or to a person or company outside of Canada.

Applicable Statutes

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

Applicable Instruments

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
JALDI SEMICONDUCTOR CORP.,
PIXELWORKS NOVA SCOTIA COMPANY AND
PIXELWORKS INC.

RULING
(Subsection 74(1) of the Act)

UPON the application of Pixelworks Inc. ("Pixelworks") and Jaldi Semiconductor Corp. ("Jaldi") to the Ontario Securities Commission (the "Commission") for a ruling pursuant to section 74(1) of the Act that certain trades made in connection with the acquisition (the "Transaction") of Jaldi by Pixelworks are not subject to sections 25 or 53 of the Act. The Transaction will be effected pursuant to a reorganization agreement made effective as of April 30, 2002 between Jaldi, certain shareholders of Jaldi, Pixelworks, and Pixelworks' wholly-owned subsidiary, Pixelworks Nova Scotia Company ("Holdco"), as may be amended, supplemented or replaced from time to time (the "Reorganization Agreement");

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

AND UPON Pixelworks and Jaldi having represented to the Commission as follows:

1. Pixelworks was incorporated under the laws of the state of Oregon on January 16, 1997.

2. The common stock of Pixelworks ("Pixelworks Shares") are quoted on NASDAQ and Pixelworks will register the Pixelworks Shares with the Securities and Exchange Commission (the "SEC") and will apply to NASDAQ to quote the Pixelworks Shares issuable in connection with the Transaction. Pixelworks is currently subject to the informational requirements of the United States *Exchange Act of 1934*, as amended (the "Exchange Act"). Pixelworks is not a "reporting issuer" under the Act or under the securities legislation of any other province or territory of Canada.

3. Pixelworks is an international designer, developer and marketer of complete system–on–a–chip integrated circuits and software that enable the visual display of broadband content. Pixelworks' technology translates and optimizes video, computer graphics, and visual Web information for display on a wide variety of electronic devices.

4. Pixelworks will file with the SEC and NASDAQ the required form of application for the listing of all additional Pixelworks Shares issuable in connection with the Transaction, including pursuant to the exchange of all issuable exchangeable shares ("Exchangeable Shares"), exchangeable for Pixelworks Shares and will pay to NASDAQ all required fees in connection therewith.

5. Pixelworks' principal executive offices are located at 8100 SW Nyberg, Ste. 300, Tualatin, Oregon, USA, 97062.

6. The authorized capital stock of Pixelworks consists of 250,000,000 Pixelworks Shares, par value U.S.$0.001 per share, and 50,000,000 shares of preferred stock, par value U.S.$0.001 per share. As of July 31, 2002, 43,183,262 Pixelworks Shares and none of the preferred stock were issued and outstanding.

7. Jaldi was incorporated under the laws of the Province of Ontario on April 9, 1999.

8. Jaldi is a "private company" as defined in the Act, and is not a "reporting issuer" under the Act or under the securities legislation of any other province or territory of Canada.

9. Jaldi is a fabless semiconductor company that designs, develops and markets highly integrated system-on-chip (microchips) solutions that provide the visual display of broadband content through a wide variety of electronic devices.

10. As at August 31, 2002, Jaldi's principal executive offices are located at 38 Leek Crescent, Suite 200 Richmond Hill, Ontario, Canada, L4B 4N8.

11. The authorized capital of Jaldi consists of an unlimited number of common shares ("Jaldi Common Shares"), an unlimited number of Class A preference shares ("Jaldi Class A

Preferred Shares"), 617,829 Class B preference shares, Series I ("Jaldi Series I Shares") and 680,000 Class B preference shares, Series II ("Jaldi Series II Shares") (the Jaldi Series I Shares and Jaldi Series II Shares collectively being the "Jaldi Class B Preferred Shares"). As of the date hereof, 1,805,800 Jaldi Common Shares, 750,000 Jaldi Class A Preferred Shares, 234,557 of the Jaldi Series I Shares and 680,000 of the Jaldi Series II Shares are issued and outstanding. As of July 31, 2002, there were outstanding warrants to purchase up to 35,183 Jaldi Common Shares, 150,000 Jaldi Class A Preferred Shares (the "Jaldi Warrants"), options to purchase up to 222,771 Jaldi Common Shares (the "Jaldi Options") and convertible debt in the form of promissory notes that are convertible into 309,089 Jaldi Common Shares (under certain circumstances such notes are convertible instead into Jaldi Series I Shares) (the "Jaldi Convertible Debt"). Except for two holders who are resident in the USA, all of the holders of Jaldi Common Shares are resident in Ontario.

12. Immediately after giving effect to the Transaction, there will be up to 1,850,000 Exchangeable Shares outstanding and 680,000 Jaldi Series II Shares outstanding (all of the Jaldi Series II Shares will be owned by Pixelworks).

13. Holdco was incorporated under the laws of the Province of Nova Scotia as a private unlimited liability company on August 2, 2002 and it will hold the various call rights related to the Exchangeable Shares. Holdco is not a "reporting issuer" under the Act or under the securities legislation of any other province or territory of Canada.

14. The Transaction will be effected through an amendment to the articles of incorporation of Jaldi (the "Amendment") to provide for (i) the creation of the Exchangeable Shares and (ii) the conversion of each outstanding Jaldi Common Share into Exchangeable Shares on the basis of the Common Stock Exchange Ratio. The Amendment must be approved by the holders of the Jaldi Common Shares, the Jaldi Series I Shares, the Jaldi Series II Shares, the Jaldi Class A Preferred Shares, voting as one class, by way of a special resolution as defined under the *Business Corporations Act* (Ontario), the Jaldi Series I Shares, the Jaldi Class A Preferred Shares and the Jaldi Common Shares, voting as one class, and the Jaldi Common Shares, voting as a separate class, present in person or by proxy and voting at the Jaldi shareholders' meeting expected to be held on or about August 28, 2002.

15. Pursuant to the Jaldi Class A Preferred Shares and Jaldi Class B Preferred Shares share provisions, all outstanding Jaldi Class A Preferred Shares and Jaldi Series I Shares will be converted into Jaldi Common Shares.

16. As part of the Transaction, each outstanding Jaldi Option will be amended and will then represent an option to acquire Pixelworks Shares (the "Pixelworks Options") provided that the number of Pixelworks Shares that may be acquired and the price for each Pixelworks Option will be adjusted on the basis of the Common Stock Exchange Ratio.

17. The Exchangeable Shares, together with the Exchangeable Share Support Agreement and the Voting and Share Trust Agreement described below in paragraphs 26 and 27, respectively, will provide holders of the Exchangeable Shares with a security of a Canadian issuer having economic and voting rights which are, as nearly as practicable, equivalent to those of a Pixelworks Share. Exchangeable Shares will be received by certain holders of Jaldi Common Shares on a Canadian tax–deferred rollover basis. The Exchangeable Shares will be exchangeable by a holder thereof for Pixelworks Shares on a one–for–one basis at any time at the option of the holder and will be required to be exchanged upon the occurrence of certain events, as more fully described below. Subject to applicable law, dividends will be payable on the Exchangeable Shares contemporaneously and in the equivalent amount per share as dividends on the Pixelworks Shares. The number of Exchangeable Shares exchangeable for the Pixelworks Shares is subject to adjustment or modification in the event of a stock split or other change to the capital structure of Pixelworks so as to maintain at all times the initial one–to–one relationship between the Exchangeable Shares and Pixelworks Shares.

18. The Exchangeable Shares will have preference over the common shares of Jaldi and any other shares ranking junior to the Exchangeable Shares with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding–up of Jaldi, whether voluntary or involuntary, or any other distribution of the assets of Jaldi among its shareholders for the purpose of winding up its affairs.

19. Holders of Exchangeable Shares are entitled to receive:

    (a) in the case of a cash dividend declared on the Pixelworks Shares, for each Exchangeable Share, an amount in cash in U.S. dollars, or, at the option of Jaldi, an amount in cash equal to the Canadian dollar equivalent of the cash dividend declared on each Pixelworks Share;

    (b) in the case of a share dividend declared on Pixelworks Shares to be paid in Pixelworks Shares, for each Exchangeable Share, a number of

Exchangeable Shares equal to the number of Pixelworks Shares to be paid on each Pixelworks Share; and

(c) in the case of a dividend declared on the Pixelworks Shares to be paid in property (other than cash or Pixelworks Shares), for each Exchangeable Share, a type and amount of property which is the same as or economically equivalent to the type and amount of property declared as a dividend on each Pixelworks Share.

All dividends will be paid out of money or property of Jaldi properly applicable to the payment of dividends, or out of authorized but unissued shares of Jaldi.

20. So long as any of the Exchangeable Shares are outstanding and any dividends required to have been declared and paid on the outstanding Exchangeable Shares pursuant to the Exchangeable Share provisions have not been declared and paid in full, Jaldi will not at any time without, but may at any time with, the approval of the holders of the Exchangeable Shares given as specified in the Exchangeable Share provisions:

(a) pay any dividends or other distributions on the common shares of Jaldi or any other shares ranking junior to the Exchangeable Shares, other than stock dividends payable in common shares of Jaldi or any other shares ranking junior to the Exchangeable Shares, as the case may be;

(b) redeem, purchase or make any capital distribution in respect of the common shares of Jaldi or any other shares ranking junior to the Exchangeable Shares;

(c) redeem or purchase any other shares of Jaldi ranking equally with the Exchangeable Shares with respect to the payment of dividends or on any liquidation distribution;

(d) issue any Exchangeable Shares, provided that Jaldi may at any time, with or without such approval, issue Exchangeable Shares (i) pursuant to any equity incentive plan adopted by Jaldi, or (ii) in the event Pixelworks declares a share dividend on Pixelworks Shares to be paid by Pixelworks Shares, (y) by way of share dividend to the holders of Exchangeable Shares, or (z) by way of any subdivision of the Exchangeable Shares so as to maintain the initial one-to-one relationship between Exchangeable Shares and Pixelworks Shares; or

(e) issue any shares of Jaldi ranking equally with, or superior to, the Exchangeable Shares other than by way of share dividend to the holders of such Exchangeable Shares.

21. Subject to the Liquidation Call Right of Holdco (described below in this paragraph) on the liquidation, dissolution or winding-up of Jaldi or any other distribution of the assets of Jaldi among its shareholders for the purposes of winding up its affairs (a "Jaldi Liquidation Event"), each holder of Exchangeable Shares will have preferential rights ("Liquidation Right") to receive from Jaldi for each Exchangeable Share held an amount per share equal to the Canadian dollar equivalent of the fair market value of one Pixelworks Share at that time (to be fully paid and satisfied by the delivery of one Pixelworks Share) plus an additional amount representing any declared and unpaid dividends on each such Exchangeable Share. Upon a proposed Jaldi Liquidation Event, Holdco will have an overriding call right (the "Liquidation Call Right") to acquire all of the Exchangeable Shares then outstanding from the holders thereof (other than Pixelworks or its affiliates) for Pixelworks Shares on a one-for-one basis plus those additional amounts.

22. Exchangeable Shares may be retracted by the holder (the "Share Retraction Right") until January 31, 2008 (the "Sunset Date"). Subject to the Share Retraction Call Right of Holdco (described below in this paragraph), upon retraction the holders of Exchangeable Shares will be entitled to receive from Jaldi for each Exchangeable Share retracted an amount equal to the Canadian dollar equivalent of the fair market value of one Pixelworks Share at the time of retraction (to be fully paid and satisfied by the delivery of one Pixelworks Share) plus an additional amount representing any declared and unpaid dividends on each such Exchangeable Share. Upon being notified by Jaldi of a proposed retraction of Exchangeable Shares, Holdco will have an overriding call right (the "Share Retraction Call Right") to acquire all of the Exchangeable Shares that are subject to the retraction notice for Pixelworks Shares on a one-for-one basis plus those additional amounts.

23. Subject to the Redemption Call Right of Holdco (described below in this paragraph), Jaldi will redeem (the "Redemption Obligation") all of the Exchangeable Shares then outstanding on the Sunset Date (or, in certain circumstances set out in the Exchangeable Share provisions, an earlier date) (the "Automatic Redemption Date"). Upon such redemption, the holders of Exchangeable Shares will be entitled to receive from Jaldi for

each Exchangeable Share redeemed an amount equal to the Canadian dollar equivalent of the fair market value of one Pixelworks Share at the time of redemption (to be fully paid and satisfied by the delivery of one Pixelworks Share) plus an additional amount representing any declared and unpaid dividends on each such Exchangeable Share. Upon being notified by Jaldi of a proposed redemption of Exchangeable Shares, Holdco will have an overriding call right (the "Redemption Call Right") to purchase from the holders all of the outstanding Exchangeable Shares (other than Pixelworks or its affiliates) for Pixelworks Shares on a one-for-one basis plus those additional amounts.

24. Subject to applicable law, Jaldi may at any time and from time to time purchase for cancellation all or any part of the outstanding Exchangeable Shares at any price by agreement with a holder of record of Exchangeable Shares then outstanding or through the facilities of any stock exchange on which the Exchangeable Shares are listed or quoted at any price per share together with an amount equal to all declared and unpaid dividends thereon (the "Jaldi Purchase Right").

25. Subject to applicable law, the Exchangeable Shares are non-voting except in certain circumstances described in the Exchangeable Share provisions.

26. Contemporaneously with the closing of the Transaction, Pixelworks, Holdco and Jaldi will enter into an exchangeable share support agreement (the "Exchangeable Share Support Agreement") which will provide, among other things, so long as any Exchangeable Shares (other than Exchangeable Shares owned by Pixelworks or its affiliates) remain outstanding:

    (a) that Pixelworks will not declare or pay any dividends on the Pixelworks Shares unless Jaldi is able to declare and pay, and simultaneously declares and pays, as the case may be, an equivalent dividend or distribution on the Exchangeable Shares; and

    (b) that Pixelworks will ensure that Jaldi and Holdco will be able to honour the redemption and retraction rights and dissolution entitlements that are attributes of the Exchangeable Shares under the Exchangeable Share provisions and the related Redemption, Retraction and Liquidation Call Rights described above.

27. Contemporaneously with the closing of the Transaction, Pixelworks, Holdco, Jaldi and a trustee (the "Trustee") will enter into a voting and share trust agreement (the "Voting and Share Trust Agreement"), pursuant to which, among other things:

    (a) if Holdco has not exercised the Share Retraction Call Right and, as a result of solvency requirements or applicable law, Jaldi is not permitted to redeem Exchangeable Shares tendered by a holder upon the exercise of a Share Retraction Right, the holder of Exchangeable Shares will have the right (the "Exchange Right") to require Pixelworks to purchase all of those Exchangeable Shares on a one-for-one basis for a price per share equal to the Canadian dollar equivalent of the fair market value of one Pixelworks Share at the time of redemption (to be fully paid and satisfied by the delivery of one Pixelworks Share) plus an additional amount representing any declared and unpaid dividends on each such Exchangeable Share;

    (b) upon the occurrence of certain liquidation, dissolution or winding-up events affecting Pixelworks, all of the outstanding Exchangeable Shares will be automatically exchanged by Pixelworks (the "Automatic Exchange Right") on a one-for-one basis for a price per share equal to the Canadian dollar equivalent of the fair market value of one Pixelworks Share at the time of redemption (to be fully paid and satisfied by the delivery of one Pixelworks Share) plus an additional amount representing any declared and unpaid dividends on each such Exchangeable Share;

    (c) Pixelworks will issue to the Trustee one special voting share (the "Pixelworks Special Voting Share"), par value U.S.$0.001, carrying voting rights equivalent to the number of Pixelworks Shares as is from time to time equal to the number of Exchangeable Shares from time to time issued and outstanding;

    (d) the holders of Exchangeable Shares will, through the Trustee, receive all information and materials that a holder of Pixelworks Shares will receive including, without limitation, such information and materials related to meetings of holders of Pixelworks Shares, dissident proxy circulars and tender and exchange offer circulars;

    (e) the holders of Exchangeable Shares will, through the Trustee, indirectly have a vote as Pixelworks shareholders; and

(f) except as provided in (e) above, the Trustee will hold legal title to the Pixelworks Special Voting Share solely for the benefit of Pixelworks.

28. Upon the exchange of all of a holder's Exchangeable Shares for Pixelworks Shares, all rights to the holder of Exchangeable Shares to exercise votes attached to the Pixelworks Special Voting Shares will cease.

29. The steps under the Transaction and the attributes of the Exchangeable Shares contained in the Exchangeable Share provisions, the Exchangeable Share Support Agreement and the Voting and Share Trust Agreement involve or may involve a number of trades of securities, including trades related to the issuance of the Exchangeable Shares pursuant to the Transaction or upon the issuance of Pixelworks Shares in exchange for Exchangeable Shares and there may be no registration or prospectus exemptions available under the Act for certain of the trades. The trades (collectively, the "Trades") to which the Transaction gives or may give rise are the following:

(a) the conversion of the Jaldi Class A Preferred Shares and Jaldi Series I Shares into Jaldi Common Shares pursuant to the Jaldi Class A Preferred Shares and Jaldi Class B Preferred Shares share provisions;

(b) the conversion of Jaldi Common Shares into Exchangeable Shares pursuant to the Amendment;

(c) the creation by Jaldi of the Liquidation Call Right, the Share Retraction Call Right and the Redemption Call Right in favour of Holdco pursuant to the Exchangeable Share provisions;

(d) the creation by Jaldi of the Liquidation Right, Share Retraction Right, Redemption Obligation and the Jaldi Purchase Right pursuant to the Exchangeable Share provisions;

(e) the creation by Pixelworks of the Exchange Right and the Automatic Exchange Right pursuant to the Voting and Share Trust Agreement;

(f) the creation by Pixelworks of certain voting rights pursuant to the Voting and Share Trust Agreement;

(g) the issuance by Pixelworks, pursuant to the Voting and Share Trust Agreement, of the Pixelworks Special Voting Share to the Trustee;

(h) the exchange of Jaldi Options for Pixelworks Options and the issuance of Pixelworks Shares by Pixelworks to a holder of a Pixelworks Option upon the exercise thereof;

(i) the issuance by Jaldi of options to acquire Exchangeable Shares (the "Exchangeable Share Options") pursuant to any equity incentive plan adopted by Jaldi pursuant to the Exchangeable Share provisions and the issuance of Exchangeable Shares by Jaldi to a holder of an Exchangeable Share Option upon the exercise thereof;

(j) the issuance and intra-group transfers of Pixelworks Shares and related issuances of shares of Pixelworks affiliates in consideration therefor, all by and between Pixelworks and its affiliates, from time to time to enable Jaldi to deliver Pixelworks Shares to a holder of Exchangeable Shares upon the exercise of the Liquidation Right or Share Retraction Right by that holder, or the Redemption Obligation of Jaldi, and the subsequent delivery thereof by Jaldi in such circumstances;

(k) the transfer of Exchangeable Shares by the holder to Jaldi upon the holder's exercise of the Liquidation Right or Share Retraction Right or the Redemption Obligation of Jaldi;

(l) the issuance and intra-group transfers of Pixelworks Shares and related issuances of shares of Pixelworks affiliates in consideration therefor, all by and between Pixelworks and its affiliates, to enable Holdco to deliver Pixelworks Shares to a holder of Exchangeable Shares in connection with Holdco's exercise of its overriding Liquidation Call Right, Share Retraction Call Right or Redemption Call Right and the subsequent delivery thereof upon the exercise of those overriding rights;

(m) the transfer of Exchangeable Shares by the holder to Holdco upon Holdco exercising its overriding Liquidation Call Right, Share Retraction Call Right or Redemption Call Right;

(n) the issuance and delivery of Pixelworks Shares by Pixelworks to a holder of Exchangeable Shares upon the exercise of the Exchange Right by that holder;

(o) the transfer of Exchangeable Shares by a holder to Pixelworks upon the exercise of the Exchange Right by that holder;

(p) the issuance and delivery of Pixelworks Shares by Pixelworks to holders of Exchangeable Shares pursuant to the Automatic Exchange Right;

(q) the transfer of Exchangeable Shares by a holder to Pixelworks pursuant to the Automatic Exchange Right; and

(r) the transfer of Exchangeable Shares by a holder to Jaldi upon the exercise by Jaldi of the Jaldi Purchase Right.

30. If the current Ontario shareholders of Jaldi acquired the maximum number of Pixelworks Shares to which they are entitled pursuant to the Exchangeable Share provisions, persons or companies who were in Ontario and who beneficially owned Pixelworks Shares would constitute less than 10% of the total number of beneficial holders of Pixelworks Shares and would hold less than 10% of the total issued and outstanding Pixelworks Shares.

31. The fundamental investment decision to be made by a holder of Jaldi Common Shares will be made at the time of the Amendment, when that holder votes in respect of the Amendment. As a result of that decision, a holder (other than a dissenting holder) will ultimately receive Pixelworks Shares in exchange for the Jaldi Common Shares held by that holder. The Exchangeable Shares will provide certain Canadian tax benefits to certain Canadian holders but will otherwise be, as nearly as practicable, the economic and voting equivalent of the Pixelworks Shares, and as such all subsequent exchanges of Exchangeable Shares are in furtherance of the holder's initial investment decision.

32. Pixelworks will send concurrently to all holders of Exchangeable Shares and Pixelworks Shares resident in Canada all disclosure material furnished to holders of Pixelworks Shares resident in the United States including, without limitation, copies of its annual financial statements and all proxy solicitation materials.

33. There is no public market in Canada for the Pixelworks Shares and no such public market is expected to develop.

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

IT IS HEREBY RULED pursuant to section 74(1) of the Act that the Trades shall not be subject to sections 25 and 53 of the Act, provided that the first trade in Exchangeable Shares or Pixelworks Shares received pursuant to the Transaction will be a distribution unless the first trade is made through an exchange or market outside of Canada or to a person or company outside of Canada.

September 6, 2002.

"Howard I. Wetston" "Harold P. Hands"

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Extending & Rescinding Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/Expire
Barton Bay Resources Inc.	26 Aug 02	06 Sep 02	06 Sep 02	
CLN Ventures Inc.	26 Aug 02	06 Sep 02	09 Sep 02	
ExtendMedia Inc.	06 Sep 02	18 Sep 02		09 Sep 02
FW Omnimedia Corp.	06 Sep 02	18 Sep 02		
High American Gold Inc.	26 Aug 02	06 Sep 02	06 Sep 02	
Internet Shopping Catalog Inc.	26 Aug 02	06 Aug 02	06 Sep 02	
Kicking Horse Resources Ltd.	29 Aug 02	09 Sep 02	09 Sep 02	
M.L. Cass Petroleum Corporation	27 Aug 02	06 Sep 02	06 Sep 02	
Mondev Senior Living Inc.	28 Aug 02	09 Sep 02	09 Sep 02	
Seahawk Minerals Ltd.	09 Sep 02	20 Sep 02		
Teddy Bear Valley Mines, Limited	06 Sep 02	18 Sep 02		
The Loewen Group Inc.	30 Aug 02	11 Sep 02	11 Sep 02	
Triangle Multi-Service Corporation	06 Sep 02	18 Sep 02		
UltraVision Corporation	30 Aug 02	11 Sep 02	11 Sep 02	
Vindicator Industries Inc.	06 Sep 02	18 Sep 02		
WebEngine Corporation	06 Sep 02	18 Sep 02		09 Sep 02
Zaurak Capital Corporation	27 Aug 02	06 Sep 02	06 Sep 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	02 Aug 02		

4.3.1 Issuer CTO's Revoked

Company Name	Date of Revocation
Wastecorp.International Investments Inc.	05 Sept 2002

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
01-Aug-2002	4 Purchasers	ABC American -Value Fund - Units	607,100.00	90,883.00
01-Aug-2002	Arlene R. Lindfield;John Duncan & Shirley Fortier	ABC Fully-Managed Fund - Units	335,988.00	40,848.00
01-Aug-2002	10 Purchasers	ABC Fundamental - Value Fund - Units	1,981,253,800.00	132,702.00
29-Jul-2002	Robert Andrews;Dorothy Andrews	Acuity Funds Ltd. - Units	201,805.38	13,957.00
30-Jul-2002	Hugh Calderwood	Acuity Funds Ltd. - Units	12,167.27	12,167.00
06-Aug-2002	3 Purchasers	Acuity Funds Ltd. - Units	459,895.71	31,928.00
20-Aug-2002	957550 Ontario ltd.	Acuity Funds Ltd. - Units	200,000.00	13,596.00
31-Jul-2002	9 Purchasers	Alterna Technologies Group Inc. - Shares	8,882,250.85	17,590,188.00
30-Aug-2002	3 Purchasers	Alternum Capital - Global Health Sciences Hedge Fund - Limited Partnership Units	65,347.00	141.00
30-Aug-2002	11 Purchasers	Alternum Capital - North American Value Hedge Fund - Limited Partnership Units	280,848.00	677.00
31-May-2002	Earl B. Long	Altrinsic Opportunities Fund - Units	25,000.00	255.00
26-Jul-2002	Lindon Leasing Limited	Arrow Ascendant Arbitrage Fund - Trust Units	5,000.00	495,050.00
02-Aug-2002	Gordon Baillie;Gregory Sorbara	Arrow Global Multi-Strategy Fund - Trust Units	272,360.38	27,504.00
03-Jun-2002	12 Purchasers	ARISE Technologies Corporation - Special Warrants	246,831.00	246,831.00

04-Jun-2002	Ian Cook Construction Limited	ARISE Technologies Corporation - Warrants	0.00	50,000.00
06-Aug-2002	12 Purchasers	Aurora Platinum Corp. - Units	4,861,435.00	1,331,900.00
20-Jul-2002	AGF Management Limited	BOC Hong Kong (Holdings) Limited - Shares	86,872.00	50,000.00
03-May-2002	Tom Bailey	BPI American Opportunities Fund - Units	202,894.32	1,668.00
03-May-2002	Serey Flink	BPI Global Opportunites III Fund - Units	48,408.17	509.00
17-May-2002	Susan Foster	BPI Global Opportunites III Fund - Units	96,488.87	1,032.00
31-Jul-2002 8/12/02	Sober Investments Limited;Yorkton Securities Inc.	Carfinco Inc. - Debentures	200,000.00	1.00
29-Jul-2002	Primaxis Technology Ventures Inc.;Venture Coaches Fund.	Chantry Networks Inc. - Shares	3,000,000.00	3,750,000.00
16-Jul-2002	18 Purchasers	Chesapeake Gold Corp. - Common Shares	0.00	4,954,551.00
31-May-2002	Robert Ballow	CI Multi-Manager Opportunites Fund - Units	37,757.04	382.00
17-May-2002	Rhonda Richer	CI Multi-Manager Opportunites Fund - Units	150,000.00	1,508.00
23-Aug-2002	127 Purchasers	Clean Power Income Fund - Special Warrants	25,884,777.20	2,650,169.00
22-Aug-2002	9 Purchasers	Columbia Metals Corporation Limited - Units	70,000.00	700,000.00
01-Jul-2002 7/31/02	12 Purchasers	Cranston, Gaskin, O'Reilly & Vernon - Units	542,107.78	44,811.00
01-Jul-2002 7/31/02	3 Purchasers	Cranston, Gaskin, O'Reilly & Vernon - Units	42,619.50	12,107.00
01-Jul-2002 7/31/02	13 Purchasers	Cranston, Gaskin, O'Reilly & Vernon - Units	236,755.31	19,844.00
01-Jul-2002	13 Purchasers	Cranston, Gaskin, O'Reilly & Vernon - Units	796,433.00	66,573.00
08-Aug-2002	7 Purchasers	Crossfield Gas Corp. - Special Warrants	701,388.75	561,111.00
13-Aug-2002 8/16/02	TD Securities Inc.	Crystallex International Corporation - Common Shares	81,950.00	29,800.00
06-Aug-2002	9 Purchasers	D.A-Test Inc. - Common Shares	85,983.85	166,192.00
31-Jul-2002	P. Trevor Douglas;R. Graham Douglas	Harbour Capital Canadian Balanced Fund - Units	302,165.00	2,366,580.00

07-Aug-2002	Offering Memorandum	Highstreet Asstet Management Inc. - N/A	0.00	0.00
13-Aug-2002	W.S. O'Brien Holdings	Ingersoll 10 Mission Development Ltd - Debentures	50,000.00	50,000.00
01-Aug-2002	Canada Pension Plan Investment Board	Kensington Co-Investment Fund-A, L.P. - Units	50,000,000.00	5,000.00
01-Aug-2002	Canada Pension Plan Investment Board	Kensington Fund of Funds. L.P. - Units	50,000,000.00	5,000.00
01-Aug-2002	AHC Holdings Inc.	Lancaster Fixed Income Fund - Units	15,120,312.71	1,259,040.00
24-May-2002	6 Purchasers	Landmark Global Opportunities Fund - Units	460,509.05	4,129.00
24-May-2002	Jay Joel Roy	Landmark Global Opportunities Fund - Units	96,224.15	863.00
31-May-2002	Robert Ballow	Landmark Global Opportunities Fund - Units	27,883.95	269.00
31-May-2002	4 Purchasers	Landmark Global Opportunities Fund - Units	231,799.65	2,239.00
31-May-2002	5 Purchasers	Landmark Global Opportunities Fund - Units	166,867.22	1,494.00
31-May-2002	8 Purchasers	Landmark Global Opportunities Fund - Units	454,071.82	4,072.00
03-May-2002	10 Purchasers	Landmark Global Opportunities Fund - Units	755,750.95	6,635.00
03-May-2002	Rama Garg;Nelson Mckiel	Landmark Global Opportunities Fund - Units	51,086.00	483.00
10-May-2002	5 Purchasers	Landmark Global Opportunities Fund - Units	361,433.20	3,213.00
10-May-2002	12 Purchasers	Landmark Global Opportunities Fund - Units	561,929.48	4,995.00
10-May-2002	758892 Ontario Ltd.	Landmark Global Opportunities Fund - Units	151,145.40	1,343.00
17-May-2002	Jack Schoenmakers	Landmark Global Opportunities Fund - Units	200,000.00	1,778.00
17-May-2002	Malcolm Anthony	Landmark Global Opportunities Fund - Units	154,640.00	1,389.00
17-May-2002	Nigel Jenkins;Joyce Elkin	Landmark Global Opportunities Fund - Units	180,843.87	1,624.00
17-Apr-2002	16 Purchasers	Landmark Global Opportunities Fund - Units	619,054.67	5,563.00
24-May-2002	David I Greenham;Benito Colatosti	Landmark Global Opportunities RSP Fund - Units	106,992.42	1,033.00

10-May-2002	Terence Alderson	Landmark Global Opportunities RSP Fund - Units	47,682.79	457.00
10-May-2002	Grace Petronaci;Vittorio Patullo	Landmark Global Opportunities RSP Fund - Units	152,801.99	1,463.00
17-May-2002	4 Purchasers	Landmark Global Opportunities RSP Fund - Units	148,294.53	1,435.00
19-Jul-2002	Jerry Lenders, Judy Graziano	Landmark Global Opportunities RSP Fund - Units	72,141.15	711.00
19-Jul-2002	4 Purchasers	Landmark Global Opportunities RSP Fund - Units	125,556.42	1,237.00
26-Jul-2002	5 Purchasers	Landmark Global Opportunities RSP Fund - Units	148,221.86	1,463.00
31-Jul-2002	Canada Pension Plan Investment Board	Lindsay Goldbert & Bessemer L.P. - Limited Partnership Interest	8,930,337.83	1.00
01-Aug-2002	6 Purchasers	MMCAP Limited Partnership Fund - Units	285,000.00	274.00
24-Jul-2002	Francesco C. Labricciosa	Navaho Networks Inc. - Common Shares	128,000.00	128,000.00
30-Jul-2002	CODAV Holdings Inc.	OceanLake Commerce Inc. - Warrants	40,000.00	12,000.00
31-Jul-2002	8 Purchasers	Olameter Inc. - Notes	950,000.00	950,000.00
22-Jul-2002	Offering Memorandum	ORIX JREIT Inc. - N/A	0.00	0.00
06-Aug-2002	Kathi Levy	Pacific & Western Credit Corp. - Common Shares	500,000.00	500,000.00
31-Jul-2002	3 Purchasers	Performance Market Neutral Fund - Limited Partnership Units	210,000.00	168.00
01-Aug-2002	Canadian Friends of the Hebrew University	Quellos Strategic Partners II, Ltd. - Shares	1,273,040.00	800.00
12-Apr-2002	Royal Bank of Canada	Q/Media Services Corporation - Special Warrants	1,129,656.00	1,096,754.00
01-Aug-2002	The Canada Life Assurance Company	RedSky Horizon Fund Ltd. - Shares	2,000,000.00	2,000,000.00
28-Jun-2002	Stonestreet LP	SAFLINK Corporation - Common Shares	453,975.00	300,000.00
25-Jul-2002	Emerging Markets Investors Corp.	SK Telecom Co., Ltd. - Shares	377,385.00	11,100.00
01-Aug-2002	3 Purchasers	Stacey Investment Limited Partnership - Units	375,044.82	15,283.00
31-Jul-2002	6 Purchasers	The Jenex Corporation - Common Shares	238,800.00	217,091.00

02-Aug-2002	Bank of Montreal	The Manitowoc Company, Inc. - Notes	2,307,000.00	1,538.00
31-Jul-2002	4 Purchasers	The McElvaine Investment Trust - Units	18,408.02	10,873.00
24-Jul-2002	5 Purchasers	Toros Limited Partnership - Units	6,000,000.00	750,000.00
24-May-2002	Mel Steinke	Trident Global Opportunities Fund - Units	25,000.00	232.00
31-May-2002	Irene Morrison	Trident Global Opportunities Fund - Units	25,974.30	237.00
31-May-2002	3 Purchasers	Trident Global Opportunities Fund - Units	79,000.00	714.00
03-May-2002	3 Purchasers	Trident Global Opportunities Fund - Units	207,000.00	19,260,836.00
10-May-2002	Jean Granat	Trident Global Opportunities Fund - Units	54,023.36	504.00
10-May-2002	3 Purchasers	Trident Global Opportunities Fund - Units	117,312.60	1,093.72
10-May-2002	Kashif Hassan;Syma Kamran	Trident Global Opportunities Fund - Units	175,419.21	1,635.00
17-May-2002	4 Purchasers	Trident Global Opportunities Fund - Units	250,000.00	2,334.00
26-Jul-2002	Isaac Noel Esakov	Trident Global Opportunities Fund - Units	33,714.93	310.00
26-Jul-2002	Brian Walker	Trident Global Opportunities RSP Fund - Units	50,000.00	500.00
09-Aug-2002	The Canada Life Assurance Company	T.I.C.C. Limited - Bonds	850,000.00	850,000.00
01-Aug-2002	Jerry Green	Umachines, Inc. - Shares	5,000.00	4,000.00
19-Aug-2002	3 Purchasers	UV Pure Technologies Inc. - Common Shares	250,000.00	136,611.00
22-Jul-2002	Offering Memorandum	Voest - Alpine AG - N/A	0.00	0.00
31-Jul-2002	Queen's University Pension Plan Ontario	Wellington Management Portfolios (Canada) - Units	4,500,000.00	646,448.00

RESALE OF SECURITIES - (FORM 45-501F2)

Transaction Date	Seller	Security	Total Selling Price	Number of Securities
01-Aug-2002	Investors Group Trust Co. Ltd.	Aecon Group Inc. - Common Shares	165,000.00	30,000.00
29-Jul-2002 7/31/02	Investors Group Trust Co. Ltd.	Aecon Group Inc. - Common Shares	980.12	59,600.00
10-Jul-2002	AIG DKR Commodity Arbitrage Fun	Claude Resources Inc. - Warrants	158,900.00	140,000.00

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
Viceroy Resources Corporation	Channel Resources Ltd. - Common Shares	7,076,850.00
John P. Sheridan	Guyana Goldfields Inc. - Common Shares	373,300.00
Kalimantan Investment Corporation	Kalimantan Gold Corporation Limited - Common Shares	500,000.00
Kalimantan Investment Corporation	Kalimantan Gold Corporation Limited - Common Shares	2,500,000.00
Sea Change Corporation	Qnetix - Common Shares	555,666.00

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

Issuer	Date the Company Ceased to be a Private Company or Private Issuer
ARISE Technologies Corporation	2/14/02
Biox Corporation	8/21/02
Coastal Income Corp.	6/20/02
Eiger Energy Ltd.	7/31/02
Lifebank Cryogenics Corp.	7/10/02
Metallic Ventures Inc.	7/9/02
ParaTech Therapeutics Inc.	12/19/02
Passion Media Inc.	4/24/02
The Keg Royalties Income Fund	5/31/02
UEX Corporation	7/2/02
Unisphere Waste Conversion Ltd.	6/10/02

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Brookfield Properties Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated September 6th, 2002
Mutual Reliance Review System Receipt dated September 6th, 2002
Offering Price and Description:
$150,000,000 - 6,000,000 Class AAA Preference Shares, Series F @$25.00 per Share
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
Trilon Securities Corporation
National Bank Financial Inc.
HSBC Securities (Canada) Inc.
Promoter(s):
-
Project #479053

Issuer Name:
Clean Power Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated September 9th, 2002
Mutual Reliance Review System Receipt dated September 9th, 2002
Offering Price and Description:
$35,000,004 - 3,571,429 Trust Units issuable upon the exercise of 3,571,429 Special Warrants @$9.80 per Special Warrant
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
Promoter(s):
Clean Power Inc.
Project #479289

Issuer Name:
Enervest Diversified Income Trust
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated September 5th, 2002
Mutual Reliance Review System Receipt dated September 5th, 2002
Offering Price and Description:
$25,000,000 to $150,000,000 - * Units
Exchange Offer
Underwriter(s) or Distributor(s):
Griffiths McBurney & Partners
Promoter(s):
-
Project #478877

Issuer Name:
Enervest Diversified Income Trust
Principal Regulator - Alberta
Type and Date:
Amendment #1 dated September 9th, 2002 to Preliminary Short Form Prospectus
September 5th, 2002
Mutual Reliance Review System Receipt dated September 9th, 2002
Offering Price and Description:
$25,000,000 to $150,000,000 - * Units
Exchange Offer
Underwriter(s) or Distributor(s):
Griffiths McBurney & Partners
Promoter(s):
-
Project #478877

Issuer Name:
Fidelity Disciplined Equity Fund
Fidelity True North Fund
Fidelity American Disciplined Equity Fund
Fidelity Growth America Fund
Fidelity Global Disciplined Equity Fund
Fidelity International Portfolio Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated August 26th, 2002
Mutual Reliance Review System Receipt dated August 29th, 2002
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
Promoter(s):
-
Project #475446

Issuer Name:
General Motors Acceptance Corporation of Canada, Limited
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus dated September 6th, 2002
Mutual Reliance Review System Receipt dated September 9th, 2002
Offering Price and Description:
Variable Denomination Adjustable Rate Demand Notes.
$1,250,000,000 Unconditionally guaranteed as to principal and interest.
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #479153

Issuer Name:
Kingsway Financial Services Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated September 9th, 2002
Mutual Reliance Review System Receipt dated September 9th, 2002
Offering Price and Description:
$ * - * % Debentures due December * 2007
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
Promoter(s):
-
Project #479356

Issuer Name:
RONA inc.
Principal Regulator - Quebec
Type and Date:
Preliminary PREP Prospectus dated September 9th, 2002
Mutual Reliance Review System Receipt dated September 10th, 2002
Offering Price and Description:
$ * - * Common Shares @$* per Common Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Desjardins Securities Inc.
Promoter(s):
-
Project #479494

Issuer Name:
CI Canadian Growth Fund
CI Canadian Sector Fund
CI Global Business-to-Business (B2B) Sector Fund
CI Global Buisness-to-Business (B2B) RSP Fund
CI Global Focus Value Sector Fund
CI Global Focus Value RSP Fund
CI Latin American RSP Fund
CI Latin American Sector Fund
CI Latin American Fund
CI Canadian Balanced Fund
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated August 20th, 2002 to Simplified Prospectus and Annual Information Form dated July 31st, 2001
Mutual Reliance Review System Receipt dated 5th day of September, 2002
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #377531

Issuer Name:
Elliott & Page Canadian Equity Fund
(Formerly E&P Cabot Canadian Equity Fund)
Elliott & Page Blue Chip Fund
(Formerly E&P Cabot Blue Chip Fund)
Elliott & Page Global MultiStyle Fund
(Formerly E&P Cabot Global Multistyle Fund)
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated August 28th, 2002 to Simplified Prospectus and Annual Information Form
dated December 10th, 2001
Mutual Reliance Review System Receipt dated 5th day of September, 2002
Offering Price and Description:
Class A Units
Underwriter(s) or Distributor(s):
Elliott & Page Limited
Promoter(s):
-
Project #400478

Issuer Name:
Hydro One Inc.
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated August 28th, 2002 to Short Form Shelf Prospectus dated June 4th, 2001
Mutual Reliance Review System Receipt dated 5th day of September, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Goldman Sachs Canada Inc.
HSBC Securities (Canada) Inc.
Laurentian Bank Securities Inc.
Merrill Lynch Canada Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Salomon Smith Barney Canada Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
-
Project #361907

Issuer Name:
Signature Canadian Fund
Signature Canadian Sector Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated August 20th, 2002 to Simplified Prospectus and Annual Information Form dated July 31st, 2001
Mutual Reliance Review System Receipt dated 5th day of September, 2002
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #377534

Issuer Name:
Spectrum Canadian Money Market Fund
Spectrum US Dollar Money Market Fund
Spectrum Global Bond Fund
Spectrum Canadian Resource Fund
Spectrum Canadian Small-Mid Cap Fund
Spectrum RRSP Global Growth Fund
Spectrum RRSP World Growth Managers Fund
Spectrum RRSP Global Financial Services Fund
Spectrum RRSP Global Health Sciences Fund
Spectrum RRSP Global Telecommunications Fund
Spectrum Optimax USA Fund
Spectrum Global Growth Fund
Spectrum RRSP World Equity Fund
Spectrum World Growth Managers Fund
Spectrum Emerging Markets Fund
Spectrum Global Financial Services Fund
Spectrum Global Health Sciences Fund
Spectrum Global Telecommunications Fund
Spectrum Global Diversified Fund
Spectrum Global Growth Portfolio
Principal Regulator - Ontario
Type and Date:
Amendment #4 dated August 20th, 2002 to Simplified Prospectus and Annual Information Form
dated August 24th, 2001
Mutual Reliance Review System Receipt dated 6th day of September, 2002
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
CI Mutual Funds Inc.
Project #374213

Issuer Name:
Spectrum Savings Fund
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated August 20th, 2002 to Simplified Prospectus and Annual Information Form
dated May 24th, 2002
Mutual Reliance Review System Receipt dated 5th day of September, 2002
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #439626

Issuer Name:
Templeton Global Smaller Companies Fund
Franklin U.S. Small Cap Growth Fund
Bissett Canadian Equity Fund
Bissett Large Cap Fund
Bissett Canadian Balanced Fund
(Formerly Bissett Retirement Fund)
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated September 4th, 2002 to Simplified Prospectus and Annual Information Form dated May 31st, 2002
Mutual Reliance Review System Receipt dated 9th day of September, 2002
Offering Price and Description:
Mutual Funds Net Asset Value
Underwriter(s) or Distributor(s):
Franklin Templeton Investments Corp.
Promoter(s):
-
Project #435468

Issuer Name:
Endeavour Flow-Through Limited Partnership I
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated September 6th, 2002
Mutual Reliance Review System Receipt dated 9th day of September, 2002
Offering Price and Description:
Underwriter(s) or Distributor(s):
Promoter(s):
-
Project #469649

Issuer Name:
Forest Gate Resources Inc.
Principal Regulator - Quebec
Type and Date:
Final Prospectus dated August 30th, 2002
Mutual Reliance Review System Receipt dated 4th day of September, 2002
Offering Price and Description:
$1,500,000.00 - 10, 000,000 Units (Maximum); 7,200,000 Units (Minimum) @$0.15 per Unit
Underwriter(s) or Distributor(s):
Georgia Pacific Securities Corporation
Promoter(s):
Michael C. Judson
Project #463483

Issuer Name:
Enerplus Resources Fund
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated September 5th, 2002
Mutual Reliance Review System Receipt dated 5th day of September, 2002
Offering Price and Description:
$127,537,500.00 - 3,750,000 Trust Units and 1,000,000 Trust Units (Underwriters Option) @$26.85 per Trust Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
TD Securities Inc.
Raymond James Ltd.
Canaccord Capital Corporation
FirstEnergy Capital Corp.
Desjardins Securities Inc.
Peters & Co. Limited
Promoter(s):
-
Project #474871

Issuer Name:
Altamira T-Bill Fund
Altamira Income Fund
Altamira Bond Fund
Altamira High Yield Bond Fund
Altamira Short Term Canadian Income Fund
Altamira Short Term Government Bond Fund
Altamira Global Bond Fund
Altamira Short Term Global Income Fund
Altamira Balanced Fund
Altamira Dividend Fund Inc.
Altamira Growth & Income Fund
Altamira Global Diversified Fund
Altamira RSP Global Diversified Fund
Altamira Canadian Value Fund
Altamira Equity Fund
AltaFund Investment Corp.
Altamira Capital Growth Fund Limited
Altamira Special Growth Fund
Altamira European Equity Fund
Altamira Global Value Fund
Altamira US Larger Company Fund
Altamira Asia Pacific Fund
Altamira Japanese Opportunity Fund
Altamira RSP Japanese Opportunity Fund
Altamira Global Discovery Fund
Altamira Global 20 Fund
Altamira Global Small Company Fund
Altamira Select American Fund
Altamira Precision Canadian Index Fund
Altamira Precision Dow 30 Index Fund
Altamira Precision European Index Fund
Altamira Precision European RSP Index Fund
Altamira Precision International RSP Index Fund
Altamira Precision U.S. RSP Index Fund
Altamira Precision U.S. Midcap Index Fund

Altamira Biotechnology Fund
Altamira RSP Biotechnology Fund
Altamira e-business Fund
Altamira RSP e-business Fund
Altamira Global Financial Services Fund
Altamira Global Telecommunications Fund
Altamira Health Sciences Fund
Altamira RSP Health Sciences Fund
Altamira Precious and Strategic Metal Fund
Altamira Resource Fund
Altamira Science and Technology Fund
Altamira RSP Science and Technology Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated August 28th, 2002
Mutual Reliance Review System Receipt dated 10th day of September, 2002
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
Altamira Financial Services Ltd.
Promoter(s):
Altamira Investment Services Inc.
Project #466648

Issuer Name:
GGOF Canadian Bond Fund
GGOF Monthly High Income Fund
GGOF RSP International Income Fund
GGOF American Value Fund Ltd.
GGOF Enterprise Fund
(Mutual Fund Units, Classic Units and F Class Units)
GGOF Canadian High Yield Bond Fund
GGOF Dividend Growth Fund
GGOF Canadian Value Fund
GGOF Global Value Fund
GGOF RSP American Value Fund
GGOF American Growth Fund
GGOF Canadian Growth Fund Ltd.
GGOF Global Growth Fund
GGOF RSP Global Growth Fund
(Mutul Fund Units and F Class Units)
GGOF Canadian Money Market Fund
GGOF Monthly Dividend Fund Ltd.
GGOF RSP U.S. Money Market Fund
GGOF Canadian Value Balanced Fund
GGOF Canadian Equity Fund
(Mutual Fund Units and Classic Units)
GGOF Emerging Markets Fund
GGOF Japanese Value Fund
GGOF Canadian Large Cap Fund
GGOF Global Equity Fund
GGOF International Equity Fund
GGOF Canadian Growth Balanced Fund
GGOF European Growth Fund
GGOF Global Biotechnology Fund
GGOF Global Small Cap Fund
GGOF Global Technology Fund
GGOF RSP American Growth Fund
GGOF RSP Global Technology Fund
GGOF RSP International Balanced Fund
(Mutual Fund Units)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated August 28th, 2002
Mutual Reliance Review System Receipt dated 9th day of September, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Guardian Group of Funds Ltd.
Jones Heward Investment Counsel Inc.
Jones Heward Investment Management Inc.
Promoter(s):
Guardian Group of Funds Ltd.
Project #465275

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	CPE, LLC Attention: David H. Hanick Fraser Milner Casgrain LLP 1 First Canadian Place 100 King Street West Toronto ON M5X 1B2	International Dealer	Sep 04/02
New Registration	Olympus United Group Inc./Groupe Olympus United Inc. (formerly Norshield Fund Management Ltd.) Attention: Dale George Smith 630 Rene-Levesque Blvd. West Suite 3050 Montreal QC H3B 5C7	Mutual Fund Dealer Limited Market Dealer	Aug 15/02
New Registration	Global Trader 24/7 Canada Inc. Attention: Brent Allan Johnston 239 Church Street West Suite 100 Oakville ON L6J 1N4	Limited Market Dealer	Sep 09/02
Change of Name	Newport Investment Counsel Inc. Attention: Fiorella Bellissimo c/o Ogilvy Renault Suite 2100, PO Box 141 77 King Street West Toronto ON M5K 1H1	From: Newport Partners Inc. To: Newport Investment Counsel Inc.	Aug 15/02

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 Notice of Commission Approval – TSX Inc. (formerly The Toronto Stock Exchange Inc.) – Reorganization and Initial Public Offering

NOTICE OF COMMISSION APPROVAL
TSX INC. (FORMERLY
THE TORONTO STOCK EXCHANGE INC.)
REORGANIZATION AND INITIAL PUBLIC OFFERING

On September 3, 2002, the Commission approved the following documents in connection with the reorganization of TSX Inc. and the initial public offering (IPO) of TSX Group Inc. (TSX Group), a new holding company for TSX Inc.:

(i) An amended and restated recognition order for TSX Group and TSX Inc. reflecting:

- the reorganization of TSX Inc. prior to the IPO of TSX Group;
- the name change of The Toronto Stock Exchange Inc. to TSX Inc.;
- additional terms and conditions to be followed by TSX Inc. in connection with the proposed listing of TSX Group shares on the Toronto Stock Exchange; and
- the recognition of TSX Group as an exchange with terms and conditions.

(ii) An order pursuant to subsection 21.11(4) of the *Securities Act* approving the transfer of ownership of all of the shares of TSX Inc. to the new holding company, TSX Group and applying the ownership limit currently imposed on The Toronto Stock Exchange Inc. to TSX Group.

(iii) A regulation made by the Commission pursuant to subsection 21.11(5) of the Act to raise the ownership limit from 5% to 10%.

(iv) An order amending and restating the Commission's amended exemption order of the Canadian Venture Exchange Inc. (CDNX) to reflect the reorganization of TSX Inc. and the name change of CDNX to TSX Venture Exchange Inc.

(v) A letter from the Commission to the Alberta Securities Commission (ASC) and the British Columbia Securities Commission (BCSC) agreeing to advise the ASC and BCSC of certain information about TSX Inc. and TSX Group that may be relevant to their assessment of TSX Venture Exchange Inc.'s operations and financial condition. Since TSX Inc. and TSX Group are recognized as stock exchanges in Ontario and are currently required to provide that information to the Commission, the Commission agreed to provide the relevant information.

All documents set out above are attached to this notice.

Publication for comment

On July 26, 2002, the Commission published for comment the application of TSX Inc. and related documents. Two comment letters were received. A summary of comments and the response prepared by TSX Inc. is attached to this notice.

In response to comments received, TSX Inc. has revised the composition of the conflicts committee to include a requirement for two members who are independent of TSX Inc. (as independence is defined in the recognition order). The requirement for the inclusion of representatives of Market Regulation Services Inc. has been amended to provide for one representative rather than two. In addition, there will be five representatives of TSX Inc. rather than six.

TSX Inc. (formerly The Toronto Stock Exchange Inc.)
Reorganization and Initial Public Offering -
Summary of Comments Received

Two comment letters were received.

I. Share Ownership Limit Increase

Both letters commented on the proposed increase in the share ownership limit under Section 21.11 of the *Securities Act* from five percent of outstanding shares to ten percent.

One commentator stated that it had no objection to the increase in the share ownership limit.

The second commentator stated that the original five percent limit should not be changed at this time but should be reviewed on a periodic basis to ensure its continued validity. It commented that a five percent limit on shareholdings is appropriate because TSX Inc. has a concentrated customer base and that the increase in limit on shareholdings could result in an equally concentrated shareholder base. The commentator also stated that if a viable regime for Alternative Trading Systems were in place, its concerns would be met and no share ownership restrictions would be required.

TSX Inc. Response

The proposed share ownership limit is consistent with share ownership restrictions on large financial institutions in Canada.

As the Toronto Stock Exchange is the primary stock exchange in Canada for senior issuers, and TSX Venture Exchange is the primary stock exchange for junior issuers, TSX Inc. believes that it is in the public interest that it not become controlled by any one person or company, whether domestic or foreign. It is TSX Inc.'s understanding, based on the fact that section 21.11(1) of the Act currently contains ownership limits on TSX Inc., that the Commission took a similar view regarding the merits of maintaining a widely-held Toronto Stock Exchange when, in 1999, it included in the Act the language provided in section 21.11(1). Continuing ownership restrictions, albeit at an increased limit, effectively maintain the widely-held status of the Toronto Stock Exchange.

The concern about concentration of customer base is not valid. TSX Inc. demutualized in April, 2000 and at that time separated ownership in TSX Inc. from access to its facilities. The proposed initial public offering of TSX Group Inc., which is in effect the final step in the demutualization, will broaden the existing shareholder base and will further de-link ownership from access. Many companies have a concentrated number of customers; this does not, per se, drive the requirement for share ownership limits.

In respect of the second commentator's comments on Alternative Trading Systems, TSX Inc. notes that since December, 2001 a viable regime for Alternative Trading Systems has in fact been in place.

II. Conflict Committee Composition

In response to the specific question posed by the Commission requesting comment on the proposed composition of the conflicts committee, one commentator proposed that there should be at least one representative of the Commission actively participating as a member of the conflicts committee, as well as representation from independent directors of TSX Inc. That commentator expressed the view that independent representatives on the conflicts committee should be independent of TSX Inc. and Market Regulation Services Inc. (in which TSX Inc. owns 50%).

The second commentator agrees that members of the conflicts committee should have a requisite level of expertise in, and understanding of, TSX Inc.'s business and that the members be able to respond in an expedited manner to any time-sensitive conflicts or potential conflicts. The commentator suggests that there is an implication that "time-sensitive" conflicts will not require immediate action. The commentator suggests a significant minority of members of the conflicts committee should have no connection with TSX Inc. or its participating organizations, and suggest that these independent members could be drawn from a pool of past Toronto Stock Exchange board members, retired senior brokerage personnel, senior members of the "buy side" investment community or members of the academic community.

TSX Inc. Response

TSX Inc. continues to believe the conflicts committee, as proposed, has the highest degree of independence of any conflicts committee of any publicly-traded stock exchange, to the best of the knowledge of TSX Inc. The proposed structure balances independence with the requirement that the conflicts committee respond to issues considered by it in a timely and efficient manner. The inclusion of two members on the conflicts committee who are external to, and independent from, TSX Inc., and the requirement that at least one such individual must attend a meeting in order to achieve quorum, provides independent representation on this committee in both fact and appearance. In response to the comments, TSX Inc. proposes that the conflicts committee include a requirement for two members who are independent of TSX Inc. (as independence is defined in the recognition order for purposes of composition of the TSX Inc. board). The specific requirement for inclusion of representatives of Market Regulation Services Inc. has been amended to provide for one representative rather than two. In addition, there will be five representatives of TSX Inc. rather than six. As suggested by one commentator, in filling the positions, TSX Inc. may consider approaching retired brokerage personnel, retired TSX Inc. board members, academics or representatives of the "buy side" investment community. TSX Inc. may also ask its independent directors to sit as independent representatives on the committee.

Specifically, Section 3.4 of Appendix I to Schedule "A" of the proposed amended recognition order of TSX Inc. and TSX Group Inc. will be amended to read as follows:

> 3.4 The Conflicts Committee will be composed of: the Chief Executive Officer of TSX, the general counsel of TSX (the "Committee Secretary"), the senior officer responsible for listings of each of TSX and TSX Venture Exchange Inc., the senior officer responsible for trading operations of TSX, a senior management representative of Market Regulation Services Inc. and two other persons who shall be independent of TSX (as independent is defined in paragraph 1(a) of Schedule "A" of the terms and conditions of the recognition order). At least one such independent member must participate in meetings of the Conflicts Committee, in order for there to be a quorum.

As noted by the first commentator, the Commission is intimately involved in the entire conflict resolution process and has the ability at any time, under its overriding and independent decision-making authority, to intervene and to take carriage of any conflict issue, either on its own initiative or on request by an affected party. Accordingly, it is unnecessary for a representative of the Commission to be a member of the conflicts committee. In addition, as a regulator, the Commission and its representatives should maintain their oversight role and should not be actively involved in the conflicts committee through Commission representation. The presence of representatives of the Commission would raise conflicts as the Commission would be placed in a position of having to review decisions and actions of the conflicts committee in which a representative of the Commission had participated.

It is necessary first and foremost that the members of the committee have a requisite level of expertise in, and understanding of, TSX Inc.'s business and that the members are able to respond in an expedited manner to any time-sensitive conflicts or potential conflicts. TSX Inc. disagrees with the second commentator that time-sensitive conflicts will not require immediate action. In order to maintain listings in the increasingly competitive exchange industry, TSX Inc. must be responsive to its customers, particularly in situations of conflict arising as a result of the listing of TSX Group shares. In practice, the conflicts committee must act promptly and it is not practical to recruit members who cannot participate in the formulation of a quick response. These factors are important for TSX Group as well as for any of its competitors who may need to have an issue considered by the conflicts committee.

The proposed model emphasizes constant timely reporting that allows for Commission review and oversight. This model allows the conflicts committee to use its expertise to efficiently deal with matters that may involve conflicts while being monitored by the Commission. With this reporting mechanism and Commission monitoring, and the ability of the Commission to intervene at any time under its public interest jurisdiction, a fair and efficient model results.

III. Rules and Rule Making

The second commentator believes that the rules and rule making function of TSX Inc. must become more transparent than it currently is. The commentator supports TSX Inc.'s demutualization and the proposed reorganization and initial public offering as they are being undertaken to place the Toronto Stock Exchange on a sound commercial footing. However, the commentator draws a distinction between the operation of TSX Inc.'s business (where the widest possible latitude must be allowed) with the structure of the Toronto Stock Exchange's marketplace (where constraints must be placed on TSX Inc. and TSX Group Inc. to ensure a fair and equitable marketplace and that due process is maintained).

TSX Inc. Response

TSX Inc. operates the Toronto Stock Exchange by virtue of a recognition order granted by the Commission. The recognition order establishes the principles under which TSX Inc. must operate and addresses the matters raised by the commentator. As part of the proposed reorganization and initial public offering, the recognition order has been revised and expanded. TSX Group is also being recognized by the Commission. Accordingly, both TSX Inc. and TSX Group Inc. will be subject to the regulatory oversight and monitoring by the Commission. The Commission has broad public interest jurisdiction to ensure that the marketplace operated by TSX Inc. meets all relevant standards to ensure public confidence in the public markets. If the marketplace is not so operated, the Commission has the power to revoke TSX Inc. and TSX Group Inc.'s recognition order.

All public interest rules of TSX Inc. and changes thereto are required to be published for public comment, and cannot be implemented without this consultative process being followed. This permits marketplace participants to participate in any changes to the rules.

13.1.2 TSX Group Inc. and TSX Inc. – Recognition Order

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

and

IN THE MATTER OF
TSX GROUP INC. AND TSX INC.

AMENDMENT TO RECOGNITION ORDER
(Section 144)

WHEREAS the Commission issued an order dated April 3, 2000 granting and continuing the recognition of The Toronto Stock Exchange Inc. ("TSE") as a stock exchange pursuant to section 21 of the Act;

AND WHEREAS the Commission issued an amended and restated order dated January 29, 2002 to reflect that the TSE retained Market Regulation Services Inc. ("RS Inc.") to perform its market regulation functions ("Previous Order");

AND WHEREAS the Commission has determined that it is not prejudicial to the public interest to issue an order that amends and restates the Previous Order to reflect the name change of TSE to TSX Inc. ("TSX") and a reorganization under which TSX will become a wholly-owned subsidiary of TSX Group Inc., a newly-formed holding company ("TSX Group");

IT IS ORDERED, pursuant to section 144 of the Act that the Previous Order be amended and restated as follows:

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

AND

IN THE MATTER OF
TSX GROUP INC. AND TSX INC.

RECOGNITION ORDER
(Section 21)

WHEREAS the Commission granted and continued the recognition of The Toronto Stock Exchange Inc. ("TSE") as a stock exchange on April 3, 2000 following the continuance of the TSE under the Business Corporations Act (Ontario);

AND WHEREAS the Commission granted the TSE an amended and restated recognition order dated January 29, 2002 to reflect that the TSE retained Market Regulation Services Inc. ("RS Inc.") as a regulation services provider ("RSP") under National Instrument 21-101 Marketplace Operation and National Instrument 23-101 Trading Rules ("ATS Rules");

AND WHEREAS the TSE has changed its name to TSX Inc. ("TSX");

AND WHEREAS TSX will complete a reorganization under which TSX will become a wholly-owned subsidiary of TSX Group Inc., a newly-formed holding company ("TSX Group");

AND WHEREAS following the reorganization, TSX Group intends to conduct an initial public offering;

AND WHEREAS the Commission has received certain representations and acknowledgements from TSX and TSX Group in connection with TSX's application for continued recognition as a stock exchange and TSX Group's application for recognition as a stock exchange;

AND WHEREAS the Commission considers it appropriate to set out in an order the terms and conditions of TSX's continued recognition as a stock exchange and TSX Group's recognition as a stock exchange, which terms and conditions are set out in Schedule "A" attached;

AND WHEREAS TSX and TSX Group have agreed to the terms and conditions applicable to each of them set out in Schedule "A";

AND WHEREAS the Commission has determined that continuing to recognize TSX and recognizing TSX Group are not prejudicial to the public interest;

The Commission hereby amends the TSE's recognition as a stock exchange so that the recognition pursuant to section 21 of the Act continues with respect to TSX and grants TSX Group recognition as a stock exchange pursuant to section 21 of the Act, in each case effective on the closing of the reorganization, subject to the terms and conditions attached as Schedule "A".

April 3, 2000, as amended on January 29, 2002 and on September 3, 2002.

"Howard Wetston" "Paul Moore"

SCHEDULE "A"

TERMS AND CONDITIONS

PART I—TSX GROUP

1. CORPORATE GOVERNANCE

(a) TSX Group's governance structure shall provide for:

(i) Fair and meaningful representation on its board of directors and any governance committee thereof, having regard to, among other things, TSX Group's ownership of TSX;

(ii) Appropriate representation of independent directors on TSX Group's committees; and

(iii) Appropriate qualifications, remuneration, conflict of interest provisions and limitation of liability and indemnification protections for directors and officers and employees of TSX Group generally.

(b) TSX Group shall ensure that at least fifty per cent (50%) of its directors shall be independent. An independent director is a director that is not:

(i) associated with an entity desiring access to the trading facilities of TSX whose application is accepted by TSX ("Participating Organization") within the meaning of TSX Group's by-laws;

(ii) an officer or employee of TSX Group or its affiliates or an associate of such officer or employee;

(iii) a person who owns or controls, directly or indirectly, over 10% of TSX Group; or

(iv) an associate, director, officer or employee of any person or company who owns or controls, directly or indirectly, over 10% of TSX Group.

In the event that at any time TSX Group fails to meet such requirement, it shall promptly remedy such situation.

2. FITNESS

TSX Group will take reasonable steps to ensure that each officer or director of TSX Group is a fit and proper person and the past conduct of each officer or director affords reasonable grounds for belief that the officer or director will perform his or her duties with integrity.

3. ALLOCATION OF RESOURCES

(a) TSX Group will, subject to paragraph 3(b) hereof and for so long as TSX carries on business as a stock exchange, allocate sufficient financial and other resources to TSX to ensure that TSX can carry out its functions in a manner that is consistent with the public interest and the terms and conditions of Part II of this Schedule "A".

(b) TSX Group will notify the Commission immediately upon becoming aware that it is or will be unable to allocate sufficient financial and other resources to TSX to ensure that it can carry out its functions in a manner that is consistent with the public interest and the terms and conditions of Part II of this Schedule "A".

4. FINANCIAL INFORMATION

TSX Group will file with the Commission unaudited quarterly consolidated financial statements of TSX Group within 60 days of each quarter end and audited annual consolidated financial statements of TSX Group within 90 days of each year, or such shorter periods as are mandated for reporting issuers to file such financial statements under the Act.

5. COMPLIANCE

TSX Group will carry out its activities as a stock exchange recognized under section 21 of the Act. TSX Group will do everything within its control to cause TSX to carry out its activities as a stock exchange recognized under section 21 of the Act and to comply with the terms and conditions in Part II of this Schedule "A".

6. ACCESS TO INFORMATION

(a) TSX Group will and will cause its subsidiaries to permit the Commission to have access to and to inspect all data and information in its or their possession that is required for the assessment by the Commission of the performance of TSX of its regulation functions and the compliance of TSX with the terms and conditions in Part II of this Schedule "A".

(b) TSX Group will permit the Commission to have access to and to inspect all data and information in its possession that is required for the assessment by the

Commission of the compliance of TSX Group with the terms and conditions in Part I of this Schedule "A".

7. SHARE OWNERSHIP RESTRICTIONS

The restrictions on share ownership set out in section 21.11(1) of the Act, as amended from time to time by regulation, shall apply to the voting shares of TSX Group, and the articles of TSX Group shall contain the share ownership restrictions and provisions respecting the enforcement of such restrictions which, without limiting the foregoing, may provide for the filing of declarations, the suspension of voting rights, the forfeiture of dividends, the refusal of the issue or registration of voting shares and the sale or redemption of voting shares held contrary to the restrictions and payment of the net proceeds of the sale or redemption to the person entitled thereto.

PART II—TSX

8. CORPORATE GOVERNANCE

(a) To ensure diversity of representation, TSX will ensure that the composition of its board of directors provides a proper balance between the interests of the different entities using its services and facilities.

(b) TSX's governance structure shall provide for:

(i) Fair and meaningful representation on its board of directors and any governance committee thereof, in the context of the nature and structure of TSX;

(ii) Appropriate representation of independent directors on TSX's committees; and

(iii) Appropriate qualifications, remuneration, conflict of interest provisions and limitation of liability and indemnification protections for directors and officers and employees of TSX generally.

(c) In recognition that the protection of the public interest is a primary goal of TSX, TSX shall ensure that at least fifty per cent (50%) of its directors shall be independent. An independent director is a director that is not:

(i) associated with a Participating Organization within the meaning of TSX's by-laws;

(ii) an officer or employee of TSX or its affiliates or an associate of such officer or employee;

(iii) a person who owns or controls, directly or indirectly, over 10% of TSX; or

(iv) an associate, director, officer or employee of any person or company who owns or controls, directly or indirectly, over 10% of TSX (other than a director of TSX Group).

In the event that at any time TSX fails to meet such requirement, it shall promptly remedy such situation.

9. FEES

(a) Any and all fees imposed by TSX on its Participating Organizations shall be equitably allocated. Fees shall not have the effect of creating barriers to access and shall be balanced with the criteria that TSX have sufficient revenues to satisfy its responsibilities.

(b) TSX's process for setting fees shall be fair and appropriate.

10. ACCESS

(a) The requirements of TSX shall permit all properly registered dealers that are members of a recognized self-regulatory organization and that satisfy TSX's criteria to access the trading facilities of TSX.

(b) Without limiting the generality of the foregoing, TSX shall:

(i) establish written standards for granting access to trading on its facilities;

(ii) not unreasonably prohibit or limit access by a person or company to services offered by it; and

(iii) keep records of:

(A) each grant of access including, for each entity granted access to its trading facilities, the reasons for granting such access; and

(B) each denial or limitation of access, including the reasons for denying or limiting access to any applicant.

11. FITNESS

TSX will take reasonable steps to ensure that each officer or director of TSX is a fit and proper person and the past conduct of each officer or director affords reasonable grounds for belief that the officer or director will perform his or her duties with integrity.

12. FINANCIAL VIABILITY

(a) TSX shall maintain sufficient financial resources for the proper performance of its functions.

(b) TSX shall maintain: (i) a liquidity measure greater than or equal to zero; (ii) a debt to cash flow ratio less than or equal to 4.0/1; and (iii) a financial leverage ratio less than or equal to 4.0/1. For this purpose:

(i) liquidity measure is:
(working capital + borrowing capacity)

- 2 (adjusted budgeted expenses + adjusted capital expenditures – adjusted revenues)

where:

(A) working capital is current assets minus current liabilities,

(B) borrowing capacity is the principal amount of long term debt available to be borrowed under loan or credit agreements that are in force,

(C) adjusted budgeted expenses are 95% of the expenses (other than depreciation and other non-cash items) provided for in the budget for the current fiscal year,

(D) adjusted capital expenditures are 50% of average capital expenditures for the previous three fiscal years, and

(E) adjusted revenues are 80% of revenues plus 80% of investment income for the previous fiscal year,

(ii) debt to cash flow ratio is the ratio of total debt to EBITDA (or earnings before interest, taxes, depreciation and amortization) for the most recent 12 months, and

(iii) financial leverage ratio is the ratio of total assets to shareholders' equity,

in each case as calculated on a consolidated basis and consistently with the consolidated financial statements of TSX.

(c) On a quarterly basis (along with the financial statements required to be filed pursuant to paragraph 17), TSX shall report to the Commission the monthly calculation of the liquidity measure and debt to cash flow and financial leverage ratios, the appropriateness of the calculations and whether any alternative calculations should be considered.

(d) If TSX fails to maintain any of the liquidity measure, the debt to cash flow ratio or the financial leverage ratio in any month, it shall immediately report to the Commission or its staff.

(e) If TSX fails to maintain any of the liquidity measure, the debt to cash flow ratio or the financial leverage ratio for a period of more than three months, its Chief Executive Officer will immediately deliver a letter advising the Commission or its staff of the reasons for the continued ratio deficiencies and the steps being taken to rectify the problem, and TSX will not, without the prior approval of the Director, make any capital expenditures not already reflected in the financial statements, or make any loans, bonuses, dividends or other distributions of assets to any director, officer, related company or shareholder until the deficiencies have been eliminated for at least six months.

(f) TSX shall not enter into any agreement or transaction either (i) outside the ordinary course of business or (ii) with

TSX Group or any subsidiary or associate of TSX Group if it expects that, after giving effect to the agreement or transaction, TSX is likely to fail to maintain the liquidity measure, the debt to cash flow ratio or the financial leverage ratio.

13. REGULATION

(a) TSX shall continue to retain RS Inc. as an RSP to provide, as agent for TSX, certain regulation services which have been approved by the Commission. TSX shall provide to the Commission, on an annual basis, a list outlining the regulation services provided by RS Inc. and the regulation services performed by TSX. All amendments to those listed services are subject to the prior approval of the Commission.

(b) In providing the regulation services, as set out in the agreement between RS Inc. and TSX (Regulation Services Agreement), RS Inc. provides certain regulation services to TSX as the agent of TSX pursuant to a delegation of TSX's authority in accordance with Section 13.0.8(4) of the Toronto Stock Exchange Act and will be entitled to exercise all the authority of TSX with respect to the administration and enforcement of certain market integrity rules and other related rules, policies and by-laws.

(c) TSX shall provide the Commission with an annual report with such information regarding its affairs as may be requested from time to time. The annual report shall be in such form as may be specified by the Commission from time to time.

(d) TSX shall continue to perform all other regulation functions not performed by RS Inc. TSX shall not perform such regulation functions through any other party, including its affiliates or associates. For greater certainty, any outsourcing of a business function that is done in accordance with paragraph 23 does not contravene this paragraph.

(e) Management of TSX (including the Chief Executive Officer) shall at least annually assess the performance by RS Inc. of its regulation functions and report thereon to the Board of TSX, together with any recommendations for improvements. TSX shall provide the Commission with copies of such reports and shall advise the Commission of any proposed actions arising therefrom.

14. SYSTEMS

For each of its systems that support order entry, order routing, execution, data feeds, trade reporting and trade comparison, capacity and integrity requirements, TSX shall:

(a) on a reasonably frequent basis, and in any event, at least annually,

(i) make reasonable current and future capacity estimates;

(ii) conduct capacity stress tests of critical systems on a reasonably frequent basis to determine the ability of those systems to process transactions in an accurate, timely and efficient manner;

(iii) develop and implement reasonable procedures to review and keep current the development and testing methodology of those systems;

(iv) review the vulnerability of those systems and data centre computer operations to internal and external threats including physical hazards and natural disasters;

(v) establish reasonable contingency and business continuity plans;

(b) annually, cause to be performed an independent review and written report, in accordance with established audit procedures and standards, of its current systems technology plans and whether there are appropriate processes in place to manage the impact of changes in technology on the exchange and parties interfacing with exchange systems. This will include an assessment of TSX's controls for ensuring that each of its systems that support order entry, order routing, execution, data fees, trade reporting and trade comparisons, capacity and integrity requirements is in compliance with paragraph (a) above. Senior management will conduct a review of a report containing the recommendations and conclusions of the independent review; and

(c) promptly notify the Commission of material systems failures and changes.

15. PURPOSE OF RULES

(a) TSX shall, subject to the terms and conditions of this Recognition Order and the jurisdiction and oversight of the Commission in accordance with Ontario securities laws, through RS Inc. and otherwise, establish such rules, policies and other similar instruments ("Rules") that are necessary or appropriate to govern and regulate all aspects of its business and affairs.

(b) In particular, TSX shall ensure that:

(i) the Rules are designed to:

(A) ensure compliance with securities legislation;

(B) prevent fraudulent and manipulative acts and practices;

(C) promote just and equitable principles of trade;

(D) foster co-operation and co-ordination with persons or companies engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in, securities; and

(E) provide for appropriate discipline;

(ii) the Rules do not:

(A) permit unreasonable discrimination among clients, issuers and Participating Organizations; or

(B) impose any burden on competition that is not reasonably necessary or appropriate; and

(iii) the Rules are designed to ensure that TSX's business is conducted in a manner so as to afford protection to investors.

16. RULES AND RULE-MAKING

(a) TSX shall comply with the existing protocol between TSX and the Commission, as it may be amended from time to time, concerning Commission approval of changes in its Rules.

(b) All Rules of general application, and amendments thereto, adopted by TSX must be filed with the Commission.

17. FINANCIAL STATEMENTS

TSX shall file unaudited quarterly financial statements (consolidated and unconsolidated) within 60 days of each quarter end and audited annual financial statements (consolidated and unconsolidated) within 90 days of each year end or such shorter period as is mandated for reporting issuers to file such financial statements under the Act.

18. SANCTION RULES

TSX shall ensure, through RS Inc. and otherwise, that its Participating Organizations and its listed issuers are appropriately sanctioned for violations of the Rules. In addition, TSX will provide notice to the Commission of any violations of securities legislation of which it becomes aware in the ordinary course operation of its business.

19. DUE PROCESS

TSX shall ensure that the requirements of TSX relating to access to the trading and listing facilities of TSX, the imposition of limitations or conditions on access and denial of access are fair and reasonable, including in respect of notice, an opportunity to be heard or make representations, the keeping of a record, the giving of reasons and the provisions for appeals.

20. INFORMATION SHARING

TSX shall co-operate by the sharing of information and otherwise, with the Commission and its staff, the Canadian Investor Protection Fund and other Canadian exchanges, recognized self-regulatory organizations and regulatory authorities responsible for the supervision or regulation of securities firms and financial institutions, subject to the applicable privacy or other laws about the sharing of information and the protection of personal information.

21. LISTED COMPANY RULES

TSX shall ensure, through RS Inc. and otherwise, that it has appropriate review procedures in place to monitor and enforce issuer compliance with the Rules.

22. SELF-LISTING CONDITIONS

TSX shall be subject to the terms and conditions relating to the listing on TSX of TSX Group as are set out in the attached Appendix I, as amended from time to time.

23. OUTSOURCING

In any material outsourcing of any of its business functions with parties other than TSX Group or an affiliate or associate of TSX Group, TSX shall proceed in accordance with industry best practices. Without limiting the generality of the foregoing, TSX shall:

(a) establish and maintain policies and procedures that are approved by its board of directors for the evaluation and approval of such material outsourcing arrangements;

(b) in entering into any such material outsourcing arrangement:

(i) assess the risk of such arrangement, the quality of the service to be provided and the degree of control to be maintained by TSX; and

(ii) execute a contract with the service provider addressing all significant elements of such arrangement, including service levels and performance standards;

(c) ensure that any contract implementing such material outsourcing arrangement that is likely to impact on TSX's regulation functions provide in effect for TSX, its agents and the Commission to be permitted to have access to and to inspect all data and information maintained by the service provider that TSX is required to share under paragraph 20 or that is required for the assessment by the Commission of the performance of TSX of its regulation functions and the compliance of TSX with the terms and conditions in Part II of this Schedule "A"; and

(d) monitor the performance of the service provided under any such material outsourcing arrangement.

24. RELATED PARTY TRANSACTIONS

Any material agreement or transaction entered into between TSX and TSX Group or any subsidiary or associate of TSX Group shall be on terms and conditions that are at least as favourable to TSX as market terms and conditions.

25. CLEARING AND SETTLEMENT

The Rules impose a requirement on Participating Organizations to have appropriate arrangements in place for clearing and settlement through a clearing agency recognized by the Commission.

APPENDIX I

Listing-Related Conditions

1. UNDERLYING PRINCIPLES

1.1. TSX carries on the business of the Toronto Stock Exchange.

1.2. TSX Group proposes to become a listed company on TSX, which will be wholly-owned by TSX Group.

1.3. TSX will report to the Director (the "Director") of the Ontario Securities Commission ("OSC") or other members of the staff of the OSC certain matters provided for in this Appendix I (the "Listing-Related Procedures") with respect to TSX Group or certain other TSX-listed issuers that raise issues of conflict of interest or potential conflict of interest for TSX.

1.4. The purpose of this reporting process is to ensure that TSX follows appropriate standards and procedures with respect to the initial and continued listing of TSX Group and Competitors, to ensure that TSX Group is dealt with appropriately in relation to, and Competitors are treated fairly and not disadvantaged by, TSX Group's listing on TSX. For purposes of these Listing-Related Procedures, "Competitor" means any person, the consolidated business and operations or the disclosed business plans of which are in competition, to a significant extent, with the listing functions, trading functions, market data services or other material line of business of TSX Group or its affiliates.

2. INITIAL LISTING ARRANGEMENTS

2.1. TSX will review, in accordance with its procedures, the TSX Group initial listing application. A copy of the application will be provided by TSX to the OSC's Director, Corporate Finance at the same time that the application is filed with TSX.

2.2. Upon completing its review of the application and after allowing TSX Group to address any deficiencies noted by TSX, TSX will provide a summary report to the OSC's Director, Corporate Finance, with its recommendation for listing approval, if made. The summary report will provide details of any aspects of the application that were atypical as well as any issues raised in the process that required the exercise of discretion by TSX. Any related staff memoranda, analysis, recommendations and decisions not included in the summary report will be attached for review by the OSC's Director, Corporate Finance. A copy of TSX's current listing manual will also be provided to the OSC's Director, Corporate Finance.

2.3. The OSC's Director, Corporate Finance will have the right to approve or disapprove the listing of the TSX Group shares. In the event of disapproval, TSX Group will have the opportunity to address the concerns of the OSC's Director, Corporate Finance and may resubmit an amended application for listing, or amended parts thereof, to TSX, which will provide a revised summary report and any new materials to the OSC's Director, Corporate Finance in accordance with section 2.2, along with a copy of the amended application.

3. CONFLICTS COMMITTEE

3.1. TSX will establish a committee (the "Conflicts Committee") that will review any matters brought before it regarding a conflict of interest or potential conflict of interest relating to the continued listing on TSX of TSX Group or the initial listing or continued listing of Competitors (each, a "Conflict of Interest"). Without limiting the generality of the above sentence, continued listing matters include the following:

(a) matters relating to the continued listing of TSX Group or a Competitor or of a listing of a different class or series of securities of TSX Group or a Competitor than a class or series already listed;

(b) any exemptive relief applications of, or approvals applied for by, TSX Group or a Competitor;

(c) any other requests made by TSX Group or a Competitor that require discretionary involvement by TSX; and

(d) any listings matter related to a TSX-listed issuer or listing applicant that asserts that it is a Competitor.

3.2. Notwithstanding section 3.1, where a Competitor certifies to TSX that information required to be disclosed to the Conflicts Committee or TSX in connection with an initial listing or continued listing matter of the Competitor is competitively sensitive and the disclosure of that information would in its reasonable view put it at a competitive disadvantage with respect to TSX Group, TSX will refer the matter to the Director, requesting that the Director review issues relating to the competitively sensitive information. The Conflicts Committee shall consider all other aspects of the matter in accordance with the procedures set out in section 3.8. In addition, at any time that a Competitor believes that it is not being treated fairly by TSX as a result of TSX being in a conflict of interest position, TSX will refer the matter to the Director.

3.3. In any initial listing or continued listing matter of a Competitor, the Competitor may waive the application of these Listing-Related Procedures by

providing a written waiver to TSX and the Director. Where a waiver is provided, TSX will deal with the initial listing or continued listing matter in the ordinary course as if no Conflict of Interest exists.

3.4. The Conflicts Committee will be composed of: the Chief Executive Officer of TSX, the general counsel of TSX (the "Committee Secretary"), the senior officer responsible for listings of each of TSX and TSX Venture Exchange Inc., the senior officer responsible for trading operations of TSX, a senior management representative of Market Regulation Services Inc. and two other persons who shall be independent of TSX (as independent is defined in paragraph 1(a) of Schedule "A" of the terms and conditions of the recognition order). At least one such independent member must participate in meetings of the Conflicts Committee, in order for there to be a quorum.

3.5. TSX shall use its best efforts to instruct senior management and relevant staff at TSX, and relevant senior management and staff at RS, in order that they are alerted to, and are able to identify, Conflicts of Interest which may exist or arise in the course of the performance of their functions. Without limiting the generality of the foregoing:

3.5.1. TSX shall provide instruction that any matter concerning TSX Group that is brought to the attention of staff at TSX must be immediately brought to the attention of the Committee Secretary.

3.5.2. TSX shall maintain a list in an electronic format, to be updated regularly and in any event at least monthly and reviewed and approved by the Conflicts Committee at least monthly, of all Competitors that are TSX-listed issuers, and shall promptly after the above-noted approval by the Conflicts Committee provide the current list to managers at TSX and RS who supervise departments that (i) review continuous disclosure; (ii) review requests/applications for exemptive relief; (iii) perform timely disclosure and monitoring functions relating to TSX-listed issuers; and (iv) otherwise perform tasks and/or make decisions of a discretionary nature. In maintaining this list, TSX shall ensure that senior executives in the issuer services division of TSX regularly prepare and review and update the list and provide it promptly to the Conflicts Committee.

3.5.3. TSX shall provide instruction to staff at TSX that any initial listing or continued listing matter or a complaint of a Competitor or of any TSX-listed issuer or listing applicant that asserts that it is a Competitor must be immediately brought to the attention of the Committee Secretary.

3.5.4. TSX shall provide to staff who review initial listing applications and to senior executives in the issuer services division of TSX a summary of the types of businesses undertaken to a significant degree by TSX Group or its affiliates and shall update the list as these businesses change, in order that initial listings staff and senior executives in the issuer services division of TSX may recognize a Competitor.

3.6. The Committee Secretary shall convene a meeting of the Conflicts Committee to be held no later than one business day after a Conflict of Interest has been brought to his or her attention. The Committee Secretary or any member of the Conflicts Committee may also convene a meeting of the Conflicts Committee whenever he or she sees fit, in order to address any conflict issues that may not be related to any one specific matter or issuer.

3.7. TSX shall, at the time a Conflicts Committee meeting is called in response to a Conflict of Interest, immediately notify the OSC's Manager of Market Regulation that it has received notice of a Conflict of Interest and shall provide with such notice: (i) a written summary of the relevant facts; and (ii) an indication of the required timing for dealing with the matter.

3.8. The Conflicts Committee will consider the facts and form an initial determination with respect to the matter. The Conflicts Committee will then proceed as follows depending on the circumstances:

3.8.1. If the Conflicts Committee determines that a conflict of interest relating to the continued listing on TSX of TSX Group or the initial or continued listing of a Competitor on TSX does not exist and is unlikely to arise, it will notify the OSC's Manager of Market Regulation of this determination. If the OSC's Manager of Market Regulation approves such determination, TSX will deal with the matter in its usual course. When it has dealt with the matter, a brief written record of such determination with details of the analysis undertaken, and the manner in which the matter was disposed of, will be made by TSX and provided to the OSC's Manager of Market Regulation. If the OSC's Manager of Market Regulation does not approve the determination and provides notice of such non-approval to TSX, TSX will

follow the procedures set out in section 3.8.2.

3.8.2. If the Conflicts Committee determines that a conflict of interest relating to the continued listing on TSX of TSX Group or the initial or continued listing of a Competitor on TSX does exist or is likely to arise or if TSX is provided non-approval notice from the OSC's Manager of Market Regulation under section 3.8.1, TSX shall: (i) formulate a written recommendation of how to deal with the matter; and (ii) provide its recommendation to the OSC's Manager of Market Regulation for his or her approval, together with a summary of the issues raised and details of any analysis undertaken. If the OSC's Manager of Market Regulation approves the recommendation, TSX will take steps to implement the terms of its recommendation.

3.9. Where the OSC's Manager of Market Regulation has considered the circumstances of an issue based on the information provided to him or her by the Conflicts Committee under section 3.8.2, and has determined that he or she does not agree with TSX's recommendation (i) and has requested that TSX reformulate its recommendation, TSX shall do so; or (ii) the OSC's Manager of Market Regulation may direct TSX to take such other action as he or she considers appropriate in the circumstances.

3.10. Where the OSC's Manager of Market Regulation or the Director is requested to review a matter pursuant to section 3.9 or 3.2, respectively, TSX shall provide to the OSC's Manager of Market Regulation or the Director any relevant information in its possession and, if requested by the OSC's Manager of Market Regulation or the Director, any other information in its possession, in order for the OSC's Manager of Market Regulation or the Director to review or, if appropriate, make a determination regarding the matter, including any notes, reports or information of TSX regarding the issue, any materials filed by the issuer or issuers involved, any precedent materials of TSX, and any internal guidelines of TSX. TSX shall provide its services to assist the matter, if so requested by the OSC's Manager of Market Regulation or by the Director.

3.11. TSX will provide to the OSC's Manager of Continuous Disclosure a copy of TSX Group's annual questionnaire and any other TSX Group disclosure documents that are filed with TSX but not with the OSC's Continuous Disclosure department. TSX will conduct its usual review process in connection with TSX Group's annual questionnaire and all prescribed periodic filings of TSX Group. Any deficiencies or irregularities in TSX Group's annual questionnaire or other TSX-issuer prescribed filings will be communicated to the OSC's Manager of Continuous Disclosure and brought to the attention of the Conflicts Committee which shall follow the procedures outlined in this section 3.

4. TIMELY DISCLOSURE AND MONITORING OF TRADING

4.1. TSX shall use its best efforts to ensure that RS at all times is provided with the current list of the TSX-listed issuers that are Competitors.

5. MISCELLANEOUS

5.1. Information provided by a Competitor in connection with an initial listing or continued listing matter to the Conflicts Committee will not be used by TSX for any purpose other than addressing Conflicts of Interest. TSX will not disclose any confidential information obtained under these Listing-Related Procedures to a third party other than the OSC unless:

(a) prior written consent of the other parties is obtained;

(b) it is required or authorized by law to disclose the information; or

(c) the information has come into the public domain otherwise than as a result of its breach of this clause.

5.2. TSX will provide disclosure on its website and in the TSX Company Manual to the effect that an issuer can assert that it is a Competitor and will outline the procedures for making such an assertion, including appeal procedures.

13.1.3 TSX Inc. and TSX Group Inc. - Order

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

AND

IN THE MATTER OF
TSX INC. and
TSX GROUP INC.

ORDER
(Section 21.11)

WHEREAS The Toronto Stock Exchange Inc. (the "TSE") proposes to effect a reorganization whereby a newly incorporated company, TSX Group Inc. ("TSX Group"), will own all of the issued and outstanding voting shares of the TSE, being the entity which currently operates the Toronto Stock Exchange;

AND WHEREAS the TSE has changed its name to TSX Inc. ("TSX");

AND WHEREAS the Commission's approval is required, pursuant to section 21.11(1) of the Act, as amended by regulation pursuant to section 21.11(5) of the Act, in order for any person, company or combination of persons or companies acting jointly or in concert to beneficially own or exercise control or direction over more than 10 per cent of any class or series of voting shares of TSX;

AND WHEREAS the Commission may by order, pursuant to section 21.11(4) of the Act, grant the required approval on such terms and conditions as the Commission considers appropriate;

AND UPON considering the submissions of TSX and TSX Group and based upon the representations and undertakings made and given by TSX and TSX Group to the Commission;

AND UPON the Commission being satisfied that the ownership by TSX Group of the entity which operates the Toronto Stock Exchange would not be contrary to the public interest;

The Commission orders that the acquisition by TSX Group of all of the issued and outstanding voting shares of TSX is approved, subject to the following terms and conditions:

1. TSX Group shall continue to own, directly or indirectly, all of the issued and outstanding voting shares of TSX; and

2. the restrictions on share ownership set out in section 21.11(1) of the Act, as amended from time to time by regulation, shall apply to the voting shares of TSX Group, and the articles of TSX Group shall contain the share ownership restrictions and provisions respecting the enforcement of such restrictions which, without limiting the foregoing, may provide for the filing of declarations, the suspension of voting rights, the forfeiture of dividends, the refusal of the issue or registration of voting shares and the sale or redemption of voting shares held contrary to the restrictions and payment of the net proceeds of the sale or redemption to the person entitled thereto.

September 3, 2002.

"Howard Wetston" "Paul Moore"

13.1.4 Regulation

ONTARIO REGULATION
made under the
SECURITIES ACT

TORONTO STOCK EXCHANGE INC.

Restriction on shareholdings

1. Ten per cent is prescribed, for the purposes of subsection 21.11 (1) of the Act, as the maximum percentage of any class or series of voting shares of The Toronto Stock Exchange Inc. that any person or company or combination of persons or companies acting jointly or in concert is permitted to beneficially own or exercise control or direction over, without the prior approval of the Commission.

Ontario Securities Commission:

"Howard Wetston"
Vice Chair

Howard Wetston
(Print Name)

"Paul Moore"
Vice Chair

Paul Moore
(Print Name)

Dated on September 3, 2002.

13.1.5 TSX Venture Exchange Inc. – Exemption Order

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

AND

IN THE MATTER OF
TSX VENTURE EXCHANGE INC.

AMENDED EXEMPTION ORDER
(Section 144)

WHEREAS Canadian Venture Exchange Inc. ("CDNX Inc.") applied to the Ontario Securities Commission (the "Commission") for and was granted on December 5, 2000 an order pursuant to section 147 of the Act (the "Initial Order") exempting CDNX Inc. from recognition under section 21 of the Act for the purposes of carrying on business as a stock exchange in Ontario;

AND WHEREAS, pursuant to section 144 of the Act, the Initial Order was revoked and another order (the "Existing Order") was substituted therefore on July 31, 2001, pursuant to section 147 of the Act in connection with the transaction whereby CDNX Inc. became a wholly-owned subsidiary of The Toronto Stock Exchange Inc. ("TSE Inc.") and CDNX Inc. became a for-profit corporation;

AND WHEREAS TSE Inc. intends to reorganize to insert a company above it to own 100% of its shares (the "Reorganization");

AND WHEREAS TSE Inc. has changed its name to TSX Inc. and CDNX Inc. has changed its name to TSX Venture Exchange Inc. ("TSX Venture Exchange");

AND WHEREAS the Commission considers it appropriate to amend the Existing Order to reflect the continued recognition of TSX Venture Exchange as an exchange by the Alberta Securities Commission and the British Columbia Securities Commission following the Reorganization and the name changes of the exchanges.

IT IS ORDERED, pursuant to section 144 of the Act that the Existing Order be revoked and it is ordered, pursuant to section 147 of the Act, that the following be substituted therefor:

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

AND

IN THE MATTER OF
TSX VENTURE EXCHANGE INC.

AMENDED EXEMPTION ORDER
(Section 147)

WHEREAS TSX Venture Exchange Inc. ("TSX Venture Exchange") applied to the Ontario Securities Commission (the "Commission") for an order pursuant to section 147 of the Act exempting TSX Venture Exchange from recognition under section 21 of the Act for the purposes of carrying on business as a stock exchange in Ontario.

AND WHEREAS TSX Venture Exchange has represented to the Commission that:

Corporate Structure, Recognition and Services in Ontario

2.1. TSX Venture Exchange was incorporated on October 29, 1999 pursuant to the Business Corporations Act (Alberta).

2.2. On November 26, 1999, as amended on July 31, 2001, TSX Venture Exchange, formerly named Canadian Venture Exchange Inc., was recognized by the Alberta Securities Commission (the "ASC") as an exchange in Alberta under subsection 52(2) of the Securities Act (S.A. 1981, c. S-6.1, as amended) and by the British Columbia Securities Commission (the "BCSC") as an exchange in British Columbia under subsection 24(2) of the Securities Act (British Columbia) and the ASC and BCSC will continue the recognition of TSX Venture Exchange effective on the closing of the Reorganization (together, the "Recognition Orders", which are attached as Schedules "A" and "B").

2.3. TSX Venture Exchange will operate a national exchange for junior issuers which is separate from the Toronto Stock Exchange, a division of TSX Inc. (formerly called The Toronto Stock Exchange Inc.) and which has a separate TSX Venture Exchange brand identity. TSX Venture Exchange presently maintains offices in Calgary, Vancouver, Winnipeg, Montreal and Toronto and receives applications from issuers for listings and performs continuous listing services for issuers through all of its offices.

Regulatory Oversight

2.4. TSX Venture Exchange is subject to joint regulatory oversight by both the ASC and the BCSC.

2.5. TSX Venture Exchange is advised that the Commission, ASC and BCSC have entered into a memorandum of understanding ("MOU") respecting the continued oversight of TSX Venture Exchange by the ASC and BCSC (attached as Schedule "C") and that the existing MOU or any successor agreements, as amended from time to time, will continue to apply in respect of the regulatory oversight of TSX Venture Exchange. Under the terms of the MOU, the ASC and BCSC will continue to be responsible for conducting the regulatory oversight of TSX Venture Exchange and for conducting an oversight program of TSX Venture Exchange for the purpose of ensuring that TSX Venture Exchange meets appropriate standards for market operation and regulation.

2.6. TSX Venture Exchange provides any proposed changes to its by-laws, rules, policies, and other regulatory instruments to the ASC and BCSC for review and approval in accordance with the review and approval procedures established by the ASC and BCSC from time to time. TSX Venture Exchange will concurrently provide the Commission with copies of all by-laws, rules, policies and other regulatory instruments that it files for review and approval with the ASC and BCSC. Copies of all final by-laws, rules, policies and other regulatory instruments will also be provided to the Commission.

2.7. TSX Venture Exchange has represented to the ASC and BCSC that it will operate its exchange in accordance with the representations set forth in Schedules "A" and "B".

CDN Business

2.8. Effective September 29, 2000, TSX Venture Exchange entered into an agreement (the "Agreement") with TSX Inc. and the Canadian Dealing Network Inc. ("CDN"), a wholly- owned subsidiary of TSX Inc., pursuant to which TSX Inc. and CDN agreed to cease operating the quoted market and the reported market operated by CDN.

2.9. CDN ceased to operate the CDN quoted market in Ontario at the close of business on September 29, 2000 and TSX Venture Exchange commenced operating CDNX Tier 3 on October 2, 2000. Issuers that were quoted on CDN on September 1, 2000 or that had made a complete application to be quoted on CDN by September 1, 2000, which was subsequently approved, were eligible to be listed CDNX Tier 3.

2.10. Effective September 29, 2000 Canadian Unlisted Board, Inc. ("CUB"), a wholly-owned subsidiary of TSX Venture Exchange, TSX Venture Exchange and the Commission entered into an agreement which is attached as Schedule "D", pursuant to which CUB will operate an internet web-based reporting system for the reporting by dealers of

trading in unlisted and unquoted equity securities in Ontario.

Reporting Issuer Status and Incorporation of OSC Rule 61-501

2.11. TSX Venture Exchange has adopted certain amendments to its Corporate Finance Policies in the form attached as Schedule "E", as may be amended from time to time, which require that TSX Venture Exchange issuers that are not otherwise reporting issuers in Ontario and have a "significant connection to Ontario" make application to the Commission and become reporting issuers in Ontario.

2.12. TSX Venture Exchange has adopted Corporate Finance Policy 5.9, entitled "Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions" in the form attached as Schedule "F".

AND UPON the Commission being satisfied that the amendment of the order granting an exemption from recognition to TSX Venture Exchange would not be contrary to the public interest.

IT IS HEREBY ORDERED that pursuant to section 147 of the Act, TSX Venture Exchange is exempt from recognition under section 21 of the Act provided that:

4.1. TSX Venture Exchange continues to be recognized as an exchange by the ASC and the BCSC in accordance with the terms and conditions set out in the Recognition Orders attached as Schedules "A" and "B".

4.2. TSX Venture Exchange continues to be subject to such joint regulatory oversight as may be established and prescribed by the ASC and BCSC from time to time;

4.3. The MOU referred to in clause 2.5 above, as may be amended from time to time, has not been terminated;

4.4. TSX Venture Exchange will not make any changes to the amendments to its Corporate Finance Policies referred to in clause 2.11 or to the Corporate Finance Policy referred to in clause 2.12 above without the prior consent of the Commission;

4.5. CUB will continue to be in compliance with the agreement referred to in clause 2.10 above until the Commission implements a local rule relating to Ontario over-the-counter trading;

4.6. TSX Venture Exchange concurrently provides to the Commission copies of all by-laws, rules, policies and other regulatory instruments that it files for review and approval with the ASC and BCSC. TSX Venture Exchange also provides to the Commission copies of all final by-laws, rules, policies and other regulatory instruments; and

4.7. TSX Venture Exchange provides to the Commission, where requested by the Commission through the ASC and the BCSC, any information in the possession of TSX Venture Exchange relating to members, shareholders and the market operations of TSX Venture Exchange, including, but not limited to, shareholder and participating organization lists, products, trading information and disciplinary decisions.

IT IS HEREBY FURTHER ORDERED that:

5.1. CUB is deemed to be in compliance with the agreement referred to in clause 4.5 above unless CUB has been provided with written notice of non-compliance and has failed to remedy the alleged non- compliance in accordance with the terms of the agreement; and

5.2. TSX Venture Exchange is deemed to be in compliance with clause 4.6 and 4.7 unless TSX Venture Exchange has been provided with written notice of non-compliance and failed to provide the documents or information within 10 business days of receipt of such written notice.

September 3, 2002.

"Howard Wetston" "Paul Moore"

SCHEDULE "A"

ALBERTA SECURITIES COMMISSION

IN THE MATTER OF
the Securities Act, R.S.A 2000, c. S-4 (the "Act")

and

IN THE MATTER OF
TSX Venture Exchange Inc.

RECOGNITION ORDER
(Subsection 62(2) and Section 214)

1. WHEREAS by recognition order dated November 26, 1999 (the "First Recognition Order") the Alberta Securities Commission (the "Commission") recognized the Canadian Venture Exchange Inc., as an exchange in Alberta under subsection 52(2) of the *Securities Act* S.A. 1981, c. S-6.1, as amended;

2. AND WHEREAS the Commission revoked and replaced the First Recognition Order with a revised recognition order dated July 31, 2001 (the "Second Recognition Order") following the acquisition of the Canadian Venture Exchange Inc. by The Toronto Stock Exchange Inc.;

3. AND WHEREAS The Toronto Stock Exchange Inc. has changed its name to TSX Inc. ("TSX") and the Canadian Venture Exchange Inc. has changed its name to TSX Venture Exchange Inc./Bourse de croissance TSX Inc. ("TSX Venture Exchange");

4. AND WHEREAS TSX will complete a reorganization (the "Reorganization") pursuant to which

   4.1 TSX will become a wholly owned subsidiary of a new holding company, TSX Group Inc. ("TSX Group"), and TSX Venture Exchange will continue to be a wholly owned subsidiary of TSX, and

   4.2 TSX Group will provide certain corporate services, such as financial services, accounting, payroll, human resources, administration, legal and corporate information technology services, to TSX and TSX Venture Exchange;

5. AND WHEREAS following the Reorganization, TSX Group intends to conduct an initial public offering;

6. AND WHEREAS TSX Venture Exchange applied to the Commission to amend the Second Recognition Order to reflect the Reorganization, its change of name and the arrangement by which Market Regulation Services Inc. has been retained as TSX Venture Exchange's regulation services provider for the performance of certain market regulation functions;

7. AND WHEREAS the Commission considers it appropriate to continue its recognition of TSX Venture Exchange as an exchange following the Reorganization and to set out in an order the revised terms and conditions of TSX Venture Exchange's continued recognition as an exchange;

8. AND WHEREAS TSX Venture Exchange will continue to be subject to the joint regulatory oversight of the Commission and the British Columbia Securities Commission;

9. AND WHEREAS TSX Group, TSX and TSX Venture Exchange have agreed to the terms and conditions of this order;

10. AND WHEREAS based on the application by TSX Venture Exchange, including the representations, undertakings and acknowledgements made to the Commission by TSX Group and TSX in connection with TSX Venture Exchange's application, the Commission is satisfied that the continued recognition of TSX Venture Exchange as an exchange following the Reorganization is in the public interest;

11. IT IS HEREBY ORDERED that TSX Venture Exchange will continue to be recognized as an exchange in Alberta under subsection 62(2) of the Act effective on the closing of the Reorganization provided TSX Venture Exchange meets and continues to meet the revised terms and conditions set out in Schedule "A". Such recognition will continue until the Commission, after giving TSX Venture Exchange an opportunity to be heard, revokes it.

12. IT IS HEREBY FURTHER ORDERED that the Second Recognition Order is revoked and replaced by this order.

September 3, 2002.

"Stephen P. Sibold" "Glenda A. Campbell"

Schedule "A"
to the Recognition Order of TSX Venture Exchange
dated September 3, 2002

National Junior Exchange

1. TSX Venture Exchange will operate a national exchange for junior issuers under a separate brand identity and separately from the national exchange for senior issuers operated by TSX and TSX Group.

Local Presence

2. TSX Venture Exchange will maintain an office in Calgary through which it will

   (a) provide corporate finance services to, and perform corporate finance functions for, its listed issuers and applicants for listing; and

   (b) perform issuer regulation functions.

3. TSX Venture Exchange will obtain, solicit and provide regional input on the development of listing and other corporate finance requirements for its listed issuers and applicants for listing.

Public interest

4. TSX Venture Exchange will operate in the public interest.

5. TSX Venture Exchange will maintain rules, policies, and other similar instruments ("Rules") that

   (a) are not contrary to the public interest;

   (b) regulate all aspects of its business and affairs; and

   (c) are appropriate to foster a vibrant and effective market for junior issuers.

6. More specifically, TSX Venture Exchange will ensure that

   (a) the Rules are designed to

      (i) ensure compliance with applicable securities legislation;

      (ii) prevent fraudulent and manipulative acts and practices;

      (iii) promote just and equitable principles of trade;

      (iv) foster co-operation and co-ordination with entities engaged in regulating, clearing, settling, processing information about, and facilitating transactions in, securities; and

      (v) provide for appropriate sanction or discipline for violation of its rules for all persons under the jurisdiction of TSX Venture Exchange and for its listed issuers;

   (b) the Rules do not

      (i) permit unreasonable discrimination between those seeking and granted access to the listing, trading and other services of TSX Venture Exchange;

      (ii) impose any burden on competition that is not reasonably necessary or appropriate; and

   (c) the Rules are designed to ensure that the business of TSX Venture Exchange is conducted in a manner that affords protection to investors.

Regulatory Functions

7. TSX Venture Exchange will continue to perform its corporate finance and issuer regulation functions, including

   (a) setting listing and other corporate finance requirements for its listed issuers and applicants for listing;

   (b) monitoring the conduct and activities of its listed issuers for compliance with its rules; and

   (c) making decisions under its Rules about its listed issuers, persons associated with its listed issuers and applicants for listing and providing for a review or appeal process for these decisions.

8. TSX Venture Exchange is and remains responsible for performing market regulation functions, including setting requirements governing the conduct of its members and participating organizations, monitoring their conduct and enforcing the requirements of TSX Venture Exchange governing their conduct.

9. TSX Venture Exchange has retained and, except with prior Commission approval, will continue to retain Market Regulation Services Inc. ("RS") as a regulation services provider to provide, as its agent, certain regulation services that have been

approved by the Commission. TSX Venture Exchange will provide to the Commission, on an annual basis, a list outlining the regulation services provided by RS and by TSX Venture Exchange. Any amendment to this list will be subject to prior Commission approval.

10. TSX Venture Exchange will continue to perform all other regulation functions not performed by RS, including its corporate finance and issuer regulation functions. TSX Venture Exchange will not perform these functions through any other party, including any of its affiliates or associates, without prior Commission approval. For greater certainty, any outsourcing of a business function that is done in accordance with paragraph 35 does not contravene this paragraph.

11. Management of TSX Venture Exchange will at least annually assess the performance by RS of its regulation services and submit a report to the board of TSX Venture Exchange with any recommendations for improvements. TSX Venture Exchange will give the Commission a copy of each report and advise the Commission of any actions it proposes to take as a result.

12. TSX Venture Exchange

    (a) will provide the Commission with an annual report in the form and with the information specified by the Commission from time to time; and

    (b) will not, without prior Commission approval, make any significant changes to the manner in which it provides and performs corporate finance services and functions and performs issuer regulation functions.

13. TSX Venture Exchange, through RS or otherwise, will ensure that its members, participating organizations and listed issuers are appropriately sanctioned or disciplined for violations of its Rules. In addition, TSX Venture Exchange will provide notice to the Commission of any violation of securities legislation of which it becomes aware in the ordinary course operation of its business.

14. TSX Venture Exchange will advise the Commission on at least a quarterly basis (or any other basis as the Commission may agree to in writing) of all significant issues arising from issuer non-compliance with TSX Venture Exchange Rules, and provide information in a form acceptable to the Commission on the issuers or other persons involved, the nature of the issues and the action taken or being taken by it to deal with the situation.

15. TSX Venture Exchange will advise the Commission in writing on at least a quarterly basis (or any other basis as the Commission may agree to in writing) of all significant exemptions or waivers of corporate finance policies and provide information on the issuers involved, the nature of the waivers or exemptions and the reasons for granting the waivers or exemptions.

Regulatory Oversight

16. TSX Venture Exchange will

    (a) comply with the Rule review and approval procedures established from time to time by the Commission and the BCSC,

    (b) file with the Commission all Rules adopted by its board,

    (c) comply with the compliance or regulatory review program established from time to time by the Commission, and

    (d) permit the Commission to have access to and inspect, or provide to the Commission, all data and information in its possession that is required for the assessment by the Commission of the performance by TSX Venture Exchange of its regulation functions and its compliance with the terms of this Order.

Corporate governance

17. To ensure diversity of representation, TSX Venture Exchange will ensure that

    (a) its board is composed of individuals that provide a proper balance between the interests of the different entities using its services and facilities; and

    (b) a reasonable number and proportion of its directors are independent directors, as provided in paragraph 20.

18. TSX Venture Exchange's governance structure will provide for

    (a) fair and meaningful representation, having regard to its nature and structure, on the board and any board or advisory committee;

    (b) appropriate representation on the board and any board committees of persons that are independent directors;

    (c) appropriate qualification, remuneration and conflict of interest provisions and limitation of liability and indemnification protections for its directors, officers and employees generally.

19. At least 25% of the directors of TSX Venture Exchange will, at all times, be persons that have expertise in or are associated with the Canadian public venture capital market.

20. At least 50% of the directors of TSX Venture Exchange will be independent directors, and an independent director is a director that is not

    (a) associated with any member or participating organization of TSX Venture Exchange, as defined in TSX Venture Exchange's by-law;

    (b) an officer or employee of TSX Venture Exchange or its affiliates, or an associate of that officer or employee;

    (c) a person who owns or controls, directly or indirectly, over 10% of TSX Venture Exchange; or

    (d) an associate, director, officer or employee of any person who owns or controls, directly or indirectly, over 10% of TSX Venture Exchange (other than a director of TSX Group or TSX).

    If at any time TSX Venture Exchange fails to meet this threshold, it will promptly remedy the situation.

21. TSX Venture Exchange will not, without prior Commission approval, implement any significant changes to the governance structure and practices of its board, including significant changes to the composition and terms of reference of its board committees and advisory committees.

Fitness

22. TSX Venture Exchange will take reasonable steps to ensure that each officer and director of TSX Venture Exchange is a fit and proper person and the past conduct of each officer or director affords reasonable grounds for belief that the officer or director will perform his or her duties with integrity.

Access

23. TSX Venture Exchange requirements will not unreasonably prohibit or limit access to its trading facilities by properly registered dealers that are members of a self-regulatory organization or exchange recognized in Canada and that satisfy the requirements of TSX Venture Exchange.

24. TSX Venture Exchange will not unreasonably prohibit or limit access to its services.

25. TSX Venture Exchange will maintain written standards separate from TSX for granting access to trading on its facilities.

26. TSX Venture Exchange will keep separate records of

    (a) each grant of access and, for each entity granted access to its facilities, the reasons for granting access; and

    (b) each denial or limitation of access and the reasons for denying or limiting access to any applicant.

Due Process

27. TSX Venture Exchange shall ensure that

    (a) its requirements, the limitations or conditions it imposes on access to its trading and listing facilities, and the decisions it makes to deny access are fair and reasonable;

    (b) the parties are given notice and an opportunity to be heard or make representations; and

    (c) it keeps a record, gives reasons and provides for reviews of its decisions.

Fees

28. TSX Venture Exchange will have a fair and appropriate process for setting fees and will determine the fees it imposes on its listed issuers, applicants for listing, members, participating organizations and other market participants.

29. These fees will

    (a) be allocated on an equitable basis as among the parties noted in paragraph 28;

    (b) not have the effect of creating barriers to access;

    (c) be balanced with its need to have sufficient revenues to satisfy its responsibilities; and

    (d) be fair, reasonable and appropriate.

Financial Viability

30. TSX Venture Exchange will have sufficient financial and other resources for the performance of its functions in a manner that is consistent with the public interest and the terms and conditions of this order.

31. TSX Venture Exchange will file with the Commission annual audited financial statements prepared in accordance with generally accepted accounting principles in Canada (Canadian GAAP) and accompanied by the report of an

independent auditor within 90 days of its financial year end or any shorter period provided in Alberta securities laws for reporting issuers to file their financial statements.

32. TSX Venture Exchange will file with the Commission quarterly financial statements prepared in accordance with Canadian GAAP within 60 days of the end of each financial quarter or any shorter period provided in Alberta securities laws for reporting issuers to file their financial statements.

Systems Security, Capacity and Sustainability

33. For each of its systems that supports order entry, order routing, execution, data feeds, trade reporting and trade comparison, capacity and integrity requirements, TSX Venture Exchange will

(a) on a reasonably frequent basis and, in any event, at least annually,

(i) make reasonable current and future capacity estimates;

(ii) conduct capacity stress tests of critical systems on a reasonably frequent basis to determine the ability of those systems to process transactions in an accurate, timely and efficient manner;

(iii) develop and implement reasonable procedures to review and keep current the development and testing methodology of those systems;

(iv) review the vulnerability of those systems and data centre computer operations to internal and external threats, including physical hazards and natural disasters; and

(v) establish reasonable contingency and business continuity plans;

(b) on an annual basis, cause to be performed an independent review, in accordance with established audit procedures and standards, of its current systems technology plans and whether there are appropriate processes in place to manage the impact of changes in technology on the exchange and parties interfacing with exchange systems and obtain a written report of the review. This will include an assessment of its controls for ensuring that each of its systems that support order entry, order routing, execution, data feeds, trade reporting and trade comparison, capacity and integrity requirements, complies with paragraph (a) above. Senior management will conduct a review of a report containing the recommendations and conclusions of the independent review; and

(c) promptly notify the Commission of material systems failures and changes.

34. If securities of issuers that are listed on TSX Venture Exchange trade on systems operated by TSX, TSX Venture Exchange will be considered to have met the requirements set out under subparagraphs a and b of paragraph 33 if TSX meets the equivalent requirements contained in the order continuing the recognition of TSX and recognizing the TSX Group issued by the OSC in conjunction with the reorganization.

Outsourcing

35. In any material outsourcing of any of its business functions with parties other than TSX Group or an affiliate or associate of TSX Group, TSX Venture Exchange will proceed in accordance with industry best practices. Without limiting the generality of the foregoing, TSX Venture Exchange will

(a) establish and maintain policies and procedures that are approved by its board of directors for the evaluation and approval of material outsourcing arrangements;

(b) in entering into any material outsourcing arrangement

(i) assess the risk of the arrangement, the quality of the service to be provided and the degree of control to be maintained by TSX Venture Exchange, and

(ii) execute a contract with the service provider addressing all significant elements of the arrangement, including service levels and performance standards;

(c) ensure that any contract implementing material outsourcing arrangement that is likely to impact on TSX Venture Exchange's regulation functions gives TSX Venture Exchange, its agents and the Commission access to, and the right to inspect, all data and information maintained by the service provider that

TSX Venture Exchange is required to share under paragraph 39 or that the Commission requires to assess how TSX Venture Exchange is performing its regulation functions and how TSX Venture Exchange complies with these terms and conditions; and

(d) monitor the performance of the service provider under any material outsourcing arrangement.

Related Party Transactions

36. Any material agreement or transaction entered into between TSX Venture Exchange and

(a) TSX Group or TSX, or

(b) any affiliate or associate of TSX Group or TSX

will be on terms and conditions that are at least as favourable to TSX Venture Exchange as market terms and conditions.

Change in Operations or Ownership

37. TSX Venture Exchange will not cease to operate or suspend, discontinue or wind-up all or a significant portion of its operations, or dispose of all or substantially all of its assets, without

(a) providing the Commission at least six months' prior notice of its intention; and

(b) complying with any terms and conditions that the Commission may impose in the public interest for the orderly discontinuance of its operations or the orderly disposition of its assets.

38. TSX Venture Exchange will not cease to be wholly owned or directly controlled by TSX or indirectly wholly owned or controlled by TSX Group without TSX Venture Exchange

(a) providing the Commission at least three months' prior notice of its intention; and

(b) complying with any terms and conditions that the Commission may impose in the public interest.

Information Sharing

39. TSX Venture Exchange will share information of a regulatory nature and will otherwise co-operate with the Commission and its staff, other exchanges and self-regulatory organizations recognized in Canada, and Canadian regulatory authorities responsible for the supervision or regulation of securities, subject to the applicable privacy or other laws about the sharing of information and the protection of personal information.

Clearing and Settlement

40. TSX Venture Exchange will have rules that impose a requirement on its members and participating organizations to have appropriate arrangements in place for clearing and settlement.

Commission Approval

41. When seeking the approval of the Commission under these terms and conditions, TSX Venture Exchange will comply with the procedures established from time to time by the Commission for the joint regulatory oversight of TSX Venture Exchange.

SCHEDULE "B"

COR#02/096

Recognition Order
TSX Venture Exchange Inc.
Section 24(b) of the *Securities Act*, RSBC 1996, c. 418

On November 26, 1999, the Commission recognized the Canadian Venture Exchange Inc. (CDNX) as an exchange in British Columbia under section 24(2) of the Act (COR#99/323).

On July 31, 2001, the Commission ordered the continued recognition of CDNX as an exchange in British Columbia under section 24(2) of the Act under certain terms and conditions effective on the closing of a transaction whereby CDNX became a wholly owned subsidiary of The Toronto Stock Exchange Inc. (TSE) and became a for-profit corporation (COR#01/086), and revoked COR#99/323.

The TSE changed its name to TSX Inc. (TSX) and CDNX changed its name to TSX Venture Exchange Inc./Bourse de croissance TSX Inc. (TSX Venture Exchange).

TSX will complete a reorganization. Under the reorganization,

1. TSX will become a wholly owned subsidiary of a new holding company, TSX Group Inc. (TSX Group), and TSX Venture Exchange will continue to be a wholly owned subsidiary of TSX; and

2. TSX Group will provide corporate services, such as financial services, accounting, payroll, human resources, administration, legal and corporate information technology services, to TSX and TSX Venture Exchange.

Following the reorganization, TSX Group intends to conduct an initial public offering.

The Commission received representations, acknowledgements and undertakings from TSX Venture Exchange, TSX and TSX Group in connection with TSX Venture Exchange's application for continued recognition as an exchange.

The Commission considers it appropriate to set out in an order revised terms and conditions of the continued recognition of TSX Venture Exchange as an exchange following the reorganization.
TSX Venture Exchange, TSX and TSX Group have agreed to the terms and conditions set out in the order.

TSX Venture Exchange will be subject to the joint regulatory oversight of the Commission and the Alberta Securities Commission (ASC).

Based on the application of TSX Venture Exchange, including the representations, undertakings and acknowledgements made by TSX and TSX Group to the Commission in connection with the application, the Commission is satisfied that the continued recognition of TSX Venture Exchange following the reorganization will not be prejudicial to the public interest.

The Commission orders the continued recognition of TSX Venture Exchange as an exchange under section 24(b) of the Act effective on the closing of the reorganization provided TSX Venture Exchange meets and continues to meet the revised terms and conditions set out in Schedule A. Recognition will continue until the Commission, after giving TSX Venture Exchange an opportunity to be heard, revokes it.

This order revokes and replaces COR#01/086.

September 3, 2002.

"Douglas M. Hyndman"

Ref: COR#01/086

Schedule A

National junior exchange

1. TSX Venture Exchange will operate a national exchange for junior issuers under a separate brand identity and separately from the national exchange for senior issuers operated by TSX and TSX Group.

Local presence

2. TSX Venture Exchange will maintain an office in Vancouver through which it will

   (a) provide corporate finance services to, and perform corporate finance functions for, its listed issuers and applicants for listing; and

   (b) perform issuer regulation functions.

3. TSX Venture Exchange will obtain, solicit and provide regional input on the development of listing and other corporate finance requirements for its listed issuers and applicants for listing.

Public interest

4. TSX Venture Exchange will operate in the public interest.

5. TSX Venture Exchange will maintain rules, policies, and other similar instruments (rules) that

   (a) are not contrary to the public interest;

   (b) regulate all aspects of its business and affairs; and

   (c) are appropriate to foster a vibrant and effective market for junior issuers.

6. More specifically, TSX Venture Exchange will ensure that

   (a) the rules are designed to

      (i) ensure compliance with applicable securities legislation;

      (ii) prevent fraudulent and manipulative acts and practices;

      (iii) promote just and equitable principles of trade;

      (iv) foster co-operation and co-ordination with entities engaged in regulating, clearing, settling, processing information about, and facilitating transactions in, securities; and

      (v) provide for appropriate sanction or discipline for violation of its rules for all persons under the jurisdiction of TSX Venture Exchange and for its listed issuers;

   (b) the rules do not

      (i) permit unreasonable discrimination between those seeking and granted access to the listing, trading and other services of TSX Venture Exchange;

      (ii) impose any burden on competition that is not reasonably necessary or appropriate; and

   (c) the rules are designed to ensure that the business of TSX Venture Exchange is conducted in a manner that affords protection to investors.

Regulation functions

7. TSX Venture Exchange will continue to perform its corporate finance and issuer regulation functions, including

   (a) setting listing and other corporate finance requirements for its listed issuers and applicants for listing;

   (b) monitoring the conduct and activities of its listed issuers for compliance with its rules; and

   (c) making decisions under its rules about its listed issuers, persons associated with its listed issuers and applicants for listing and providing for a review or appeal process for these decisions.

8. TSX Venture Exchange is and remains responsible for performing market regulation functions, including setting requirements governing the conduct of its members and participating organizations, monitoring their conduct and enforcing the requirements of TSX Venture Exchange governing their conduct.

9. TSX Venture Exchange has retained and, except with prior Commission approval, will continue to retain Market Regulation Services Inc. (RS) as a regulation services provider to provide, as its agent, certain regulation services that have been approved by the Commission. TSX Venture Exchange will provide to the Commission, on an annual basis, a list outlining the regulation services provided by RS and by TSX Venture

Exchange. Any amendment to this list will be subject to prior Commission approval.

10. TSX Venture Exchange will continue to perform all other regulation functions not performed by RS, including its corporate finance and issuer regulation functions. TSX Venture Exchange will not perform these functions through any other party, including any of its affiliates or associates, without prior Commission approval. For greater certainty, any outsourcing of a business function that is done in accordance with paragraph 35 does not contravene this paragraph.

11. Management of TSX Venture Exchange will at least annually assess the performance by RS of its regulation services and submit a report to the board of TSX Venture Exchange with any recommendations for improvements. TSX Venture Exchange will give the Commission a copy of each report and advise the Commission of any actions it proposes to take as a result.

12. TSX Venture Exchange

    (a) will provide the Commission with an annual report in the form and with the information specified by the Commission from time to time; and

    (b) will not, without prior Commission approval, make any significant changes to the manner in which it provides and performs corporate finance services and functions and performs issuer regulation functions.

13. TSX Venture Exchange, through RS or otherwise, will ensure that its members, participating organizations and listed issuers are appropriately sanctioned or disciplined for violations of its rules. In addition, TSX Venture Exchange will provide notice to the Commission of any violation of securities legislation of which it becomes aware in the ordinary course operation of its business.

14. TSX Venture Exchange will advise the Commission on at least a quarterly basis (or any other basis as the Commission may agree to in writing) of all significant issues arising from issuer non-compliance with TSX Venture Exchange rules, and provide information in a form acceptable to the Commission on the issuers or other persons involved, the nature of the issues and the action taken or being taken by it to deal with the situation.

15. TSX Venture Exchange will advise the Commission in writing on at least a quarterly basis (or any other basis as the Commission may agree to in writing) of all significant exemptions or waivers of corporate finance policies and provide information on the issuers involved, the nature of the waivers or exemptions and the reasons for granting the waivers or exemptions.

Regulatory oversight

16. TSX Venture Exchange will comply with the rule review and approval procedures established from time to time by the Commission and the ASC. TSX Venture Exchange will file with the Commission all rules adopted by its board.

Corporate governance

17. To ensure diversity of representation, TSX Venture Exchange will ensure that

    (a) its board is composed of individuals that provide a proper balance between the interests of the different entities using its services and facilities; and

    (b) a reasonable number and proportion of its directors are independent directors, as provided in paragraph 20.

18. TSX Venture Exchange's governance structure will provide for

    (a) fair and meaningful representation, having regard to its nature and structure, on the board and any board or advisory committee;

    (b) appropriate representation on the board and any board committees of persons that are independent directors;

    (c) appropriate qualification, remuneration and conflict of interest provisions and limitation of liability and indemnification protections for its directors, officers and employees generally.

19. At least 25% of the directors of TSX Venture Exchange will, at all times, be persons that have expertise in or are associated with the Canadian public venture capital market.

20. At least 50% of the directors of TSX Venture Exchange will be independent directors, and an independent director is a director that is not

    (a) associated with any member or participating organization of TSX Venture Exchange, as defined in TSX Venture Exchange's by-laws;

    (b) an officer or employee of TSX Venture Exchange or its affiliates, or an associate of that officer or employee;

(c) a person who owns or controls, directly or indirectly, over 10% of TSX Venture Exchange; or

(d) an associate, director, officer or employee of any person who owns or controls, directly or indirectly, over 10% of TSX Venture Exchange (other than a director of TSX Group or TSX).

If at any time TSX Venture Exchange fails to meet this threshold, it will promptly remedy the situation.

21. TSX Venture Exchange will not, without prior Commission approval, implement any significant changes to the governance structure and practices of its board, including significant changes to the composition and terms of reference of its board committees and advisory committees.

Fitness

22. TSX Venture Exchange will take reasonable steps to ensure that each officer and director of TSX Venture Exchange is a fit and proper person and the past conduct of each officer or director affords reasonable grounds for belief that the officer or director will perform his or her duties with integrity.

Access

23. TSX Venture Exchange requirements will not unreasonably prohibit or limit access to its trading facilities by properly registered dealers that are members of a self-regulatory organization or exchange recognized in Canada and that satisfy the requirements of TSX Venture Exchange.

24. TSX Venture Exchange will not unreasonably prohibit or limit access to its services.

25. TSX Venture Exchange will maintain written standards separate from TSX for granting access to trading on its facilities.

26. TSX Venture Exchange will keep separate records of

(a) each grant of access and, for each entity granted access to its facilities, the reasons for granting access; and

(b) each denial or limitation of access and the reasons for denying or limiting access to any applicant.

Due process

27. TSX Venture Exchange shall ensure that

(a) its requirements, the limitations or conditions it imposes on access to its trading and listing facilities, and the decisions it makes to deny access are fair and reasonable;

(b) the parties are given notice and an opportunity to be heard or make representations; and

(c) it keeps a record, gives reasons and provides for reviews of its decisions.

Fees

28. TSX Venture Exchange will have a fair and appropriate process for setting fees and will determine the fees it imposes on its listed issuers, applicants for listing, members, participating organizations and other market participants.

29. These fees will

(a) be allocated on an equitable basis as among the parties noted in paragraph 28;

(b) not have the effect of creating barriers to access;

(c) be balanced with its need to have sufficient revenues to satisfy its responsibilities; and

(d) be fair, reasonable and appropriate.

Financial viability

30. TSX Venture Exchange will have sufficient financial and other resources for the performance of its functions in a manner that is consistent with the public interest and the terms and conditions of this order.

31. TSX Venture Exchange will file with the Commission annual audited financial statements prepared in accordance with generally accepted accounting principles in Canada (Canadian GAAP) and accompanied by the report of an independent auditor within 90 days of its financial year end or any shorter period provided in British Columbia securities legislation for reporting issuers to file their financial statements.

32. TSX Venture Exchange will file with the Commission quarterly financial statements prepared in accordance with Canadian GAAP within 60 days of the end of each financial quarter or any shorter period provided in British Columbia securities legislation for reporting issuers to file their financial statements.

System security, capacity and sustainability

33. For each of its systems that supports order entry, order routing, execution, data feeds, trade

reporting and trade comparison, capacity and integrity requirements, TSX Venture Exchange will

(a) on a reasonably frequent basis and, in any event, at least annually,

(i) make reasonable current and future capacity estimates;

(ii) conduct capacity stress tests of critical systems on a reasonably frequent basis to determine the ability of those systems to process transactions in an accurate, timely and efficient manner;

(iii) develop and implement reasonable procedures to review and keep current the development and testing methodology of those systems;

(iv) review the vulnerability of those systems and data centre computer operations to internal and external threats, including physical hazards and natural disasters; and

(v) establish reasonable contingency and business continuity plans;

(b) on an annual basis, cause to be performed an independent review, in accordance with established audit procedures and standards, of its current systems technology plans and whether there are appropriate processes in place to manage the impact of changes in technology on the exchange and parties interfacing with exchange systems and obtain a written report of the review. This will include an assessment of its controls for ensuring that each of its systems that support order entry, order routing, execution, data feeds, trade reporting and trade comparison, capacity and integrity requirements, complies with paragraph (a) above. Senior management will conduct a review of a report containing the recommendations and conclusions of the independent review; and

(c) promptly notify the Commission of material systems failures and changes.

34. If securities of issuers that are listed on TSX Venture Exchange trade on systems operated by TSX, TSX Venture Exchange will be considered to have met the requirements set out under sub-paragraph (a) and (b) of paragraph 33 if TSX meets the equivalent requirements contained in the order continuing the recognition of TSX and recognizing TSX Group issued by the OSC in conjunction with the reorganization.

Outsourcing

35. In any material outsourcing of any of its business functions, with parties other than TSX Group or an affiliate or associate of TSX Group, TSX Venture Exchange will proceed in accordance with industry best practices. Without limiting the generality of the foregoing, TSX Venture Exchange will

(a) establish and maintain policies and procedures that are approved by its board of directors for the evaluation and approval of material outsourcing arrangements;

(b) in entering into any material outsourcing arrangement

(i) assess the risk of the arrangement, the quality of the service to be provided and the degree of control to be maintained by TSX Venture Exchange; and

(ii) execute a contract with the service provider addressing all significant elements of the arrangement, including service levels and performance standards;

(c) ensure that any contract implementing a material outsourcing arrangement that is likely to impact on TSX Venture Exchange's regulation functions gives TSX Venture Exchange, its agents and the Commission access to, and the right to inspect, all data and information maintained by the service provider that TSX Venture Exchange is required to share under paragraph 39 or that the Commission requires to assess how TSX Venture Exchange is performing its regulation functions and how TSX Venture Exchange complies with these terms and conditions; and

(d) monitor the performance of the service provider under any material outsourcing arrangement.

Related party transactions

36. Any material agreement or transaction entered into between TSX Venture Exchange and

(a) TSX Group or TSX, or

(b) any affiliate or associate of TSX Group or TSX

will be on terms and conditions that are at least as favourable to TSX Venture Exchange as market terms and conditions.

Change in operations or ownership

37. TSX Venture Exchange will not cease to operate or suspend, discontinue or wind-up all or a significant portion of its operations, or dispose of all or substantially all of its assets, without

(a) providing the Commission at least six months' prior notice of its intention; and

(b) complying with any terms and conditions that the Commission may impose in the public interest for the orderly discontinuance of its operations or the orderly disposition of its assets.

38. TSX Venture Exchange will not cease to be wholly owned or directly controlled by TSX or indirectly wholly owned or controlled by TSX Group without TSX Venture Exchange

(a) providing the Commission at least three months' prior notice of its intention; and

(b) complying with any terms and conditions that the Commission may impose in the public interest.

Information sharing

39. TSX Venture Exchange will share information of a regulatory nature and will otherwise co-operate with the Commission and its staff, other exchanges and self-regulatory organizations recognized in Canada, and Canadian regulatory authorities responsible for the supervision or regulation of securities, subject to the applicable privacy or other laws about the sharing of information and the protection of personal information.

Clearing and settlement

40. TSX Venture Exchange will have rules that impose a requirement on its members and participating organizations to have appropriate arrangements in place for clearing and settlement.

Commission approval

41. When seeking the approval of the Commission under these terms and conditions, TSX Venture Exchange will comply with the procedures established from time to time by the Commission for the joint regulatory oversight of TSX Venture Exchange.

SCHEDULE "C"

Memorandum of Understanding about the Oversight of Exchanges and Quotation and Trade Reporting Systems

among:

Alberta Securities Commission (ASC)
British Columbia Securities Commission (BCSC)
Commission des valeurs mobilières du Québec (CVMQ)
Ontario Securities Commission (OSC) and
Manitoba Securities Commission (MSC)

The parties agree as follows:

1. Underlying Principles

(a) Each recognized exchange (Exchange) and recognized quotation and trade reporting system (QTRS) has a lead regulator (Lead Regulator) responsible for its oversight and may have one or more exempting regulators (Exempting Regulator). In certain circumstances, an Exchange or QTRS may have a regulator that is neither a Lead Regulator nor an Exempting Regulator (Participating Regulator). A Participating Regulator has the same rights as an Exempting Regulator under this Memorandum of Understanding (MOU). The current list of Exchanges and QTRSs and their Lead Regulators, Exempting Regulators and Participating Regulators is attached as Appendix A, which may be amended from time to time.

(b) The Exempting Regulator of an Exchange or QTRS has exempted or will exempt it from recognition as an Exchange or QTRS on the basis that:

(i) the Exchange or QTRS is and will continue to be recognized by the Lead Regulator as an Exchange, QTRS or, in Québec, as a self-regulatory organization;

(ii) the Lead Regulator is responsible for conducting the regulatory oversight of the Exchange or QTRS; and

(iii) the Lead Regulator will inform the Exempting Regulator of its oversight activities and the Exempting Regulator will have the opportunity to raise issues concerning the oversight of the Exchange or QTRS with the Lead Regulator in accordance with this MOU.

(c) The Lead Regulator is responsible for conducting an oversight program (the Oversight Program)[1] of the Exchange or QTRS that will include the matters described in Part 2.

(d) The purpose of the Oversight Program is to ensure that each Exchange and QTRS meets appropriate standards for market operation and regulation. Those standards include:

(i) fair access for issuers and market participants;

(ii) fair representation in corporate governance and rule-making;

(iii) systems and financial capacity to carry out its regulatory functions;

(iv) orderly markets through appropriate review of traded products and trading rules;

(v) appropriate listed or quoted company regulation;

(vi) transparency through timely access to relevant information on traded products and market prices;

(vii) market integrity through the adoption of rules that prohibit unfair trading practices and monitoring and enforcing these rules;

(viii) proper identification and management of risks, including credit risks related to market participants; and

(ix) integration with effective clearing and settlement systems.

(e) The parties will act in good faith to resolve issues raised by any Exempting Regulator in connection with the Oversight Program carried out by the Lead Regulator.

(f) The parties acknowledge that, with the consent of the relevant Lead Regulator and Exempting Regulators, the securities commissions of any other jurisdiction where an Exchange or QTRS is recognized or exempted from recognition may become a party to this MOU.

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[1] The matters outlined in the Oversight Program are intended to prescribe the minimum level of oversight of an Exchange or QTRS. The Lead Regulator may conduct additional review procedures. The purpose of specifying the Oversight Program is to ensure that each participant in the MOU is comfortable that there is acceptable oversight of the Exchange or QTRS. This in turn justifies reliance on the Lead Regulator.

(g) This MOU is the successor to any prior MOU regarding the oversight of an Exchange or QTRS[2] entered into between any of the parties to this agreement.

2. Oversight Program

(a) The Lead Regulator will establish and conduct the Oversight Program. At a minimum, the Oversight Program will include the following:

(i) Review of information filed by the Exchange or QTRS on critical financial and operational matters and significant changes to operations, including information related to:

(A) affiliated entities;

(B) operation of systems and technological capacity;

(C) financial statements;

(D) access requirements and forms;

(E) corporate finance policies, including listing, quoting and filing requirements; and

(F) corporate governance, including board and committee composition, structure, mandate and function.

(ii) Review and approval of changes to Exchange or QTRS by-laws, rules, policies, and other similar instruments (Regulatory Instruments) under the procedures established by the Lead Regulator from time to time. The current procedures are identified in Appendix B, which may be amended from time to time.

(iii) Periodic examination of Exchange or QTRS functions, including:

(A) corporate finance policies: policies relating to minimum listing or quoting requirements, continuing listing or quoting requirements or tier maintenance requirements, sponsorship and continuous disclosure;

(B) trading halts, suspensions and de-listing procedures;

(C) surveillance and enforcement: procedures for detection of non-compliance and resolution of outstanding issues;

(D) access: requirements for access to trade through the facilities of the Exchange or QTRS;

(E) information transparency: procedures for the dissemination of market information;

(F) corporate governance: corporate governance procedures, including policy and rule making process; and

(G) risk management and computer systems.

(b) The Lead Regulator will retain sole discretion regarding the manner in which the Oversight Program is carried out, including determining the order and timing of its examinations of the functions under section 2(a)(iii). However, the Lead Regulator will perform the examinations of these functions at least once every three years. The Lead Regulator will provide to each Exempting Regulator a copy of the report of the examination performed under section 2(a)(iii) and any responses of the Exchange or QTRS to the report.

3. Involvement of an Exempting Regulator

(a) The Lead Regulator acknowledges that an Exempting Regulator may require that the Exchange or QTRS provide to the Exempting Regulator:

(i) copies of all Regulatory Instruments that the Exchange or QTRS files for review and approval with the Lead Regulator under the Lead Regulator's procedures referred to in section 2(a)(ii) at the same time that the Exchange or QTRS files the Regulatory Instruments with the Lead Regulator;

(ii) copies of all final Regulatory Instruments once approved by the Lead Regulator under the procedures outlined in section 2(a)(ii); and

(iii) if requested by the Exempting Regulator, copies of information filed by the Exchange or QTRS pursuant to section 2(a)(i) as identified in the request.

(b) If an Exempting Regulator advises the Lead Regulator that it has specific concerns regarding

2 As of September 3, 2002, no prior MOU exists for the oversight of a QTRS.

the operations of the Exchange or QTRS in the jurisdiction of the Exempting Regulator and requests that the Lead Regulator perform an examination of the Exchange or QTRS in that jurisdiction, the Lead Regulator may determine to conduct an examination of

(i) the office of the Exchange or QTRS in the jurisdiction of the Exempting Regulator; or

(ii) a function performed by an Exchange or QTRS office in that jurisdiction.

The Exempting Regulator may, as part of its request, ask that the Lead Regulator include staff of the Exempting Regulator in the Lead Regulator's examination. The Lead Regulator may, as a condition of performing the examination, request the assistance of staff of the Exempting Regulator in which case the Exempting Regulator will use its best efforts to provide this assistance.

(c) If the Lead Regulator advises the Exempting Regulator that it cannot or will not conduct the examination referred to in section 3(b), the Exempting Regulator may conduct the examination without the participation of the Lead Regulator. In that case, the Exempting Regulator will provide copies of the results of the examination to the Lead Regulator.

(d) If issuers or parties that are directly affected by a decision of the Exchange or QTRS in the jurisdiction of an Exempting Regulator appeal that decision to the Lead Regulator or request a hearing and review of that decision by the Lead Regulator, the Lead Regulator will provide videoconferencing facilities or other electronic equipment as necessary and appropriate to permit and facilitate the participation of the parties in the proceedings from, at or near the office of the Exchange or QTRS in the jurisdiction of the Exempting Regulator. The Lead Regulator will also provide simultaneous translation facilities or other facilities necessary and appropriate to permit the participation of the parties in the proceedings in French or English, at their request.

(e) The Lead Regulator will inform each Exempting Regulator in writing of any material changes in how it performs its obligations under this MOU.

4. Information Sharing

(a) The Lead Regulator will, upon written request from an Exempting Regulator, provide or request the Exchange or QTRS to provide to the Exempting Regulator any information about the marketplace participants, the shareholders and the market operations of the Exchange or QTRS. This would include shareholder and participating organization lists, product and trading information and disciplinary decisions.

(b) In specific circumstances, the Lead Regulator may agree to provide additional information to parties to the MOU. The current circumstances in which the Lead Regulator would provide additional information and the information the Lead Regulator would provide are set out in Appendix C, which may be amended from time to time.

5. Oversight Committee

(a) The parties to the MOU will continue to participate in a committee that will act as a forum and venue for the discussion of issues, concerns and proposals related to the oversight of marketplaces by the parties (Oversight Committee).

(b) The Oversight Committee will include staff representatives from each of the Lead Regulators and the Exempting Regulators who have responsibility and/or expertise in the areas of marketplace oversight and market regulation.

(c) The Oversight Committee will meet at least once annually in person and will conduct conference calls at least quarterly.

(d) At least quarterly, the parties will provide to the Oversight Committee a summary report on their oversight activities that will include a summary description of any material changes made to their oversight program during the period.

(e) At least annually, the Oversight Committee will provide to the Canadian Securities Administrators a written report of the oversight activities of the committee members during the previous period.

6. Issues Forum

(a) The parties acknowledge that:

(i) more than one Exchange or QTRS may submit the same Regulatory Instruments to different Lead Regulators for review and approval at the same time; or

(ii) one Exchange or QTRS may submit a Regulatory Instrument to its Lead Regulator for review and approval that is the same as an existing Regulatory Instrument adopted by a different Exchange or QTRS with a different Lead Regulator.

(b) In the event the circumstances set out in section 6(a) arise, the Lead Regulators will act in good faith to resolve the issues raised by any of the parties in order to achieve consistent results among the Lead Regulators.

(c) The parties to this MOU will establish a committee of Commissioners (the "Issues Forum") that will attempt to establish a consensus between Lead Regulators on any issue in dispute under section 6(a). The Issues Forum will make recommendations to the various commissions. Staff of any of the Lead Regulators involved in a dispute or disagreement may submit the issue in dispute or the matter causing the disagreement to the Issues Forum.

(d) The Issues Forum will include one Commissioner from each jurisdiction that is a party to this MOU. For purposes of this section, the joint Lead Regulators of the TSX Venture Exchange Inc. (formerly the Canadian Venture Exchange Inc.) (TSXV) will be considered to be separate parties.

7. Waiver and Termination

(a) The terms, conditions and procedures of this MOU may be varied or waived by mutual agreement of the parties. A waiver or variation may be specific or general and may be for a time or for all time, as mutually agreed by the parties.

(b) If the Lead Regulator or an Exempting Regulator of an Exchange or QTRS believes that another party is not satisfactorily performing its obligations under this MOU, it may give written notice to the other party stating that belief and providing particulars in reasonable detail of the alleged failure to perform. If the party receiving the notice has not satisfied the notifying party within two months of the delivery of the notice either that its performance is satisfactory or that it has taken or will take acceptable steps to rectify its performance, the notifying party may by written notice to the other party terminate this MOU as it relates to that Exchange or QTRS on a date not less than six months following delivery of the notice. In that case, the notifying party will send to the Exchange or QTRS a copy of its notice of termination at the same time it sends the notice to the other party or parties.

(c) In the event any significant change to the ownership, structure or operations of an Exchange or QTRS affects the oversight of the Exchange or QTRS, a Lead Regulator or any Exempting Regulator may give written notice to the other parties stating its concerns. If a resolution cannot be reached within two months of the delivery of the notice, the notifying party may by written notice to the other parties terminate this MOU as it relates to the Exchange or QTRS on a date not less than six months following delivery of the notice. In that case, the notifying party will send to the Exchange or QTRS a copy of its notice of termination at the same time it sends the notice to the other parties.

(d) For purposes of this Part, the joint Lead Regulators of the TSXV will be considered one party.

8. Amendments to Appendices

The parties agree that the appendices to this MOU may be amended from time to time.

9. Effective Date

In order to have a coordinated effective date, in Alberta, British Columbia, Ontario and Manitoba, this MOU comes into effect on the date it is approved by the Minister of Finance in Ontario. In Québec, the MOU comes into effect on the date the CVMQ executes the MOU.

Alberta Securities Commission
Per: _____
Title: _____

Commission des valeurs mobilières du Québec
Per: _____
Title: _____

British Columbia Securities Commission
Per: _____
Title: _____

Ontario Securities Commission
Per: _____
Title: _____

Manitoba Securities Commission
Per: _____
Title: _____

Appendix A

List of Lead Regulators and Exempting Regulators
(Information as of September 3, 2002)

1. **TSX Venture Exchange Inc.** (formerly Canadian Venture Exchange Inc.)

   a. *Lead Regulator* - The ASC and BCSC act jointly as the Lead Regulator for TSX Venture Exchange Inc.

   b. *Exempting Regulators* **-** CVMQ, OSC, and MSC

2. **TSX Inc.** (formerly The Toronto Stock Exchange Inc.)

   a. *Lead Regulator* - OSC

   b. *Exempting Regulator* - BCSC, CVMQ and ASC

3. **Bourse de Montréal Inc.**

   a. *Lead Regulator* - CVMQ

   b. *Exempting Regulator* - OSC

4. **Winnipeg Commodity Exchange Inc.**

   a. Lead Regulator - MSC

   b. *Participating Regulator*[3] - OSC

Appendix B

Procedures for Review and Approval of Changes to Regulatory Instruments
(information as of September 3, 2002)

1. **TSX Venture Exchange Inc.** - The current procedures are set out in letters dated November 26, 1999 and February 24, 2000.

2. **TSX Inc.** - The current procedures are set out by protocol dated October 23, 1997 published at (1997) 20 OSCB 5684.

3. **Bourse de Montréal Inc.** - Section 177 of the *Securities Act* (Québec)

4. **Winnipeg Commodity Exchange Inc.** - Section 17 of *The Commodity Futures Act* (Manitoba)

3 A Participating Regulator has the rights of an Exempting Regulator under this MOU.

Appendix C

Additional Information Provided by the Lead Regulator
(information as of September 3, 2002)

1. As part of the reorganization of TSX Inc. (TSX), under which TSX will become a wholly owned subsidiary of TSX Group Inc. (TSX Group) and TSX Venture Exchange Inc. (TSXV) will continue to be a wholly owned subsidiary of TSX, the OSC agreed to provide the following information to the ASC and BCSC:

   For as long as the OSC recognizes and acts as the Lead Regulator for TSX and recognizes TSX Group, the OSC will promptly advise the Lead Regulators of TSXV in writing, if the OSC

   a) becomes concerned about the financial viability of TSX Group or TSX;

   b) is advised by TSX Group that TSX Group will not allocate sufficient financial and other resources to TSX to ensure that TSX can carry out its functions in a manner that is consistent with the public interest and the terms and conditions of the OSC's recognition order for TSX Group and TSX;

   c) is advised by TSX that TSX has failed to satisfy any of the financial tests set out in the OSC's recognition order for TSX Group and TSX;

   d) is considering revoking or revokes its recognition of TSX Group or TSX; or

   e) becomes aware of any impending change of control of TSX Group or TSX or of an intention by TSX Group or TSX to cease operations or dispose of all or substantially all of its assets.

   For as long as the OSC recognizes and acts as the Lead Regulator for TSX, the OSC will, immediately upon receipt of same, provide to the Lead Regulators of TSXV any reports provided to the OSC by TSX regarding the results of any tests, reviews or monitoring performed by TSX in connection with its systems.

SCHEDULE "D"

OTC AGREEMENT

(the "Agreement")

THIS AGREEMENT made as of the 6th day of October, 2000,

AMONG:

CANADIAN UNLISTED BOARD INC.
("CUB")

AND

CANADIAN VENTURE EXCHANGE INC.
("CDNX")

AND

THE ONTARIO SECURITIES COMMISSION
("OSC")

WHEREAS:

A. By an agreement made as of February 28, 1991 among The Toronto Stock Exchange (the "TSE"), the OSC and the Canadian Dealing Network Inc. ("CDN"), CDN (a wholly-owned subsidiary of the TSE) took on assignment from the OSC and has been operating a trade reporting system (the "CDN Reporting System") and a quotation system (the "CDN Quotation System") (collectively, the "CDN System") to provide visibility for over-the-counter ("OTC") trading of equity securities in the Province of Ontario;

B. By an agreement made as of September 29, 2000 among CDNX, the TSE and CDN (the "CDN Agreement"), the TSE and CDN have agreed to cease operating the CDN System;

C. The OSC wishes to ensure that a system continues to exist in the Province of Ontario through which OSC registered dealers can continue their mandatory reporting of all OTC trading in unlisted and unquoted equity securities in the Province of Ontario not specifically excluded from the reporting requirements of the *Securities Act, R.S.O. 1990, Chapter S.5* and the regulations thereto (collectively, the "Act");

D. Subject to the terms and conditions of this Agreement, CUB, a wholly owned subsidiary of CDNX, is prepared to operate an internet web-based reporting system for the reporting by registered dealers of OTC trading in unlisted and unquoted equity securities in the Province of Ontario (the "OTC System") and to provide certain services to the OSC with respect thereto; and

E. Subject to the terms and conditions of this

Agreement, CDNX has agreed to ensure that CUB fulfils its obligations hereunder and has adequate resources (including those made available to it by CDNX) to operate the OTC System and to provide to the OSC those services called for by this Agreement;

NOW THEREFORE in consideration of the premises and the mutual covenants, terms and conditions herein contained, the parties hereto do hereby mutually covenant and agree as follows:

1. THE OTC SYSTEM

1.1 The OTC System to be operated by CUB pursuant to this Agreement shall possess the characteristics and functionality described in Schedule "A" which is attached hereto and forms a part of this Agreement; provided, however, and the parties further agree that for greater certainty the OTC System will not provide for visible trade reporting.

1.2 The OTC System shall commence operation as at 5:00 p.m. EST on October 6, 2000 such that mandatory reporting by OSC registered dealers of all OTC trading in unlisted and unquoted equity securities in the Province of Ontario not specifically excluded from the reporting requirements of the Act (hereinafter referred to as "Ontario OTC trading") via the OTC System will commence on October 10, 2000.

1.3 All right, title and interest in and to the OTC System shall be owned solely by CUB, its successors and permitted assigns. For greater certainty, the right, title and interest in and to all registered and unregistered trademarks, trade names, service marks, copyrights, designs, inventions, patents, patent applications, patent rights, licenses, franchises, processes, technology, trade secrets and other industrial property pertaining to the OTC System developed by CUB (or on behalf of CUB by CDNX) or to any developments or enhancements of the OTC System implemented by CUB shall be owned solely by CUB, its successors and permitted assigns and, subject as herein otherwise provided, the OSC, OSC registered dealers who report trades on the OTC System ("Users") and any other parties shall acquire no rights in or license to use the OTC System except as may be necessary for the due implementation of this Agreement.

2. ADMINISTRATION/OPERATION OF THE OTC SYSTEM

2.1 Subject to the terms and conditions of this Agreement, CUB shall administer and operate the OTC System by providing:

(i) trade reporting services in respect of Ontario OTC trading by Users;

(ii) surveillance services as referred to in Part 4 of this Agreement in respect of Ontario OTC trading by Users; and

(iii) such services as may be required to record and account for the fees referred to in subsection 2.3 below and charged by CUB for use of the OTC System.

2.2 CUB will provide such staff as are necessary to operate the OTC System with the functionality described in Schedule "A".

2.3 CUB may establish and from time to time amend a schedule of fees that it will be entitled to charge for use of the OTC System. Such fees shall be established at a level which, in the aggregate, will permit CUB to be reimbursed for all costs associated with the development and ongoing operation of the OTC System, including all operating, capital and related costs. All fees charged by CUB will be consistent with CUB's status as a not-for- profit entity and, though not subject to prior approval by the OSC, may be reviewed by the OSC.

2.4 All fees and other revenue derived from the operation of the OTC System will be retained by CUB.

2.5 CUB will ensure that each User shall, as a condition of using the OTC System, enter into an agreement with CUB (the "User Agreement") in the form and upon substantially the terms attached hereto as Schedule "B".

3. REGULATION OF THE OTC SYSTEM

3.1 In the event that the OTC System is implemented prior to the implementation of the OSC's rules governing alternative trading systems (the "ATS Rules") and unless otherwise agreed, the parties agree that the OTC System will be regulated in two phases as follows:

(i) for the period commencing on the date of implementation of the OTC System and ending on the date of implementation in Ontario of a local rule relating to Ontario OTC trading which will be implemented concurrently with the ATS Rules or such other rules as the OSC may apply to Ontario OTC trading (the "Ontario Local Rule"), the OTC System will be regulated in accordance with the OTC Terms and Conditions which are attached as Schedule "A" to the User Agreement (the "User Obligations"); and

(ii) commencing on the date of implementation of the Ontario Local Rule

and ending on the date of the termination of this Agreement, the OTC System will be regulated in accordance with the Ontario Local Rule.

3.2 In the event that the OTC System is implemented after implementation of the Ontario Local Rule, the OTC System will be regulated in accordance with the Ontario Local Rule.

3.3 It is recognized and agreed that CUB shall not make any rules or regulations regarding Ontario OTC trading and that until such time as the Ontario Local Rule is implemented the OTC System will be operated and governed in accordance with the User Obligations.

4. SURVEILLANCE SERVICES IN RESPECT OF THE OTC SYSTEM

4.1 CUB will provide surveillance services as described in confidential Schedule “C” which is attached hereto and forms a part of this Agreement in respect of Ontario OTC trading that is reported to the OTC System; provided, however, and it is further understood and agreed, that the responsibility for enforcement regulatory activity pertaining to Ontario OTC trading will rest exclusively with the OSC and CUB will not provide enforcement services in respect of the market participants using the OTC System.

4.2 The surveillance services described in confidential Schedule "C" and provided by CUB in respect of Ontario OTC trading that is reported to the OTC System will be comprised generally of and limited to the following:

(i) exception monitoring for Ontario OTC trading activity in violation of the terms of any User Agreement, applicable trading rules or applicable securities laws; and

(ii) press release monitoring for issuer disclosure in respect of Ontario OTC trading in violation of applicable securities laws.

4.3 All matters requiring enforcement action will be referred to the applicable securities regulatory body which it is anticipated will be the OSC in most cases involving the OTC System.

4.4 CUB will impose no trading halts in respect of any Ontario OTC trading reported to the OTC System.

4.5 CUB will provide to the OSC on request all such Ontario OTC trading and surveillance data respectively reported to the OTC System and collected by CUB as the OSC may require for its investigative and enforcement purposes.

5. MAINTENANCE OF TRADING DATA

5.1 Ontario OTC reporting and surveillance data respectively reported to the OTC System and collected by CUB will be maintained by CUB for its surveillance and the OSC's enforcement purposes only, and will not be published. For greater certainty, CUB shall ensure that such data is retained for a period of at least seven (7) years and accessible to OSC staff for investigative and enforcement purposes.

5.2 CUB recognizes its obligation to provide the OSC access (via the OTC System) to data collected by CUB in respect of Ontario OTC trading reported to the OTC System so as to assist the OSC in carrying out its regulatory responsibilities.

6. ACKNOWLEDGEMENTS OF THE OSC

6.1 Effective as at 5:00 p.m. EST on October 6, 2000, the OSC by separate instrument has appointed CUB as the OSC's agent as contemplated in Part VI of the Regulation, for the purpose of operating the OTC System.

6.2 In order to assist CUB in its operation of the OTC System, the OSC may obtain and provide to CUB such information as the OSC deems appropriate, including information:

(i) on disciplinary or other action the OSC determines to take against a User which, in the OSC's view, will have a material impact on the User's participation in the OTC System; and

(ii) relating to issuers of OTC Securities (being the same as "COATS Securities" as defined in section 152 of Part VI of the Regulation), OSC registered dealers or any other Persons (as such latter term is defined in the Act) that leads the OSC to believe that there has been or will be a breach of the terms and conditions of Part VI of the Regulation.

7. COVENANTS OF CDNX

7.1 CDNX agrees to ensure that CUB fulfils its obligations under this Agreement and has adequate resources (including those made available to it by CDNX) to operate the OTC System and to provide to the OSC those services called for by this Agreement.

8. CUB TO LIMIT THE LIABILITY OF CDNX

8.1 CUB agrees that it will, in connection with the performance by it of its obligations under this Agreement, take reasonable precautions to limit the liability, if any, of CDNX to any third party in connection with the operation of the OTC System,

such precautions to include, where possible, the use of disclaimers in connection with the supply of information and the insertion of appropriate limiting conditions in contracts entered into by CUB.

9. TERM AND TERMINATION

9.1 This Agreement shall come into force and effect as at 5:00 p.m. EST on October 6, 2000 (the "Effective Date") such that the reporting of Ontario OTC trading via the OTC System will commence on October 10, 2000 and (provided that it is not terminated due to termination of the CDN Agreement pursuant to the terms thereof) shall survive from such date until the earlier of the day upon which it is terminated pursuant to subsection 9.2 hereof or the day upon which this Agreement is replaced by a new agreement entered into amongst the parties by reason of implementation by the OSC of the Ontario Local Rule; provided, however, that if this Agreement is so replaced the replacement agreement will not itself be able to be terminated before the earliest date that this Agreement can be terminated pursuant to subsection 9.2 hereof.

9.2 At any time at least three (3) years after the Effective Date, any of the parties may give one (1) year's written notice to the others of its decision to terminate its obligations hereunder, and this Agreement shall thereafter terminate on the expiry of such notice.

10. NON PERFORMANCE

10.1 If a party to this Agreement believes that another party is not performing satisfactorily its obligations under this Agreement, it may give written notice to the other party stating that belief accompanied by particulars in reasonable detail of the alleged failure to perform. If the party receiving such notice has not satisfied the notifying party within one (1) month of the delivery of the notice either that its performance is satisfactory or that it has taken or will take acceptable steps to rectify its performance, the notifying party may by written notice to the other parties terminate this Agreement on a date not less than three (3) months following delivery of such notice.

11. NOTICE

Any notice or other communication required or permitted to be given hereunder shall be sufficiently given if delivered in person or if sent by facsimile transmission:

11.1 in the case of CUB, both for itself and on behalf of CDNX, at the following address:

Canadian Unlisted Board Inc.
c/o Canadian Venture Exchange Inc.
10th Floor, 300 Fifth Avenue S.W.
Calgary, Alberta T2P 3C4

Attention: CDNX Vice President,
Regulatory Affairs & Corporate Secretary
Facsimile No: (403) 237-0450

11.2 in the case of the OSC, at the following address:

The Ontario Securities Commission
Suite 1800, P.O. Box 55
20 Queen Street West
Toronto, Ontario M5H 3S8

Attention: Manager, Market Regulation
Facsimile No: (416) 593-8240

or at such other address as the party to which such notice or other communication is to be given has last notified to the other parties in the manner provided in this section, and if so given the same shall be deemed to have been received on the date of such delivery or sending.

12. FURTHER ASSURANCES, AMENDMENTS AND WAIVERS

12.1 Each party hereto covenants and agrees that it shall from time to time and at all times execute and deliver all such further documents and assurances as shall be reasonably required in order to fully perform and carry out the intent of this Agreement. This Agreement can only be amended with the consent in writing of both parties and no party shall be deemed to have waived any provision of this Agreement unless such waiver is in writing.

13. APPLICABLE LAW

13.1 This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

14. COUNTERPARTS AND FACSIMILE SIGNATURE

14.1 This Agreement may be executed in separate counterparts and all such counterparts shall together constitute one and the same instrument.

14.2 The parties agree that executed copies of this Agreement may be delivered by fax or similar device and that the signatures appearing on the copies so delivered will be as binding as if copies bearing original signatures had been delivered; each party undertakes to deliver to the other party a copy of this Agreement bearing original

signatures, forthwith upon demand.

15. FORCE MAJEURE

15.1 No party shall be responsible for delays or failures in performance resulting from acts beyond the control of such party. Such acts shall include, but not be limited to, acts of God, the operation of any law, regulation or order of government or other similar authority, any labour disparity or dispute, strike, lockout, riot, explosion, war, invasion, epidemic, fire, earthquake or other natural disaster, power failure or system failure including network failures.

16. SUCCESSORS AND ASSIGNS

16.1 Neither CUB, CDNX nor the OSC shall assign this Agreement or any of their respective rights or obligations hereunder without the prior written consent of the others. This Agreement shall enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties hereto.

IN WITNESS WHEREOF, the parties have hereunto duly executed this Agreement as of the day and year first above written.

CANADIAN UNLISTED BOARD INC.

Per:
Authorized Signatory

Per:
Authorized Signatory

CANADIAN VENTURE EXCHANGE INC.

Per:
Authorized Signatory

Per:
Authorized Signatory

THE ONTARIO SECURITIES COMMISSION

Per:
Authorized Signatory

Per:
Authorized Signatory

This is Schedule "A" to that certain Agreement made as of the 6th day of October, 2000, among Canadian Unlisted Board Inc., Canadian Venture Exchange Inc. and The Ontario Securities Commission

OTC SYSTEM CHARACTERISTICS AND FUNCTIONALITY

1.1 Characteristics- Included Characteristics

The OTC System will be a CUB-developed internet web-based system solution for the reporting of Ontario OTC trading the general characteristics of which will be a system:

1. providing a secure, reliable environment to enable registered dealers to report trades in securities according to the Securities Act (Ontario).

2. providing a basic reporting, surveillance, and administrative functionality with unexplained trading and disclosure anomalies being forwarded to the OSC for enforcement and further investigation.

3. providing a separation of Ontario OTC trading from CDNX and the CDNX brand.

4. separable from CDNX technology operations and deployable to other technical environments should the OSC choose to change service providers.

5. extendable to other provincial jurisdictions in support of possible national trade reporting.

6. possessing a separate logical billing system within CDNX's Oracle Financials to generate invoices and statements for CUB that are distinct from those of CDNX.

7. possessing a backup OTC System application server (existing disaster recovery hardware at CDNX Business Continuity Planning ("BCP") recovery sites having sufficient capacity to accommodate the OTC System application).

1.2 Functionality

1.2.1 Included Functionality

The OTC System will possess the following functionality:

1.2.1.1 Registered Dealer Functionality:

1. Registered Dealer administrative functions

   1.1. Provide the ability for the registered dealer (who may or may not be TSE or CDNX members) to logon, logoff and change their passwords

2. Report a trade

2.1. Report a trade done today (typically reported by the selling registered dealer)

2.1.1. Data includes: symbol, volume, price, contra-broker, time-stamp, identification of which side reported the trade.

2.2. Limit or restrict the registered dealer from reporting a trade that was executed prior to the current day. 'As of' reporting to be handled by the administrative or market regulation function of CUB (see Administrative Functionality below).

3. Report a trade cancellation

4. Inquire on trading activity for an issue

4.1. The reporting functions proposed with respect to Ontario OTC trading are purposely limited.

4.2. Data attributes to be displayed are:

4.2.1. For today: high price, low price, last price, net change, volume, value, # trades and list of all trades

4.2.2. For historical periods: high price, low price, last price, net change, volume, value, # trades

5. View Administrative Notice Board

5.1. Contains textual information posted by CUB administrative and market regulation staff

6. Online Help

6.1. Display of "How To" information explaining the operation of the OTC System

6.2. Inquiries to list:

6.2.1. Securities on the system that have reported activity (stock list) that would include the issue name, symbol, and Cusip number (if applicable)

6.2.2. Yesterday's and today's add's, delete's and changes to the stock list

6.2.3. A directory of registered dealer users Ids and names

1.2.1.2. Administrative Functionality:

Administrative functionality will be used by CUB staff to administer the OTC System.

1. UserID administration

1.1. Setup new UserID

1.2. Maintain UserID (change, delete, force password changes)

2. Security Master maintenance

2.1. Add, change, delete issues that can be reported. This functionality can be done in real-time.

2.2. Update Trading status to restrict the reporting of trades

3. Report trade (on behalf of a registered dealer)

3.1. Similar to the registered dealer function to report a trade.

3.2. This functionality can also serve as a short-term backup service should operational problems arise with accessing the system.

4. Report a trade done up to 364 days ago ("as of")

4.1. 'As of' reporting is done by CUB staff on behalf of the registered dealer. The registered dealer would send (via fax) to CUB the particulars of the delayed trade report.

4.2. Historical information to be updated to reflect the reported trade.

5. Report trade cancellation (on behalf of a registered dealer)

5.1. Similar to the registered dealer function to report a trade cancellation.

5.2. This functionality can also serve as a short-term backup service should operational problems arise with accessing the system.

5.3. Historical information would be updated to reflect the cancelled trade.

6. Post and clear notices and other textual information to Administrative Notice Board

6.1. The transaction is logged to an audit trail file

7. Online Help maintenance

    7.1. Update static “How To” information

1.2.1.3. Regulatory Functionality:

Regulatory functionality will be that employed by CUB staff to provide regulatory oversight or surveillance of Ontario OTC trading (it being understood that all enforcement action arising from CUB's surveillance activities in respect of Ontario OTC trading that is reported to the OTC System will be undertaken by the OSC). Due to the nature of Ontario OTC trading, all such regulatory functionality will be of a post-trade nature.

1. Alerts of reported trades that cause exceptions to price change and volume tolerance parameters.

2. OSC access to the OTC System to perform specified inquiry functions:

    2.1. Today and historical trading inquiries (see Registered Dealer Functionality above)

    2.2. Generate reports on trading activity per Registered Dealer firm, per security, and for all securities per specified (flexible) date range.

    2.3. Access to Online Help inquiries (see Registered Dealer Functionality above)

3. Ad hoc reports for investigations forwarded to the OSC.

4. Data extracts for investigations forwarded to the OSC.

1.2.1.4. Operational Functionality:

Operational functionality will be global in nature and apply to the entire OTC System.

- Implement a standalone OTC System application server (NT operating system), separate from CDNX systems.

- Establish recovery procedures to transfer the application to an existing CDNX NT server on an interim basis in the event of a CUB/OTC System server failure.

- Store trade summaries for surveillance purposes (history)

- Store detail trade records for investigative purposes (history)

- Conduct daily backup of files and databases

- Include OTC System in CDNX BCP and provide 48 hour recovery time for the CUB OTC System at the CDNX BCP recovery site(s)

- Generate billing reports

- Generate monthly reports of trading activity for invoice preparation.

1.3 **Excluded Functionality**

The OTC System will NOT possess the following functionality:

- Capability regarding investigation and enforcement of trading and disclosure anomalies generated by the system.

- Capability to prioritize price/volume exceptions.

- Capability to generate real time data feeds or press reports.

- Capability to transfer historical trade information from the TSE/CATS system.

This is Schedule "B" to that certain Agreement made as of the 6th day of October, 2000, among Canadian Unlisted Board Inc., Canadian Venture Exchange Inc. and The Ontario Securities Commission

CANADIAN UNLISTED BOARD INC. USER AGREEMENT (THE "AGREEMENT")

WHEREAS the Canadian Venture Exchange Inc. ("CDNX" or the "Exchange") has entered into an agreement with the Toronto Stock Exchange Inc. ("TSE") and the Canadian Dealing Network Inc. ("CDN") whereby:

(i) as at 5:00 p.m. EST on September 29, 2000, the TSE and CDN shall cease operating the CDN Quotation System such that eligible CDN quoted issuers that have filed complete applications as determined by CDNX shall commence trading on CDNX Tier 3 as at the start of business on October 2, 2000; and

(ii) as at 5:00 p.m. EST on October 6, 2000, the TSE and CDN shall cease operating the CDN Reporting System such that as of the start of business on October 10, 2000, OSC registered dealers can continue their mandatory reporting of all OTC trading in unlisted and unquoted equity securities in the province of Ontario not specifically excluded from the reporting requirements of the Act and the regulations thereto via the OTC System;

WHEREAS the Canadian Unlisted Board Inc., a wholly owned subsidiary of CDNX ("CUB"), CDNX and the Ontario Securities Commission (the "Commission") have entered into an agreement pursuant to which CUB will operate an internet web-based reporting system for the reporting by dealers of trading in unlisted and unquoted equity securities in Ontario (the "OTC System") for the purposes of Part VI of Regulation 1015 ("Part VI");

WHEREAS CUB has been appointed as an agent of the Commission for the purposes of developing computer software and providing and operating computer facilities for the reporting of trading in unlisted and unquoted equity securities in Ontario pursuant to section 153 of Part VI;

WHEREAS for the purposes of this agreement the following definitions shall apply:

"Act" means the Securities Act, R.S.O. 1990, c.s. 5 as amended;

"CDN Policy" means that policy which has been adopted by CDN board of directors respecting trading in unlisted and unquoted equity securities in Ontario;

"OTC security" shall have the same meaning as "COATS security" as defined in section 152 of Part VI;

"Person" means a "person" as that term is defined in the Act;

"User" means a registrant under the Act and who reports trades on the OTC System;

WHEREAS in order to assist CUB in its operation of the OTC System, the Commission may obtain and provide to CUB such information as the Commission deems appropriate, including information:

(i) on disciplinary or other action the Commission determines to take against a User which, in the Commission's view, will have a material impact on the User's participation in the OTC System; and

(ii) relating to issuers of OTC Securities, registrants under the Act or any other Persons that leads the Commission to believe that there has been or will be a breach of the terms and conditions of Part VI.

WHEREAS the Commission and CUB have agreed that in the event that the OTC system is implemented prior to the implementation of the OSC's rules governing alternative trading systems (the "ATS Rules") the OTC System shall be regulated in the following two phases:

(i) for the period commencing on the date of implementation of the OTC System and ending on the date of the implementation of a local Ontario rule relating to Ontario OTC trading which will be implemented concurrently with the ATS Rules or such other rules as the OSC may apply to Ontario OTC trading (the "Ontario Local Rule"), the OTC System will be regulated in accordance with Part VI and those portions of the CDN Policy pertaining to trade reporting of unlisted and unquoted equity securities in Ontario as in effect at 5:00 p.m. EST October 6, 2000; and

(ii) commencing on the date of the implementation of the Ontario Local Rule and ending on the date of the termination of the Agreement, the OTC System will be regulated in accordance with the Ontario Local Rule.

WHEREAS CUB will provide monitoring and surveillance services to the OSC in respect of trading in securities reported through the OTC System. CUB will not provide enforcement services in respect of the market participants using the OTC System.

WHEREAS CUB will refer any matters relating to a suspected violation of applicable trading rules or securities laws to the OSC or other applicable securities regulatory body.

WHEREAS CUB has agreed to provide to the OSC on request all such trading and surveillance data collected by CUB in respect of the OTC System as the OSC may require.

WHEREAS the OSC requires registered dealers to act in accordance with applicable securities legislation including but not limited to the obligation to deal fairly, honestly and in good faith with its customers.

WHEREAS the OSC expects registered dealers, as part of their general obligations, to have policies and procedures which enable them to operate in a manner which is consistent with the requirements set out in the OTC Terms and Conditions (as defined below);

NOW, THEREFORE, in consideration of CUB permitting the undersigned User to utilize the OTC System, the User agrees with CUB as follows:

1. The User is a registered dealer within the meaning of the Act and shall at all times act in accordance with applicable securities legislation including but not limited to the obligation to deal fairly, honestly and in good faith with its customers and shall have policies and procedures which enable them to operate in a manner which is consistent with the requirements set out in the OTC Terms and Conditions (as defined below);

2. Until such time as the Ontario Local Rule is implemented, the User agrees that the OTC System will be operated and governed in accordance with:

   (i) Part VI and those portions of the CDN Policy pertaining to trade reporting of unlisted and unquoted equity securities in Ontario as in effect at 5:00 p.m. EST on October 6, 2000; and

   (ii) such directives as may be issued by authority of the Board of Directors of CUB in respect of the use of the OTC System;

(collectively, the “OTC Terms and Conditions” which are attached as Schedule “A” to this Agreement) and the User shall comply with the OTC Terms and Conditions.

3. The User shall promptly communicate to CUB transaction reports with respect to OTC securities in accordance with the OTC Terms and Conditions;

4. The User shall comply with all requirements of the OTC Terms and Conditions and without limiting the generality of the foregoing, all Users acknowledge and agree:

   (i) that they will provide to CUB any and all records, reports, and information required or requested by CUB in order for CUB to satisfy its regulatory obligations, in such manner and form, including electronically, as may be required by CUB from time to time;

   (ii) that they will permit CUB or its designate to inspect their records at any time;

   (iii) that CUB may suspend the User’s access to the OTC System pending a determination of the OSC in respect of any referral by CUB to the OSC of any suspected violation of the User’s obligation to comply with section 1 above; and

   (iv) that CUB may terminate the User’s access to the OTC System upon notification to CUB by the OSC that the User has violated the OTC Terms and Conditions.

5. The User shall pay, when due, any applicable fees or charges established by CUB from time to time and which current fees and charges are attached as Schedule “B” to this Agreement.

6. The User acknowledges that it is possible that from time to time the OTC System may be disrupted, contain inaccurate information, omit required information or may otherwise operate in an unsatisfactory manner (such events being hereinafter referred to as "Errors") whether through malfunction of equipment, power failure, human error or other reason. The causes of such Errors may be attributable to CUB, the Exchange, negligent or wilful acts or omissions of current or former directors, governors, officers, employees or committee members of CUB or the Exchange (hereinafter collectively referred to as "Personnel") or persons or companies who have supplied goods or services to either CUB or the Exchange in connection with the OTC System (hereinafter referred to as “Contractors”).

7. It is acknowledged that neither CUB nor the Exchange assumes any responsibility with respect to the use to which the User, its employees or agents puts the facilities, services or the information obtained therefrom or with respect to the results of such use. It is further acknowledged that the information, services and facilities provided hereunder are provided on the express condition that Users making use of them assent that no liability whatsoever in relation thereto shall be incurred by CUB, the Exchange or Personnel.

8. The User agrees that none of CUB, the Exchange or Personnel shall have any liability whatsoever to the User with respect to any loss, damage, cost, expense or other liability or claim suffered or incurred by or made against the User, directly or indirectly, by reason of Errors, or arising from any negligent, reckless or wilful act or omission or out of the use, operation or regulation of the OTC System by CUB, the Exchange, Personnel or Contractors, or otherwise as a result of the use by the User of the facilities, services or information provided by CUB or the Exchange. By making use of the facilities, services or information provided by CUB or the Exchange the User expressly agrees to accept all liability arising from such use.

9. It is acknowledged by the User that the sole remedy for any wilful or negligent act or omission of any Personnel or Contractors shall be appropriate action, of a disciplinary nature or otherwise, instituted solely at the discretion of CUB or the Exchange.

10. CUB may terminate or amend this Agreement, subject to the approval of its Board of Directors and upon notice to the User, and any subsequent participation of the User in the OTC System shall constitute acceptance by the User of any such amendment.

11. It is acknowledged that neither CUB nor the Exchange shall incur any liability to the User with respect to any loss or damage whatsoever that the User may suffer, directly or indirectly, by reason of any termination of this Agreement.

12. In the event that any legal proceeding is brought or threatened against CUB, the Exchange, Personnel or Contractors to impose liability which arises directly or indirectly from the use by the User of the OTC System or from the use by the User of the facilities, services or information provided by CUB or the Exchange, the User agrees to indemnify and save CUB and the Exchange harmless from and against:

    (i) all liabilities, damages, losses, costs, charges and expenses of every nature and kind (including, without limitation, legal and professional fees) incurred by CUB or the Exchange in connection with the proceeding, including costs incurred to indemnify Personnel;

    (ii) any recovery adjudged against CUB, the Exchange or Personnel in the event that any of them is found to be liable; and

    (iii) any payment by CUB or the Exchange, made with the consent of the User, in settlement of such proceeding.

13. Except as otherwise expressly provided herein, all of the terms used in this Agreement which are defined in OTC Terms and Conditions are used herein as so defined.

14. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

15. The Agreement shall not be binding until accepted in writing by CUB.

16. The Agreement shall be effective as of the date accepted in writing by CUB.

[Insert Name of User]

By:
Authorized Signatory

Name and Title of Authorized Signatory

(Please Print Name and Title)

By:
Authorized Signatory

Name and Title of Authorized Signatory

(Please Print Name and Title)

Accepted this ___ day of _____, 200__

CANADIAN UNLISTED BOARD INC.

By:

Schedule "A" to User Agreement

OTC Terms and Conditions

A. Transaction Reporting

1. Operation and Administration of OTC System

1.1. All Users shall comply with the Terms and Conditions governing the operation and administration of the OTC System, which Terms and Conditions shall include:

1.2. those matters set forth in Part VI applicable to trade reporting in respect of over-the-counter equity securities in Ontario;

1.3. those portions of the former CDN Policy pertaining to trade reporting of unlisted and unquoted equity securities in Ontario as in effect at 5:00 p.m. EST on October 6, 2000 and incorporated herein; and

1.4. such directives as may be issued by authority of the Board of Directors of CUB in respect of the use of the OTC System.

2. Trades to be Reported

2.1 Pursuant to Part VI, every purchase or sale in Ontario of an OTC security made by a registered dealer, as principal or agent, must be reported through the OTC System, with the following exceptions (which shall not be reported through the OTC System):

2.1.1 a trade made through the facilities of a stock exchange or other organized market recognized and identified in this section A-2;

2.1.2. a distribution effected in accordance with the Act by or on behalf of an issuer; or

2.1.3. a secondary trade made in reliance on the exemptions in clauses 72(1)(a), (c) or (d) of the Act.

2.2. Where a security that is listed on one or more of the Canadian stock exchanges becomes suspended (i.e., it is no longer posted for trading) on all such exchanges, then any trade in that security by a registered dealer shall become reportable through the OTC System if that security and trade is otherwise required to be reported through the OTC System.

2.3. The obligation to report a trade in an OTC security applies only with respect to purchases and sales in Ontario of such security. A purchase or sale in Ontario for the purpose of these OTC Terms and Conditions is one in which either:

2.3.1. the person to whom the trade is confirmed (other than a User) is a resident of Ontario; or

2.3.2. the User's trader or sales representative handling the trade is acting from an Ontario office (irrespective of whether the User is acting as principal or agent).

2.4. Transactions that are merely booked through a User's inventory for purposes of adding a usual mark-up or commission in respect of trades which, for all intents and purposes, are agency trades on NASDAQ or a foreign stock exchange, need not be reported through the OTC System. Such transactions are considered to be trades made through the facilities of a foreign stock exchange or NASDAQ.

2.5. With respect to clause 2.1.1 above, CUB recognizes NASDAQ, The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited, and all stock exchanges outside of Canada that require participants to report details of transactions and publish such details.

2.6. Trades may not be aggregated for reporting purposes except that trades from orders received prior to the opening of the OTC System and simultaneously reported at the opening may be aggregated into a single transaction report.

3. Who Reports Trades

3.1. Every purchase or sale in an OTC security that is required to be reported under subsection A-2 above shall be reported on the OTC System in accordance with the following provisions:

3.1.1. Where the transaction involves only one User, that User shall report the trade.

3.1.2. Where the transaction involves two Users, the User by or through whom the sale is made shall report the trade.

3.1.3. Where the transaction is not a trade in Ontario for the seller, the User by or through whom the purchase is made must report the trade.

4. Method, Timing and Content of Trade Reports

4.1. For reporting purposes, a trade is a transaction between a User and a given client, or another User, in a specific OTC security, at a given price, and executed at a certain time.

4.2. For the purposes of this section A-4, "Reportable Trades" shall mean every purchase or sale in an OTC security that is required to be reported under subsection A-3.

4.3. All trade tickets for Reportable Trades shall be time stamped at the time of execution.

4.4. All Reportable Trades taking place at or between 9:30 A.M. and 5:00 P.M. on a business day shall be reported through the OTC System within three minutes after execution.

4.5. All Reportable Trades taking place after 5:00 P.M. on a business day and prior to 9:30 A.M. the next business day shall be reported through the OTC System between 8:30 A.M. and 9:30 A.M. the next business day and shall form part of the trading statistics for the next business day.

4.6. All reports of Reportable Trades shall contain the following information:

4.6.1. symbol of the OTC security traded;

4.6.2. number of shares traded;

4.6.3. price of the trade as required by section A-5;

4.6.4. the identities of the purchasing and selling Users;

4.6.5. the time of execution of the transaction; and

4.6.6. any trade marker required by these OTC Terms and Conditions.

5. Price to be Reported

5.1. The price to be reported is the price at which the User actually traded with its customer, adjusted by the amount that would be customary as a commission or spread in such transaction.

5.2 A trade with another User is to be reported at the actual price agreed upon. This applies to a trade in which the reporting User is acting as agent for a customer, as well as to a trade in which the User acts as principal vis-a-vis the other User.

B. Dealers' Obligations

1. Prices to Customers

1.1. Spread or Mark-Up: Where a trade is substantially an agency transaction, the size of any spread or "mark-up" should reflect the riskless nature of the transaction.

1.2 *Interpositioning*: Users shall not arrange or otherwise participate in any transaction which interpositions an intermediary or other third party in a way that will result in an unfavourable price for a customer of any User.

1.3 Users shall not enter into any transaction with a customer for any OTC security at any price that is not reasonably related to the then current market price of that security or charge a customer a commission or service charge that is not fair and reasonable in all the circumstances.

2. Fair Dealings

2.1 Users shall transact business openly and fairly and in accordance with just and equitable principles of trade. No fictitious sale or contract shall be made in an OTC security.

3. Customer Priority

3.1. No User Shall:

3.1.1 buy or initiate the purchase of a OTC security for its own account or for any account in which it or any person associated with it is directly or indirectly interested, while such User holds or has knowledge that any person associated with it holds an unexecuted market order or limit price order to buy such security for a customer;

3.1.2 sell or initiate the sale of any OTC security for its own account or for any account in which it or any person associated with it is directly or indirectly interested, while it holds or has knowledge that any person associated with it holds an unexecuted market order or limit price order to sell such security for a customer.

3.2. The provisions of this section shall not apply:

3.2.1 to any purchase or sale of any OTC security in an amount less than the customary unit of trading made by a User to offset odd-lot orders for customers;

3.2.2 to any purchase or sale of any OTC security upon terms for delivery other than those specified in such unexecuted market or limit price order; or

3.2.3 to any unexecuted order that is subject to a condition that has not been satisfied.

3.3. For purposes of this section a User may include a reasonable commission charge in determining whether its customer's order is at the same price as a principal order.

4. Best Market Price

4.1 Where a User executes a trade with or for its client for an OTC security that is posted for trading on a foreign market recognized under this subsection, the User shall execute the trade on behalf of the

client at a price equal to or better than the market price in the foreign market (taking exchange rates into account), plus or minus (as the case may be) a reasonable commission and any added cost of executing the order in the foreign market.

4.2. For the purpose of this subsection, CUB presently recognizes any foreign stock exchange or organized market that provides real time public dissemination of information, including firm market quotations and trading statistics.

5. Manipulative or Deceptive Trading

5.1. A User shall not use or knowingly participate in the use of any manipulative or deceptive method of trading in connection with the purchase or sale of an OTC security that creates or may create a false or misleading appearance of trading activity or an artificial price for the said security. Without in any way limiting the generality of the foregoing, the following shall be deemed manipulative or deceptive methods of trading:

5.1.1 making a fictitious trade or giving or accepting an order which involves no change in the beneficial ownership of an OTC security;

5.1.2 entering an order or orders for the purchase of an OTC security with the knowledge that an order or orders of substantially the same size, at substantially the same time and at substantially the same price for the sale of any such security, has been or will be entered by or for the same or different persons and with the intention of creating a false or misleading appearance of active public trading in a security or with respect to the market price of an OTC security;

5.1.3 entering an order or orders for the sale of an OTC security with the knowledge that an order or orders of substantially the same size, at substantially the same time and at substantially the same price for the purchase of such security, has been or will be entered by or for the same or different person and with the intention of creating a false or misleading appearance of active public trading in a security or with respect to the market price of an OTC security;

5.1.4 making purchases of, or offers to purchase an OTC security at successively higher prices, or sales of or offers to sell any such security at successively lower prices for the purpose of creating or inducing a false or misleading appearance of trading in such security or for the purpose of unduly or improperly influencing the market price of such security; or

5.1.5 effecting, alone or with one or more persons, a series of trades in an OTC security, for the purpose of inducing the purchase or sale of such security, which creates actual or apparent trading in such security or raises or depresses the price of such security.

6. Restrictions on Trading During Distributions

Restricted Users

6.1 The restrictions on trading during a distribution set out in this part 6.1 entitled “Restricted Users” apply to a User (a “restricted User”) involved in a distribution by prospectus of an OTC security or a distribution by prospectus, Exchange Offering Prospectus, Statement of Material Facts or "wide distribution" of a security that is related to an OTC security. The restrictions do not apply to a User involved in a distribution only as a selling group member that is not obligated to purchase any unsold securities.

6.1.1 Two securities are “related” if they have substantially the same characteristics, or

(a) one is immediately convertible, exercisable or exchangeable into the other; and

(b) the conversion, exercise or exchange price at the beginning of the restricted period (as defined below) is less than 110% of the offer price of the underlying security on the principal market where the underlying security is traded.

6.1.2 A “wide distribution” means a series of distribution principal trades to not less than 25 separate and unrelated client accounts, no one of which participate to the extent of more than 50% of the total value of the distribution

Restrictions

6.1.3 During the restricted period, a restricted User shall not bid for or purchase an OTC security that is being distributed or that is related to a security being distributed except as follows:

Distributed Securities

6.1.4. Restricted User Not Short. A restricted User that is not short the OTC security

being distributed may bid for or purchase it at or below the lower of the highest independent bid price at the time of the bid or purchase and the distribution price.

(a) A restricted User may bid for or purchase the OTC security being distributed at or below the distribution price.

(b) A restricted User that makes an initial bid below the distribution price shall not raise that bid price during the restricted period.

6.1.5. Restricted User Short. A restricted User that is short the OTC security being distributed may bid for or purchase it at or below the distribution price.

Related Securities

6.1.6. A restricted User may bid for or purchase a related OTC security at or below the highest independent bid price.

6.1.7. If there is no independent bid price for a related OTC security, a restricted User shall not bid for or purchase that security without the prior consent of CUB.

(a) A bid price is "independent" if it is for the account of a User that is not involved in the distribution or is involved only as a member of a selling group.

(b) A restricted User shall not solicit purchase orders for the OTC security being distributed or any related OTC security during the restricted period except orders to purchase OTC securities being sold pursuant to the distribution.

(c) The above restrictions do not affect sales by restricted Users to unsolicited client buy orders. In the case of an OTC security that will be listed on the Toronto Stock Exchange ("TSE") or the Canadian Venture Exchange Inc. ("CDNX") and until such time as the OTC security is actually listed and posted for trading on the TSE or CDNX and the TSE's or CDNX's market stabilization rules apply, Users must comply with the above market stabilization restrictions.

All Users

6.2. The restrictions on trading during a distribution set out in this part 6.2 entitled "All Users" apply to all Users

Restrictions

6.2.1 During the restricted period, no User shall participate in a trade of an OTC security that is being distributed or that is related to an OTC security being distributed involving a purchase by or on behalf of:

(a) the issuer of the OTC security;

(b) a selling OTC security holder whose securities are being distributed

(c) an affiliate of the issuer or selling OTC security holder; or

(d) a person acting jointly or in concert with any of the foregoing.

6.3. The "restricted period" begins on the later of:

6.3.1. the ninth trading day (or, in the case of a OTC security that is related to a TSE or CDNX-listed security, the second trading day) prior to the date on which the offering price of the OTC securities to be distributed is determined; and

6.3.2. the date on which the restricted User agrees to participate in a distribution, whether or not the terms and conditions of such participation have been agreed upon.

6.3.3. The restricted period ends on the earlier of:

(a) the ninth trading day (or, in the case of a OTC security that is related to a TSE or CDNX listed security, the second trading day) prior to the date on which the offering price of the OTC securities to be distributed is determined; and

(b) the date on which the restricted User has sold all of the OTC securities allotted to it (including all securities acquired by it in connection with the distribution) and any stabilization arrangements to which it is a party have been terminated; and

(c) the date on which the distribution has been terminated pursuant to applicable securities legislation,

provided that, if purchasers of 5% or more of the OTC securities allotted to or acquired by a restricted User in connection with a distribution give notice that they intend to exercise their statutory rights of withdrawal, the restricted period shall again apply to that User until the OTC securities are resold or the distribution ends, as provided above. Securities are not considered "sold" before the receipt for the final prospectus has been issued.

7. Disclosure of Interest or Control

7.1. Any User that is an insider (as that term is defined in the Act) or is controlled by, directly or indirectly, controls, or is under common control of any issuer must disclose to its customers prior to, and confirm, in writing, at the time of buying or selling any OTC security of such an issuer, the nature and existence of any such relationship.

8. System Failures

8.1. Trades made during an OTC system power failure or any other event that would fully or partially disable the system or cause it to malfunction must be reported on the system immediately upon the system being available to accept such data.

9. Settlement Rules

9.1. The settlement of transactions shall conform to the rules and practices of the TSE, CDNX and The Canadian Depository for Securities Limited.

C. Fees And Charges

1. Every User shall pay the applicable OTC System fees.

2. All fees and charges of CUB, including, but not limited to, the fees charged for transaction reports shall be determined by CUB's board of directors.

D. Access

1. Where the Commission has provided CUB with information relating to:

1.1. disciplinary or other action the Commission determines to take against a User which, in the Commission's view will have a material impact on the User's participation in the OTC System; or

1.2. the issuers of OTC Securities, registrants under the Act or any other persons that leads the Commission to believe that there has been or will be a breach of the terms and conditions of Part VI.

2. CUB may suspend the Users access to the OTC System pending a determination by the Commission in respect of such matters.

3. Where CUB has referred any matter relating to a suspected violation by a User of the OTC Terms and Conditions, CUB may suspend the Users access to the OTC System pending a determination by the Commission in respect of such matters.

4. Where the Commission has notified CUB that a User has violated the OTC Terms and Conditions, CUB may terminate the User's access to the OTC System

E. Miscellaneous

1. All references to a "business day" in this Schedule "A" shall mean any day from Monday to Friday inclusive.

2. All references to a time of day in the Schedule "A" shall mean Eastern Standard Time.

Schedule "B" to User Agreement

Canadian Unlisted Board Inc. User and Transaction Fees

1. USER TRANSACTION FEE

$1.95/trade (each side)

2. USER FEE:

Monthly Fee of $150.00
per Employee CUB access ID granted,
up to a maximum of $500.00/month per User

SCHEDULE "E"
REVISIONS TO CORPORATE FINANCE MANUAL

RE: REPORTING ISSUER STATUS OF EXCHANGE LISTED ISSUERS

Policy 1.1 – Interpretation

The following definitions will be added to Policy 1.1:

"BHs" means those beneficial shareholders of an Issuer that are included in either:

(a) a DSR for the Issuer and whose shares were disclosed in the Issuer's books and records or list of registered shareholders as being held by an intermediary; or

(b) after the implementation of National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer, a NOBO list for the Issuer.

"DSR" means the Demographic Summary Report available from the International Investors Communications Corporation ("IICC").

"NOBO list" refers to a 'non-objecting beneficial owner list' as currently defined in Proposed National Instrument 54-101 or as defined in the final form of the instrument.

"NOBOs" refers to non objecting beneficial owners as currently defined in Proposed National Instrument 54-101 or as defined in the final form of the instrument.

"RHs" means the registered shareholders of the Issuer that are beneficial owners of the equity securities of the Issuer. For the purposes of this definition, where the beneficial owner controls or is an affiliate of the registered shareholder, the registered shareholder shall be deemed to be the beneficial owner.

"Significant Connection to Ontario" exists where an Issuer has:

(a) RHs and BHs resident in Ontario who beneficially own more than 20% of the total number of equity securities beneficially owned by the RHs and the BHs of the Issuer; or

(b) its mind and management principally located in Ontario and has RHs and BHs resident in Ontario who beneficially own more than 10% of the number of equity securities beneficially owned by the RHs and the BHs of the Issuer.

The residence of the majority of the board of directors in Ontario or the residence of the President or the Chief Executive Officer in Ontario may be considered determinative in assessing whether the mind and management of the Issuer is principally located in Ontario.

Policy 2.3 – Listing Procedures

The following section 4 will be added to Policy 2.3:

4. Significant Connection to Ontario

4.1 Where it appears to the Exchange that an Issuer undertaking an Initial Listing on the Exchange has a Significant Connection to Ontario, the Exchange will, as a condition of its acceptance of the Initial Listing, require the Issuer to provide the Exchange with evidence that it has made a bona fide application to become a reporting issuer in Ontario.

Policy 2.4 – Capital Pool Companies

The following subsection 12.6 will be added to Section 12, Qualifying Transaction, of Policy 2.4:

12.6 Assessment of a Significant Connection to Ontario

(a) Where a Resulting Issuer will have a Significant Connection to Ontario, it must be a reporting issuer in Ontario at the Completion of the Qualifying Transaction.

Policy 2.9 – Trading Halts, Suspensions and Delisting

The following clause (h) will be added to section 3.1, *Reasons for Suspension*, of Policy 2.9:

3.1 The Exchange may impose a suspension in a variety of circumstances including where:

(h) an Issuer fails to comply with a direction or requirement of the Exchange to make application for and obtain reporting issuer status in Ontario when it has a Significant Connection to Ontario.

Policy 3.1 – Directors Officers and Corporate Governance

The following sections will be added to Policy 3.1:

Subsection 2.8 will be added to section 2, *Directors and Management Qualifications*:

2.8. Where an Issuer has a Significant Connection to Ontario, the Exchange may refuse to grant Exchange Acceptance of any application relating to the acceptability of any director, officer or Insider, or revoke, amend or impose conditions in connection with a previous Exchange Acceptance of any such application, until such time as the Issuer has complied with a direction or requirement of the Exchange to make application or to become a reporting issuer in Ontario (See section 19, Assessment of a Significant Connection to Ontario of this Policy).

Subsection 12.3 will be added to section 12, *Management Compensation and Compensation Committee*:

12.3 The Exchange may refuse to accept any application that would provide remuneration, compensation or incentive to the directors, officers or Insiders of the Issuer until such time as the Issuer has complied with a direction or requirement of the Exchange to make application or to become a reporting issuer in Ontario where the Issuer has a Significant Connection to Ontario. (See section 19, Assessment of a Significant Connection to Ontario of this Policy).

Section 19 will be added to Policy 3.1

19. Assessment of a Significant Connection to Ontario

19.1 Effective June 30, 2001 all Issuers, that are not otherwise reporting issuers in Ontario, are required to immediately assess whether they have a Significant Connection to Ontario.

19.2 Where an Issuer, that is not otherwise a reporting issuer in Ontario, becomes aware that it has a Significant Connection to Ontario as a result of complying with subsection 19.1 above or otherwise, the Issuer is required to immediately notify the Exchange, and promptly make a bona fide application to the Ontario Securities Commission to be deemed a reporting issuer in Ontario. The Issuer must become a reporting issuer in Ontario within six months of becoming aware that it has a Significant Connection to Ontario.

19.3 All Issuers, that are not otherwise reporting issuers in Ontario, are required to assess on an annual basis, in connection with the preparation for mailing of their annual financial statements, whether they have a Significant Connection to Ontario. All Issuers must obtain and maintain for a period of three years after each annual review, evidence of the residency of the RHs and BHs of the Issuer.

19.4 If requested, Issuers must provide the Exchange with evidence of the residency of their NOBOs.

SCHEDULE F

POLICY 5.9

INSIDER BIDS, ISSUER BIDS, GOING PRIVATE TRANSACTIONS AND RELATED PARTY TRANSACTIONS

Scope of Policy

This Policy is not effective until June 30, 2001.

This Policy incorporates Ontario Securities Commission ("OSC") Rule 61-501, Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions (the "OSC Rule"), together with the Companion Policy 61-501CP (the "OSC Policy"), as they exist as at September 1, 2000 as a policy of the Exchange, subject to certain modifications. In addition to the stated exemptions in the OSC Rule, this Policy also provides certain **additional exemptions**. A complete copy of the OSC Rule and OSC Policy can be found on the OSC's website at **www.osc.gov.on.ca**. The text of the OSC Rule and OSC Policy have also been incorporated, respectively, as Appendix 5B and Appendix 5C to the Exchange's Corporate Finance Manual.

The main headings of this Policy are:

1. Definitions
2. Effective Date of this Policy
3. Application of the OSC Rule and OSC Policy
4. Exchange Valuation Exemptions

1. Definitions

1.1 Definitions contained in the OSC Rule and OSC Policy that are inconsistent with definitions contained within other Exchange policies shall be applicable only to the interpretation of this Policy.

1.2 References in the OSC Rule and OSC Policy to the "Director", for the purposes of this Policy, shall refer to a Vice-President, Corporate Finance of the Exchange.

1.3 "Feasibility Study" for the purpose of this Policy, means a comprehensive study of a deposit in which all geological, engineering, operating, economic and other relevant factors are considered in sufficient detail to serve as the basis for a qualified person experienced in mineral production activities, acting reasonably, to make a final decision on whether to proceed with development of the deposit for mineral production.

1.4 "Independent Committee" for the purpose of this Policy, means a committee consisting exclusively of two or more Independent Directors.

1.5 "Independent Directors" for the purpose of this Policy, means for an Issuer, a director who is neither an employee, senior officer, Control Person or management consultant of the Issuer or its Associates or Affiliates and is otherwise independent as determined in accordance with section 7.1 of the OSC Rule.

1.6 "Related Party" and "Related Party Transaction" have the meaning ascribed to such terms in the OSC Rule.

1.7 "Unrelated Investors" for the purpose of this Policy, means Persons who are not Related Parties of the Issuer or the Target Issuer and who are not members of the Pro Group.

2. Effective Date of this Policy

2.1 This Policy shall become effective June 30, 2001 (the "Effective Date"). Prior to the Effective Date of this Policy, the Exchange may nevertheless use this Policy as a guideline.

3. Application of the OSC Rule and OSC Policy

3.1 The Exchange considers it appropriate to have policies providing guidance in respect of insider bids, issuer bids, going private transactions and related party transactions, and in particular concerning the circumstances in which disinterested shareholder approval, valuations, independent board committee approval and enhanced disclosure are required. On May 1, 2000, the OSC Rule and the OSC Policy became effective, replacing the former OSC Policy 9.1. Although the Exchange is considering adoption of its own separate policy, the Exchange considered the OSC Rule and the OSC Policy and determined that in an effort to create a national, harmonized set of rules, it would adopt the OSC Rule and the OSC Policy as a CDNX policy.

3.2 On the Effective Date, this Policy will apply to all Issuers listed on CDNX or seeking listing on CDNX, regardless of whether the Issuer is a reporting issuer in Ontario. References in either the OSC Rule or the OSC Policy to their application to Ontario reporting issuers, for the purposes of this policy, shall be considered to be references to Issuers listed on CDNX.

3.3 Subject to the modifications described in this Policy, and in particular the additional exemptions set forth in section 4 of this Policy, the OSC Rule and the OSC Policy are adopted, in their entirety, as a Corporate Finance policy of the Exchange as at the Effective Date.

3.4 Prior to the Effective Date, the Exchange will be reviewing its other corporate finance policies to minimize any conflicts or inconsistencies created by the introduction of this Policy and to provide

appropriate cross-references and clarifications.

3.5 A number of Exchange policies may be impacted by the adoption of the OSC Rule and the OSC Policy, including the following:

(a) Policy 2.4, Capital Pool Companies,

(b) Policy 4.1, Private Placements,

(c) Policy 5.2, Changes of Business and Reverse Take-Overs,

(d) Policy 5.3, Acquisitions and Dispositions of Non-Cash Assets,

(e) Policy 5.5, Stock Exchange Take-Over Bids and Issuer Bids, and

(f) olicy 5.6, Normal Course Issuer Bids.

4. Exchange Valuation Exemptions

4.1 The OSC Rule contains various provisions exempting issuers from its application. In regard to valuations, the OSC Rule sets out various situations in which an Issuer is exempt from the requirement to obtain an independent valuation. In addition to the stated exemptions in the OSC Rule and subject to sections 4.3 and 4.4 below, the Exchange will also generally exempt an Issuer from the requirement of an independent valuation ("Exchange Valuation Exemptions") in the course of Exchange acceptance of a Related Party Transaction in connection with a:

- Qualifying Transaction by a CPC;
- Change of Business;
- Reviewable Acquisition;
- Reviewable Disposition; or
- Reverse Take-Over or such other transaction deemed to be a Reverse Take-Over by the Exchange notwithstanding that the transaction may not be a reverse take-over for accounting purposes;

provided that one of the following circumstances is met:

(a) the fair market value of the assets, business or securities is "indeterminate" with reference to the criteria described in section 4.5 below; or

(b) the transaction constitutes the acquisition or disposition of an oil and gas property in North America and the Issuer has obtained an independent engineering or geological report, which provides a value of proved and probable reserves based on constant dollar pricing presented at discount rates of 10%, 15% and 20%, with probable reserves discounted a further 50%; or

(c) the transaction constitutes the acquisition or disposition of a mineral resource property and the Issuer has obtained a Feasibility Study based on proven and probable reserves that demonstrates a minimum three year mine life; or

(d) the transaction constitutes an acquisition by either a CPC or an Issuer that does not meet Tier 2 Tier Maintenance Requirements such that the Issuer could be designated Inactive, and the consideration to be paid consists solely of equity securities of the Issuer and the Issuer is conducting a concurrent financing constituting the issuance of equity securities provided that:

(i) the product obtained by multiplying the gross proceeds of the financing by the inverted fractional interest that the concurrent financing subscribers will own of the Issuer, less net tangible assets of the Issuer, is equal to or greater than the total of the deemed value of the securities being issued for the assets, business or securities to be acquired;

(ii) Unrelated Investors purchase equity securities in the concurrent financing representing 20% or more of the total issued and outstanding equity securities of the Issuer after giving effect to both the concurrent financing and the transaction; and

(iii) Unrelated Investors contribute at least 2/3 of the aggregate proceeds of the concurrent financing.

Eg. An Issuer has outstanding 5,000,000 Listed Shares and is conducting an acquisition of a private start-up technology company, Targetco. The purchase price for all of the issued and outstanding shares of Targetco is to be the issuance by the Issuer of 10,000,000 Listed Shares at

$0.30 (i.e. a deemed value of $3,000,000) to acquire all of the issued and outstanding shares of Targetco. Concurrently with the acquisition, the Issuer is conducting a financing to arm's length subscribers, issuing 5,000,000 Listed Shares at $0.30 to raise total gross proceeds of $1,500,000. In this example, the Issuer has no net tangible assets other than the cash raised on the financing in the amount of the $1,500,000.

The subscribers to the concurrent financing will own 25% of the Resulting Issuer, assuming completion of both the acquisition and the financing. Accordingly, the required 20% minimum has been met and the financing can be used as an alternative method of valuation.

Based on the financing, the Exchange will accept a deemed value for Targetco of up to $4,500,000.

The $4,500,000 is calculated by multiplying the gross proceeds of the concurrent financing (i.e. $1,500,000) by the inverted fractional interest that the concurrent financing subscribers will own of the Resulting Issuer. (i.e. 25% is 25/100 which, when inverted is 100/25) less net tangible assets of the Issuer (which, in this case, are confined to $1,500,000). $4,500,000 ($1,500,000 x 100/25 - $1,500,000) is the maximum deemed value attributable to Targetco. Since the Issuer only intends to pay a deemed price of $3,000,000, the consideration to be paid is acceptable.

4.2 Subject to sections 4.3 and 4.4 below, an Exchange Valuation Exemption will also generally be available to an Issuer in the course of Exchange acceptance of a Private Placement which is a Related Party Transaction:

(a) where the fair market value of the Issuer's securities is "indeterminate" with reference to the criteria described in section 4.5 below; or

(b) where:

(i) a liquid market (as defined in paragraph 1.3(1)(a) of the OSC Rule) does not exist for the securities of the Issuer at the time the transaction is agreed to;

(ii) the Exchange's normal pricing policies will be applied in fixing the price of the equity securities purchased on the Private Placement;

(iii) Unrelated Investors contribute at least 2/3 of the aggregate proceeds of the Private Placement; and

(iv) the pro rata share of the total issued and outstanding equity securities of the Issuer owned by any Related Party of the Issuer will not increase after giving effect to the Private Placement.

4.3 Where an Issuer relies upon the Exchange Valuation Exemptions:

(a) the Issuer must provide to the Exchange a certificate in accordance with section 4.4 below, executed by either a majority of the board of directors of the Issuer which must include two or more Independent Directors or an Independent Committee;

(b) the contents of the Certificate must be disclosed in any Information Circular or Filing Statement provided to shareholders in connection with the transaction; and

(c) any securities issued in consideration for such assets, business or securities will be subject to escrow or other resale restrictions as prescribed by the Exchange. See Policy 5.4 - Escrow and Vendor Consideration.

4.4 The certificate referred to in section 4.3 above shall provide:

(a) disclosure with respect to the Exchange Valuation Exemption being relied upon and the basis for such reliance;

(b) disclosure of the manner in and basis upon which price or value was determined;

(c) that either a majority of the board of directors of the Issuer including two or

more Independent Directors or the Independent Committee , having made reasonable inquiry, have:

(i) no knowledge of a Material Change or Material Fact concerning the Issuer or its securities that has not been generally disclosed; and

(ii) no reason to believe it is inappropriate to apply the Exchange's normal pricing policies; and

(d) in respect of the exemptions set forth in subsections 4.1(a) and 4.2(a) above, the certificate must also state that:

(i) either a majority of the board of directors of the Issuer including two or more Independent Directors or the Independent Committee , acting in good faith, reasonably believe that the fair market value of the assets, business or securities is “indeterminate” with reference to the criteria described in section 4.5; and

(ii) there has been disclosure of the manner and basis upon which the consideration to be paid for the assets, business or securities was determined including, without limitation, reference to net tangible asset value;

(e) in respect of the exemption set forth in subsection 4.1(d) above, the certificate must also state that:

(i) prior to making their investment, the Unrelated Investors will have received disclosure in the Information Circular or offering memorandum, as the case may be, of all matters relating to or affecting the concurrent financing and the transaction;

(ii) prior to voting on the transaction, the shareholders of the Issuer will have received disclosure in the Information Circular of all matters relating to or affecting the concurrent financing and the transaction; and

(iii) either a majority of the board of directors of the Issuer including two or more Independent Directors or the Independent Committee, having made reasonable inquiry, have no knowledge of any matter that might impact upon the deemed value determined in subsection 4.1(d).

(f) in respect of the exemption set forth in subsection 4.2(b) above, that the pro rata share of the total issued and outstanding equity securities of the Issuer owned by any Related Party of the Issuer will not increase after giving effect to the Private Placement.

4.5. The Exchange will generally consider assets, businesses or securities to be of "indeterminate" value where:

(a) the Issuer has demonstrated, to the satisfaction of the Exchange, a minimal history of commercial operations (less than one full fiscal year); and

(b) financial statements relating to such assets, business or securities evidence:

(i) no cumulative earnings since commencement of operations;

(ii) either no sales or revenues or minimal cumulative sales or revenues derived from operations (less than $1,000,000 since the commencement of operation of such assets or business); and

(iii) no positive cash flow or a minimal history of positive cash flow (two or fewer quarterly reporting periods).

4.6 The Exchange exemptions from the valuation requirements are only exemptions from the application of this Policy. An Issuer that is a reporting issuer in Ontario and is therefore directly subject to the OSC Rule and OSC Policy cannot rely upon the Exchange Valuation Exemptions to exempt them from the requirements of the OSC Rule and OSC Policy.

4.7. Where an Issuer is a reporting issuer in Ontario and the Issuer seeks an exemption from the OSC Rule or OSC Policy from the OSC, the Issuer must make application to the OSC with a copy of such application and all subsequent correspondence being provided to the Exchange. Where an exemption or waiver is permitted by the OSC, the Exchange will generally defer to the decision of

the OSC.

4.8. Where an Issuer is not a reporting issuer in Ontario and is not directly subject to the OSC Rule and OSC Policy and seeks only an exemption from this Policy 5.9, the Issuer will make application for exemption or waiver of this Policy solely to the Exchange.

13.1.6 Letter

September 3, 2002

Stephen P. Sibold, Q.C.
Chair
Alberta Securities Commission
Calgary, Alberta
T2P 3C4

Douglas M. Hyndman
Chair
British Columbia Securities Commission
4th Floor, 300 Fifth Avenue, S.W.
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia
V7Y 1L2

Dear Sirs:

Re: Continued Recognition of the TSX Venture Exchange Inc. ("TSX Venture Exchange"), formerly the Canadian Venture Exchange Inc. ("CDNX")

TSX Inc. ("TSX"), formerly The Toronto Stock Exchange Inc., will complete a reorganization ("Reorganization"). Under the Reorganization, TSX will become a wholly-owned subsidiary of a new holding company, TSX Group Inc. ("TSX Group"), and TSX Venture Exchange will continue to be a wholly-owned subsidiary of TSX. Following the Reorganization, TSX Group intends to conduct an initial public offering.

By recognition order dated April 3, 2000, the Ontario Securities Commission ("OSC") recognized the TSX as a stock exchange in the Province of Ontario. On September 3, 2002, the OSC continued the recognition of TSX and recognized TSX Group to reflect the Reorganization ("OSC Recognition Order").

Under the OSC Recognition Order, TSX must maintain sufficient financial resources for the proper performance of its functions and notify the OSC in the event it fails to satisfy any of the liquidity measure, the debt to cash flow ratio or the financial leverage ratio tests outlined in paragraph 12 of the OSC Recognition Order.

In addition, TSX Group must allocate sufficient financial and other resources to TSX to ensure that TSX can carry out its functions in a manner that is consistent with the public interest and the terms and conditions of the OSC Recognition Order and must notify the OSC immediately upon becoming aware that it is or will be unable to allocate sufficient financial and other resources to TSX to ensure that it can carry out its functions in a manner that is consistent with the public interest and the terms and conditions of the OSC Recognition Order.

Paragraph 14 of the OSC Recognition Order also requires TSX to meet certain requirements for each of its systems that support order entry, order routing, execution, data

feeds, trade reporting and trade comparison and capacity and integrity requirements, and to promptly notify the OSC of material systems failures and changes.

Because the TSX Venture Exchange is a wholly-owned subsidiary of the TSX, which in turn is a wholly-owned subsidiary of TSX Group, TSX and TSX Group will control whether the TSX Venture Exchange can fulfill certain obligations that have been imposed or would have been imposed on the TSX Venture Exchange by the Alberta Securities Commission and British Columbia Securities Commission as the lead regulators of the TSX Venture Exchange ("Lead Regulators").

Further to the Memorandum of Understanding about the Oversight of Exchanges and Quotation and Trade Reporting Systems between the Lead Regulators, the Manitoba Securities Commission, the OSC and the Commission des valeurs mobilières du Québec, the OSC agrees that:

> As long as the OSC recognizes and acts as the lead regulator for TSX and recognizes TSX Group, the OSC will advise the Lead Regulators of certain matters or events that occur in the operations and business of TSX Group and TSX because they may have an impact on the operations and business of TSX Venture Exchange and the recognition of TSX Venture Exchange by the Lead Regulators.
>
> For as long as the OSC recognizes and acts as the lead regulator for TSX and recognizes TSX Group, the OSC will promptly advise the Lead Regulators in writing, if the OSC
>
> a) becomes concerned about the financial viability of TSX Group or TSX;
>
> b) is advised by TSX Group that TSX Group will not allocate sufficient financial and other resources to TSX to ensure that TSX can carry out its functions in a manner that is consistent with the public interest and the terms and conditions of the OSC Recognition Order;
>
> c) is advised by TSX that TSX has failed to satisfy any of the financial tests set out in the OSC Recognition Order;
>
> d) is considering revoking or revokes its recognition of TSX Group or TSX;
>
> e) becomes aware of any impending change of control of TSX Group or TSX or of an intention by TSX Group or TSX to cease operations or dispose of all or substantially all of its assets.

For as long as the OSC recognizes and acts as the lead regulator for TSX, the OSC will, immediately upon receipt of same, provide to the Lead Regulators any reports provided to the OSC by TSX regarding the results of any tests, reviews or monitoring performed by TSX in connection with its systems.

Yours very truly,

"Howard Wetston"
Vice Chair

cc: Louyse Gauvin, BCSC
Patricia M. Johnston, ASC
Denise F. Hendrickson, ASC
Cindy Petlock, OSC

13.1.7 Market Regulation Services Inc. Disciplinary Notice - Douglas Christie

September 9, 2002 **2002-003**

Person Disciplined

On August 28, 2002, a Hearing Panel of the Hearing Committee of Market Regulation Services Inc. ("RS") approved an Offer of Settlement concerning Douglas Christie, an Approved Person employed with Independent Trading Group.

Rule Violated

Under the terms of the Offer of Settlement, Mr. Christie admits that he committed the following violation:

> On February 28, 2001 and between June 22-29, 2001, Mr. Christie entered bids in a listed security on behalf of a principal or a non-client account when the effect of such action was to establish an artificial quotation or a high closing quotation in the listed security, contrary to Rule 4-202 of the Rules of the Toronto Stock Exchange and Policy 4-202 of the Toronto Stock Exchange, Requirements under the Universal Market Integrity Rules.

Penalty Assessed

Pursuant to the terms of the Offer of Settlement, Mr. Christie is required to pay a fine of $15,000 and $6,000 towards the cost of the investigation.

Summary of Facts

On February 28, 2001 and between June 22-29, 2001, Mr. Christie entered 16 bids for his registered trading account in one of his stocks of responsibility of which 6 became the closing bid of the day. The bids on February 28, 2001 increased his gross compensation by $14,260.40. All 16 bids:

- were entered near the close of trading;
- were higher than the previous bid;
- expired at the end of the trading day; and
- improved his daily account valuation.

Following a review of findings of RS's investigation, RS has determined there are no grounds for any disciplinary proceedings against Independent Trading Group.

Participants who require additional information should direct questions to Marie Oswald, Vice President, Investigations and Enforcement, Market Regulation Services Inc. at 416-646-7283.

ALEXANDER DASCHKO
VICE PRESIDENT
OPERATIONS AND GENERAL COUNSEL

13.1.8 IDA Settlement Hearing - Michael Anthony Whistle

NEWS RELEASE
For immediate release

NOTICE TO PUBLIC: SETTLEMENT HEARING

IN THE MATTER OF MICHAEL ANTHONY WHISTLE

September 10, 2002 (Toronto, Ontario) – The Investment Dealers Association of Canada ("the Association") announced today that a hearing date has been set for the presentation, review and consideration of a Settlement Agreement by the Ontario District Council of the Association.

The Settlement Agreement is between Staff of the Association and Michael Anthony Whistle and relates to matters for which he may be disciplined by the Association.

The proceeding is scheduled to commence at 9:00 a.m. on September 17th, 2002 at the offices of Atchison and Denman Court Reporting Services Ltd., 155 University Avenue, Suite 302, Toronto, Ontario. The proceeding is open to the public except as may be required for the protection of confidential matters.

If the Ontario District Council determines that discipline penalties are to be imposed on Michael Anthony Whistle, the Association will issue an Association Bulletin giving notice of the discipline penalties assessed, the regulatory violation(s) committed, and a summary of the facts. Copies of the Association Bulletin and Settlement Agreement will be made available.

The Investment Dealers Association of Canada is the national self-regulatory organization and representative of the securities industry. The Association's role is to foster fair, efficient and competitive capital markets by encouraging participation in the savings and investment process and by ensuring the integrity of the marketplace. The IDA enforces rules and regulations regarding the sales, business and financial practices of its Member firms. Investigating complaints and disciplining Members are part of the IDA's regulatory role.

For further information, please contact:

Alex Popovic
Vice-President, Enforcement
(416) 943-6904 or apopovic@ida.ca

Jeff Kehoe
Director, Enforcement Litigation
(416) 943-6996 or jkehoe@ida.ca

13.1.9 IDA Settlement Hearing - Nicolas Tsaconakos

NEWS RELEASE
For immediate release

NOTICE TO PUBLIC: SETTLEMENT HEARING

IN THE MATTER OF NICOLAS TSACONAKOS

September 10th, 2002 (Toronto, Ontario) – The Investment Dealers Association of Canada announced today that a hearing date has been set for the presentation, review and consideration of a Settlement Agreement by the Ontario District Council of the Association.

The Settlement Agreement is between Staff of the Association and Nicolas Tsaconakos and relates to matters for which he may be disciplined by the Association.

The proceeding is scheduled to commence at 10:00 a.m. on September 17th, 2002 at the Atchison and Denman Court Reporting Services Ltd., 155 University Avenue, Suite 302, Toronto, Ontario. The proceeding is open to the public except as may be required for the protection of confidential matters.

If the Ontario District Council determines that discipline penalties are to be imposed on Nicolas Tsaconakos, the Association will issue an Association Bulletin giving notice of the discipline penalties assessed, the regulatory violation(s) committed, and a summary of the facts. Copies of the Association Bulletin and Settlement Agreement will be made available.

The Investment Dealers Association of Canada is the national self-regulatory organization and representative of the securities industry. The Association's role is to foster fair, efficient and competitive capital markets by encouraging participation in the savings and investment process and by ensuring the integrity of the marketplace. The IDA enforces rules and regulations regarding the sales, business and financial practices of its Member firms. Investigating complaints and disciplining Members are part of the IDA's regulatory role.

For further information, please contact:

Alex Popovic
Vice-President, Enforcement
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Jeff Kehoe
Director, Enforcement Litigation
(416) 943-6996 or jkehoe@ida.ca

13.1.10 IDA Disciplinary Hearing - Barry Kasman

NEWS RELEASE
For immediate release

NOTICE TO PUBLIC: DISCIPLINARY HEARING

IN THE MATTER OF BARRY KASMAN

September 10, 2002 (Toronto, ON) – The Investment Dealers Association of Canada announced today that a hearing date has been set before a panel of the Ontario District Council of the Association in respect of matters for which Barry Kasman may be disciplined by the Association.

The hearing relates to allegations that Barry Kasman, contravened Association By-laws, Regulations and Policies in failing to carry out his duties and responsibilities to ensure that Rampart Securities Inc. was in compliance with Association requirements.

The hearing is scheduled to commence at 10:30 a.m. on September 17th, 2002, at the Atchison and Denman Court Reporting Services Ltd., 155 University Avenue, Suite 302, Toronto, Ontario. The hearing is open to the public except as may be required for the protection of confidential matters. Copies of the Decision of the District Council will be made available.

The Investment Dealers Association of Canada is the national self-regulatory organization and representative of the securities industry. The Association's role is to foster fair, efficient and competitive capital markets by encouraging participation in the savings and investment process and by ensuring the integrity of the marketplace. The IDA enforces rules and regulations regarding the sales, business and financial practices of its Member firms. Investigating complaints and disciplining Members are part of the IDA's regulatory role.

For further information, please contact:

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Jeff Kehoe
Director, Enforcement Litigation
(416) 943-6996 or jkehoe@ida.ca

Chapter 25

Other Information

25.1.1 Securities

RELEASE FROM ESCROW

COMPANY NAME	DATE	NUMBER AND TYPE OF SHARES	ADDITIONAL INFORMATION
Canadian First Financial Group Inc.	July 9, 2002	624810 common shares	Concurrent with successful completion of take-over bid by Dundee Wealth Management Inc. made on June 18, 2002.

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