

The Ontario Securities Commission

# OSC Bulletin

February 7, 2003

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

**The Ontario Securities Commission**

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# Chapter 1

## Notices / News Releases

### 1.1 Notices

#### 1.1.1 Current Proceedings Before The Ontario Securities Commission

FEBRUARY 7, 2003

#### CURRENT PROCEEDINGS

#### BEFORE

#### ONTARIO SECURITIES COMMISSION

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

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

Telephone: 416-597-0681      Telecopiers: 416-593-8348

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Harold P. Hands	—	HPH
Robert W. Korthals	—	RWK
Mary Theresa McLeod	—	MTM
H. Lorne Morphy, Q.C.	—	HLM
Robert L. Shirriff, Q.C.	—	RLS

### SCHEDULED OSC HEARINGS

DATE: TBA      **Robert Thomislav Adzija et al**  
s. 127

T. Pratt in attendance for Staff

Panel: RLS/HLM

DATE: TBA      **First Federal Capital (Canada) Corporation and Monte Morris Friesner**

s. 127

A. Clark in attendance for Staff

Panel: TBA

Date: TBA      **Meridian Resources Inc. and Steven Baran**

s. 127

K. Manarin in attendance for Staff

Panel: TBA

DATE: TBA      **Patrick Fraser Kenyon Pierrepont Lett, Milehouse Investment Management Limited, Pierrepont Trading Inc., BMO Nesbitt Burns Inc.\*, John Steven Hawkyard and John Craig Dunn**

s. 127

K. Manarin in attendance for Staff

Panel: TBA

\* BMO settled Sept. 23/02

Date: TBA      **Philip Services Corporation (Motion)**

s. 127

K. Manarin in attendance for Staff

Panel: TBA

February 14, 2003 **ATI Technologies Inc. et al**

9:30 a.m. s. 127  
M. Britton in attendance for Staff  
Panel: TBA

February 14, 2003 **Jack Banks A.K.A. Jacques Benquesus and Larry Weltman\***

10:00 a.m. s. 127  
K. Manarin in attendance for Staff  
Panel: PMM/KDA/MTM  
  
\*Larry Weltman settled on January 8, 2003

February 17 and 18, 2003 **Offshore Marketing Alliance and Warren English**

10:00 a.m. s. 127  
A. Clark in attendance for Staff  
Panel: TBA

February 17 to 21, 2003 and February 25 to 28, 2003. **Teodosio Vincent Pangia, Agostino Capista and Dallas/North Group Inc.**

s. 127  
All days 10:00 a.m. Y. Chisholm in attendance for Staff  
Except, February 18, 2003 at 2:30 p.m. Panel: TBA

February 27, 2003 **CIBC World Markets Inc.**

10:00 a.m. s. 127 & 127.1  
A. Clark in attendance for Staff  
Panel: TBA

April 2003 **Phoenix Research and Trading Corporation, Ronald Mock and Stephen Duthie**

s. 127  
T. Pratt in attendance for Staff  
Panel: TBA

**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**

**Global Privacy Management Trust and Robert Cranston**

**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**

**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**

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

1.1.2 CSA Notice 31-307 National Registration Database (NRD) - NRD Enrolment and User Fees

CSA NOTICE 31-307

NATIONAL REGISTRATION DATABASE (NRD)  
NRD ENROLMENT AND USER FEES

**Introduction**

The National Registration Database is scheduled to launch on March 31, 2003. NRD will be used in all jurisdictions of the CSA except Quebec (the NRD jurisdictions). Firms are required to enrol with the NRD administrator (CDS INC.) to use NRD by February 7, 2003. The NRD administrator will charge firms a fee to enrol in NRD and user fees for some NRD submissions (these fees are set out below). NRD enrolment and user fees are intended to cover the cost of developing and operating NRD by the NRD administrator.

Please note that NRD fees are subject to goods and services tax or GST (CDS INC. GST No. # 892971631RT) and are in addition to the registration fees that are payable by registrants and applicants for registration to securities regulatory authorities and the Investment Dealers Association.

**Enrolment fees**

To enrol to use NRD, firms must pay a one-time enrolment fee by cheque to the NRD administrator. The cheque must be payable to "CDS INC." and must accompany the NRD enrolment forms and any documents filed in support of enrolment (e.g., a void cheque, articles of incorporation). This enrolment package must be submitted to CDS INC. (Attention: NRD administrator) at 85 Richmond Street West, Toronto, ON M5H 2C9. The NRD enrolment forms are available in editable form at the website address [www.nrd-info.ca](http://www.nrd-info.ca). After the launch of NRD, these forms will also be available at [www.nrd.ca](http://www.nrd.ca).

For the convenience of registrants and applicants for registration, CSA is setting out below the fees that firms will have to pay to the NRD administrator, CDS INC.

Firms that are registered with one or more securities regulatory authorities prior to February 3, 2003 will be required to pay an enrolment fee based on the total number of individuals registered with the firm in the NRD jurisdictions on February 3. When determining the total number of registered individuals with a firm, the firm should count each registered individual once irrespective of the number of jurisdictions in which the individual is registered. The enrolment fees are set out in the following schedule:

Number of registered individuals	Firm enrolment fee	Firm enrolment fee (with 7% GST)
3000 or more	\$7000.00	\$7490.00
1000 to 2999	\$6500.00	\$6955.00
500 to 999	\$5500.00	\$5885.00
150 to 499	\$4500.00	\$4815.00
75 to 149	\$3000.00	\$3210.00
50 to 74	\$2000.00	\$2140.00
25 to 49	\$1500.00	\$1605.00
10 to 24	\$250.00	\$267.50
1 to 9	\$100.00	\$107.00
0	\$750.00	\$802.50

Firms that are not registered in an NRD jurisdiction when enrolling to use NRD will be charged a \$500 enrolment fee, or \$535 with GST. The fee is the same for all firms regardless of size.

**NRD user fees**

In addition to the initial enrolment fee, firms will be charged NRD user fees annually and with specified NRD submissions. These fees are paid in NRD by pre-authorized debit from the NRD account set-up by the NRD administrator following instructions from the firm.

**Annual NRD user fees**

On December 31 of each year, a firm will be charged an annual NRD user fee for use of NRD for the following year.

A firm's annual NRD user fees are calculated as follows:

- \$75 for each registered and non-registered individual sponsored by the firm in a single NRD jurisdiction; and
- \$50 for each additional NRD jurisdiction in which an individual is sponsored (to a maximum of five additional jurisdictions for a total of \$250).

For example, if an individual is a registered individual in three NRD jurisdictions, the firm's annual NRD user fee for that individual will be \$175, or \$187.25 with GST.

If an individual is a non-registered individual in all 12 NRD jurisdictions, the firm's annual NRD user fee for that individual will be \$325, or \$347.75 with GST.

May 30, 2003 collection of annual NRD user fees

As December 31, 2002 has now passed, the annual NRD user fee for 2003 will be charged after business hours on May 30, 2003. This fee pull will cover the entire year's fee. On May 1, NRD will generate a preliminary annual fee summary. The summary indicates how much will be drawn from a firm's account on May 30 if the number of registered and non-registered individuals with the firm remains the same (see section C4 of Chapter 9 of the NRD Filer Manual for instructions on retrieving the summary). In all other respects the payment of the annual NRD user fee will work on May 30 as it does on December 31. For example, a firm may exclude from the fee calculation individuals who are leaving a firm or are surrendering their registrations by using the Bulk Annual Fee Exclusion submission. For more information on the annual fee collection process please refer to the NRD Filer Manual, currently available at [www.nrd-info.ca](http://www.nrd-info.ca).

NRD submission fees

NRD submission fees are payable when making any one of the following submissions (these submission types are described in more detail in Chapter 7, section A2 of the NRD Filer Manual):

- Initial Registration;
- Reactivation of Registration; and
- Registration in an Additional Jurisdiction.

NRD submission fees are calculated as follows:

- \$75 for each Form 33-109F4 submitted to one jurisdiction; and
- \$50 for each additional jurisdiction to which the Form 33-109F4 is submitted (to a maximum of 5 additional jurisdictions for a total of \$250).

For example, the submission fee for an individual applying for registration in three jurisdictions will be \$175, or \$187.25 with GST. The submission fee for an individual applying for registration in all 12 NRD jurisdictions will be capped at \$325, or \$347.75 with GST.

Please refer your questions to:

Elle Koor  
Manager, NRD Project Group  
Ontario Securities Commission  
(416) 593-8077  
[ekoor@osc.gov.on.ca](mailto:ekoor@osc.gov.on.ca)

Ken Parker  
Director, Capital Markets  
Alberta Securities Commission  
(403) 297-3251  
[ken.parker@seccom.ab.ca](mailto:ken.parker@seccom.ab.ca)



Ross McLennan  
Special Advisor  
British Columbia Securities Commission  
(604) 899-6685  
rmclennan@bcsc.bc.ca

February 7, 2003.

**1.1.3 CSA Multilateral Staff Notice 33-306  
- Date of NRD Freeze Period**

**CSA MULTILATERAL STAFF NOTICE 33-306**

**DATE OF NRD FREEZE PERIOD**

**Introduction**

This is notice of the day on which the NRD freeze period will commence as required by section 8.1 of Multilateral Instrument 33-109 *Registration Information* and Ontario Rule 33-506 (*Commodity Futures Act*) *Registration Information*.

The NRD freeze period will commence on March 7, 2003.

**Questions**

Please refer your questions to any of the following people:

Anthony Wong  
Senior Legal Counsel  
British Columbia Securities Commission  
(604) 899-6777  
awong@bcsc.bc.ca

Dirk de Lint  
Legal Counsel  
Ontario Securities Commission  
(416) 593-8090  
ddelint@osc.gov.on.ca

Kathleen Blevins  
Legal Counsel  
Alberta Securities Commission  
(403) 297-3308  
kathleen.blevins@seccom.ab.ca

February 7, 2003.

**1.3 News Releases**

**1.3.1 OSC Approves Settlement Between Staff and Benjamin Emile Poirier**

**FOR IMMEDIATE RELEASE  
January 29, 2003**

**ONTARIO SECURITIES COMMISSION APPROVES  
SETTLEMENT BETWEEN STAFF AND  
BENJAMIN EMILE POIRIER**

**TORONTO** – On January 28, 2003, the Ontario Securities Commission convened a hearing to consider a settlement reached between the Staff of the Commission and the respondent Benjamin Emile Poirier (“Poirier”). Poirier faced Staff allegations relating to his involvement with the illegal distribution of units of Dual Capital Limited Partnership.

Under the terms of the settlement approved by the Commission, Poirier provided a written undertaking to the Commission that he will never apply for registration in any capacity under Ontario securities law. Poirier is not permitted to purchase or sell securities for a period of ten years, with the exception that he may purchase or sell securities which are beneficially owned by him in his personal account in his name, effective one year from the date of the Commission’s Order.

Poirier was registered as a salesperson from January 1991 to May 1999, but has not been registered in any capacity since May 1999. Between October 1994 and December 1996, he sold approximately \$325,000 worth of units in Dual Capital Limited Partnership to ten clients. Poirier’s spouse also made a \$15,000 investment in Dual Capital Limited Partnership. Poirier earned commissions of \$4,449 in respect of the sale of the units.

By selling the Dual Capital Limited Partnership units to his clients, Poirier participated in an illegal distribution of securities and engaged in other conduct contrary to Ontario securities law and the public interest. Among other things, Poirier failed to conduct the appropriate due diligence respecting the nature and quality of the investment products, failed to deal fairly and in the best interests of his clients, and failed to assess the suitability of the units to the needs of his clients. Poirier’s clients, who were elderly, unsophisticated and lived on fixed incomes, suffered detrimental financial and emotional losses arising from his recommendation to purchase the units.

Commissioner Robert Shirriff, Q.C., in his oral decision approving the settlement, commented that the rules and regulations in this province are to create fair and efficient markets and to protect investors from improper practices, and that the panel was mindful of the suffering caused by Poirier. Commissioner Shirriff reprimanded Poirier, noting that Poirier failed the system, his clients and himself, and that his conduct was reprehensible.

Copies of the Notice of Hearing, Statement of Allegations of Staff of the Commission, Settlement Agreement and Order approving the settlement are available on the

Commission’s website, [www.osc.gov.on.ca](http://www.osc.gov.on.ca), or from the Commission offices at 20 Queen Street West, 19<sup>th</sup> Floor, Toronto.

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

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

**1.3.2 OSC Extends Temporary Order Against Mark Edward Valentine**

**FOR IMMEDIATE RELEASE  
January 31, 2003**

**OSC EXTENDS TEMPORARY ORDER  
AGAINST MARK EDWARD VALENTINE**

**TORONTO** – The Ontario Securities Commission convened a hearing yesterday in the matter of Mark Edward Valentine. The Commission heard arguments and evidence regarding two requests made by Staff of the Commission: first, to extend a temporary cease trade and suspension of registration order made July 8, 2002 against Mark Valentine and second, to vary that order by removing the limited trading privileges originally granted to him by the Commission. The July 8 order was due to expire today.

The Commission has reserved its decision, and until the decision is rendered, the July 8, 2002 order remains in place. The order that is currently in place therefore suspends Mark Valentine's registration and prohibits him from trading in securities, except for those listed on the TSE and NYSE or which fall within section 35(2) of the *Securities Act*.

Copies of the order, as well as the Notice of Hearing and Statement of Allegations are available on the Commission's website at [www.osc.gov.on.ca](http://www.osc.gov.on.ca) or from the Commission, 19<sup>th</sup> Floor, 20 Queen Street West, Toronto, Ontario M5H 3S8.

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

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

**1.3.3 OSC Dismisses Application in the Matter of Universal Settlements International Inc.**

**FOR IMMEDIATE RELEASE  
February 3, 2003**

**OSC DISMISSES APPLICATION IN THE MATTER  
OF UNIVERSAL SETTLEMENTS INTERNATIONAL INC.**

**TORONTO** – On Friday, January 31, 2003, a panel of the Ontario Securities Commission heard an application by Universal Settlements International Inc. to revoke an investigation order under section 11 of the Ontario *Securities Act* and to quash a summons issued pursuant to section 13 of the Act.

The Commission dismissed the application of Universal Settlements International Inc. in its entirety.

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

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

## Chapter 2

# Decisions, Orders and Rulings

### 2.1 Decisions

#### 2.1.1 IMS Health Incorporated and Cognizant Technology Solutions Corporation - MRRS Decision

##### Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Split-Off Transaction - Parent distributing shares of its subsidiary in compliance with U.S. securities laws - Neither parent nor subsidiary is a reporting issuer in any Canadian jurisdiction - Issuer has over 50 shareholders in the Jurisdiction, holding fewer than 1% of outstanding shares.

Distribution of shares of subsidiary pursuant to Redemption and Distribution not subject to prospectus or dealer registration requirements ~ First trade deemed to be a distribution unless executed through the facilities of an exchange outside of Canada.

U.S. broker-dealer exempt from registration requirement in connection with their participation in the offer and their communications with Canadian shareholders.

##### Applicable Ontario Statutory Provisions

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

##### Applicable Ontario Rules

Ontario Securities Commission Rule 45-501 - Exempt Distributions - section 2.5 and 2.7.

##### Applicable Instruments

Multilateral Instrument 45-102 - Resale of Securities - section 2.14.

**IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
EACH OF THE PROVINCES OF CANADA**

**AND**

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

**AND**

**IN THE MATTER OF  
IMS HEALTH INCORPORATED AND COGNIZANT  
TECHNOLOGY SOLUTIONS CORPORATION**

#### MRRS DECISION DOCUMENT

**WHEREAS** the local securities regulatory authority or regulator (the "**Decision Maker**") in each of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Québec, Nova Scotia, Newfoundland and Labrador, Prince Edward Island and New Brunswick (collectively the "**Jurisdictions**") has received an application from IMS Health Incorporated ("**IMS Health**") and Cognizant Technology Solutions Corporation ("**Cognizant**") and together with IMS Health, the "**Filers**") for:

- (i) a decision under the legislation of each of the Jurisdictions (the "**Legislation**"), other than the legislation of the provinces of Alberta and Saskatchewan, that the Prospectus Requirement and the Registration Requirement shall not apply to any trade of IMS Health Shares (as defined below) and Cognizant Shares (as defined below) by IMS Health to holders of IMS Health Shares (the "**IMS Health Shareholders**") pursuant to the Exchange Offer (as defined below) proposed by IMS Health, subject to certain conditions;
- (ii) a decision under the legislation of the Province of New Brunswick (the "**New Brunswick Legislation**") and the legislation of the Province of Manitoba (the "**Manitoba Legislation**") that the Prospectus Requirement and the Registration Requirement contained in the New Brunswick Legislation and the Manitoba Legislation shall not apply to any trade of Cognizant Shares by Cognizant pursuant to the Conversion (as defined below); and
- (iii) a decision under the Legislation of each of the Jurisdictions, that the Registration Requirement shall not apply to Goldman, Sachs & Co. and Bear, Stearns & Co. Inc. (the "**U.S. Broker-Dealers**") in connection with their participation in the Exchange Offer and their communications with Canadian IMS Health Shareholders;

**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 Filers have represented to the Decision Makers that:

1. IMS Health is a leading global provider of market information, sales management and decision-support services to the pharmaceutical and healthcare industries. IMS Health is organized under the laws of the State of Delaware. Its principal executive office is located in Fairfield, Connecticut.
2. IMS Health is not a reporting issuer or the equivalent under the Legislation and has no present intention of becoming a reporting issuer or the equivalent under the Legislation.
3. IMS Health's common stock is listed and traded on the New York Stock Exchange under the symbol “RX”.
4. IMS Health is authorized to issue 10,000,000 shares of preferred stock, 10,000,000 shares of series common stock and 800,000,000 shares of common stock.
5. As of October 31, 2002, 280,915,233 shares of IMS Health common stock were issued and outstanding (the “**IMS Health Shares**”).
6. The IMS Health Shares are registered with the Securities and Exchange Commission (the “**SEC**”) under the Securities Exchange Act of 1934 of the United States (the “**1934 Act**”).
7. As required in relation to the registration of the IMS Health Shares under the 1934 Act, IMS Health files with the SEC its annual report on Form 10-K as well as other disclosure materials required under United States securities legislation.
8. According to IMS Health's register of shareholders, as of December 23, 2002, there were approximately 92 IMS Health Shareholders resident in Canada (the “**Canadian IMS Health Shareholders**”) representing 0.014% of all IMS Health Shareholders, owning approximately 91,384 IMS Health Shares (representing approximately 0.00027% of the issued and outstanding IMS Health Shares). Of these shareholders, approximately 43 Canadian IMS Health Shareholders are resident in Ontario (holding approximately 0.000040% of the issued and outstanding IMS Health Shares), 5 Canadian

IMS Health Shareholders are resident in British Columbia (holding approximately 0.0000082% of the issued and outstanding IMS Health Shares), 1 Canadian IMS Health Shareholder is resident in Alberta (holding approximately 0.0000030% of the issued and outstanding IMS Health Shares), 0 Canadian IMS Health Shareholders are resident in Manitoba (holding 0.0% of the issued and outstanding IMS Health Shares), 42 Canadian IMS Health Shareholders are resident in Québec (holding approximately 0.00022% of the issued and outstanding IMS Health Shares), 1 Canadian IMS Health Shareholder is resident in Nova Scotia (holding approximately 0.00000035% of the issued and outstanding IMS Health Shares) and no other Canadian IMS Health Shareholders are resident in each of the other Jurisdictions.

9. In addition, 3 IMS Health Shareholders resident in Québec act as custodians for approximately 181 individual accounts (holding the same percentage of the issued and outstanding IMS Health Shares as noted in Paragraph 8). A separate local application has been filed with La Commission des valeurs mobilières du Québec seeking a decision under the legislation of the Province of Québec (the “**Québec Legislation**”) that the requirements contained in the Québec Legislation relating to delivery of a issuer bid circular and any notices of change or variation thereto, minimum deposit periods and withdrawal rights, take-up and payment for securities tendered to an issuer bid, disclosure, restrictions upon purchases of securities, financing, identical consideration and collateral benefits (the “**Issuer Bid Requirements**”) shall not apply to the Exchange Offer.
10. Cognizant is a leading provider of custom information technology, commonly referred to as IT, design, development, integration and maintenance services primarily for Fortune 1000 companies located in the United States and Europe. Cognizant is organized under the laws of the State of Delaware. Its principal executive office is located in Teaneck, New Jersey.
11. Cognizant's class A common stock (the “**Cognizant Class A Shares**”) is listed for quotation on the Nasdaq National Market under the symbol “CTSH”.
12. Cognizant is authorized to issue 15,000,000 shares of preferred stock, 100,000,000 Class A shares of common stock and 25,000,000 Class B shares of common stock (the “**Cognizant Class B Shares**”).
13. As of October 31, 2002, 8,850,276 Cognizant Class A Shares and 11,290,900 Cognizant Class B Shares were issued and outstanding (the “**Cognizant Shares**”).

14. At October 31, 2002, IMS Health owned a majority and controlling interest in the outstanding Cognizant Shares (approximately 56%) and held approximately 93% of the combined voting power of Cognizant Shares.
15. The Cognizant Class A Shares are registered with the SEC under the 1934 Act.
16. As required in relation to the registration of the Cognizant Class A Shares under the 1934 Act, Cognizant files with the SEC its annual report on Form 10-K as well as other disclosure materials required under United States securities legislation.
17. Cognizant is not a reporting issuer or the equivalent in any of the Jurisdictions and has no present intention of becoming a reporting issuer or the equivalent in any of the Jurisdictions.
18. IMS Health has owned Cognizant Class B Shares since July, 1998. IMS Health does not view its interest in Cognizant as strategically important to IMS Health.
19. IMS Health is offering IMS Health Shareholders the opportunity to exchange each of their IMS Health Shares for a certain number of Cognizant Class B Shares (the "**Exchange Offer**"). This number is sometimes referred to as the "exchange ratio." IMS Health Shareholders may tender all, some or none of their IMS Health Shares.
20. IMS Health Shares accepted for exchange will be exchanged at the exchange ratio, on the terms and subject to the conditions of the Exchange Offer, including the proration provisions.
21. The Applicants are applying for relief for the trades of IMS Health Shares and Cognizant Class B Shares under the Exchange Offer (the "**Exchange Trades**").
22. Subject to the SEC's review of the Exchange Offer registration statement and satisfaction of the conditions of the Exchange Offer, the Exchange Offer is expected to be completed in the first quarter of 2003.
23. The Exchange Offer is to be made available to Canadian IMS Health Shareholders on the same terms and conditions as those extended to IMS Health Shareholders resident in the United States.
24. All materials related to the Exchange Offer and amendments thereto, including the Offering Circular-Prospectus providing detailed disclosure of the terms and conditions of the Exchange Offer (the "**Offering Documents**"), to be sent by or on behalf of IMS Health to IMS Health Shareholders resident in the United States will also be sent concurrently to the Canadian IMS Health Shareholders and such material will be filed with each of the Decision Makers in the Jurisdictions.
25. By making the Exchange Offer, IMS Health is offering IMS Health Shareholders the opportunity to adjust their investment between IMS Health and Cognizant.
26. IMS Health is not offering to exchange, or soliciting any offers to exchange, securities pursuant to the Exchange Offer in any jurisdiction in which those offers or exchanges would not be permitted.
27. IMS Health will distribute up to 11,290,900 shares of Cognizant Class B Shares in the Exchange Offer, representing all the Cognizant Shares that IMS Health currently owns. If IMS Health Shareholders tender more than a specified number of IMS Health Shares, IMS Health will accept shares for exchange on a pro rata basis as described in Offering Circular-Prospectus. The Exchange Offer is subject to various conditions described in the Offering Circular-Prospectus, including that a specified minimum number of IMS Health Shares are validly tendered in the Exchange Offer and not withdrawn and that all of the other conditions of the Exchange Offer have been satisfied or waived.
28. The Exchange Offer has been made in compliance with the Securities Act of 1933 (United States) (the "**1933 Act**"), the 1934 Act and the rules of the SEC under the 1933 Act and the 1934 Act (collectively, the "**Applicable U.S. Securities Laws**").
29. The Cognizant Class B Shares that IMS Health is offering in the Exchange Offer are identical to the Cognizant Class A Shares in all respects, except that a holder of Cognizant Class B Shares is entitled to 10 votes per share while a holder of Cognizant Class A Shares is entitled to one vote per share.
30. Each Cognizant Class B Share received in the Exchange Offer will convert into one Cognizant Class A Share when it is first transferred after the Exchange Offer. In addition, all the Cognizant Class B Shares will automatically convert into Cognizant Class A Shares on the fifth anniversary of the completion of the Exchange Offer or, if earlier, when the number of Cognizant Class B Shares represents less than 35% of the aggregate number of shares of Cognizant common stock then outstanding (the "**Conversion**"). Cognizant Class B Shares will not be separately listed or quoted on any exchange or in the Nasdaq National Market and will not trade separately.
31. There is no market for the Cognizant Shares in Canada and none is expected to develop.

32. No statutory appraisal rights are available to IMS Health Shareholders or Cognizant shareholders in connection with the Exchange Offer.
33. Holders of Cognizant Shares in the Jurisdictions will receive the same disclosure materials furnished to holders of Cognizant Shares in the United States.
34. The U.S. Broker-Dealers are acting as joint dealer managers in the Exchange Offer. Their role is to solicit the participation of the IMS Health Shareholders in the Exchange Offer. In their capacity as joint dealer managers, the U.S. Broker-Dealers may be contacted by the Canadian IMS Health Shareholders for assistance concerning the Exchange Offer, and may also become a member of the soliciting dealer group and in such capacity, may be contacting the Canadian IMS Health Shareholders under the Exchange Offer.
35. GS&Co is a limited partnership governed by the laws of New York and is registered in the United States as, among other things, a broker-dealer and investment adviser. In Ontario, GS&Co is registered under the *Securities Act* (Ontario) (the “Act”) as a dealer in the category of international dealer and as an adviser in the category of international adviser.
36. BS&Co is a corporation incorporated under the laws of Delaware and is registered in the United States as, among other things, a broker-dealer and investment adviser. In Ontario, BS&Co is registered under the Act as a dealer in the category of international dealer and as an adviser in the category of international adviser.
37. IMS Health is relying upon the *de minimis* exemption from the requirements relating to issuer bids under the legislation of all Jurisdictions, other than the legislation of the provinces of Québec, New Brunswick and Prince Edward Island, because the Canadian IMS Health Shareholders with an address in such provinces do not hold more than two (2) per cent of the outstanding IMS Health Shares. In addition, the Exchange Offer is made in compliance with the requirements of Applicable U.S. Securities Laws and all materials related to the Exchange Offer and amendments thereto, including the Offering Documents, sent by or on behalf of IMS Health and/or Cognizant to IMS Health Shareholders resident in the United States are also sent concurrently to the Canadian IMS Health Shareholders resident in the applicable provinces and such material is filed with the Decision Maker in the applicable provinces.
38. IMS Health cannot rely upon the *de minimis* exemption from the Issuer Bid Requirements under the Québec Legislation because the Canadian IMS Health Shareholders with an address in the Province of Québec exceeds 50 holders.
39. An exemption from the Prospectus Requirement and the Registration Requirement for the Exchange Trades is required as there are no appropriate exemptions available under the legislation of the provinces of British Columbia, Manitoba, Québec, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland & Labrador.
40. There are no appropriate prospectus and registration exemptions available under the New Brunswick Legislation and the Manitoba Legislation in connection with the Conversion.
41. There are no specific registration exemptions available to the U.S. Broker-Dealers under the Legislation in connection with their participation in the Exchange Offer and their communications with Canadian IMS Health Shareholders.
42. After giving effect to the Exchange Offer, it is expected that residents of Canada will not (i) directly or indirectly own more than 10% of the outstanding Cognizant Class A Shares or Cognizant Class B Shares, and (ii) will not represent in number more than 10% of the total number of shareholders, directly or indirectly, of Cognizant Class A Shares and Cognizant Class B Shares.

**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 of each of the Jurisdictions, other than the provinces of Alberta and Saskatchewan, is that the Exchange Trades shall be exempt from the Prospectus Requirement and the Registration Requirement of the Legislation of such Jurisdictions, provided that the first trade in the Cognizant Class B Shares acquired pursuant to the Exchange Offer shall be deemed to be a distribution or primary distribution to the public unless the conditions of Section 2.14 of Multilateral Instrument 45-102 *Resale of Securities* are satisfied;

**THE DECISION** of the Decision Maker in the Province of New Brunswick under the New Brunswick Legislation and in the Province of Manitoba under the Manitoba Legislation is that the trades pursuant to the Conversion shall be exempt from the Prospectus Requirement and the Registration Requirement contained in the New Brunswick Legislation and the Manitoba Legislation; and



**THE DECISION** of the Decision Makers in each of the Jurisdictions, under the Legislation of such Jurisdictions is that the U.S. Broker-Dealers shall be exempt from the Registration Requirement of the Legislation of such Jurisdictions in connection with their participation in the Exchange Offer and their communications with Canadian IMS Health Shareholders.

January 16, 2003.

“Howard I. Wetston”

“Robert L. Shirriff”

## 2.1.2 Altamira Management Ltd. - MRRS Decision

### Headnote

Exemption from the reporting requirements of clause 117(1)(c) of the Securities Act (Ontario) provided that certain disclosure is made in the statement of portfolio transactions for each mutual fund.

### Statutes Cited

Securities Act (Ontario), R.S.O. 1990 c. S.5, as am., 117(1)(c) and 117(2).

**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 MANAGEMENT LTD.**

**MRRS DECISION DOCUMENT**

**WHEREAS** the local securities regulatory authority or regulator (the “Decision Maker”) in each of the provinces of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia and Newfoundland and Labrador (the “Jurisdictions”) has received an application (the “Application”) from Altamira Management Ltd. (the “Applicant”) for a decision by each decision maker (the “Decision”) pursuant to the securities legislation of the Jurisdictions (the “Legislation”) that the provisions of the Legislation requiring a management company of a mutual fund, or in British Columbia a mutual fund manager, to file a report, within 30 days after each month end and in respect of each mutual fund for which it provides services, relating to every purchase or sale effected by such mutual fund through any related person or company with respect to which the related person or company received a fee from the mutual fund or from the other party to the transaction or both (the “Reporting Requirement”) not apply to purchases and sales effected by funds established or to be established for which the Applicant acts as investment manager (the “Funds”) through National Bank Financial Inc. (the “Related Company”).

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

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

1. The Applicant is a corporation continued under the laws of the Province of Ontario and is a wholly-owned subsidiary of National Bank of Canada ("NBC").
2. The Applicant is registered as an adviser in the category of investment counsel and portfolio manager with the securities regulatory authorities in each province and territory except Quebec where it is registered as an advisor.
3. The Applicant is the investment manager of the Funds, and is responsible for managing the investment portfolios of the Funds.
4. Each of the Funds is or will be an open-end mutual fund trust formed under the laws of Ontario, except for Altamira Capital Growth Fund Limited, which is an open-end mutual fund corporation governed by the Business Corporations Act (Ontario), and AltaFund Investment Corp., and Altamira Dividend Fund Inc., which are each an open-end mutual fund corporation governed by the *Canada Business Corporations Act*.
5. The Applicant, in its capacity as investment manager, may effect portfolio transactions through the Related Company which is also a wholly-owned subsidiary of NBC.
6. The Applicant has disclosed in the Funds' annual information form that the Related Company receives brokerage commissions on portfolio transactions from the Funds. The Applicant will disclose in the Funds' annual information form that portfolio transactions of the Funds may be executed by the Related Company provided such transactions are made on terms and conditions comparable to those offered by unrelated brokers and dealers.
7. The Applicant has discretion to allocate brokerage business in a manner that they believe to be in a Fund's best interests. The purchase and sale of securities effected through the Related Company represents the business judgment of responsible persons uninfluenced by considerations other than the best interests of the Funds. In allocating brokerage, consideration is given to commission rates and to research, execution and other services offered.
8. The Applicant has disclosed and will continue to disclose in the Funds' annual financial statements the amount of brokerage commissions paid by each Fund on trades with the Related Company.
9. The Related Company is registered in Ontario as a dealer in the category of broker/investment dealer, is a member of the Investment Dealers Association and is an approved participant on The Toronto Stock Exchange and The Montreal Exchange.
10. In the absence of this Decision, the Legislation requires the Applicant to file a report on a monthly basis in respect of every purchase or sale of securities effected through the Related Company stating the issuer of the securities purchased or sold, the class or designation of the securities, the amount or number of securities, the consideration, the name of the Related Company receiving the fee, the name of the person that paid the fee to the Related Company and the amount of the fee received by the Related Company.
11. It would be costly and time consuming for the Applicant to provide the information required by the Legislation on a monthly and segregated basis.

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

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

**THE DECISION** of the Decision Makers pursuant to the Legislation is that the Reporting Requirement shall not apply so as to require the Applicant to file a report on a monthly basis in respect of every purchase and sale of securities by a Fund which is effected through the Related Company and with respect to which the Related Company received a fee from the Fund or from the other party to the transaction or both,

**PROVIDED THAT** the Decision shall only apply if the statement of portfolio transactions prepared and filed for each Fund in accordance with the Legislation discloses, in respect of every class or designation of securities of an issuer bought or sold during the period to which the statement of portfolio transactions relates:

- (a) the name of the Related Company;
- (b) the amount of fees paid to the Related Company; and
- (c) the person or company that paid the fees.

January 29, 2003.

"Howard I. Wetston"

"Robert W. Davis"

**2.1.3 Wescam 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.

**Ontario Statutes**

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

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

**AND**

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

**AND**

**IN THE MATTER OF  
WESCAM INC.**

**MRRS DECISION DOCUMENT**

**WHEREAS** the local securities regulatory authority or regulator (the "**Decision Maker**") in each of Ontario, Alberta, New Brunswick, Newfoundland and Labrador, Nova Scotia, Saskatchewan, and Québec (the "**Jurisdictions**") has received an application from Wescam Inc., (the "**Filer**"), an indirect wholly-owned subsidiary of L-3 Communications Corporation ("**L-3**"), for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") that the Filer be deemed to have ceased to be a reporting issuer under the Legislation;

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

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

1. Wescam is a corporation incorporated under the *Business Corporations Act* (Ontario) (the "**OBCA**") with its head office and principal place of business in the Province of Ontario.
2. Prior to the completion of the Take-Over Bid (as hereinafter defined), Wescam was a reporting issuer or had an equivalent status in each of the provinces of Canada and its common shares (the "**Common Shares**") were listed on the Toronto Stock Exchange (the "**TSX**") under the symbol "WSC".

3. Wescam's authorized capital consists of an unlimited number of Common Shares, of which 20,577,953 Common Shares are issued and outstanding on the date hereof, all of which are owned by a wholly-owned subsidiary of L-3.
4. Other than the Common Shares, Wescam has no securities, including debt securities or options, outstanding. Wescam is not in default of its reporting issuer obligations in any jurisdiction in Canada in which it is a reporting issuer or equivalent and Wescam does not intend to seek public financing by way of an offering of its securities.
5. L-3 is a U.S. reporting company incorporated pursuant to the laws of the State of Delaware.
6. On October 16, 2002, pursuant to a support agreement entered into by and between the Filer, L-3 and L-3 Canada Acquisition Inc. ("**L-3 Canada**") on September 17, 2002, L-3 Canada offered to acquire all of the outstanding Common Shares for a cash price of \$9.50 per share by means of a take-over bid circular (the "**Take-Over Bid**").
7. The Take-Over Bid was extended at the original expiry time of 12:01 a.m. (Toronto time) on November 21, 2002 until 12:01 a.m. (Toronto time) on December 4, 2002. By December 4, 2002, 19,944,650 Common Shares had been deposited to the Take-Over Bid, as extended, and taken up by L-3 Canada, representing approximately 96.9% of the issued and outstanding Common Shares.
8. On December 5, 2002 a notice was sent to all remaining shareholders under the compulsory acquisition provisions of the OBCA. Through the compulsory acquisition procedures of the OBCA, all of the remaining Common Shares were acquired by L-3 Canada by no later than January 4, 2003, thereby making Wescam an indirect wholly-owned subsidiary of L-3.
9. On December 27, 2002, the Common Shares were delisted from the TSX. No other securities of Wescam are listed or quoted on any stock exchange or quotation system.
10. Neither L-3 nor L-3 Canada is currently a reporting issuer, or the equivalent thereof, in any of the Jurisdictions, and none of these entities has any intention of becoming one.

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

January 23, 2003.

“Iva Vranic”

**2.1.4 Huachen Automotive Group Holdings Company Limited et al. - MRRS Decision**

**Headnote**

Mutual Reliance Review System for Exemptive Relief Applications - Cash bid made in Canada - Bid made in accordance with the laws of Hong Kong - *De minimis* exemption unavailable because Hong Kong not recognized jurisdiction in Ontario - Bid exempted from the 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 to 100 and 104(2)(c).

**Recognition Orders Cited**

In the Matter of the Recognition of Certain Jurisdictions (Clauses 93(1)(e) and 93(3)(h) of Act) (1997) 20 OSCB 1035.

**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  
HUACHEN AUTOMOTIVE GROUP  
HOLDINGS COMPANY LIMITED,  
MR. WU XIAO AN, MR. HONG XING,  
MR. SU QIANG, CLSA LIMITED AND  
BRILLIANCE CHINA AUTOMOTIVE HOLDINGS LIMITED**

**MRRS DECISION DOCUMENT**

**WHEREAS** the local securities regulatory authority or regulator (the “Decision Maker”) in each of the provinces of British Columbia and Ontario (the “Jurisdictions”) has received an application from Huachen Automotive Group Holdings Company Limited (“Huachen”), Mr. Wu Xiao An, Mr. Hong Xing, Mr. Su Qiang, Mr. He Tao (collectively the “Management Directors” and, together with Huachen, the “Offerors”), CLSA Limited (“CLSA”) and Brilliance China Automotive Holdings Limited (the “Target” and, together with the Offerors and CLSA, the “Applicants”) for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that the formal take-over bid requirements in the Legislation, including the provisions relating to delivery of an offer and take-over bid circular and any notices of change or variation thereto, delivery of a directors’ circular and any notices of change or variation thereto, minimum deposit periods and withdrawal rights, take-up of and payment for securities tendered to a take-over bid, disclosure, financing, restrictions upon purchases

of securities, identical consideration and collateral benefits (collectively, the "Take-over Bid Requirements") shall not apply to the all cash offer (the "Offer") made by CLSA for and on behalf of the Offerors to acquire securities of the Target not already owned by the Offerors;

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

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

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

1. Huachen is a People's Republic of China ("PRC") state-owned limited liability company which was established under the laws of the PRC on September 16, 2002 and is wholly beneficially owned by the Liaoning Provincial Government. Huachen's principal place of business is located in Shenyang City, Liaoning Province, PRC. Huachen's principal business is the investment in automotive-related companies in the PRC.
2. As at the date hereof, Huachen has a registered capital of RMB 200,000,000.
3. Neither Huachen nor the Target is, or has any intention of becoming, a reporting issuer under the laws of any province in Canada.
4. The Target is a corporation incorporated under the laws of the country of Bermuda. The Target's registered office is located at Cedar House, 41 Cedar Avenue, Hamilton, HM12, Bermuda. The Target's principal place of business in Hong Kong is located in Rooms 2303-2306, 23rd Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong. The Target is an investment holding company. The principal activities of the Target's subsidiaries are the manufacturing and selling of minibuses, sedans and automotive components in the PRC.
5. The authorized share capital of the Target consists of 5,000,000,000 ordinary shares with a par value US\$0.01 each (the "Ordinary Shares"). As at the date hereof, 3,666,052,900 Ordinary Shares (including Ordinary Shares in the form of ADSs (as defined below)) were issued and outstanding.
6. The Ordinary Shares (not including Ordinary Shares in the form of ADSs (as defined below)) are currently listed on The Stock Exchange of Hong Kong Limited. American depository shares ("ADSs"), representing 100 Ordinary Shares each, are listed and posted for trading on The New York Stock Exchange, Inc. under the symbol "CBA".
7. As at November 19, 2002, the register of ADS holders maintained by The Bank of New York (in its capacity as the depository for the ADSs) indicated that one resident of Ontario is the registered holder of 500 ADSs, representing 50,000 Ordinary Shares (or approximately 0.0014% of the Ordinary Shares then outstanding), and one resident of British Columbia is the registered holder of 150 ADSs, representing 15,000 Ordinary Shares (or approximately 0.0004% of the Ordinary Shares then outstanding).
8. On December 18, 2002, as a result of arm's length negotiations, Huachen purchased approximately 39.446% of the Ordinary Shares then outstanding from another shareholder of the Target at a price of HK\$0.10 per Ordinary Share.
9. Also on December 18, 2002, Huachen granted call options to each of the Management Directors in respect of an aggregate of approximately 9.446% of the Ordinary Shares, which call options are exercisable for a period of three years commencing approximately six months after the completion of the Offer at a price of HK\$0.95 per Ordinary Share.
10. Pursuant to the Hong Kong Code on Takeovers and Mergers (the "Hong Kong Takeovers Code") of the Hong Kong Securities and Futures Commission ("HKSF"), Huachen and any party acting in concert with Huachen, by virtue of having acquired over 30% of the voting rights of the Target, are required to make the conditional mandatory Offer for all of the Ordinary Shares and all securities convertible into Ordinary Shares that are not already owned by Huachen and any party acting in concert with Huachen.
11. By virtue of entering into call option agreements with Huachen, the Management Directors are presumed, under the Hong Kong Takeovers Code, to be acting in concert with Huachen. As a result, the Management Directors and Huachen have agreed to join together to make the conditional mandatory Offer required to be made under the Hong Kong Takeovers Code.
12. CLSA is making the Offer for and on behalf of the Offerors (other than in the United States where the Offer is being made by the Offerors directly). CLSA is a registered securities dealer registered under the Securities Ordinance (Chapter 333 of the Laws of Hong Kong).
13. The Offer is being made in accordance with the laws of Hong Kong, including the requirements of the Hong Kong Takeovers Code and the rules of the HKSF, and not pursuant to any exemptions from such requirements. The Offer is also being made pursuant to an exemption from certain U.S. tender offer rules provided by Rule 14d-1(c) under

the Securities Exchange Act of 1934 (as amended) of the United States.

contemporaneously with the Decision Maker in each Jurisdiction.

14. The Offer is being extended to all holders (other than the Offerors) of Ordinary Shares, ADSs and securities convertible into Ordinary Shares (such as options granted to employees of the Target). The Offer is required to remain open for acceptance for at least 28 days following the date on which documents setting out the terms of the Offer (the "Offer Documents") are first posted. CLSA delivered the Offer Documents to the Target shareholders on January 9, 2003 and the Offer will remain open until at least February 5, 2003.
15. The Offerors cannot rely on the *de minimis* exemption from the Take-over Bid Requirements because the Decision Makers have not recognized Hong Kong for this purpose in the Legislation.
16. The Offer will be made on the same terms and conditions to the shareholders of the Target resident in Canada as those applicable to Target shareholders residing outside Canada.
17. The Offer Documents and all other material relating to the Offer, including any amendments, sent by or on behalf of the Offerors to Target shareholders residing outside Canada shall concurrently be sent to the Target shareholders resident in Canada and filed with the Decision Makers.

January 27, 2003.

"Howard I. Wetston"

"Robert L. Shirriff"

**AND WHEREAS** under the System, this decision document evidences the decision of each of the Decision Makers (the "Decision");

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

**THE DECISION** of the Decision Makers under the Legislation is that the Applicants are exempt from the Take-over Bid Requirements in connection with the Offer made by CLSA, for and on behalf of the Offerors, to the Target shareholders resident in Canada, provided that:

- (a) the Offer and all amendments to the Offer are made in compliance with the laws of Hong Kong, including the Hong Kong Takeovers Code; and
- (b) the Offer Documents and all other materials relating to the Offer, including any amendments, that are sent by or on behalf of the Offeror to Target shareholders residing outside Canada are concurrently sent to Target shareholders resident in Canada and copies of such material are filed

## 2.1.5 CIBC World Markets Inc. - MRRS Decision

### Headnote

Mutual Reliance Review System for Exemptive Relief Applications -offering of corporate strip bonds; exemption granted from the eligibility requirements of National Instrument 44-102 Shelf Distributions and National Instrument 44-101 Short Form Prospectus Distributions to permit the filing of a shelf prospectus and prospectus supplements (the "Prospectus") qualifying for distribution strip residuals, strip coupons and strip packages (the "Strip Securities") to be derived from debt obligations ("Underlying Obligations") of Canadian corporations and trusts; exemption also granted from the requirements that the Prospectus contain a certificate of the issuer and that the Prospectus incorporate by reference documents of the Underlying Issuer.

The exemptions are subject to the following conditions (i) all of the Underlying Obligations from which the Strip Securities are derived were qualified under prospectuses filed in British Columbia, Alberta, Ontario, Quebec, at least four months have passed from the sale of the Underlying Obligations and the distribution of the Underlying Obligations is complete; (ii) when the Strip Securities are sold the Underlying Issuer is eligible to file a short form prospectus because it meets the qualification criteria or because it has received an exemption from those criteria; (iii) a base shelf prospectus for the Strip Securities is not effective for more than 25 months; (iv) the Prospectus complies with all the requirements of NI 44-101 and NI 44-102 except those from which an exemption is granted by the decision document or granted by the regulators as evidenced by the receipt for the Prospectus; (v) the Filer issues a press release and files a material change report for each material change which affects the Strip Securities but not an Underlying Issuer and any change in CDS's Debt Clearing Procedures which may have a significant effect on a holder of Strip Securities; and (vi) the Filer files the Prospectus ,the required material changes reports and all other documents related thereto on SEDAR under a SEDAR profile for the Strip Securities and pays all SEDAR filing fees.

### Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., subsection 58(1).

### Applicable National Instruments

National Instrument 44-101 Short Form Prospectus Distributions.  
National Instrument 44- 102 Shelf Distributions.

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

AND

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

AND

IN THE MATTER OF  
CIBC WORLD MARKETS INC.

AND

IN THE MATTER OF  
THE STRIP COUPONS,  
STRIP RESIDUALS AND ADJUSTED RATE SECURITIES  
PROGRAMME OF CIBC WORLD MARKETS INC.

### MRRS DECISION DOCUMENT

**WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland and Labrador, Yukon Territory, Northwest Territories and Nunavut (collectively, the "Jurisdictions") has received an application from CIBC World Markets Inc. (the "Filer") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the following requirements shall not apply in respect of sales of separate components of interest, principal or combined principal and interest components derived by the Filer from one or more Underlying Obligations (as defined herein) purchased by the Filer on the secondary market,

- (a) Section 2.1 of National Instrument 44-102 *Shelf Distributions* ("NI 44-102") and Section 2.1 of National Instrument 44-101 *Short Form Prospectus Distributions* ("NI 44-101") so that a preliminary short form prospectus which is a preliminary base shelf prospectus and a short form prospectus which is a base shelf prospectus together with the appropriate prospectus supplements (collectively, the "Prospectus") can be filed to offer the Strip Securities (as defined herein) in the Jurisdictions;
- (b) the requirements of the Legislation that the Prospectus contain a certificate of an issuer; and

- (c) the requirements of the Legislation that the Prospectus incorporate by reference documents of an Underlying Issuer.

**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 meanings set out in National Instrument 14-101 *Definitions* or in Quebec Commission Notice 14-101;

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

1. The Filer proposes to establish a strip bond product programme (the "Programme") to be offered by shelf prospectus;
2. The Programme will be established by purchasing, on the secondary market, publicly issued debt obligations (the "Underlying Obligations") of Canadian corporate and/or trust issuers ("Underlying Issuers"), which Underlying Obligations will, at the time of the closing of an offering of the related strip securities, carry an "Approved Rating" (as such term is defined in NI 44-101), and deriving separate components therefrom, being:
  - (a) separate components of principal ("Strip Residuals") and interest ("Strip Coupons"); and/or
  - (b) packages of securities ("Strip Packages") including packages of:
    - (i) Strip Coupons; and
    - (ii) securities ("Adjusted Rate Securities") comprised of an entitlement to receive all or a portion of the principal amount of, and all or a portion of the interest payable, under the Underlying Obligations,the Strip Residuals, Strip Coupons and Strip Packages (including packages of Strip Coupons and Adjusted Rate Securities) are each referred to as "Strip Securities";
3. The relevant Underlying Issuer will, to the best of the Filer's knowledge as of the date of the closing of an offering of the Strip Securities (the "Offering Date") be eligible to file a short form prospectus under NI 44-101 whether or not such eligibility results from the specific qualification criteria of NI 44-101 or from the granting of an exemption from those criteria;

4. The Underlying Obligations will have been distributed under a prospectus for which a receipt was granted by the regulators in British Columbia, Alberta, Ontario, and Quebec, at least four months will have passed from the date of closing of the original issue of the relevant class or series of Underlying Obligations and the distribution of the Underlying Obligations will have been completed;
5. A single short form base shelf prospectus will be filed in relation to the distribution of Strip Securities, with each separate series of Strip Securities being offered under a prospectus supplement;
6. The Filer will not enter into any agreement or other arrangements with the Underlying Issuers in connection with acquiring Underlying Obligations for the purpose of distributing the Strip Securities or in relation to any such distribution;
7. The Prospectus will refer purchasers of the Strip Securities to the System for Electronic Document Analysis and Retrieval ("SEDAR") website (currently located at [www.sedar.com](http://www.sedar.com)) where they can obtain the continuous disclosure materials of the Underlying Issuer;
8. The Filer may, from time to time, form and manage a selling group consisting of other registered securities dealers to solicit purchases of and sell the Strip Securities to the public;
9. The Strip Securities will be sold in series, each such series relating to one or more separate Underlying Obligations of a single class or series of an Underlying Issuer;
10. The base shelf prospectus will describe the Programme for the creation and distribution of Strip Securities and the shelf prospectus supplement for a particular series of Strip Securities will describe the specific terms of such Strip Securities;
11. The Strip Residuals of a particular series will consist of the entitlement to receive payments of all or a portion of the principal amounts payable under the Underlying Obligations, if, as and when paid by the Underlying Issuer on the Underlying Obligations, in accordance with their respective terms;
12. The Strip Coupons of a particular series will consist of the entitlement to receive a payment of all or a portion of the interest payable under the Underlying Obligations, if, as and when paid by the Underlying Issuer on the Underlying Obligations, in accordance with their respective terms;
13. The Strip Packages will consist of the entitlement to receive (a) in the case of Adjusted Rate



- Securities both payments of all or a portion of the principal amounts payable and periodic payments of all or a portion of the interest payable, under the Underlying Obligations; and/or (b) in the case of packages consisting of Strip Coupons, periodic payments of all or a portion of the interest payable under the Underlying Obligations, in each case, if, as and when paid by the Underlying Issuer on the Underlying Obligations, in accordance with their respective terms;
14. The owners of Strip Securities of one series will not be entitled to receive any payments from the cashflows of Underlying Obligations related to any other series of Strip Securities;
  15. Holders of a series of Strip Securities will be entitled to payments from cashflows from the related Underlying Obligations, if, as and when made by the respective Underlying Issuer;
  16. As the Underlying Issuers will be the sole obligors under the respective Underlying Obligations, holders of Strip Securities will be entirely dependent upon the cashflows generated from the respective Underlying Obligations;
  17. The Strip Securities of a series will be sold at prices determined by the Filer and/or the selling group engaged to distribute the series from time to time and, as such, these may vary as between purchasers of the same series and during the offering period of Strip Securities of the same series;
  18. In quoting a price for the Strip Securities distributed under the Prospectus, the Filer will advise the purchaser of the annual yield to maturity thereof based on such price;
  19. The Underlying Issuers will not receive any proceeds, and the Filer will not be entitled to be paid any fee or commission by the Underlying Issuers, in respect of the sale by the Filer or members of any selling group of the Strip Securities;
  20. The maturity date or dates of any particular series of Strip Coupons and the maturity date or dates of any interest component included in Strip Packages will be coincident with the interest payment dates for the Underlying Obligations;
  21. The maturity date of a particular series of Strip Residuals and the principal component of Strip Packages, if any, will be the maturity date of the Underlying Obligations for the series;
  22. The Strip Securities will be issuable in Canadian or U.S. dollars and in such minimum denomination(s) and with such maturities as may be described in the applicable shelf prospectus supplement;
  23. The Underlying Issuers will be Canadian corporations or trusts. The Underlying Obligations will be securities of the Underlying Issuers. The Strip Securities will be derived without regard, except as to ratings and eligibility, for the value, price, performance, volatility, investment merit or creditworthiness of the Underlying Issuers, historically or prospectively;
  24. The Filer will cause all Underlying Obligations from which the Strip Securities will be derived and which are not already in The Canadian Depository for Securities Limited (including any nominee, "CDS") book-entry system to be delivered to CDS and registered in the name of CDS. The Underlying Obligations from which the Strip Securities will be derived will, except in very limited circumstances, be held by CDS until their maturity and will not otherwise be released or removed from the segregated account used by CDS to maintain the Underlying Obligations. A separate security identification number or ISIN will be assigned by CDS to each series of Strip Securities;
  25. Pursuant to the operating rules and procedures of its Debt Clearing Service (the "CDS Rules"), or any successor operating rules and procedures, CDS will maintain book-entry records of ownership for the Strip Securities, entering in such records only the names of participants ("Participants") in the depository system of CDS. No purchaser of Strip Securities will be entitled to any certificate or other instrument from the Underlying Issuer, the Filer, CDS or otherwise, to evidence the Strip Securities or the ownership thereof, and no purchaser of Strip Securities will be shown on the records maintained by CDS except through the book entry account of a Participant. Upon the purchase of Strip Securities, the purchaser will receive only the customary confirmation slip that will be sent to such purchaser by the Filer or other Participant;
  26. Transfers of beneficial ownership in Strip Securities will be effected through records maintained for Strip Securities by CDS or its nominee (with respect to interests of Participants) and on the records of Participants (with respect to interests of persons other than Participants). Under the CDS Rules, beneficial holders who are not Participants, but who desire to purchase, sell or otherwise transfer beneficial ownership of, or any other interest in, such Strip Securities of a series, may do so only through Participants;
  27. Payments in respect of a principal component (if any), interest component(s) (if any), or other amounts (if any) payable under a series of Strip Securities will, in accordance with the CDS Rules, be made from payments received by CDS in respect of the related Underlying Obligations from or on behalf of the relevant Underlying Issuer.

Amounts payable on the maturity of the Strip Securities will be payable by the Underlying Issuer to CDS, as the registered holder of the Underlying Obligations. The Filer understands that following receipt thereof, CDS, in accordance with the CDS Rules, will pay each of its Participants shown on its records as holding matured Strip Securities the amount to which such Participant is entitled. The Filer understands that, in accordance with the CDS Rules, each Participant who holds such Strip Securities on behalf of a purchaser thereof will pay or otherwise account to such purchaser for the amounts received by it in accordance with the instructions of the purchaser to such Participant;

28. As the registered holder of the Underlying Securities, CDS will receive any voting rights in respect of the Underlying Obligations for the Strip Securities. In accordance with the CDS Rules, CDS will allocate these rights to the holders of the Strip Securities in accordance with the operating rules and procedures of its Debt Clearing Service, or any successor operating rules and procedures, in effect at the time. These procedures currently provide for the distribution of the voting rights based on "proportionate economic interest", determined as will be described in the Prospectus. Such voting rights will be vested on a series-by-series basis and the holders of one series of Strip Securities will not have any entitlements vis-à-vis voting rights in respect of another series. In order for a holder of Strip Securities to have a legal right to attend a meeting of holders of Underlying Obligations, or to vote in person, such holder of Strip Securities must be appointed as proxyholder for the purposes of the meeting by the CDS Participant through whom he or she holds Strip Securities;
29. Under the CDS Rules, if an Underlying Issuer repays a callable Underlying Obligation prior to maturity in accordance with its terms, CDS allocates the amount of proceeds it receives as the registered holder of the Underlying Obligations to the holders of the Strip Securities in accordance with the operating rules and procedures of its Debt Clearing Service, or any successor operating rules and procedures, in effect at the time. These procedures currently provide for the distribution of proceeds on the repayment of a callable Underlying Obligation based on "proportionate economic interest"; and
30. Under the CDS Rules, any other entitlements received by CDS with respect to the Underlying Obligations upon the occurrence of an event other than in respect of maturity, including entitlements on the insolvency or winding-up of an Underlying Issuer, the non-payment of interest or principal when due, or a default of the Underlying Issuer under any trust indenture or other agreement governing the Underlying Obligations, will be processed by CDS in accordance with the

operating rules and procedures of its Debt Clearing Service, or any successor operating rules and procedures, in effect at the time. These procedures also currently provide for CDS to distribute the resulting cash and/or securities to the holders of the Strip Securities based on "proportionate economic interest". In addition, if the Underlying Issuer offers an option to CDS as the registered holder of the Underlying Obligations in connection with the event, the Filer understands that CDS will attempt to offer the same option to the holders of the Strip Securities, where feasible.

**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 in respect of the Programme:

1. An exemption is granted from Section 2.1 of NI 44-102 and Section 2.1 of NI 44-101 to permit a preliminary short form prospectus which is a preliminary base shelf prospectus and a short form prospectus which is a base shelf prospectus for the Strip Securities to be filed and receipts issued therefor;
2. The requirements of the Legislation that the Prospectus contain a certificate of the issuer shall not apply; and
3. The requirements of the Legislation that the Prospectus incorporate by reference any document of an Underlying Issuer shall not apply;

provided that:

- A. The relevant Underlying Issuer will, to the best of the Filer's knowledge at the Offering Date, be eligible to file a short form prospectus under NI 44-101 whether or not such eligibility results from the specific qualification criteria of NI 44-101 or from the granting of an exemption from those criteria;
- B. The Underlying Obligations were distributed under a prospectus for which a receipt was granted by the regulators in British Columbia, Alberta, Ontario and Quebec, and, in each case, at least four months have passed from the date of closing of the original issue of the relevant class or series of Underlying Obligations and the distribution of the Underlying Obligations is complete;
- C. A receipt issued for a base shelf prospectus in reliance on this Decision Document is not effective after the date 25 months from the date of its issue;

- D. The offering and sale of the Strip Securities complies with all the requirements of NI 44-102 and NI 44-101 as varied by NI 44-102, other than those requirements from which an exemption is granted by this Decision Document or from which an exemption is granted in accordance with Part 11 of NI 44-102 by the securities regulatory authority or regulator in each of the Jurisdictions as evidenced by a receipt for the Prospectus;
- E. The Filer issues a press release and files a material change report in respect of:
- (i) a material change to the Programme which affects any of the Strip Securities, other than a change which is a material change to an Underlying Issuer; and
  - (ii) a change in the operating rules and procedures of Debt Clearing Service of CDS which may have a significant effect on a holder of Strip Securities;
- F. The Filer files the Prospectus, the material change reports referred to above, and all documents related thereto on SEDAR under a SEDAR profile for the Strip Securities and pays all filing fees applicable to such filings.

January 29, 2003.

“Margo Paul”

## 2.1.6 TD Asset Management Inc. - MRRS Decision

### Headnote

Exemption from the restrictions in sections 111(2)(b), 111(2)(c)(ii), 111(3), 117(i)(a) and 118(2)(b) to invest in related exchange traded funds subject to certain conditions.

### Statutes Cited

Securities Act (Ontario), R.S.O. 1990 c. S.5, as am., 111(2)(b), 111(2)(c)(ii), 111(3), 113, 117(i)(a) 117(2), 118(2)(b), 121(2)(a).

**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  
TD BALANCED GROWTH FUND, TD DIVIDEND INCOME  
FUND, TD DIVIDEND GROWTH FUND, TD CANADIAN  
EQUITY FUND, TD CANADIAN BLUE CHIP EQUITY  
FUND, TD CANADIAN VALUE FUND, TD PRIVATE  
CANADIAN DIVIDEND FUND, TD PRIVATE CANADIAN  
EQUITY GROWTH FUND, TD PRIVATE CANADIAN  
EQUITY INCOME FUND, TD PRIVATE NORTH  
AMERICAN EQUITY GROWTH FUND AND TD PRIVATE  
NORTH AMERICAN EQUITY INCOME FUND  
(COLLECTIVELY, THE “FUNDS”)**

**WHEREAS** the local securities regulatory authority or regulator (the “Decision Maker”) in each of the provinces of British Columbia, Alberta, Saskatchewan, Ontario, Quebec, Nova Scotia and Newfoundland and Labrador, (the “Jurisdictions”) has received an application (the “Application”) from TD Asset Management Inc. (“TDAM”), on behalf of the Funds, for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that, in connections with proposed investments by the Funds in units (the “Units”) of the TD Select Canadian Growth Index Fund (the “Select Growth Fund”) and the TD Select Canadian Value Index Fund (the “Select Value Fund”) (the Select Growth Fund and the Select Value Fund, collectively, the “TD ETFs” and each as “TD ETF”) that:

- (a) the Funds are exempt from the provisions in the Legislation of the Jurisdictions, other than Quebec that
  - (i) prohibit a mutual fund from making or holding an investment

in any person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial security holder, and

- (ii) prohibit a mutual fund from making or holding an investment in an issuer in which any person or company who is a substantial securityholder of the mutual fund, its management company, or its distribution company has a significant interest,

(together, the "Investment Prohibitions");

(b) TDAM is exempt from

- (i) the provision in the Legislation of the Jurisdictions, other than Quebec, that prohibits a mutual fund or a portfolio manager from causing an investment portfolio managed by it to purchase or sell the securities of any issuer from or to the account of a responsible person, or
- (ii) the provision of the Quebec Legislation that prohibits a registered person from subscribing or buying, on behalf of a portfolio managed by the registered person, securities that the registered person or an affiliate of the registered person owns or is underwriting,

(together, the "Registrant Prohibitions"); and

(c) TDAM is exempt from the provision in the Legislation of the Jurisdictions, other than Quebec, that requires the management company or in British Columbia, the mutual fund manager of a mutual fund to file a report of every transaction of purchase or sale of securities between the mutual fund and any related person or company (the "Reporting Requirement");

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

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

**AND WHEREAS** TDAM has represented to the Decision Makers as follows:

- (1) TDAM is the trustee, manager and portfolio manager of the Funds. It is registered under the Legislation of each Jurisdiction as an adviser in the categories of investment counsel and portfolio manager. TDAM is responsible for the day-to-day administration, and for managing the investment portfolios, of the Funds.
- (2) The Funds are reporting issuers under each Jurisdiction's Legislation and are subject to National Instrument 81-102 – Mutual Funds ("NI 81-102").
- (3) The TD ETFs are mutual funds whose Units are listed and posted for trading on the Toronto Stock Exchange (the "Exchange"). The TD ETFs are reporting issuers under each Jurisdiction's Legislation and are subject to the applicable requirements of NI 81-102. The Units of the TD ETFs are in continuous distribution.
- (4) TD Securities Inc. ("TDSI") is one of the underwriters in the continuous distribution of Units of the TD ETFs. TDSI is also a "responsible person" as such term is defined in the Legislation of the Jurisdictions, other than Quebec.
- (5) TDAM and TDSI are affiliates because both are wholly-owned subsidiaries of the Toronto-Dominion Bank.
- (6) TDAM is the trustee and portfolio manager of the TD ETFs and, as such, is responsible for the day-to-day administration, and for managing the investment portfolios, of the TD ETFs.
- (7) The fundamental investment objective of each TD ETF is to provide long-term growth of capital by replicating, to the extent possible, the performance of the Dow Jones Canada TopCap Growth Index and the Dow Jones Canada TopCap Value Index (each, a "Target Index"), respectively. To achieve its investment objective, each TD ETF acquires and holds a portfolio of shares (the "Index Shares") of companies (each a "Constituent Company") that comprise the relevant Target Index.
- (8) As one of the underwriters in the continuous distribution of Units of the TD ETFs, TDSI may subscribe for Units of the TD ETFs at any time. As payment therefor, TDSI is required to deliver Index Shares and cash in an amount sufficient so that the aggregate value of the Index Shares and cash is equal to the net asset value, next determined following receipt of the subscription order, of the Units subscribed for.
- (9) TDSI also acts as a designated brokers of the TD ETFs. As such, TDSI may be required to

- purchase Index Shares from, or sell certain securities to the TD ETFs as a result of
- (a) an adjustment to the relevant Target Index,
  - (b) a take-over bid for a Constituent Company of the relevant Target Index, or
  - (c) the receipt by the TD ETFs of dividends or other distributions from a Constituent Company that results in an adjustment to the relevant Target Index.
- (10) In acting as an underwriter and designated broker of the TD ETFs, TDSI receives no compensation from the TD ETFs or TDAM. However, as a dealer, TDSI may engage in secondary market trading activity in Units of the TD ETFs
- (a) on an agency basis, and receive compensation for its services as agent, or
  - (b) on a principal basis, and benefit from the spread between the price at which it purchases Units and the price at which it sells them.
- (11) The TD ETFs have not issued any Units to the underwriters, acting as such, since the original closing of their initial distribution of Units on December 6, 2001. At that time, TDSI subscribed for 1,000,000 Units of the Select Growth Fund and 700,000 Units of the Select Value Fund as an underwriter. Additional units have been subsequently issued to TDSI as designated broker when the Target Indices were adjusted.
- (12) As at October 31, 2002, TDSI continued to hold 49.5% and 38.2%, respectively, of the outstanding Units of the Select Growth Fund and Select Value Fund.
- (13) The net asset value ("NAV") per Unit of the TD ETFs is published daily on TDAM's website. The closing price of the TD ETFs on the Exchange is published daily in newspapers of general circulation in Canada.
- (14) As at January 3, 2003, the aggregate NAV of the Funds was approximately \$5.1 billion. The aggregate NAV of the TD ETFs as at the same date was approximately \$35.2 million.
- (15) The proposed investment in Units of the TD ETFs would be consistent with the investment objective of the Funds. For this purpose, each Fund proposes to invest only the cash balances that it holds either to fund redemptions or pending direct investment in securities other than Units of the TD ETFs.
- (16) It is anticipated that each Fund will invest between 0.50% and 3.00% of its NAV in a TD ETF. However, the aggregate investment of each Fund in the TD ETFs and in any other mutual fund similar to the TD ETFs that are managed by TDAM will not exceed 5% of its NAV.
- (17) If each Fund were to invest .05% of its NAV in Units of each TD ETF, the aggregate investment of the Funds in Units of the TD ETFs could result in the Funds acquiring and holding, collectively, an aggregate of 20% or more of the outstanding Units of each TD ETF (the "20% Threshold") from time to time. TDAM will ensure that the Funds' collective and aggregate holding in each TD ETF does not at any time exceed 40% of the outstanding Units of each ETF.
- (18) It is contemplated that, from time to time TDAM may cause the Funds to purchase Units of the TD ETFs from the account of TDSI.
- (19) Pursuant to a prior MRRS decision Document dated January 8, 2002 (the "Previous Exemption"), each Fund was permitted to invest in Units of TD ETFs, subject to certain conditions including the condition that the aggregate investment would not exceed 5% of its NAV. In obtaining the Previous Exemption, it was represented to the Decision Makers that a Fund will not knowingly make or hold an investment in a TD ETF if, at the time of such investment, the Fund, either alone or together with other funds, is a substantial security holder of the TD ETF. The Previous Exemption expired on January 8, 2003.
- 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:
- I the Investment Prohibitions do not apply so as to enable each Fund to make or hold an investment in Units of the TD ETFs;
  - II the Registrant Prohibitions do not apply so as to enable TDAM to cause each Fund to
    - (A) purchase Units of the TD ETFs notwithstanding that TDSI is one of the underwriters in the continuous distribution of Units of the TD ETFs,

- (B) purchase Units of each TD ETF from the account of TDSI or its affiliates or associates following the 60-day period after
- (i) any subscription by TDSI as an underwriter for Units of the TD ETFs, or
- (ii) any issuance of Units of the TD ETFs to TDSI as a designated broker, or
- (C) sell Units of each TD ETF to the account of TDSI or its affiliates or associates at any time; and
- III the Reporting Requirement does not apply to TDAM in connection with the purchase or sale of Units of the TD ETFs between the Funds and any related person or company (the "Related Person");
- PROVIDED THAT:**
- (1) at the time of each investment in or purchase of Units of the TD ETFs by a Fund pursuant to paragraph I and subparagraph II(A) of this Decision, the following conditions are satisfied:
- (a) the investment
- (i) represents the business judgment of TDAM uninfluenced by considerations other than the best interests of the Fund, or
- (ii) is, in fact, in the best interests of the Fund;
- (b) the investment is consistent with, or is necessary to meet, the investment objective of the Fund that is disclosed in the Fund's simplified prospectus;
- (c) if the investment is made during the 60-day period after
- (i) any subscription by TDSI as an underwriter for Units of the TD ETFs, or
- (ii) any issuance of Units of the TD ETFs to TDSI as a designated broker,
- the purchase order is not placed, on an agency or principal basis, with TDSI or its affiliates or associates;
- (d) each purchase is made on the Exchange or any other exchange on which the Units of the TD ETFs are listed and traded;
- (e) TDSI does not receive, directly or indirectly, any form of compensation in acting as an underwriter or designated broker in connection with the distribution of Units of the TD ETFs;
- (2) in the case of an investment in or purchase of Units of the TD ETFs by a Fund pursuant to paragraph I and subparagraph II(A) of this Decision,
- (a) the aggregate investment of each Fund in Units of the TD ETFs, and in securities of any other mutual fund similar to the TD ETFs that are managed by TDAM or its affiliates or associates, does not exceed 5% of its NAV;
- (b) the Funds' aggregate holding in each TD ETF does not exceed 40% of the outstanding Units of each TD ETF;
- (c) whenever the aggregate holding of Units of each TD ETF by one or more of the Funds trips the 20% Threshold, TDAM files on SEDAR under the continuous disclosure category of filing, and within 10 days following the end of each month in which the aggregate holding tripped the 20% Threshold, a report certified by TDAM and stating the percentage of the outstanding Units of each TD ETF collectively held by the Funds;
- (3) in the case of the purchase or sale of Units of the TD ETFs by each Fund pursuant to subparagraphs II(B) and (C) of this Decision, the purchase or sale is made in compliance with the requirements of section 4.3 of NI 81-102;
- (4) in the case of the exemption from the Reporting Requirement pursuant to paragraph III of this Decision, the statement of portfolio transactions prepared and filed for each Fund in accordance with the Legislation discloses, in respect of Units of each TD ETF bought or sold during the period covered by the statement of portfolio transactions,
- (a) the name of each Related Person,
- (b) the amount of fees paid to each Related Person, and
- (c) the person or company that paid the fees;
- (5) paragraphs I and III of this Decision, as they relate to the jurisdiction of a Decision Maker, will terminate in respect of the Funds after the coming

into force of any legislation or rule of that Decision Maker dealing with the matters regulated by section 2.5 of NI 81-102; and

- (6) subparagraph II(A) of this Decision, as it relates to the jurisdiction of a Decision Maker, will terminate in respect of the Funds after the coming into force of any legislation or rule of that Decision Maker dealing with the matters regulated by section 4.1 of NI 81-102.

January 31, 2003.

“Howard I. Wetston”

“Lorne Morphy”

## **2.1.7 Dundee Wealth Management Inc. and IPC Financial Network Inc. - MRRS Decision**

### **Headnote**

Mutual Reliance Review System for Exemptive Relief Applications – OSC Rule 54-501 – Exemption granted from requirement to include prospectus level disclosure in an information circular where redeemable preferred shares to be issued under a merger– preferred shares issued for tax purposes only and will be redeemed on 2<sup>nd</sup> business day following amalgamation– merger, in substance, a cash transaction and prospectus level disclosure of limited value in the circumstances.

### **Applicable Ontario Rules**

Ontario Securities Commission Rule 54-501 Prospectus Disclosure – sections 1.2, 2.1, 2.2, 2.3, and 3.1.

### **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 DUNDEE WEALTH MANAGEMENT INC. AND IPC FINANCIAL NETWORK INC.**

### **MRRS DECISION DOCUMENT**

**WHEREAS** the local securities regulatory authority or regulator (the “Decision Makers”) in British Columbia and Ontario (collectively, the “Jurisdictions”) has received an application from Dundee Wealth Management Inc. (“Dundee Wealth”) and IPC Financial Network Inc. (“IPCFN” and together with Dundee Wealth, the “Filers”) for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that the prospectus level disclosure requirements contained in Sections 2.1, 2.2 and 2.3 of Ontario Securities Commission Rule 54-501, *Prospectus Disclosure in Certain Information Circulars*, and Section 11 of British Columbia Form 54-901F (collectively, the “Prospectus Level Disclosure Requirements”) shall not apply to a management proxy circular (the “Circular”) to be sent to all shareholders of IPCFN in connection with the proposed amalgamation (the “Amalgamation”) of IPCFN and 6042074 Canada Inc. (“Subco”), a wholly-owned subsidiary of Dundee Wealth, pursuant to section 181 of *Canada Business Corporations Act* (the “CBCA”) (the amalgamated company to be formed by the amalgamation of IPCFN and Subco being referred to as “Amalco”), solely as the Prospectus Level Disclosure Requirements apply to Subco and Amalco;

**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 Filers have represented to the Decision Makers that:

1. Dundee Wealth is a corporation incorporated under the *Business Corporations Act* (Ontario). The common shares in the capital of Dundee Wealth are listed and posted for trading on the Toronto Stock Exchange. Dundee Wealth is a reporting issuer in each province of Canada.
2. IPCFN is a corporation incorporated under the CBCA. The common shares in the capital of IPCFN (the "IPCFN Shares") are listed and posted for trading on the TSX Venture Exchange. IPCFN is a reporting issuer in British Columbia, Alberta, Saskatchewan, Ontario, Quebec and Nova Scotia.
3. Subco is a corporation incorporated under the CBCA and is a direct wholly-owned subsidiary of Dundee Wealth. Subco is not a reporting issuer in any province of Canada. Subco will be used for the sole purpose of effecting the Amalgamation.
4. Pursuant to a merger agreement dated as of December 26, 2002 between Dundee Wealth, Subco and IPCFN, Dundee Wealth intends to acquire all of the issued and outstanding IPCFN Shares, including IPCFN Shares issuable upon the exercise or surrender of outstanding stock options and the conversion of outstanding IPCFN preference shares, pursuant to the Amalgamation.
5. The Amalgamation will result in each holder of IPCFN Shares (a "IPCFN Shareholder") receiving, in addition to common shares, Series A First Preference Shares and/or Series B First Preference Shares of Dundee Wealth, one redeemable preferred share in the capital of Amalco (the "Preferred Shares") for each IPCFN Share. Pursuant to the Amalgamation, Dundee Wealth will receive common shares in the capital of Amalco in exchange for its shares of Subco. On the second business day following completion of the Amalgamation, each Preferred Share will be redeemed for Cdn. \$0.25 in cash (assuming 66 million IPCFN Shares outstanding) (the "Redemption"). Upon completion of the Redemption, Dundee Wealth will own all of the shares of Amalco.
6. The Circular will include the prospectus disclosure required under the Prospectus Level Disclosure Requirements in respect of Dundee Wealth.
7. The Preferred Shares will be used so that rollovers provided for under section 87 of the *Income Tax Act* (Canada) will be available to IPCFN. No new certificates evidencing the

Preferred Shares will be issued to the IPCFN Shareholders who will continue to hold their IPCFN share certificates until the Redemption.

8. The aggregate proceeds of redemption payable pursuant to the Redemption is approximately Cdn. \$16.5 million, representing less than 5% of the market capitalization of Dundee Wealth.

**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 Prospectus Level Disclosure Requirements shall not apply to the Circular in respect of Subco and Amalco.

January 22, 2003.

"Margo Paul"



**2.1.8 McCoy Bros. Inc. - s. 9.1 of Rule 61-501**

**Headnote**

Rule 61-501 – Related party transactions – Relief from minority approval requirement granted in connection with a proposed transaction consisting of the sale and leaseback of certain properties between a TSX issuer and, among others, a company wholly-owned by a senior officer and director of the issuer. A majority of the minority shareholders will express support for the transaction and will consent to the transaction in writing.

**Rule Cited**

Rule 61-501 – Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions, ss. 5.7 and 9.1.

**IN THE MATTER OF  
ONTARIO SECURITIES COMMISSION  
RULE 61-501 (“Rule 61-501”)**

**AND**

**IN THE MATTER OF  
McCoy Bros. Inc.**

**DECISION  
(Section 9.1 of Rule 61-501)**

**UPON** the application of McCoy Bros. Inc. (“McCoy”) to the Director of the Ontario Securities Commission pursuant to section 9.1 of Rule 61-501 for a decision exempting McCoy from the minority approval requirement set forth in section 5.7 of Rule 61-501 in connection with a proposed related party transaction with C. M. W. Management Inc. (“CMW”) and Technology Investment Fund Ltd. (“TIF”);

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

**AND UPON** McCoy having represented to the Director as follows:

1. McCoy is a corporation existing under the laws of the province of Alberta and is a reporting issuer under the applicable securities legislation of each of the provinces of Alberta, British Columbia, Ontario and Saskatchewan.
2. The authorized capital of McCoy consists of an unlimited number of common shares (the “Shares”) and an unlimited number of preferred shares, of which there are currently 17,533,807 Shares and no preferred shares outstanding. The Shares are listed on The Toronto Stock Exchange (the “TSX”).
3. McCoy has reached an agreement with CMW and TIF with respect to sale (the “Sale”) by McCoy to CMW and TIF and the subsequent leaseback (the

“Leaseback”) by McCoy from CMW and TIF of the following real estate:

- (a) the facility (office/warehouse/manufacturing) owned by McCoy that is municipally located at 14755 - 121A Avenue, Edmonton, Alberta (the “121A Avenue Property”); and
  - (b) the two building complex (office/warehouse/truck service and repair shop) owned by McCoy that is municipally located at 3904 - 78 Avenue, Edmonton, Alberta (the “78 Avenue Property”).
4. The Sale and the Leaseback (collectively referred to as the “Transaction”) are subject to a number of conditions including, without limitation, the approval of all applicable regulatory authorities.
  5. Upon final approval of the board of directors of McCoy, McCoy will disclose the details of the Transaction in a press release and in a material change report.
  6. CMW is a “related party” of McCoy in accordance with the definition contained in Rule 61-501 because CMW is wholly-owned by Mr. Kerry Brown, who is the Chairman and a director of McCoy.
  7. Mr. Brown owns 16,900 Shares representing less than 1% of the outstanding Shares.
  8. Mr. Brown also owns approximately 15.3% of the outstanding common shares of Foundation Equity Corporation (“Foundation”) which holds:
    - a) 13,102,727 Shares representing approximately 75% of the issued and outstanding Shares;
    - b) a convertible promissory note (the “Note”) due April 15, 2004 of McCoy, with \$1,559,117.65 of principal and accrued interest owing thereunder as at June 28, 2002 (the total number of Shares that may be issued pursuant to one or more conversions under the Note may not exceed 10,261,080 without the prior consent of the TSX); and
    - c) 200,000 Share purchase warrants which are exercisable into Shares at a price of \$2.00 per share on or before June 25, 2006.
  9. By virtue of CMW being a related party of McCoy, the Transaction is a related party transaction under Rule 61-501. McCoy is therefore required, absent exemption or discretionary relief, to comply with the valuation and minority shareholder

approval requirements of Rule 61-501 applicable to related party transactions in order to complete the Transaction.

10. Shaske & Zeiner Appraisal Consultants Ltd. ("SZAC") of Edmonton, Alberta has prepared independent appraisals (the "Prior Valuations") in respect of the market value each of the 121A Avenue Property and the 78 Avenue Property (collectively referred to as the "Properties") as at April 12, 2002.
11. The purchase price to be paid by CMW and TIF for the Properties is greater than the market value set forth in the Prior Valuations.
12. McCoy has retained SZAC to prepare independent appraisals (the "Valuation Reports") in respect of the Properties as at January 13, 2003.
13. It is expected that the board of directors of McCoy will approve the Transaction (with Mr. Brown abstaining from all deliberations of the board relating to the Transaction after having declared his interest in the Transaction).
14. It is expected that the purchase price to be paid by CMW and TIF to McCoy for the Property will be not less than market value of the Property as set forth in the Valuation Reports.
15. The terms of the Leaseback will be generally disclosed and are not less advantageous to McCoy than if the Leaseback was with a party dealing at arm's length with McCoy. Accordingly:
  - (a) the Leaseback is exempt from the valuation requirement contained in section 5.5 of Rule 61-501 pursuant to section 5.6(4)(b) of Rule 61-501; and
  - (b) the Leaseback is exempt from the minority shareholder requirement contained in section 5.7 of Rule 61-501 pursuant to section 5.8(3) of Rule 61-501.
16. It is expected that shareholders beneficially owning a majority of the Shares held by persons who deal at arm's length with CMW (the "Outside Shareholders") will provide their written consent to the Sale. None of the Outside Shareholders are participating in the Transaction. Since the Outside Shareholders own more than 50% of the Shares held by all minority shareholders, minority approval of the Sale will be received and, accordingly, approval of the Sale by a majority of the minority shareholders at a meeting would be a foregone conclusion.

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

- a. the Outside Shareholders consent in writing to the Sale, the consent contains an acknowledgement that they are aware of the terms of the Sale, and the acknowledgement is filed with the Director; and
- b. McCoy complies with the other applicable provisions of Rule 61-501.

January 31, 2003.

"Ralph Shay"

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

**2.1.9 London Insurance Group Inc. - MRRS Decision**

**Headnote**

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

**Applicable Ontario Statutory Provisions**

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

**IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
ALBERTA, SASKATCHEWAN, 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  
LONDON INSURANCE GROUP INC.**

**MRRS DECISION DOCUMENT**

**WHEREAS** the local securities regulatory authority or regulator (the “Decision Maker”) in each of Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and Newfoundland and Labrador (collectively, the “Jurisdictions”) has received an application from London Insurance Group Inc. (the “Filer”) for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that the Filer be deemed to have ceased to be a reporting issuer under the Legislation;

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

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

1. The Filer is a corporation continued under the CBCA and is a reporting issuer or its equivalent in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and Newfoundland and Labrador and is not in default of its reporting issuer obligations under the Legislation.
2. The head office of the Filer is located in Ontario.
3. The authorized capital of the Filer consists of an unlimited number of common shares, an unlimited number of Class I Preferred Shares and an unlimited number of Class II Preferred Shares.

4. As of the date hereof 95,792,802 Common Shares (the “Common Shares”) are issued and outstanding.

5. The Great-West Life Assurance Company (“GWL”) owns all of the issued and outstanding Common Shares of the Filer. GWL is a company amalgamated under *The Insurance Companies Act* (Canada) and is a reporting issuer or its equivalent in each province of Canada (where that concept exists).

6. Other than the Common Shares owned by GWL, the Filer has no securities, including debt securities, outstanding.

7. No securities, including debt securities, of the Filer are listed or quoted on any exchange or market.

8. The Filer has no present intention of seeking public financing by way of an offering of its securities

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

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

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

February 4, 2003.

“Iva Vranic”

2.1.10 Vermilion Energy Trust et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief from registration, prospectus and continuous disclosure requirements in connection with an arrangement conducted using an exchangeable share structure, and relief from registration and prospectus requirements in connection with units distributed under a distribution reinvestment and optional trust unit purchase plan by a trust.

Ontario Statutes

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 74, 80(b)(iii) and 88(2)(b).

Ontario Rules

Ontario Securities Commission Rule 51-501 Annual Information Form and Management Discussion & Analysis.

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

AND

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

AND

IN THE MATTER OF  
VERMILION RESOURCES LTD., VERMILION ENERGY  
TRUST, VERMILION ACQUISITION LTD. AND  
CLEAR ENERGY INC.

MRRS DECISION DOCUMENT

1. **WHEREAS** the local securities regulatory authority or regulator (collectively, the "Decision Makers") in each of Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Nova Scotia, the Yukon Territory, Nunavut and the Northwest Territories (the "Jurisdictions") has received an application from Vermilion Energy Trust (the "Trust"), Vermilion Resources Ltd. ("Vermilion"), Vermilion Acquisition Ltd. ("Acquisitionco"), and Clear Energy Inc. ("Exploreco") for a decision under the securities legislation of the Jurisdictions (the "Legislation");

1.1 that the requirements contained in the Legislation to be registered to trade in a

security (the "Registration Requirement") and to file a preliminary prospectus and a prospectus and receive receipts therefore (the "Prospectus Requirement") in the Jurisdictions, except British Columbia and Nova Scotia (the "Arrangement Registration and Prospectus Jurisdictions") shall not apply to certain trades of securities to be made in connection with a proposed plan of arrangement under section 193 of the *Business Corporations Act* (Alberta) (the "ABCA") involving the Trust, Acquisitionco, Vermilion, Exploreco and the security holders of Vermilion;

1.2 with respect to Acquisitionco (or its successor on amalgamation with Vermilion ("Amalgamationco")) in those Jurisdictions in which it becomes a reporting issuer or the equivalent under the Legislation, that the requirements contained in the Legislation to issue a press release and file a report with the Jurisdictions upon the occurrence of a material change, file an annual report, where applicable, file interim financial statements and audited annual financial statements with the Jurisdictions and deliver such statements to the security holders of Amalgamationco, file and deliver an information circular or make an annual filing with the Jurisdictions in lieu of filing an information circular, file an annual information form and provide management's discussion and analysis of financial condition and results of operations (the "Continuous Disclosure Requirements") shall not apply to Acquisitionco or Amalgamationco; and

1.3 that the Registration Requirement and the Prospectus Requirement in the Jurisdictions, except Alberta, (the "DRIP Registration and Prospectus Jurisdictions") shall not apply to a distribution of trust units of the Trust under a distribution reinvestment and optional trust unit purchase plan (the "DRIP");

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

4. **AND WHEREAS** the Trust, Vermilion, Acquisitionco and Exploreco have represented to the Decision Makers that:

- |      |  |      |   |
|------|--|------|---|
| 4.1  | Vermilion is a corporation organized and subsisting under the ABCA;  |      | Canadian resources properties; (d) dispose of any part of the monies, properties and assets of the Trust; (e) temporarily hold cash and investments for the purposes of paying the expenses and the liabilities of the Trust, making other permitted investments, paying amounts payable by the Trust in connection with the redemption of any Trust Units, and making distributions to holders of Trust Units ("Unitholders"); and (f) pay the costs, fees and expenses associated with the foregoing purposes or incidental thereto.; |
| 4.2  | Vermilion is engaged in the exploration for, and the acquisition, development and production of, oil and natural gas in Western Canada, France and Trinidad and holds a significant interest in Aventura Energy Inc., a publicly traded company engaged in oil and natural gas exploration, development and acquisition opportunities in Trinidad and Argentina; |      |   |
| 4.3  | the head and principal offices of Vermilion are located at 2800, 400 – 4th Avenue S.W., Calgary, Alberta, T2P 0J4 and its registered office is located at 1000, 400 – 3rd Avenue S.W., Calgary, Alberta, T2P 4H2;  | 4.11 | the Trust was established with nominal capitalization and currently has only nominal assets and no liabilities and the only activity which will initially be carried on by the Trust will be the holding of securities of Amalgamationco;   |
| 4.4  | the authorized capital of Vermilion consists of an unlimited number of common shares ("Common Shares") and an unlimited number of preferred shares;  | 4.12 | the Trust is authorized to issue an unlimited number of Trust Units and an unlimited number of special voting rights ("Special Voting Rights");   |
| 4.5  | as at December 16, 2002, 55,863,418 Common Shares and no preferred shares were issued and outstanding, and options ("Options") to purchase 4,115,869 Common Shares were outstanding;   | 4.13 | as at December 16, 2002, there was one Trust Unit issued and outstanding and owned by Vermilion and there were no Special Voting Rights outstanding;  |
| 4.6  | the Common Shares are presently listed on the Toronto Stock Exchange (the "TSX");  | 4.14 | the Trust has received conditional approval from the TSX for the listing on the TSX of the Trust Units to be issued in connection with the Arrangement subject to, among other things, completion of the Arrangement;   |
| 4.7  | Vermilion is a reporting issuer or the equivalent in the Provinces of British Columbia, Alberta, Ontario and Québec and has been for more than 12 months;  | 4.15 | the Trust is not a reporting issuer in any of the Jurisdictions;  |
| 4.8  | Vermilion has filed all the information that it has been required to file as a reporting issuer in each of the Provinces of British Columbia, Alberta, Ontario and Québec and is not in default of the securities legislation in any of these jurisdictions;   | 4.16 | the Trust expects to make monthly distributions of distributable income, if any, to Unitholders ("Cash Distributions");   |
| 4.9  | the Trust is an open-end unincorporated investment trust governed by the laws of the Province of Alberta and created pursuant to a trust indenture dated December 16, 2002 between Vermilion and Computershare Trust Company of Canada, as trustee (the "Trust Indenture");  | 4.17 | the Trust is not a "mutual fund" under the Legislation as 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 Trust, as contemplated by the definition of "mutual fund" in the Legislation;   |
| 4.10 | the Trust was established to: (a) invest in securities of Acquisitionco and Amalgamationco; (b) acquire or invest in other securities of Amalgamationco, any other subsidiary of the Trust, or any other entity; (c) acquire royalties in respect of   | 4.18 | Acquisitionco was incorporated pursuant to the ABCA on December 9, 2002;  |
|      |  | 4.19 | the head and principal offices of Acquisitionco are located at 2800, 400 - 4th Avenue S.W., Calgary, Alberta, T2P 4H2 and its registered office is located at   |

- 3700, 400 – 3rd Avenue S.W., Calgary, Alberta, T2P 4H2;
- 4.20 Acquisitionco was incorporated to participate in the Arrangement by acquiring, directly or indirectly, Common Shares and Options of Vermilion;
- 4.21 the authorized capital of Acquisitionco presently consists of an unlimited number of common shares and prior to the Arrangement, Acquisitionco will amend its Articles such that it will also be authorized to issue an unlimited number of exchangeable shares issuable in series, of which an unlimited number of Series A exchange shares ("Exchangeable Shares") will be authorized and up to 6,000,000 Exchangeable Shares will be issued pursuant to the Arrangement;
- 4.22 as at December 16, 2002, one common share of Acquisitionco was issued and outstanding and owned by the Trust;
- 4.23 Acquisitionco is not a reporting issuer in any of the Jurisdictions;
- 4.24 Exploreco was incorporated pursuant to the ABCA on December 9, 2002 and has not carried on any active business since incorporation;
- 4.25 the head and principal offices of Exploreco are located at 2800, 400 - 4th Ave. S.W., Calgary, Alberta, T2P 0J4 and its registered office is located at 3700, 400 – 3rd Avenue S.W., Calgary, Alberta, T2P 4H2;
- 4.26 pursuant to the Arrangement, Exploreco will acquire, directly and indirectly, certain natural gas assets from Vermilion (the "Exploration Assets") and upon completion of the Arrangement, Exploreco will be engaged in the exploration for, and acquisition, development and production of, oil and natural gas reserves, primarily in Alberta;
- 4.27 the authorized capital of Exploreco consists of an unlimited number of common shares ("Exploreco Shares") and an unlimited number of preferred shares, issuable in series;
- 4.28 as at December 16, 2002, one Exploreco Share and no preferred shares were issued and outstanding; Exploreco has also reserved a total of 2,500,000 Exploreco Shares for issuance pursuant to outstanding stock options;
- 4.29 Exploreco has received conditional approval from the TSX for the listing on the TSX of the Exploreco Shares to be issued in connection with the Arrangement subject to, among other things, completion of the Arrangement;
- 4.30 Exploreco is not a reporting issuer in any of the Jurisdictions;
- 4.31 the Arrangement will be effected by way of a plan of arrangement under section 193 of the ABCA which will require approval by (i) not less than 2/3 of the votes cast by the holders of Common Shares and the holders of Options (present in person or represented by proxy), each voting separately as a class, at a meeting to be held on January 15, 2003 (the "Meeting") and thereafter, (ii) the approval of the Court of Queen's Bench of Alberta (the "Court");
- 4.32 the management information circular (the "Information Circular") mailed to the holders of Common Shares and the holders of Options in connection with the Meeting conforms with the ABCA, applicable securities laws and an interim order of the Court and contains prospectus-level disclosure concerning the respective business, affairs and securities of the Trust, Vermilion, Amalgamationco and Exploreco, and a detailed description of the Arrangement;
- 4.33 the Arrangement provides for a transaction where, commencing at the effective time of the Arrangement (the "Effective Time"), the events set out below shall be deemed to occur in the following order:
- 4.33.1 the Exploration Assets will be transferred from Vermilion to Exploreco in exchange for such number of Exploreco Shares which when added to Exploreco's then issued and outstanding shares shall be equal to the total number of Exploreco Shares to be issued on the redemption of Interim Notes as described in paragraph 4.33.7;
- 4.33.2 each issued and outstanding Common Share (other than Common Shares held by dissenting securityholders) will be exchanged with Acquisitionco for:

- (a) one (1) unsecured, non-interest bearing, demand promissory note of Acquisitionco (an "Interim Note"); and
  - (b) in accordance with the election or deemed election of the holder of such Common Share (other than a non-resident or tax-exempt Shareholder), one (1) unsecured promissory note of Acquisitionco (a "Note") or one (1) Exchangeable Share or a combination thereof;
- 4.33.3 each Option (other than Options held by dissenting securityholders) will be exchanged for consideration equal to the greater in value of:
- (a) \$0.05 for each Common Share subject to issuance pursuant to such Option; or
  - (b) (i) a number of Notes equal to the quotient obtained (the "Quotient") by dividing the Exercise Price Differential of the Option divided by the weighted average trading price of the Common Shares at the Effective Time ("Exercise Price Differential" means the amount by which the weighted average trading price exceeds the exercise price of such
- Option, multiplied by the number of Common Shares to which such Option relates); and
- (ii) the same number of Interim Notes as the Quotient;
- 4.33.4 each Option acquired by Acquisitionco for consideration of \$0.05 per Option will be cancelled and each Option acquired by Acquisitionco for Notes and Interim Notes will be exchanged with Vermilion for a number of Common Shares equal to the Quotient, rounded down to the next lowest whole number of Common Shares, and the Option will thereupon be cancelled;
- 4.33.5 each Note will be exchanged by the holder thereof with the Trust for one (1) Trust Unit for each Note held;
- 4.33.6 Vermilion and Acquisitionco will amalgamate to form Amalgamationco; and
- 4.33.7 each Interim Note will be redeemed by Amalgamationco in exchange for Exploreco Shares on the basis of three (3) Interim Notes for one (1) Exploreco Share;
- 4.34 Exchangeable Shares will not be issued to: (i) a person who is not a resident of Canada for the purposes of the *Income Tax Act* (Canada) (the "Tax Act"); (ii) a partnership that is not a Canadian partnership for the purposes of the Tax Act; or (iii) a person who is exempt from tax under Part I of the Tax Act. Any such person who elects to receive Exchangeable Shares will be deemed to have elected to receive Trust Units on completion of the Arrangement;
- 4.35 holders of Common Shares and Options who validly exercise their rights of dissent under Section 191 of the ABCA will have such securities dealt with in accordance with the provisions of section 191 of the

- ABCA as modified by the interim order of the Court;
- 4.36 Amalgamationco will become a reporting issuer under the Legislation in British Columbia, Alberta, Ontario and Québec, and will be subject to the Continuous Disclosure Requirements in such Jurisdictions;
- 4.37 the Trust will become a reporting issuer under the Legislation in British Columbia, Alberta, Ontario, and Québec and will be subject to the Continuous Disclosure Requirements in such Jurisdictions;
- 4.38 Exploreco will become a reporting issuer under the Legislation in British Columbia, Alberta, Ontario, and Québec and will be subject to the Continuous Disclosure Requirements in such Jurisdictions;
- 4.39 the Exchangeable Shares will provide a holder with a security having participation, ownership and voting rights which are, as nearly as practicable, equivalent to those of the Trust Units;
- 4.40 under the terms of the Exchangeable Shares and certain rights to be granted in connection with the Arrangement, holders of Exchangeable Shares will be able to exchange them at their option for Trust Units;
- 4.41 under the terms of the Exchangeable Shares and certain rights to be granted in connection with the Arrangement, the Trust or a subsidiary of the Trust other than Amalgamationco (a "Trust Subsidiary") or Amalgamationco will redeem, retract or otherwise acquire Exchangeable Shares in exchange for Trust Units in certain circumstances;
- 4.42 in order to ensure that the Exchangeable Shares remain the participation and voting equivalent of the Trust Units prior to their exchange, the Arrangement provides for:
- 4.42.1 a voting and exchange trust agreement to be entered into among the Trust, Acquisitionco and Computershare Trust Company of Canada (the "Voting and Exchange Agreement Trustee") which will, among other things, grant to the Voting and Exchange Agreement Trustee, for the benefit of holders of Exchangeable Shares, the right
- to require the Trust or a Trust Subsidiary to exchange the Exchangeable Shares for Trust Units, or to trigger automatically the exchange of the Exchangeable Shares for Trust Units upon the occurrence of certain specified events;
- 4.42.2 the deposit by the Trust of a Special Voting Right with the Voting and Exchange Agreement Trustee which will effectively provide the holders of Exchangeable Shares with voting rights equivalent to those attached to the Trust Units; and
- 4.42.3 a support agreement to be entered into between the Trust and Amalgamationco which will, among other things, restrict the Trust from distributing additional Trust Units or securities convertible into Trust Units or rights, options or warrants for the purchase of Trust Units or any other units or securities of the Trust, evidences of indebtedness of the Trust or other assets of the Trust to all or substantially all of the holders of Trust Units, unless the same or equivalent distribution is made to holders of Exchangeable Shares or an equivalent change is made simultaneously to the Exchangeable Shares (or in the rights of the holders thereof);
- 4.43 the steps under the Arrangement, the terms of the Exchangeable Shares and the exercise of certain rights provided for in connection with the Arrangement and the Exchangeable Shares involve a number of trades or potential trades of Common Shares, Exploreco Shares, Trust Units, Exchangeable Shares, Notes, Interim Notes, Options, the Special Voting Right, certain rights to acquire Trust Units and Exchangeable Shares under the Arrangement and rights to otherwise make a trade of a security that was derived from the Arrangement (collectively, the "Trades");
- 4.44 there are no exemptions from the Registration Requirement or the Prospectus Requirement available under the Legislation of the Arrangement Registration and Prospectus Jurisdictions for certain of the Trades;



- 4.45 the Information Circular discloses that the Trust, Acquisitionco, Amalgamationco and Exploreco will rely on exemptions, including discretionary exemptions, from the Registration Requirement and Prospectus Requirement with respect to the issuance of Trust Units, Exchangeable Shares and Exploreco Shares pursuant to the Arrangement and discloses that application will be made to relieve Amalgamationco from the Continuous Disclosure Requirements;
- 4.46 the Trust will concurrently send to holders of Exchangeable Shares resident in the Jurisdictions all disclosure material it sends to holders of Trust Units pursuant to the Legislation;
- 4.47 the Trust proposes to implement, concurrent with the Arrangement becoming effective, the DRIP pursuant to which Unitholders, other than non-residents of Canada, may, at their option, purchase additional Trust Units ("Additional Units") of the Trust by directing that Cash Distributions be applied to the purchase of Additional Units (the "Distribution Reinvestment Option") or by making optional cash payments (the "Cash Payment Option");
- 4.48 under the Distribution Reinvestment Option, Cash Distributions due to participants in the DRIP ("Participants") will be paid to Computershare Trust Company of Canada in its capacity as the Trust's agent under the DRIP (the "Plan Agent") and applied by the Plan Agent to the purchase of Additional Units, which will be held under the DRIP for the account of appropriate Participants;
- 4.49 under the Cash Payment Option, a Participant may, through the Plan Agent, purchase Additional Units up to a maximum \$5,000 per month. The aggregate number of Additional Units and Bonus Units (as defined below) that may be issued under the Cash Payment Option to all Participants in any financial year of the Trust will be limited to a maximum of 2% of the number of Trust Units issued and outstanding at the start of the financial year;
- 4.50 Additional Units will be purchased directly from the Trust or, at the discretion of Amalgamationco, through the facilities of the TSX;
- 4.51 the acquisition price of Additional Units purchased through the facilities of the TSX will, in respect of any date on which a Cash Distribution is paid by the Trust to Unitholders (a "Cash Distribution Date"), be based on the average price for which the Additional Units are acquired through the facilities of the TSX for the purpose of the DRIP, commencing on such Cash Distribution Date (the "Market Purchase Price");
- 4.52 the acquisition price of Additional Units purchased directly from the Trust will be based on the weighted average price of all Trust Units traded on the TSX on the ten trading days preceding the Cash Distribution Date (the "Treasury Purchase Price");
- 4.53 under the Distribution Reinvestment Option and the Cash Payment Option, the acquisition price of Additional Units will be 100% of the Treasury Purchase Price or the Market Purchase Price;
- 4.54 in addition, a number of bonus Trust Units (the "Bonus Units") equal to 5% of the Additional Units acquired under the Distribution Reinvestment Option and the Cash Payment Option, as applicable, will be issued directly from the Trust to each Participant and held under the DRIP for the account of appropriate Participants;
- 4.55 no commissions, service charges or brokerage fees will be payable by Participants in connection with the purchase of Additional Units under the DRIP;
- 4.56 Additional Units and Bonus Units issued and held under the DRIP will be registered in the name of the Plan Agent or its nominee as agent for the Participants, and all Cash Distributions on Trust Units so held for the account of a Participant will be automatically reinvested in Additional Units in accordance with the terms of the DRIP and the election of the Participant;
- 4.57 if, in respect of any Cash Distribution Date, fulfilling all of the elections under the DRIP, including the issuance of the relevant Bonus Units, would result in the Trust exceeding the aggregate annual limit on Additional Units and Bonus Units issuable pursuant to the Cash Payment Option, then elections for the purchase of Additional Units on such Cash Distribution Date under the Cash Payment Option will be pro rated among

- all Participants in that category according to the Additional Units sought to be purchased and no further optional cash payments will be accepted until the next financial year. Any uninvested optional cash payments will be returned to Unitholders;
- 4.58 a Participant may terminate its participation in the DRIP at any time by written notice to the Plan Agent. A notice received at least three business days prior to a distribution record date will be effective for the following Cash Distribution Date;
- 4.59 the Trust reserves the right to amend, suspend or terminate the DRIP at any time, provided that such action shall not have a retroactive effect which would prejudice the interests of the Participants. All Participants will be sent written notice of any such amendment, suspension or termination; and
- 4.60 upon termination of the DRIP or a Participant's participation in the DRIP, the Participant(s) will receive a certificate for all the whole Additional Units and Bonus Units held in their account, a cash payment for any fraction of a Trust Unit and return of any uninvested optional cash payments;
- 4.61 there are no exemptions from the Registration Requirement or the Prospectus Requirement available under the Legislation of the DRIP Registration and Prospectus Jurisdictions for trades of Additional Units or Bonus Units by the Trust pursuant to the DRIP;
5. **AND WHEREAS** under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");
6. **AND WHEREAS** each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;
7. **THE DECISION** of the Decision Makers under the Legislation is that:
- 7.1 the Registration Requirement and Prospectus Requirement contained in the Legislation of the Arrangement Registration and Prospectus Jurisdictions shall not apply to the Trades provided that the first trade in securities acquired under this Decision (other than first trades which are themselves Trades)
- 7.2 shall be deemed to be a distribution or primary distribution to the public;
- 7.2 the Prospectus Requirement contained in the Legislation of the Arrangement Registration and Prospectus Jurisdictions shall not apply to the first trade in Trust Units, Exchangeable Shares or Exploreco Shares acquired by security holders of Vermilion under the Arrangement and the first trade of the Trust Units acquired on the exercise of all rights, automatic or otherwise, under such Exchangeable Shares, provided that:
- 7.2.1 except in Québec, the conditions in subsections (3) or (4) of section 2.6 of Multilateral Instrument 45-102 Resale of Securities ("MI 45-102") are satisfied and, for the purposes of determining the period of time that the Trust or Exploreco has been a reporting issuer under section 2.6 of MI 45102, the period of time that Vermilion was a reporting issuer in at least one of the jurisdictions listed in Appendix B of MI 45-102 immediately before the Arrangement may be included; and
- 7.2.2 in Québec:
- (a) the Trust or Exploreco, as applicable, is and has been a reporting issuer in Québec for the 12 months immediately preceding the trade, including the period of time that Vermilion was a reporting issuer in Québec immediately before the Arrangement;
- (b) no unusual effort is made to prepare the market or create a demand for the securities that are the subject of the trade;
- (c) no extraordinary commission or consideration is paid to a person or company in respect of the trade; and

- (d) if the selling security holder is an insider or officer of the Trust or Exploresco, as applicable, the selling security holder has no reasonable grounds to believe that the Trust or Exploresco, as applicable, is in default of securities legislation;
- 7.3 the Continuous Disclosure Requirements shall not apply to Amalgamationco for so long as:
- 7.3.1 the Trust is a reporting issuer in Québec and at least one of the jurisdictions listed in Appendix B of MI 45-102 and is an electronic filer under National Instrument 13-101;
- 7.3.2 the Trust concurrently sends to all holders of Exchangeable Shares resident in the Jurisdictions all disclosure material furnished to holders of Trust Units under the Continuous Disclosure Requirements;
- 7.3.3 the Trust complies with the requirements of the TSX, or such other market or exchange on which the Trust Units may be quoted or listed, in respect of making public disclosure of material information on a timely basis;
- 7.3.4 Amalgamationco is in compliance with the requirements of the Legislation to issue a press release and file a report with the Decision Makers upon the occurrence of a material change in respect of the affairs of Amalgamationco that is not also a material change in the affairs of the Trust;
- 7.3.5 the Trust includes in all future mailings of proxy solicitation materials to holders of Exchangeable Shares a clear and concise insert explaining the reason for the mailed material being solely in relation to the Trust and not to Amalgamationco, such insert to include a reference to the economic equivalency between the Exchangeable Shares and Trust Units and the right to direct voting at meetings of holders of Trust Units;
- 7.3.6 the Trust remains the direct or indirect beneficial owner of all of the issued and outstanding voting securities of Amalgamationco; and
- 7.3.7 Amalgamationco does not issue any preferred shares or debt obligations other than debt obligations issued to its affiliates or to banks, loan corporations, trust corporations, treasury branches, credit unions, insurance companies or other financial institutions;
- 7.4 the Registration Requirement and the Prospectus Requirement contained in the Legislation of the DRIP Registration and Prospectus Jurisdictions shall not apply to trades of Additional Units or Bonus Units by the Trust to the Plan Agent for the account of Participants pursuant to the DRIP provided that:
- 7.4.1 at the time of the trade the Trust is a reporting issuer or the equivalent under the Legislation and is not in default of any requirements of the Legislation;
- 7.4.2 no sales charge is payable in respect the trade;
- 7.4.3 the Trust has caused to be sent to the person or company to whom the Additional Units and Bonus Units are traded, not more than 12 months before the trade a statement describing:
- (a) their right to withdraw from the DRIP and to make an election to receive cash instead of Additional Units and Bonus Units on the making of a distribution of income by the Trust (the "Withdrawal Right"); and
- (b) instructions on how to exercise the Withdrawal Right;

- 7.4.4 the aggregate number of Additional Units and Bonus Units issued under the Cash Payment Option of the DRIP in any financial year of the Trust shall not exceed 2% of the aggregate number of Trust Units outstanding at the start of that financial year;
- 7.4.5 disclosure of the distribution of Additional Units and Bonus Units is made to the relevant Jurisdictions by providing particulars of the date of the distribution of such Additional Units and Bonus Units, the number of such Additional Units and Bonus Units and the purchase price paid or to be paid for such Additional Units and Bonus Units in:
- (a) an information circular or take-over bid circular filed in accordance with the Legislation; or
  - (b) a letter filed with the Decision Maker in the appropriate Jurisdiction by a person or company certifying that the person or company has knowledge of the facts contained in the letter;
- when the Trust distributes such Additional Units and Bonus Units for the first time and thereafter, not less frequently than annually, unless the aggregate number of Additional Units and Bonus Units so distributed in any month exceeds 1% of the aggregate number of Trust Units outstanding at the beginning of the month in which the Additional Units and Bonus Units were distributed, in which case the disclosure required under this paragraph shall be made in each relevant Jurisdiction (other than Québec) in respect of that month within ten days of the end of such month;
- 7.4.6 the first trade of Additional Units or Bonus Units acquired under
- this Decision shall be deemed to be a distribution or a primary distribution to the public; and
- 7.5 the Prospectus Requirement contained in the Legislation of the DRIP Registration and Prospectus Jurisdictions shall not apply to the first trade in Additional Units or Bonus Units acquired pursuant the DRIP, provided that:
- 7.5.1 except in Québec, the conditions in subsections (3) or (4) of section 2.6 of MI 45-102 are satisfied;
  - 7.5.2 in Québec,
    - (a) the Trust is and has been a reporting issuer in Québec for the 12 months preceding the trade, including the period of time that Vermilion was a reporting issuer in Québec immediately before the Arrangement;
    - (b) no unusual effort is made to prepare the market or to create a demand for the securities that are the subject of the alienation;
    - (c) no extraordinary commission or other consideration is paid to a person or company in respect of the trade;
    - (d) if the selling security holder is an insider or officer of the Trust, the selling security holder has no reasonable grounds to believe that the Trust is in default of securities legislation.

January 22, 2003.

"Glenda A. Campbell"

"David W. Betts"

**2.1.11 Oxford Properties Group 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  
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  
OXFORD PROPERTIES GROUP INC.**

**MRRS DECISION DOCUMENT**

**WHEREAS** the local securities regulatory authority or regulator (collectively, the “Decision Makers”) in each of the provinces of Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia and Newfoundland and Labrador (the “Jurisdictions”) has received an application from Oxford Properties Group Inc. (“Oxford”) for:

- (a) a decision pursuant to the securities legislation of each of the Jurisdictions (the “Legislation”) that Oxford be deemed to cease to be a reporting issuer or its equivalent under the Legislation; and
- (b) in Ontario only, an order pursuant to the *Business Corporations Act* (Ontario) (the “OBCA”) that Oxford be deemed to have ceased to be offering its securities to the public.

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

**AND WHEREAS** Oxford has represented to the Decision Makers that:

1. Oxford is a corporation governed by the OBCA with its registered office located at Oxford Tower, 130 Adelaide Street West, Suite 1100, Toronto, Ontario M5H 3P5;
2. Oxford is a reporting issuer or its equivalent under the Legislation and is not in default of any requirements under the Legislation;
3. The authorized capital of Oxford consists of an unlimited number of common shares, of which 54,884,335 were issued and outstanding as at September 11, 2002 (the “Common Shares”), all of which are held by a wholly-owned subsidiary of BPC Properties Ltd. (“BPC”);
4. As a result of take-over bids by BPC (the “Bids”) in September 2001 to acquire all of the Common Shares and public convertible debentures of Oxford and the early redemption by Oxford of its publicly held senior unsecured debentures (the senior unsecured debentures together with the common shares and convertible debentures being collectively referred to as the “Public Securities”), the only holders of securities of Oxford which were issued by Oxford by prospectus are BPC and 2006186 Ontario Inc., a wholly-owned subsidiary of BPC;
5. As at September 30, 2002, on a consolidated basis Oxford had approximately \$1.6 billion outstanding in debt secured on real estate properties and approximately \$351 million outstanding in unsecured debt. Such outstanding unsecured debt is owed to an affiliate of BPC with the exception of approximately \$6.5 million consisting of capital lease obligations. Such outstanding secured debt consists of (a) debt issued by affiliated entities (“Subsidiary Entities”) within the Oxford consolidated group of entities collectively, “Subsidiary Debt”), (b) conventional commercial real estate mortgages held by various institutions for which Oxford or Oxford Subsidiary Entities are the mortgagors (collectively, “Conventional Mortgages”), and (c) various other types of indebtedness secured by a mortgage or charge on real estate (collectively “Mortgage Debt”) which was issued by Subsidiary Entities or corporations which were acquired by Oxford after the issuance of the Mortgage Debt.
6. Following the Bids, Oxford amalgamated with certain of its subsidiaries. As a result of these amalgamations, Oxford became liable for the debt obligations of the subsidiaries, including certain Mortgage Debt (collectively, “Subsidiary Mortgage Debt”). None of this Subsidiary Mortgage Debt was issued by prospectus and none of the subsidiaries which amalgamated with Oxford were reporting issuers. There are 17 registered holders of this Subsidiary Mortgage Debt with 11 holders in Ontario, five holders in Manitoba and one holder in the United States;

7. Other than the Public Securities held by BPC and 2006186 Ontario Inc., Oxford has no securities, including debt securities, outstanding which were issued by prospectus;
8. The Oxford common shares were de-listed from the Toronto Stock Exchange on November 1, 2001 and no securities, including any debt securities, of Oxford are listed or quoted on any exchange or market; and
9. Oxford does not intend to seek public financing by way of an offering of its securities to the public.

**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 which provides the Decision Maker with the jurisdiction to make the Decision;

**THE DECISION** of the Decision Maker pursuant to the Legislation is that Oxford Properties Group Inc. is deemed to have ceased to be a reporting issuer, or its equivalent, under the Legislation as of the date hereof.

January 21, 2003.

"John Hughes"

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

January 21, 2003.

"Kerry D. Adams"

"Robert L. Shirriff"

2.2 Orders

2.2.1 Burgundy Asset Management Ltd. - ss. 144 and 147 and ss. 59(1) of Sched I of Reg. 1015

Headnote

Exemption from the fees otherwise due under subsection 14 (1) of Schedule 1 of the Regulation to the Securities Act (Ontario) on the distribution of units made by public “underlying” funds arising from the context of fund-of-fund structures. Exemption from fees otherwise due under Rule 45-501 on the distribution of units made by private “underlying” funds arising in the context of fund-of-fund structures.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5 as am., ss. 144 and 147.

Regulations Cited

Regulations made under the Securities Act R.S.O. 1990, Reg, 1015, as am., Schedule 1, ss. 14 (1), 14 (4) and 59 (1).

Applicable Ontario Rule

OSC Rule 45-501, s. 7.3, 7.5, 7.5.

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

AND

IN THE MATTER OF  
BURGUNDY ASSET MANAGEMENT LTD.

AND

IN THE MATTER OF  
BURGUNDY BALANCED INCOME FUND  
BURGUNDY FOUNDATION TRUST FUND  
BURGUNDY PENSION TRUST FUND  
BURGUNDY PARTNERS’ RSP FUND  
BURGUNDY AMERICAN EQUITY FUND  
BURGUNDY PARTNERS’ FUND  
BURGUNDY PARTNERS EQUITY RSP FUND  
(the “Public Top Funds”)

AND

IN THE MATTER OF  
BURGUNDY BALANCED PENSION FUND  
BURGUNDY BALANCED FOUNDATION FUND  
(the “Private Top Funds”)

ORDER

(Sections 144 and 147 of the Act)  
(Subsection 59(1) of Schedule I of the Securities Act  
General Regulations under the Act (the “Regulation”))

WHEREAS the Ontario Securities Commission (the “Commission”) has received an application (the “Application”) from Burgundy Asset Management Ltd. (“Burgundy”), the manager of the Public Top Funds and the Private Top Funds (collectively the “Top Funds”) and the manager of Burgundy Bond Fund, Burgundy European Fund and Burgundy European Foundation Fund (the “Public Underlying Funds”), Burgundy Japan Fund and Burgundy Smaller Companies Fund (the “Private Underlying Funds”), and other similar mutual funds that may receive investments from a Top Fund in the future (together with the Public Underlying Funds and the Private Underlying Funds, the “Underlying Funds”) for a decision under the *Securities Act* (Ontario) (the “Legislation”) revoking the decision document dated November 8, 2002 entitled *In the Matter of Burgundy Asset Management Ltd.* (the “Existing Order”) and replacing it with a decision (the “Decision”):

- (a) pursuant to subsection 59(1) of Schedule I of the Regulation exempting the Public Underlying Fund from the payment of the annual filing fees payable under Section 14 of Schedule I of the Regulation in respect of the distribution of units (the “Public Fund Units”) of the Public Underlying Fund to the Top Funds and the reinvestment in units of the Public Underlying Funds of distributions paid in respect of units held by the Top Funds (the “Public Reinvested Units”); and
- (b) pursuant to section 147 of the Act exempting the Private Underlying Funds from paying duplicate proceeds of distribution fees on an annual basis in respect of the distribution of units (the “Private Fund Units”) of the Private Underlying Funds to the Top Funds and the reinvestment in units of the Private Underlying Funds of distributions paid in respect of units held by the Top Funds (the “Private Reinvested Units”).

AND UPON considering the application and the recommendations of the staff of the Commission.

AND UPON Burgundy having represented to the Commission that:

- 1. The Top Funds and the Underlying Funds are open-end mutual funds established as trusts.
- 2. Burgundy is the manager of the Top Funds and the Underlying Funds.

3. All distributions by the Underlying Funds of (i) Public Fund Units and Private Fund Units (collectively, the "Units") to the Top Funds and (ii) Public Reinvested Units and Private Reinvested Units (collectively, "Reinvested Units") to the Top Funds, are made in Ontario.
4. The Public Underlying Funds and the Public Top Funds are reporting issuers and are not in default of any requirement of the securities acts or regulations applicable to each. Units of the Public Top Funds and the Public Underlying Funds are qualified for distribution pursuant to a simplified prospectus and an annual information form dated July 8, 2002, in each province of Canada other than Quebec.
5. The Private Top Funds and the Private Underlying Funds are not reporting issuers and are not in default of any requirement of the securities acts or regulations applicable to each. Units of the Private Top Funds and the Private Underlying Funds are distributed in Ontario without a prospectus pursuant to exemptions from the prospectus delivery requirements of the Act.
6. As part of their investment strategy the Top Funds invest a fixed amount of their assets in Units of the Underlying Funds.
7. Applicable securities regulatory approvals for the fund-on-fund investment strategies of the Top Funds have been obtained.
8. Annually, each of the Public Top Funds will be required to pay filing fees to the Commission in respect of the distribution of its units in Ontario pursuant to Section 14 of Schedule I of the Regulation and will similarly be required to pay fees based on the distribution of its units in other relevant Canadian jurisdictions pursuant to applicable securities legislation in each of those jurisdictions.
9. Annually, each of the Public Underlying Funds will be required to pay filing fees to the Commission in respect of the distribution of its units in Ontario, including Units issued to the Top Funds, pursuant to Section 14 of Schedule I of the Regulation.
10. Within 30 days of their respective year ends, the Private Top Funds will be required to pay filing fees in respect of distributions of their units in Ontario, pursuant to subsections 7.5(1), 7.5(8) and 7.7 of Commission Rule 45-501 (the "Rule") and will similarly be required to pay fees in respect of the distribution of their securities in other Canadian jurisdictions pursuant to the applicable securities legislation in each of those jurisdictions.
11. Within 30 days of their respective year ends, the Private Underlying Funds will be required to pay filing fees in respect of distributions of their Units

and Reinvested Units to the Top Funds in Ontario, pursuant to subsections 7.5(1), 7.5(8) and 7.7 of the Rule.

12. A duplication of filing fees pursuant to Section 14 of Schedule I of the Regulation and subsections 7.5(1), 7.5(8) and 7.7 of the Rule may result when (a) assets of a Top Fund are invested in the applicable Underlying Fund and (b) Reinvested Units are distributed to a Top Fund.

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

**THE DECISION** of the Commission pursuant the Legislation is that the Existing Decision is hereby revoked and replaced with the following decision with effect as of and from the date hereof;

**AND THE DECISION** of the Commission pursuant to subsection 59(1) of Schedule I of the Regulation that the Public Underlying Fund and any similar mutual fund that is a reporting issuer and that receives an investment from a Top Fund, are exempt from the payment of duplicate filing fees on an annual basis pursuant to Section 14 of Schedule I of the Regulation in respect of the distribution of Units of the Underlying Funds to the Top Funds and the distribution of the Reinvested Units, provided that such Underlying Fund shall include in its notice filed under subsection 14(4) of Schedule I of the Regulation a statement of the aggregate gross proceeds realized in Ontario as a result of the issuance by the Underlying Funds of (1) Units to the Top Funds and (2) Reinvested Units; together with a calculation of the fees that would have been payable in the absence of this Order.

**AND THE DECISION** of the Commission pursuant to section 147 of the Act, that the payment of the fees required under section 7.3 of the Rule that would otherwise be applicable to the distribution of Units and Reinvested Units of the Underlying Funds to the Top Funds shall not be applicable provided that:

- (i) such distribution of Units and Reinvested Units is made to the Top Fund which pays fees in respect of the issue of its own Units.
- (ii) each Underlying Fund shall include in its form filed pursuant to subsection 7.5(1) and 7.5(8) of the Rule, a statement of the aggregate gross proceeds realized in Ontario as a result of the issuance by such Underlying Funds of Units and Reinvested Units; together with a calculation of the fees that would have been payable in the absence of the Order.

January 24, 2003.

"Howard I Wetston"

"Robert L. Shirriff"



2.2.2 Benjamin Emile Poirier - s. 127

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

AND

IN THE MATTER OF  
BENJAMIN EMILE POIRIER

ORDER  
(Sections 127)

**WHEREAS** on October 13, 1999 the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to section 127 of the *Securities Act* (the "Act") in respect of Benjamin Emile Poirier ("Poirier");

**AND WHEREAS** Poirier entered into a settlement agreement dated January 21, 2003 (the "Settlement Agreement") wherein he agreed to a proposed settlement of the proceeding, subject to the approval of the Commission, and wherein he provided to the Commission a written undertaking never to apply for registration in any capacity under Ontario securities law;

**AND UPON** reviewing the Settlement Agreement and the Statement of Allegations of Staff of the Commission, and upon hearing submissions from the respondent and from Staff of the Commission;

**AND WHEREAS** the Commission is of the opinion that it is in the public interest to make this Order;

**IT IS ORDERED THAT:**

- (1) the Settlement Agreement dated January 21, 2003, attached to this Order, is hereby approved;
- (2) pursuant to clause 2 of subsection 127(1) of the Act, Poirier will cease trading securities for a period of ten years effective the date of this Order, with the exception that after one year from the date of this Order, Poirier is permitted to purchase or sell securities which are beneficially owned by him in his personal accounts in his name; and
- (3) pursuant to clause 6 of subsection 127(1) of the Act, Poirier is reprimanded.

January 28, 2003.

"Robert L. Shirriff" "M. Theresa McLeod" "Robert W. Davis"

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

AND

IN THE MATTER OF  
BENJAMIN EMILE POIRIER

SETTLEMENT AGREEMENT

I INTRODUCTION

1. By Notice of Hearing dated October 13, 1999 (the "Notice of Hearing"), the Ontario Securities Commission (the "Commission") announced that it proposed to hold a hearing to consider whether, pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), in the opinion of the Commission, it is in the public interest for the Commission:

- (a) to make an order pursuant to section 127(1) clause 2 of the Act that trading in securities by Benjamin Emile Poirier ("Poirier") cease permanently or for such other period as specified by the Commission;
- (b) to make an order pursuant to section 127(1) clause 3 of the Act that any exemptions contained in Ontario securities law do not apply to Poirier;
- (c) to make an order pursuant to section 127(1) clause 6 of the Act that Poirier be reprimanded; and
- (d) to make such other order as the Commission considers appropriate.

II JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission ("Staff") agree to recommend settlement of the proceedings initiated in respect of the respondent by the Notice of Hearing in accordance with the terms and conditions set out below. The respondent agrees to the settlement on the basis of the facts agreed to as hereinafter provided and the respondent consents to the making of an Order in the form attached as Schedule "A" on the basis of the facts set out below.

3. This settlement agreement, including the attached Schedule "A" and Schedule "B" (collectively, the "Settlement Agreement"), will be released to the public only if and when the settlement is approved by the Commission.

### III SETTLEMENT OF FACTS AND CONCLUSIONS

#### Acknowledgement

4. Staff and the respondent agree with the facts and conclusions set out in Part III of the Settlement Agreement.

#### Introduction

5. Poirier was registered as a salesperson from January 16, 1991 to May 31, 1999 with W.H. Stuart Mutual Ltd. ("W.H. Stuart"), a mutual fund dealer and limited market dealer, pursuant to section 26(1) of the Act.

#### Trading by Poirier Contrary to the Requirements of Ontario Securities Law

6. During the period from October, 1994 to December, 1996 (the "Material Time"), Poirier traded in securities, namely units (the "Units") of Dual Capital Limited Partnership, where such trading was a distribution of such securities, without having filed a preliminary prospectus and a prospectus and obtaining receipts therefor from the Director as required by section 53(1) of the Act.
7. The Units were purportedly offered for sale pursuant to the "seed capital" prospectus exemption set out in section 72(1)(p) of the Act. The requirements of the "seed capital" exemption from the prospectus requirements in Ontario securities law were not satisfied. An offering memorandum dated October 18, 1994 as amended on December 19, 1994 for the Limited Partnership (the "Offering Memorandum") was provided to some of the investors who purchased the Units.
8. On October 26, 2000, in a related prosecution under section 122 of the Act before the Honourable Mr. Justice Douglas, Dual Capital Management Limited ("Dual Capital"), the limited partner of Dual Capital Limited Partnership, and the two officers of Dual Capital Management Limited, Warren Wall and Shirley Joan Wall (collectively, the "Walls"), entered pleas of guilty in relation to trading by Dual Capital in securities, namely, Units in the Dual Capital Limited Partnership, without being registered to trade in such securities as required by section 25(1) of the Ontario Securities Act and distributing securities without having filed a prospectus in contravention of section 53(1) of the Ontario Securities Act.
9. In the course of delivering his Reasons for Sentence on October 30, 2000, [cited at (2001) 24 OSCB 763, February 2, 2001], Mr. Justice Douglas stated the following in relation to the description of the investment scheme in the Dual Capital Limited Partnership (also referred to as the

"Roll Programme" and the "International Lending Programme"):

I find that the Roll Programme as conceived, was and remains utter nonsense. The programme, considered in and of itself, is a fraudulent means....

...I find that the Roll Programme was per se dishonest.

...Indeed, the evidence is conclusive and nearly complete that all of the investors were neither sophisticated (but naive), nor rich (but poor) or, at least, dependent upon the little money they had.

10. During the Material Time, Poirier sold Units to ten investors, as well as to his spouse. The ten investors paid approximately \$325,000 for the purchase of the Units through Poirier. Poirier's spouse paid \$15,000 for the purchase of the Units. Poirier earned commissions of approximately \$4,449.96 in respect of the sale of the Units.
11. During the Material Time, Poirier traded in securities, namely the Units, without the knowledge or consent of W.H. Stuart and accordingly, did not trade in accordance with his registration under section 26(1) of the Act.
12. Further, W.H. Stuart refused to participate in the sale of the Units, and communicated the firm's position to its salespersons, including Poirier, prior to the sale of the Units by Poirier to some of his clients. As stated above, Poirier accepted commissions from Dual Capital in respect of the sale of the Units, which commissions he did not disclose to W.H. Stuart.
13. Poirier represents to Staff of the Commission that he relied on the representations made by the principal of the promoter of the offering, DJL Capital Corp., as well as the Walls, the officers of Dual Capital Management Limited, that the sale of the securities complied with Ontario securities law and that the Units in Dual Capital Limited Partnership were a legitimate investment. However, Poirier acknowledges that he should not have recommended or sold the Units to his clients, having been told by his firm that its salespeople should not sell the Units.
14. Further, Poirier failed to conduct the appropriate due diligence concerning both the nature and quality of the investments in the Dual Capital Limited Partnership, and compliance with the requirements of Ontario securities law relating to the distribution of the Units. In particular, Poirier took the representations of the principals at face value notwithstanding significant discrepancies in the Offering Memorandum, including,

- (i) the lack of any logical and meaningful explanation as to how the investment worked and why it was able to generate significant rates of return;
- (ii) a logical inconsistency between a "no risk" investment and high rates of return; and
- (iii) the nonsensical nature of the investment proposal set out in the Offering Memorandum.

15. Further, contrary to Ontario Securities Commission Rule 31-505 s.1(5), Poirier failed to ascertain the suitability of the Units to the needs of the investors, the general investment needs and objectives of his clients and the suitability of the purchase of the Units for his clients. Some of Mr. Poirier's clients were charitable organizations. Other clients were unsophisticated, elderly and in ill health, or lived upon fixed incomes. Additionally, Mr. Poirier's clients suffered detrimental financial and emotional losses arising from his recommendation that they purchase the Units.

**Conduct Contrary To The Public Interest**

16. In summary, during the Material Time, Poirier violated Ontario securities law and engaged in conduct contrary to the public interest, by reason of the following:

- (a) Poirier traded in securities, as outlined above, where such trading constituted a distribution of such securities, without filing and obtaining a receipt for a prospectus and without an exemption to the prospectus requirement, contrary to section 53(1) of the Act;
- (b) Poirier failed to deal fairly and in the best interests of his clients, as described above;
- (c) Poirier traded in the Units without the knowledge or consent of his firm, W.H. Stuart;
- (d) Poirier failed to disclose to his firm that he accepted commission payments from Dual Capital in relation to the sale of the Units; and
- (e) Poirier failed to assess the suitability of Units to the needs of his clients.

**IV POSITION OF THE RESPONDENT, POIRIER**

17. Poirier is deeply saddened by the losses his clients have sustained and apologizes for being in any way connected to these investments.

**V TERMS OF SETTLEMENT**

18. The respondent, Poirier, agrees to the following terms of settlement:

- (a) pursuant to clause 2 of subsection 127(1) of the Act, Poirier will cease trading securities (which term includes, for the purpose of this settlement, a purchase of a security) for a period of 10 years effective the date of the Order of the Commission approving the proposed settlement agreement herein, with the exception that after one year from the date of the Order, Poirier is permitted to purchase or sell securities which are beneficially owned by him in his personal accounts in his name;
- (b) Poirier undertakes never to apply for registration in any capacity under Ontario securities law, and agrees to execute the undertaking to the Commission in the form attached as Schedule "B" to this settlement agreement;
- (c) Poirier agrees to be reprimanded by the Commission under clause 6 of subsection 127(1) of the Act;
- (d) Poirier will attend, in person, at the hearing before the Commission to consider the proposed settlement.

**VI STAFF COMMITMENT**

19. If this Settlement Agreement is approved by the Commission, Staff will not initiate any complaint to the Commission or request the Commission to hold a hearing or issue any order in respect of any conduct or alleged conduct of the respondent in relation to the facts set out in Part III of this Settlement Agreement.

**VII PROCEDURE FOR APPROVAL OF SETTLEMENT**

20. The approval of the settlement as set out in the Settlement Agreement shall be sought at a public hearing before the Commission in accordance with the procedures described herein and such further procedures as may be agreed upon between Staff and the respondent.

21. If this Settlement Agreement is approved by the Commission, it will constitute the entirety of the evidence to be submitted respecting the respondent in this matter and the respondent agrees to waive any right to a full hearing and appeal of this matter under the Act.

22. If this Settlement Agreement is approved by the Commission, the parties to this Settlement

Agreement will not make any statement that is inconsistent with this Settlement Agreement.

23. If, for any reason whatsoever, this settlement is not approved by the Commission, or the Order set forth in Schedule "A" is not made by the Commission:

(a) each of Staff and the respondent will be entitled to proceed to a hearing of the allegations in the Notice of Hearing and related Statement of Allegations unaffected by the Settlement Agreement or the settlement negotiations;

(b) the terms of the Settlement Agreement will not be raised in any other proceeding or disclosed to any person except with the written consent of Staff and the respondent or as may be otherwise required by law; and

(c) the respondent agrees that he will not raise in any proceeding the Settlement Agreement or the negotiation or process of approval thereof as a basis for any attack on the Commission's jurisdiction, alleged bias, appearance of bias, alleged unfairness or any other challenge that may otherwise be available.

24. If, prior to the approval of this Settlement Agreement by the Commission, there are new facts or issues of substantial concern, in the view of Staff, regarding the facts set out in Part III of this Settlement Agreement, Staff will be at liberty to withdraw from this Settlement Agreement. Notice of such intention will be provided to the respondent in writing. In the event of such notice being given, the provisions of paragraph 23 in this part will apply as if this Settlement Agreement had not been approved in accordance with the procedures set out herein.

**VIII DISCLOSURE OF SETTLEMENT AGREEMENT**

25. Staff or the respondent may refer to any part or all of this Settlement Agreement in the course of the hearing convened to consider this agreement. Otherwise, this Settlement Agreement and its terms will be treated as confidential by all parties to the Settlement Agreement until approved by the Commission, and forever if, for any reason whatsoever, this settlement is not approved by the Commission.

26. Any obligation as to confidentiality shall terminate upon the approval of this Settlement Agreement by the Commission.

**IX EXECUTION OF SETTLEMENT AGREEMENT**

27. This Settlement Agreement may be signed in one or more counterparts that together shall constitute a binding agreement and a facsimile copy of any signature shall be as effective as an original signature.

January 21, 2003.

"Owen Bury"  
Witness

"Benjamin Emile Poirier"  
Benjamin Emile Poirier

January 21, 2003.

"Michael Watson"  
Staff of the Ontario Securities Commission  
Per: Michael Watson

**SCHEDULE "A"**

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

**AND**

**IN THE MATTER OF  
BENJAMIN EMILE POIRIER**

**ORDER  
(Sections 127)**

**WHEREAS** on October 13, 1999 the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to section 127 of the *Securities Act* (the "Act") in respect of Benjamin Emile Poirier ("Poirier");

**AND WHEREAS** Poirier entered into a settlement agreement dated January 21, 2003 (the "Settlement Agreement") wherein he agreed to a proposed settlement of the proceeding, subject to the approval of the Commission, and wherein he provided to the Commission a written undertaking never to apply for registration in any capacity under Ontario securities law;

**AND UPON** reviewing the Settlement Agreement and the Statement of Allegations of Staff of the Commission, and upon hearing submissions from the respondent and from Staff of the Commission;

**AND WHEREAS** the Commission is of the opinion that it is in the public interest to make this Order;

**IT IS ORDERED THAT:**

- (1) the Settlement Agreement dated January 21, 2003, attached to this Order, is hereby approved;
- (2) pursuant to clause 2 of subsection 127(1) of the Act, Poirier will cease trading securities for a period of ten years effective the date of this Order, with the exception that after one year from the date of this Order, Poirier is permitted to purchase or sell securities which are beneficially owned by him in his personal accounts in his name; and
- (3) pursuant to clause 6 of subsection 127(1) of the Act, Poirier is reprimanded.

**DATED** at Toronto this      day of January, 2003

  

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**SCHEDULE "B"**

**IN THE MATTER OF  
BENJAMIN EMILE POIRIER**

**UNDERTAKING TO THE  
ONTARIO SECURITIES COMMISSION**

I, Benjamin Emile Poirier, am a Respondent to a Notice of Hearing dated October 13, 1999 issued by the Ontario Securities Commission. I undertake to the Ontario Securities Commission that I will never apply for registration in any capacity under Ontario securities law. I have agreed to this term of the settlement between Staff of the Commission and me dated January 21, 2003.

"Owen Bury"  
Witness

"Benjamin Emile Poirier"  
Benjamin Emile Poirier

January 21, 2003.

January 21, 2003.

Acknowledgement as Received by,

"John Stevenson"  
John Stevenson

January 28, 2003.

**2.2.3 Perigee Investment Counsel Inc. - s. 147**

**Headnote**

Exemption from fees otherwise due under Rule 45-501 on the distribution of units made by a private "underlying" fund arising in the context of a fund-of-fund structure.

**Statutes Cited**

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

**Applicable Ontario Rule**

OSC Rule 45-501, s. 7.3.

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

**AND**

**IN THE MATTER OF  
BRANDYWINE SMALL/MID CAP  
U.S. VALUE EQUITY FUND**

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

**UPON** the application (the "Application") of Perigee Investment Counsel Inc. ("Perigee"), the manager of the Brandywine Small/Mid Cap U.S. Value RP Fund (the "Top Fund"), and of the Brandywine Small/Mid Cap U.S. Value Fund (the "Underlying Fund"), to the Ontario Securities Commission (the "Commission") for an order pursuant to section 147 of the Act exempting the Underlying Fund from paying duplicate filing fees on an annual basis in respect of the distribution of units of the Underlying Fund to the Top Fund, the distribution of units of the Underlying Fund to Counterparties (defined herein) with whom the Top Fund has entered into forward contracts, and on the reinvestment of distributions on such units;

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

**AND UPON** Perigee having represented to the Commission that:

1. The Top Fund and the Underlying Fund are both part of the Perigee Pooled Funds and are each an open-end mutual fund trust established under the laws of Ontario. Perigee and The Royal Trust Company are the manager and the trustee, respectively, of both the Top Fund and the Underlying Fund. Neither the Top Fund nor the Underlying Fund is, and neither the Top Fund nor the Underlying Fund intends to become, a reporting issuer in any province of Canada. Units of the Top Fund and the Underlying Fund are each offered on a private placement basis to sophisticated purchasers in all of the provinces of Canada. Neither the Top Fund nor the Underlying

Fund provides investors with a confidential offering memorandum.

2. Perigee is a corporation established under the laws of Canada. Perigee is the manager and promoter of both the Top Fund and the Underlying Fund. Perigee is registered with the Commission as a mutual fund dealer and adviser in the categories of investment counsel and portfolio manager.
3. Neither the Top Fund nor the Underlying Fund is in default of any requirement of the Act.
4. As part of its investment strategy, the Top Fund enters into forward contracts with one or more financial institutions (individually, a "Counterparty" and collectively, the "Counterparties") that link the returns to the Underlying Fund.
5. A Counterparty may hedge its obligations under the forward contracts by investing in units (the "Hedge Units") of the Underlying Fund.
6. As part of its investment strategy, the Top Fund may purchase units of the Underlying Fund (the "Fund on Fund Investments").
7. Applicable securities regulatory approvals for the Fund on Fund Investments and the Top Fund's investment strategies are in the process of being obtained.
8. The Top Fund will, in accordance with the filing fee requirements of section 7.3 of Ontario Securities Commission Rule 45-501 - Exempt Distributions ("OSC Rule 45-501"), pay any applicable private placement filing fees when any units of the Top Fund are sold to investors.
9. Annually, the Underlying Fund will be required to pay filing fees in respect of the distribution of units in Ontario, including units issued to the Top Fund and the Hedge Units pursuant to section 7.3 of OSC Rule 45-501, and will similarly be required to pay fees based on the distribution of its units in other relevant Canadian jurisdictions pursuant to the applicable securities legislation in each of those jurisdictions.
10. A duplication of filing fees pursuant to section 7.3 of OSC Rule 45-501 will result when (a) assets of the Top Fund are invested in units of the Underlying Fund (b) Hedge Units are distributed and (c) a distribution is paid by the Underlying Fund on units of the Underlying Fund held by the Top Fund or Hedge Units which are reinvested in additional units of the Underlying Fund (the "Reinvested Units").

**AND UPON** the Commission being satisfied to do so would not be prejudicial to the public interest,

**IT IS ORDERED** by the Commission pursuant to section 147 of the Act that the Underlying Fund is exempt from the payment of duplicate filing fees on an annual basis pursuant to section 7.3 of OSC Rule 45-501 in respect of the distribution of units of the Underlying Fund to the Top Fund, the distribution of Hedge Units to Counterparties and the distribution of Reinvested Units, provided that the Underlying Fund shall include in its annual Form 45-501F1 a statement of the aggregate gross proceeds realized in Ontario as a result of the issuance by the Underlying Fund of (1) units distributed to the Top Fund, (2) Hedge Units and (3) Reinvested Units; together with a calculation of the fees that would have been payable in the absence of this Order.

January 31, 2003.

“Paul M. Moore”

“Kerry D. Adams”

**2.2.4 Mark Edward Valentine - s. 127**

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

**AND**

**IN THE MATTER OF  
MARK EDWARD VALENTINE**

**ORDER  
(Section 127)**

**WHEREAS** by Notice of Hearing dated January 7, 2003 Staff of the Commission have requested the Commission, pursuant to s. 127 of the Act:

- a) to extend the temporary order made July 8, 2002 (the “July Order”), on or before January 31, 2003, until the conclusion of this hearing pursuant to clause 7 of s. 127;
- b) at the conclusion of this hearing, to vary the July Order by removing the trading exemptions contained therein and extending the amended Order until July 31, 2003; and
- c) to make such other order as the Commission considers appropriate.

**AND WHEREAS** after hearing submissions of counsel for staff and counsel for Mr. Valentine;

**AND WHEREAS** the Commission has not yet come to a decision whether or not to extend, vary, or make such other order as it considers appropriate.

**IT IS HEREBY ORDERED** that the July Order is extended for such period until the Commission has made its decision.

January 31, 2003.

“Howard I. Wetston” “Robert W. Davis” “Robert L. Shirriff”

**2.2.5 Bourse de Montréal Inc. - s. 147, s. 80 of the CFA and s. 6.1 of OSC Rule 91-502**

**Headnote**

Extension to the order temporarily exempting the Bourse de Montréal from recognition as a stock exchange pursuant to section 21 of the Securities Act (Ontario) and registration as a commodity futures exchange pursuant to section 15 of the Commodity Futures Act (Ontario) and order granting an exemption from Part 4 of OSC Rule 91-502 until July 8, 2003.

**Provisions Cited**

Securities Act, R.S.O. 1990, Chapter c. S.5, as amended, section 21, 147.  
Commodity Futures Act, R.S.O. 1990, Chapter 20, as amended, sections 15, 80.  
OSC Rule 91-502 Trades in Recognized Options, Part 4 and section 6.1.

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

**AND**

**IN THE MATTER OF  
THE COMMODITY FUTURES ACT  
R.S.O 1990, CHAPTER 20, AS AMENDED  
(the CFA)**

**AND**

**IN THE MATTER OF  
OSC RULE 91-502 TRADES IN RECOGNIZED OPTIONS  
(Rule 91-502)**

**AND**

**IN THE MATTER OF  
BOURSE DE MONTRÉAL INC.**

**ORDER  
(Section 147 of the Act, section 80 of the  
CFA and section 6.1 of Rule 91-502)**

**WHEREAS** the Bourse de Montréal Inc., previously known as the Montreal Exchange and the Montréal Exchange Inc. (collectively referred to as the Bourse), has filed an application pursuant to section 147 of the Act and section 80 of the CFA for an order exempting the Bourse from the requirement to be recognized as a stock exchange under section 21 of the Act and registered as a commodity futures exchange under section 15 of the CFA;

**AND WHEREAS** the Bourse has filed an application for an order by the Director pursuant to section 6.1 of OSC Rule 91-502 that the Bourse is exempt from Part 4 of Rule 91-502 of the Commission;

**AND WHEREAS** the Bourse represented that the Bourse carries on business as a stock exchange and a derivatives exchange in Québec and is recognized under the Securities Act (Québec) as a self-regulatory organization;

**AND WHEREAS** the Bourse represented that the contracts traded or to be traded on the Bourse are approved by the Commission des valeurs mobilières du Québec (the CVMQ) and are filed with the Commission;

**AND WHEREAS** the Bourse is exempt from section 25 and section 53 of the Act pursuant to Ontario Securities Commission Rule 91-503 Trades of Commodity Futures Contracts and Commodity Futures Options Entered into on Commodity Futures Exchanges Situate Outside of Ontario;

**AND WHEREAS** an Order was granted by the Commission dated October 3, 2000 (the October 2000 Order) exempting the Bourse on an interim basis from the requirement to be recognized as a stock exchange under section 21 of the Act and registered as a commodity futures exchange under section 15 of the CFA;

**AND WHEREAS** Orders were granted by the Commission extending the October 2000 Order exempting the Bourse on an interim basis from the requirement to be recognized as a stock exchange under section 21 of the Act and registered as a commodity futures exchange under section 15 of the CFA until January 31, 2003;

**AND WHEREAS** the Commission is satisfied that granting the Bourse an extension of the October 2000 Order pursuant to section 147 of the Act and section 80 of the CFA on an interim basis would not be contrary to the public interest;

**AND WHEREAS** the Director is satisfied that an exemption from Part 4 of Rule 91-502 would not be contrary to the public interest;

**IT IS ORDERED** by the Commission pursuant to section 147 of the Act and section 80 of the CFA, that the Bourse be exempt from the requirement to be recognized as a stock exchange under section 21 of the Act and registered as a commodity futures exchange under section 15 of the CFA; and

**IT IS FURTHER ORDERED** by the Director pursuant to section 6.1 of Rule 91-502 that the Bourse is exempt from Part 4 of Rule 91-502;

**PROVIDED THAT** the Bourse continues to be recognized as a self-regulatory organization under the Securities Act (Québec) and that the exemptions pursuant to section 147 of the Act, section 80 of the CFA and section 6.1 of Rule 91-502 shall terminate at the earlier of:

- (i) the date that the Bourse is granted an order by the Commission recognizing it as a stock exchange and registering it as a commodity futures exchange or



exempting it from the requirement to be recognized as a stock exchange and registered as a commodity futures exchange; and

(ii) July 8, 2003.

January 31, 2003.

“Randee B. Pavalow” “Paul M. Moore” “Kerry D. Adams”

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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/Revoke
Consolidated Grandview Inc.	04 Feb 03	14 Feb 03		
Consumers Packaging Inc.	20 Jan 03	31 Jan 03	31 Jan 03	
Firstlane Inc.	21 Jan 03	31 Jan 03	31 Jan 03	
HomeProject.com Inc.	23 Jan 03	04 Feb 03	04 Feb 03	
Infolink Technologies Ltd.	23 Jan 03	04 Feb 03		31 Jan 03
Java Joe's International Corporation	31 Jan 03	12 Feb 03		
Northland Systems Training Inc.	23 Jan 03	04 Feb 03	04 Feb 03	
PC Chips Corporation	24 Jan 03	05 Feb 03	05 Feb 03	
Videoflicks.com Inc.	05 Feb 03	17 Feb 03		

### 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
Richtree Inc.	20 Dec 02	03 Jan 03	03 Jan 03	05 Feb 03	

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## Chapter 7

# Insider Reporting

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This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesSource (see [www.carswell.com](http://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](http://www.sedi.ca)).

## Chapter 8

# Notice of Exempt Financings

### Exempt Financings

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

#### REPORTS OF TRADES SUBMITTED ON FORM 45-501F1

<u>Transaction Date</u>	<u>Purchaser</u>	<u>Security</u>	<u>Total Purchase Price (\$)</u>	<u>Number of Securities</u>
02-Jan-2003	4 Purchasers	AADCO Automotive Inc. - Convertible Debentures	550,000.00	550,000.00
01-Jan-2002 12/31/02	14 Purchasers	Adaly M&A Opportunity Fund - Limited Partnership Units	3,150,000.00	1,553.00
10-Jan-2003	14 Purchasers	AlphaRx, Inc. - Units	539,000.00	980,000.00
04-Nov-2002	9 Purchasers	Aon Corporation - Convertible Debentures	14,885,000.00	2,750,000.00
27-Dec-2002	James & Sylvia McGovern	Arrow Enso Global Fund - Trust Units	63,068.24	610.00
18-Oct-2002 12/27/02	11 Purchasers	Arrow Global Multi-Strategy Fund - Trust Units	2,054,177.82	49,715.00
29-Nov-2002	3 Purchasers	Arrow Quant Market Neutral Fund - Trust Units	214,660.79	21,466.00
27-Dec-2002	James & Sylvia McGovern	Arrow WF Asia Fund - Trust Units	50,000.00	451.00
01-Oct-2002	RJE Investments Inc.	Ascendant Limited Partnership - Limited Partnership Units	5,000,000.00	5,106.00
01-Nov-2002	Arrow Global Multi Strategy Fund; Arrow Global Multi Manager Fund	Ascendant Volatility Fund Limited Partnership - Limited Partnership Units	500,000.00	500.00
10-Jan-2003	N/A	Avalon Ventures Ltd. - Flow-Through Shares	100,500.00	670,000.00
10-Jan-2003	QIT-Fer et Titane Inc.	Band-Ore Resources Ltd. - Common Shares	250,000.00	405,844.00
13-Jan-2003	Lillian Wannamaker; John Wannamaker	BioMS Medical Corp. - Common Shares	82,000.00	20,000.00
30-Jun-2002	TD Capital Private Equity Investors Partnership	Blackstone Communications Partners I L.P. - Limited Partnership Units	1,599,896.00	1,599,896.00

**Notice of Exempt Financings**

30-Jun-2002	TD Parallel Private Equity Investors Ltd.	Blackstone Communications Partners I L.P. - Limited Partnership Units	2,001,318.00	2,001,318.00
01-Mar-2002 12/2/02	George Tsiolis; Steve Bigg	Braintech, Inc. - Common Shares	26,100.00	30,000.00
31-Dec-2002	5 Purchasers	Condor Gold Corp. - Common Shares	82,000.00	82,000.00
07-Jan-2003	3 Purchasers	Condor Gold Corp. - Common Shares	0.00	22,000,000.00
07-Jan-2003	Royal Bank of Canada and Skypoint Capital Corporation	Core Networks Incorporated - Convertible Debentures	0.00	1,570,500.00
30-Dec-2002	32 Purchasers	Cranston, Gaskin, O'Reilly & Vernon - Trust Units	2,568,196.00	256,756.00
31-Dec-2002	11 Purchasers	Cranston, Gaskin, O'Reilly & Vernon - Trust Units	368,127.90	30,546.00
31-Dec-2002	8 Purchasers	Cranston, Gaskin, O'Reilly & Vernon - Trust Units	175,162.21	15,055.00
31-Dec-2002	Mark Gaskin; Nancy Williams 281B35R	Cranston, Gaskin, O'Reilly & Vernon - Trust Units	3,145.40	972.00
07-Jan-2003	17 Purchasers	Crescent Point Energy Ltd. - Special Warrants	7,633,000.00	1,796,000.00
26-Dec-2002	15 Purchasers	David J. Beckman c/o NTC Liquidating Trust - Common Shares	0.00	1,854,375.00
15-Jan-2003	Robert D. Crockford	Deans Knight Equity Growth Fund - Trust Units	200,000.00	159.00
03-Jan-2003	Superior Wellness & Sking Care Centre	Discovery Biotech Inc. - Common Shares	1,500.00	500.00
10-Jan-2002	Augen Limited Partnership 2002	Donner Minerals Ltd. - Flow-Through Shares	35,000.00	175,000.00
19-Jan-2003	4 Purchasers	Donner Minerals Ltd. - Units	215,000.00	215,000.00
17-Jan-2003	19 Purchasers	Drilcorp Energy Ltd. - Units	1,604,600.00	4,011,500.00
20-Jan-2003	4 Purchasers	Dynex Power Inc. - Common Shares	155,000.00	620,000.00
17-Jan-2003	Keith Chruchill	D.A-Test Inc. - Common Shares	10,000.25	11,765.00
15-Jan-2003	Son T. Tran	D.A-Test Inc. - Common Shares	15,000.80	17,648.00
22-Jan-2003	1313366 Ontario Limited	East West Resource Corporation - Units	10,000.00	100,000.00
15-Jan-2003	4 Purchasers	East West Resource Corporation - Units	47,500.00	475,000.00
31-Dec-2002	Max Nisker	Elysium Broadband Inc. - Common Shares	1.00	200,000.00

**Notice of Exempt Financings**

03-Jan-2003	Canadian Imperial Bank of Commerce	E. A. Viner International Co. - Convertible Debentures	251,285,000.00	90,841,572.00
30-Dec-2002	McCutcheon Comber Investment Management Inc.	Forte Oil Corporation - Flow-Through Shares	50,625.00	22,500.00
17-Jan-2003	31 Purchasers	Freegold Ventures Limited - Units	1,021,860.00	2,554,650.00
01-Jun-2002 12/27/02	35 Purchasers	Friedberg Global-Macro Hedge Fund - N/A	3,745,347.57	230,669.00
12-Jan-2002	BNY Trust Company of Canada	G-MAX 2002 FX-1 Ltd. - Notes	124,384,000.00	1.00
02-Jul-2002 1/16/03	Jacques Lapointe Milton	Galileo Genomics Inc. - Shares	50,000.00	32,388.00
23-Oct-2002	Polar Securities Inc.; Polar Securities Inc.	General Mills, Inc. - Convertible Debentures	5,306,035.00	7,900,000.00
30-Jun-2002	TD Capital Private Equity Investors Partnership	Genstar Capital Partners III, L.P. - Limited Partnership Units	2,372,890.00	2,372,890.00
30-Jun-2002	TD Parallel Private Equity Investors Ltd.	Genstar Capital Partners III, L.P. - Limited Partnership Units	2,968,261.00	2,968,261.00
20-Dec-2002	Norfolk Exploration Inc.	Greentree Gas & Oil Ltd. - Common Shares	2,437,500.00	1,875,000.00
31-Dec-2002	10 Purchasers	Highpine Oil & Gas Limited - Common Shares	651,177.40	235,280.00
11-Oct-2002	Cinram International Inc.	HSBC Euro Liquidity Fund - Units	3,914,803.20	2,500,000.00
11-Sep-2002	Cinram International Inc.	HSBC Euro Liquidity Fund - Units	1,533,276.60	1,000,000.00
24-Oct-2002	Cinram International Inc.	HSBC US Dollar Liquidity Fund - Units	3,122,000.00	2,000,000.00
10-Sep-2002	Cinram International Inc.	HSBC US Dollar Liquidity Fund - Units	1,572,000.00	1,000,000.00
16-Sep-2002	Cinram International Inc.	HSBC US Dollar Liquidity Fund - Units	4,747,500.00	3,000,000.00
19-Nov-2002	4 Purchasers	International Curator Resources Ltd. - Units	429,730.00	3,639,000.00
29-Nov-2002	Judith Fisher Keith	KBSH Goodwood Canadian Long/Short Fund - Units	100,000.00	11,879.00
05-Dec-2002	Enel Investments Company	KBSH Private - Private Global Leading Companies Fund - Units	319,297.35	40,002.00
09-Dec-2002	Shelley Mohr	KBSH Private - Private Global Leading Companies Fund - Units	200,000.00	25,361.00
10-Dec-2002	Colin Latham	KBSH Private - Private Global Leading Companies Fund - Units	318,297.94	40,199.00



**Notice of Exempt Financings**

28-Nov-2002	Judith Fisher	KBSH Private - Balanced Registered Fund - Units	334,197.54	40,226.00
28-Nov-2002	Judith Fisher LIRA	KBSH Private - Balanced Registered Fund - Units	28,277.95	3,404.00
09-Dec-2002	Shelley Mohr	KBSH Private - Canadian Equity Fund - Units	200,000.00	15,802.00
09-Dec-2002	Shelley Mohr	KBSH Private - Fixed Income - Units	400,000.00	38,502.00
12-Nov-2002	Norman Latsky Holdings Inc.	KBSH Private - Global Leading Companies Fund - Units	304,789.09	38,586.00
03-Dec-2002	Canadian Film Centre	KBSH Private - International Fund - Units	46,400.00	5,544.00
10-Dec-2002	Maggie Arden	KBSH Private - International Fund - Units	367,733.36	45,198.00
04-Dec-2002	Shelley Mohr	KBSH Private - Money Market - Units	2,000,000.00	200,000.00
13-Jan-2003	Toronto Dominion Bank; Toronto Dominion Tower	Keyspan Corporation - Common Shares	960,500.70	18,000.00
01-Feb-2002 8/01/02	3 Purchasers	King Street Capital, Ltd. - Preferred Shares	31,728,160.00	112,316.00
01-Oct-2002	Bank of Nova Scotia	King Street Capital, Ltd. - Preferred Shares	5,447,510.00	28,536.00
13-Jan-2003	Davida Clegg	Kinitos Inc. - Preferred Shares	50,000.00	108,696.00
31-Dec-2002	CMP 2002 Resources Limited Partnership and Dundee Securities Corporation	KWG Resources Inc. - Flow-Through Shares	550,000.00	3,666,666.00
17-Dec-2002	10 Purchasers	Lake Shore Gold Corp. - Common Shares	0.00	310,000.00
06-Jan-2002	Bruce Buchel	Legal Services Plan Inc. - Common Shares	5,000.00	500.00
31-Dec-2002	Steelcase Canada Ltd.	Leith Wheeler Diversified Pooled Fund - Units	1,033,190.67	105,196.00
30-Jun-2002	TD Capital Private Equity Investors Partnership	Lightspeed Venture Partners VI, L.P. - Limited Partnership Units	2,100,888.00	2,100,888.00
30-Jun-2002	TD Parallel Private Equity Investors Ltd	Lightspeed Venture Partners VI, L.P. - Limited Partnership Units	2,628,012.00	2,628,012.00
30-Jun-2002	TD Capital Private Equity Investors Partnership	Madison Dearborn Capital Partners IV, L.P. - Limited Partnership Units	612,018.00	612,018.00
30-Jun-2002	TD Parallel Private Equity Investors Ltd.	Madison Dearborn Capital Partners IV, L.P. - Limited Partnership Units	765,576.00	765,576.00

**Notice of Exempt Financings**

10-Jan-2003	N/A	Maple NHA Mortgage Trust - Debentures	20,000,000.00	20,000,000.00
20-Dec-2002	3 Purchasers	Marret High Yield Hedge Limited Partnership - Units	1,260,000.00	247,058.00
09-Jan-2003	Roger A. Dent	Mavrix Fund Managment Inc. - Common Shares	200,001.00	133,334.00
02-Jan-2003	The Higtower Trust; The Sommer Family	MCAN Performance Strategies - Limited Partnership Units	1,888,000.00	11,990.00
30-Jun-2002	TD Capital Private Equity Investors Partnership	Menlo Ventures IX, L.P. - Limited Partnership Units	2,880,652.00	2,880,652.00
30-Jun-2002	TD Parallel Private Equity Investors Ltd.	Menlo Ventures IX, L.P. - Limited Partnership Units	3,603,423.00	3,603,423.00
31-Dec-2002	6 Purchasers	Mercury Energy Corporation Ltd. - Common Shares	175,000.00	385,000.00
15-Jan-2003	SCR Canada Inc.	Meritus Realty Advisors Inc. - Common Shares	500,700.00	12,000.00
31-Dec-2002	27 Purchasers	Meston Resources Inc. - Units	3,636,220.00	532.00
19-Jun-2002	Bank of Montreal; Altamira	Methanex Corporation - Notes	1,926,750.00	1.00
15-Dec-2002	Skypoint II G.P. Co. Inc.	METCONNEX INC. - Convertible Debentures	390,300.00	225,000.00
31-Dec-2002	3 Purchasers	Milano Investments Limited Partnership - Limited Partnership Units	207,222.99	3.00
30-Dec-2002	9 Purchasers	Milano Investments Limited Partnership - Limited Partnership Units	828,524.64	12.00
14-Jan-2003	Creststreet 2002 (II) Limited Partnership	Mount Copper Wind Power Energy Inc. - Common Shares	120,000.00	116,400.00
19-Dec-2002	Creststreet Power Holdings Limited	Mount Copper Wind Power Energy Inc. - Common Shares	150,000.00	176,100.00
31-Dec-2002	26 Purchasers	MSV Resources Inc. - Units	1,683,780.00	532.00
15-Jan-2003	3 Purchasers	North American Oil Sands Corporation - Shares	1,097,999.00	1,097,999.00
01-Oct-2002	TD Capital Private Equity Investors Partnership	Oak Investment Partners X, Limited Partnership - Limited Partnership Units	1,929,623.00	1,929,623.00
01-Oct-2002	TD Parallel Private Equity Investors Ltd	Oak Investment Partners X, Limited Partnership - Limited Partnership Units	2,413,774.00	2,413,774.00
24-Dec-2002	Iain Laird	One Person Health Inc. - Common Shares	5,000.00	14,286.00
13-Jan-2003	Freegold Ventures Limited	Pacific North West Capital Corp. - Shares	17,100.00	17,100.00

**Notice of Exempt Financings**

30-Dec-2002	4 Purchasers	Patrician Diamonds Inc. - Common Shares	57,000.00	570,000.00
31-Dec-2002	Peter Nicholls	Performance Market Neutral Fund - Limited Partnership Units	100,000.00	76.00
30-Dec-2002	Augen Limited Partnership	Phoenix Matachewan Mines Inc. - Flow-Through Shares	50,000.00	500,000.00
01-Jan-2003	TD Capital Private Equity Investors Partnership	Providence Equity Partners IV L.P. - Limited Partnership Units	3,445,449.00	3,445,449.00
01-Jan-2003	TD Parallel Private Equity Investors Ltd.	Providence Equity Partners IV L.P. - Limited Partnership Units	4,309,933.00	4,309,933.00
15-Nov-2002	Wayne Brasseur	Quincy Resources Inc. - Units	11,861.25	50,000.00
07-Jan-2003	30 Purchasers	RBC Global Investment Management Inc. - Units	62,432,222.00	62,432,222.00
17-Jan-2003	Elliott & Page; Royal Bank of Canada	Remington Arms Company, Inc. - Notes	1,535,200.00	21.00
09-Jan-2003	3 Purchasers	Resin Systems Inc. - Units	1,250,000.00	2,500,000.00
28-Oct-2002	Canada Life Assurance Co.	Sara Lee - Notes	1,994,540.00	1.00
10-Jan-2003	176023 Canada Limited	Sec Cure Devices Inc. - Shares	150,000.00	52.00
16-Jan-2003	7 Purchasers	Second World Trader Inc. - Units	7,830.00	27.00
27-Jan-2003	4 Purchasers	Second World Trader Inc. - Units	1,550.00	7.00
30-Dec-2002	Canadian Friends of Aish Hatorah	Shore Gold Inc. - Common Shares	25,200.00	28,000.00
30-Dec-2002	Canadian Friends of Yeshvat Aish Thaorah	Shore Gold Inc. - Common Shares	100,000.00	111,111.00
30-Dec-2002	Canadian Friends of Yeshivat Aish Hatorah	Shore Gold Inc. - Common Shares	100,000.00	111,111.00
30-Dec-2002	Canadian Friends of Yeshivat Aish Hatorah	Shore Gold Inc. - Common Shares	100,000.00	111,111.00
30-Dec-2002	Canadian Friends of Aish Hatorah	Shore Gold Inc. - Common Shares	100,000.00	111,111.00
30-Dec-2002	Canadian Friends of Aish Hatorah	Shore Gold Inc. - Common Shares	200,000.00	222,222.00
30-Dec-2002	Canadian Friends of Aish Hatorah	Shore Gold Inc. - Common Shares	100,000.00	111,111.00
30-Dec-2002	Canadian Friends of Yeshivat Aish Hatorah	Shore Gold Inc. - Common Shares	50,000.00	55,555.00
10-Jan-2003	1378346 Ontario Inc.	Skywave Mobile Communications Inc. - Warrants	2,400,000.00	1,633,136.00

**Notice of Exempt Financings**

16-Dec-2002	Dundee Precious Metals Inc.; John Willett	South Atlantic Ventures Ltd. - Units	1,240,000.00	620,000.00
30-Jun-2002	TD Capital Private Equity Investors Partnership	Spectrum Equity Investors IV, L.P. - Limited Partnership Units	3,558,271.00	3,558,271.00
30-Jun-2002	TD Paralle Private Equity Investors Ltd.	Spectrum Equity Investors IV, L.P. - Limited Partnership Units	4,451,061.00	4,451,061.00
12-Nov-2002 12/31/02	270 Purchasers	Sprott Bull/Bear RSP Fund - Units	29,812,631.72	6,004,188.00
31-Jan-2002 7/31/02	496 Purchasers	Sprott Hedge Fund Limited Partnership - Limited Partnership Units	122,055,158.66	46,257.00
31-Aug-2002 12/31/02	123 Purchasers	Sprott Hedge Fund Limited Partnership II - Limited Partnership Units	26,382,955.34	2,699,544.00
01-Jan-2003	TD Capital Private Equity Investors Partnership	Sprout Capital IX, L.P. - Limited Partnership Units	1,003,767.00	1,003,767.00
01-Jul-2002	TD Capital Private Equity Investors Partnership	Sprout Capital IX, L.P. - Limited Partnership Units	4,244,336.00	4,244,336.00
01-Jan-2003	TD Parallel Private Equity Investors Ltd.	Sprout Capital IX, L.P. - Limited Partnership Units	1,255,617.00	1,255,617.00
01-Jan-2003	4 Purchasers	Stacey Investment Limited Partnership - Limited Partnership Units	475,033.00	20,197.00
31-Dec-2002	Dundee Securities Corporation	Supratek Pharma Inc. - Special Warrants	105,000.00	30,000.00
17-Jan-2002	Allan Rootenberg	Talware Networx Inc. - Units	250,000.00	2,500,000.00
02-Jan-2003	Lawrence Haber	The Alpha Fund - Limited Partnership Units	250,000.00	2.00
31-Dec-2002	Nutan Bhalla;Slawka & Anthony	The McElvaine Investment Trust - Trust Units	80,503.57	5,410.00
09-Jan-2003	15 Purchasers	Thistle Mining Inc. - Units	1,660,800.00	2,768,000.00
31-Dec-2002	N/A	Thornmark Investment Funds - Units	19,281,995.74	19,281,996.00
10-Jan-2003	20 Purchasers	Tiomin Resources Inc. - Common Shares	4,095,000.00	19,500,000.00
07-Jan-2003	7 Purchasers	Tres-or Resources Ltd. - Units	155,000.00	442,857.00
31-Dec-2002	3 Purchasers	True North Gems Inc. - Units	35,775.00	40,000.00
13-Jan-2003	3 Purchasers	TrueContext Corporation - Preferred Shares	525,273.00	673,318.00
15-Jan-2003	CastleHill Vetures Limited Partnership II Annex Fund	TrueSpectra Inc. - Notes	49,317.70	1.00

**Notice of Exempt Financings**

19-Dec-2002	The Canada Life Assurance Company	Valerie Falls Limited Partnership - Mortgage	20,000,000.00	1.00
04-Nov-2002	VentureLink Financial Services Innovation Fund Inc.	VCF Inc. - Debentures	2,800,000.00	2,800,000.00
22-Dec-2002	3 Purchasers	Vizable.com Inc. - Common Shares	193,963.00	961,539.00
30-Dec-2002	TD Capital Private Equity Investors Partnership	Willis Stein & Partners III, L.P. - Limited Partnership Units	3,052,530.00	3,052,530.00
30-Jun-2002	TD Parallel Private Equity Investors Ltd.	Willis Stein & Partners III, L.P. - Limited Partnership Units	3,818,427.00	3,818,427.00
01-Nov-2002	11 Purchasers	Xstream Software Inc. - Convertible Debentures	269,193.25	269,193.00
01-Mar-2002 12/31/02	5 Purchasers	YMG Institutional Fixed Income Fund - Units	5,540,000.00	535,331.00
14-Jan-2003	Ian Bowles	Zequra Technologies, Inc. - Convertible Debentures	75,000.00	1.00
24-Oct-2002	Ian Bowles	Zequra Technologies, Inc. - Convertible Debentures	75,000.00	1.00

**RESALE OF SECURITIES - (FORM 45-501F2)**

<u>Transaction Date</u>	<u>Seller</u>	<u>Security</u>	<u>Total Selling Price</u>	<u>Number of Securities</u>
14-Jan-2003	Investors Group Trust Co. Ltd.	Aecon Group Inc. - Common Shares		12,800.00

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

<u>Seller</u>	<u>Security</u>	<u>Number of Securities</u>
Ralph Sickinger	Carma Financial Services Corporation - Common Shares	785,000.00
Ralph Sickinger	Carma Financial Services Corporation - Common Shares	785,000.00
Larry Melnick	Champion Natural Health.com Inc. - Shares	29,900.00
F.D.L. & Associates Ltee	Cossette Communication Group Inc. - Shares	50,000.00
John A. Van Arem	Digital Rooster.com Inc. - Common Shares	20,000.00
Anthony Korculanic	Digital Rooster.com Inc. - Common Shares	20,000.00
Conrad M. Black	Hollinger Inc. - Preferred Shares	1,611,039.00
Stephen Sham	MedMira Inc. - Common Shares	282,000.00
ONCAN Canadian Holdings Ltd.	Onex Corporation - Shares	999,900.00
Consolidated Mercantile Incorporated	Polyair Inter Pack Inc. - Common Shares	100,000.00
Edensor Nominees Pty Ltd.	Tahera Corporation - Common Shares	1,996,008.00
Waterstone Investments Corporation	Waterstone Investments Corporation - Shares	500,000.00

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## Chapter 11

# IPOs, New Issues and Secondary Financings

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**Issuer Name:**

Brascan Corporation  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated February 3rd, 2003

Mutual Reliance Review System Receipt dated February 3rd, 2003

**Offering Price and Description:**

\$150,000,000 - 6,000,000 Cumulative Class A Preference Shares, Series 12.

Price: \$25.00 per Class A Preference Share, Series 12

**Underwriter(s) or Distributor(s):**

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

**Promoter(s):**

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**Project #511174**

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**Issuer Name:**

Canadian Oil Sands Trust  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated February 3rd, 2003

Mutual Reliance Review System Receipt dated February 3rd, 2003

**Offering Price and Description:**

\$ \* - \* Subscription Receipts, each representing the right to receive one Trust Unit

@ \$ \* per Subscription Receipt

**Underwriter(s) or Distributor(s):**

CIBC World Markets Inc.  
Merrill Lynch Canada Inc.

**Promoter(s):**

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**Project #511260**

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**Issuer Name:**

C&T STRIPS Program of CIBC World Markets Inc.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Shelf Prospectus dated January 30th, 2003

Mutual Reliance Review System Receipt dated January 30th, 2003

**Offering Price and Description:**

Strip Coupons, Strip Residuals and Strip Packages (including packages of Strip Coupons and Stripped Target Rate Securities) derived by CIBC World Markets Inc. From up to Cdn \$3,000,000,000 of Debt Obligations of Various Canadian Corporation and Trusts

**Underwriter(s) or Distributor(s):**

CIBC World Markets Inc.

**Promoter(s):**

CIBC World Markets Inc.

**Project #510672**

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**Issuer Name:**

Golden Star Resources Ltd.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated February 3rd, 2003

Mutual Reliance Review System Receipt dated February 3rd, 2003

**Offering Price and Description:**

Cdn \$40,200,000 - 13,400,000 Units @ \$3.00

**Underwriter(s) or Distributor(s):**

Canaccord Capital Corporation  
BMO Nesbitt Burns Inc.

**Promoter(s):**

-

**Project #511329**



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**Issuer Name:**

MAXIN Income Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Prospectus dated January 31st, 2003  
Mutual Reliance Review System Receipt dated February 4th, 2003

**Offering Price and Description:**

Maximum: \$\* (\* Units)

\$ @ \$10.00 per Unit

**Underwriter(s) or Distributor(s):**

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

**Promoter(s):**

Middlefield Group Limited  
Middlefield Maxin Management Limited  
**Project #511362**

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**Issuer Name:**

Millennium Bullionfund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated February 3rd, 2003  
Mutual Reliance Review System Receipt dated February 4th, 2003

**Offering Price and Description:**

Mutual Fund Securities Net Asset Value

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

Bullion Management Services Inc.  
**Project #508841**

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**Issuer Name:**

Mortgage-Backed Securities Trust  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Prospectus dated January 31st, 2003  
Mutual Reliance Review System Receipt dated February 4th, 2003

**Offering Price and Description:**

Maximum \$ \* - \* Units @ \$10.00 per Unit.

Minimum Purchase: 200 Units

**Underwriter(s) or Distributor(s):**

CIBC World Markets Inc.  
RBC Dominion Securities Inc.  
National Bank Financial Inc.  
BMO Nesbitt Burns Inc.  
TD Securities Inc.  
Canaccord Capital Corporation  
Desjardins Securities Inc.  
Dundee Securities Corporation  
First Associates Investments Inc.  
HSBC Securities (Canada) Inc.  
Raymond James Ltd.

**Promoter(s):**

Sentry Select Capital Corp.  
**Project #511430**

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**Issuer Name:**

Rogers Sugar Income Fund  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated January 30th, 2003  
Mutual Reliance Review System Receipt dated January 30th, 2003

**Offering Price and Description:**

\$50,160,000 - 11,400,000 Trust Units @ \$4.40 per Offered Unit

**Underwriter(s) or Distributor(s):**

CIBC World Markets Inc.  
Scotia Capital Inc.  
TD Securities Inc.  
National Bank Financial Inc.  
Griffiths McBurney & Partners

**Promoter(s):**

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**Project #510677**

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**Issuer Name:**

Special Opportunities Fund Ltd.  
Multiple Opportunities Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectuses dated January 29th, 2003

Mutual Reliance Review System Receipt dated January 30th, 2003

**Offering Price and Description:**

(Series A and F Securities)

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

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**Project #510343**

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**Issuer Name:**

Elliott & Page Money Fund  
Elliott & Page Active Bond Fund  
Elliott & Page Monthly High Income Fund  
Elliott & Page Balanced Fund  
Elliott & Page Growth & Income Fund  
Elliott & Page Value Equity Fund  
Elliott & Page Canadian Equity Fund (formerly The E&P Cabot Canadian Equity Fund)  
Elliott & Page Generation Wave Fund  
Elliott & Page Blue Chip Fund (formerly The E&P Cabot Blue Chip Fund)  
Elliott & Page Sector Rotation Fund  
Elliott & Page Growth Opportunities Fund  
Elliott & Page American Growth Fund  
Elliott & Page U.S. Mid-Cap Fund  
Elliott & Page International Equity Fund  
Elliott & Page Total Equity Fund  
Elliott & Page Global Multistyle Fund (formerly The E&P Cabot Global Multistyle Fund)  
Elliott & Page Global Sector Fund  
Elliott & Page Asian Growth Fund  
Elliott & Page Rsp American Growth Fund  
Elliott & Page Rsp U.S. Mid-Cap Fund  
Elliott & Page Rsp Total Equity Fund  
E&P Manulife Balanced Asset Allocation Portfolio  
E&P Manulife Maximum Growth Asset Allocation Portfolio  
E&P Manulife Tax-Managed Growth Portfolio  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated January 27th, 2003 to Simplified Prospectuses and Annual Information Forms dated August 28th, 2002

Mutual Reliance Review System Receipt dated 29<sup>th</sup> day of January, 2003

**Offering Price and Description:**

Mutual Fund Securities Net Asset Value

**Underwriter(s) or Distributor(s):**

Elliott & Page Limited

**Promoter(s):**

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**Project #466747**

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**Issuer Name:**

Keystone CI American Growth Fund (formerly Keystone Spectrum American Fund)  
Keystone CI Signature Select Canadian Fund (formerly Keystone Spectrum Equity Fund)  
Keystone Altamira Capital Growth Fund  
Keystone Altamira Equity Fund  
Keystone Altamira Science and Technology Capital Class  
Keystone Altamira e-business Capital Class  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated January 29th, 2003

(1) to Simplified Prospectuses

Keystone CI American Growth Fund (formerly Keystone Spectrum American Fund)

Keystone CI Signature Select Canadian Fund (formerly Keystone Spectrum Equity Fund)

and

(2) Annual Information Forms

Keystone Altamira Capital Growth Fund

Keystone Altamira Equity Fund

Keystone Altamira Science and Technology Capital Class

Keystone Altamira e-business Capital Class

dated May 29th, 2002

Mutual Reliance Review System Receipt dated 31<sup>st</sup> day of January, 2003

**Offering Price and Description:**

Series A, F, I, O and R securities

**Underwriter(s) or Distributor(s):**

Mackenzie Financial Corporation

**Promoter(s):**

Mackenzie Financial Corporation

**Project #438482**

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**Issuer Name:**

MIX AIM American Mid-Cap Growth Class  
MIX AIM Canadian First Class  
MIX Elliott & Page Growth Opportunities Class  
MIX Elliott & Page U.S. Mid-Cap Class  
MIX F.I. Canadian Disciplined Equity Class  
MIX F.I. Growth America Class  
MIX F.I. International Portfolio Class  
MIX SEAMARK Total Canadian Equity Class  
MIX SEAMARK Total Global Equity Class  
MIX SEAMARK Total U.S. Equity Class  
MIX Trimark Global Class  
MIX Trimark Select Canadian Class  
MIX Short Term Yield Class  
MIX Canadian Equity Value Class  
MIX Canadian Large Cap Core Class  
MIX Canadian Large Cap Growth Class  
MIX Canadian Large Cap Value Class  
MIX Global Equity Class  
MIX Global Sector Class  
MIX Global Value Class  
MIX International Growth Class  
MIX International Value Class  
MIX Japanese Class  
MIX U.S. Large Cap Core Class  
MIX U.S. Large Cap Growth Class  
MIX U.S. Large Cap Value Class  
MIX U.S. Mid-Cap Value Class  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated January 27th, 2003 to Simplified Prospectuses and Annual Information Forms dated October 29th, 2002  
Mutual Reliance Review System Receipt dated 29<sup>th</sup> day of January, 2003

**Offering Price and Description:**

Advisor Series and Series F shares

**Underwriter(s) or Distributor(s):**

Elliott & Page Limited

**Promoter(s):**

Elliott & Page Limited

**Project #482310**

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**Issuer Name:**

Scotia European Growth Fund  
Scotia Pacific Rim Growth Fund  
Scotia Latin American Growth Fund  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated January 28th, 2003 to Simplified Prospectuses and Annual Information Forms dated November 29th, 2002  
Mutual Reliance Review System Receipt dated 31<sup>st</sup> day of January, 2003

**Offering Price and Description:**

(Class A and F Units)

**Underwriter(s) or Distributor(s):**

Scotia Securities Inc.

**Promoter(s):**

The Bank of Nova Scotia

**Project #487082**

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**Issuer Name:**

Sentry Select REIT Fund  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated January 31st, 2003 to Simplified Prospectus and Annual Information Form dated December 20th, 2002  
Mutual Reliance Review System Receipt dated 4<sup>th</sup> day of February, 2003

**Offering Price and Description:**

Mutual Fund Securities Net Asset Value

**Underwriter(s) or Distributor(s):**

Sentry Select Capital Corp.  
NCE Financial Corporation

**Promoter(s):**

Sentry Select Capital Corp.

**Project #493975**

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**Issuer Name:**

Citadel Multi-Sector Income Fund  
Principal Regulator - Alberta

**Type and Date:**

Final Prospectus dated January 30th, 2003  
Mutual Reliance Review System Receipt dated 30<sup>th</sup> day of January, 2003

**Offering Price and Description:**

Minimum \$50,000,000 (5,000,000 Trust Units)  
Maximum \$ 300,000,000 (30,000,000 Trust Units)

**Underwriter(s) or Distributor(s):**

CIBC World Markets Inc.  
BMO Nesbitt Burns Inc.  
TD Securities Inc.  
National Bank Financial Inc.  
Scotia Capital Inc.  
Cancaccord Capital Corporation  
Desjardins Securities Inc.  
Dundee Securities Corporation  
HSBC Securities (Canada) Inc.  
Raymond James Ltd.  
Bieber Securities Inc.  
First Associates Investments Inc.

**Promoter(s):**

Citadel Multi-Sector Management Inc.

**Project #503170**

---

**Issuer Name:**

Investment Grade Trust  
Principal Regulator - Ontario

**Type and Date:**

Final Prospectus dated January 28th, 2003  
Mutual Reliance Review System Receipt dated 29<sup>th</sup> day of  
January, 2003

**Offering Price and Description:**

10,000,000 Units  
Price: \$10 per unit

Minimum Purchase: 100 Units

**Underwriter(s) or Distributor(s):**

RBC Dominion Securities Inc.  
CIBC World Markets Inc.  
BMO Nesbitt Burns Inc.  
Scotia Capital Inc.

National Bank Financial Inc.  
HSBC Securities (Canada) Inc.  
Desjardins Securities Inc.  
Canaccord Capital Corporation  
Dundee Securities Corporation  
Yorkton Securities Inc.

**Promoter(s):**

Hollister Capital Corporation  
Kensington Capital Partners Limited

**Project #490334**

---

**Issuer Name:**

Wireless Networks Inc.  
Principal Regulator - Alberta

**Type and Date:**

Final Prospectus dated January 28th, 2003  
Mutual Reliance Review System Receipt dated 29<sup>th</sup> day of  
January, 2003

**Offering Price and Description:**

Maximum Offering: \$1,500,000 (6,000,000 Units); Minimum  
Offering: \$500,000 (2,000,000 Units) and 7,644,000 Common Shares Issuable upon the  
Exercise of Special Warrants and 652,800 Agent's Options  
Issuable upon the Exercise of Broker's Warrants @\$0.25  
per Unit

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

Emerging Equities Inc.  
**Project #502574**

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**Issuer Name:**

Paramount Energy Trust  
Principal Regulator - Alberta

**Type and Date:**

Final Prospectus dated January 29th, 2003  
Mutual Reliance Review System Receipt dated 3<sup>rd</sup> day of  
February, 2003

**Offering Price and Description:**

Distribution by Paramount Resources Ltd. as a Dividend-in-  
Kind

of 9,909,767 Trust Units of Paramount Energy Trust  
-and-

Issue 29,729,301 Rights to Subscribe for up to 29,729,301  
Trust Units  
of Paramount Energy Trust at a price of \$5.05 per Trust  
Unit

**Underwriter(s) or Distributor(s):**

BMO Nesbitt Burns Inc.  
CIBC World Markets Inc.  
FirstEnergy Capital Corp.

**Promoter(s):**

Paramount Resources Ltd.

**Project #472327**

---

**Issuer Name:**

First Calgary Petroleum Ltd.  
Principal Regulator - Alberta

**Type and Date:**

Final Short Form Prospectus dated January 30th, 2003  
Mutual Reliance Review System Receipt dated 30<sup>th</sup> day of  
January, 2003

**Offering Price and Description:**

\$20,000,004.00 - 8,510,640 Common Shares @\$2.35 per  
Common Share

**Underwriter(s) or Distributor(s):**

Canaccord Capital Corporation  
Octagon Capital Corporation

**Promoter(s):**

-

**Project #509480**

---

**Issuer Name:**

Inter Pipeline Fund (formerly Koch Pipelines Canada, L.P.)  
Principal Regulator - Alberta

**Type and Date:**

Final Short Form Prospectus dated January 30th, 2003  
Mutual Reliance Review System Receipt dated 30<sup>th</sup> day of  
January, 2003

**Offering Price and Description:**

\$75,020,000 - 12,100,000 Class A Units @ \$6.20 per Unit

**Underwriter(s) or Distributor(s):**

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

**Promoter(s):**

-

**Project #509179**

---

**Issuer Name:**

Ivanhoe Mines Ltd.  
Principal Regulator - British Columbia

**Type and Date:**

Final Short Form Prospectus dated January 31st, 2003  
Mutual Reliance Review System Receipt dated 3<sup>rd</sup> day of February, 2003

**Offering Price and Description:**

\$60,000,000.00 - 20,000,000 Common Shares to be issued upon the exercise of 20,000,000 Special Warrants

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #508730**

**Issuer Name:**

Kinross Gold Corporation  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Shelf Prospectus dated January 29th, 2003  
Mutual Reliance Review System Receipt dated 29<sup>th</sup> day of January, 2003

**Offering Price and Description:**

46,414,663 Common Shares

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #508745**

**Issuer Name:**

Minefinders Corporation Ltd  
Principal Regulator - British Columbia

**Type and Date:**

Final Short Form Prospectus dated January 31st, 2003  
Mutual Reliance Review System Receipt dated 31<sup>st</sup> day of January, 2003

**Offering Price and Description:**

\$14,000,000.00 2,000,000 Common Shares @\$7.00

**Underwriter(s) or Distributor(s):**

BMO Nesbitt Burns Inc.  
Yorkton Securities Inc.  
Salman Partners Inc.

**Promoter(s):**

-

**Project #509496**

**Issuer Name:**

PrimeWest Energy Trust  
Principal Regulator - Alberta

**Type and Date:**

Final Short Form Prospectus dated February 4th, 2003  
Mutual Reliance Review System Receipt dated 4<sup>th</sup> day of February, 2003

**Offering Price and Description:**

\$154,500,000.00 - 6,000,000 Trust Units @\$25.75 per Trust Unit

**Underwriter(s) or Distributor(s):**

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

**Promoter(s):**

-

**Project #509841**

**Issuer Name:**

Shiningbank Energy Income Fund  
Principal Regulator - Alberta

**Type and Date:**

Final Short Form Prospectus dated January 31st, 2003  
Mutual Reliance Review System Receipt dated 31<sup>st</sup> day of January, 2003

**Offering Price and Description:**

\$50,100,000 3,340,000 Trust Units @ \$15.00 per Trust Unit

**Underwriter(s) or Distributor(s):**

CIBC World Markets Inc.  
BMO Nesbitt Burns Inc.  
Scotia Capital Inc.  
TD Securities Inc.  
National Bank Financial Inc.  
FirstEnergy Capital Corp.

**Promoter(s):**

-

**Project #508900**

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**Issuer Name:**

Western Oil Sands Inc.  
Principal Regulator - Alberta

**Type and Date:**

Final Short Form Prospectus dated January 30th, 2003  
Mutual Reliance Review System Receipt dated 30<sup>th</sup> day of  
January, 2003

**Offering Price and Description:**

\$50,225,000.00 - 2,050,000 Common Shares @\$24.50  
per Common Share

**Underwriter(s) or Distributor(s):**

TD Securities Inc.  
BMO Nesbitt Burns Inc.  
Griffiths McBurney & Partners  
Raymond James Ltd.  
RBC Dominion Securities Inc.  
Scotia Capital Inc.  
CIBC World Markets Inc.  
FirstEnergy Capital Corp.  
Peters & Co. Limited  
Salaman Partners Inc.  
Tristone Capital Inc.

**Promoter(s):**

-

**Project #508344**

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**Issuer Name:**

Excel Canadian Balanced Fund  
Excel India Fund  
Excel China Fund  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses and Annual Information  
Forms dated January 31st, 2003  
Mutual Reliance Review System Receipt dated 3<sup>rd</sup> day of  
February, 2003

**Offering Price and Description:**

Mutual Fund Units

**Underwriter(s) or Distributor(s):**

Excel Funds Management Inc.

**Promoter(s):**

Excel Funds Management Inc.

**Project #503789**

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**Issuer Name:**

U.S. Equity Fund  
Money Market Fund  
Global Healthcare Fund  
Global Financial Services Fund  
Global Equity Fund  
Euro Fund  
Convertible Growth & Income Fund  
Canadian Income Fund  
Canadian Equity Fund  
Canadian Bond Fund  
Principal Jurisdiction - Ontario

**Type and Date:**

Preliminary Simplified Prospectuses and Annual  
Information Forms dated October 8th, 2002  
Withdrawn on January 29th, 2003

**Offering Price and Description:**

Class A, F, and I Units

**Underwriter(s) or Distributor(s):**

CL Capital Management (Canada) Inc.

**Promoter(s):**

CL Capital Management (Canada) Inc.

**Project #485756**

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## Chapter 12

# Registrations

### 12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Rochdale Securities Corporation Attention: Grant A. Jameson c/o CSC Canada 160 Elgini St., Suite 2600 Ottawa ON K1P 1C3	International Dealer	Jan 29/03
New Registration	Mogavero, Lee & Co., Inc. Attention: John H. Macfarlane Blakes Extra-Provincial Services Inc. 199 Bay St., Suite 2800 PO Box 25, Commerce Court West Toronto ON M5L 1A9	International Dealer	Jan 28/03
New Registration	Goodman Institutional Investments Inc. Attention: Wendy Ann Brodtkin Scotia Plaza 55 <sup>th</sup> Floor 40 King Street West Toronto ON M5H 4A9	Limited Market Dealer	Jan 27/03
New Registration	Intelligo Financial Corporation Attention: Paul David Resnick 333 Wilson Avenue Suite 204 Toronto ON M3H 1T2	Commodity Trading Counsel Commodity Trading Manager	Jan 31/03
New Registration	Bear Stearns Asset Management Inc. Attention: Stephen Alan Bornstein 383 Madison Avenue New York NY 10179 USA	International Adviser Investment Counsel & Portfolio Manager	Feb 03/03
New Registration	HKC Securities, Inc. Attention: Kenneth G. Ottenbreit c/o 152928 Canada Inc. 5300 Commerce Court West PO Box 85 Toronto ON M5L 1B9	International Dealer	Feb 03/03
Change of Name	Ryan, Beck & Co., Inc. Attention: Kenneth G. Ottenbreit c/o 152928 Canada Inc. Commerce Court West, 53 <sup>rd</sup> Floor PO Box 85 Toronto ON M5L 1B9	From: Ryan, Beck & Co., LLC  To: Ryan, Beck & Co., Inc.	Oct 04/02
Change of Name	Putnam Lovell NBF Securities Inc. c/o Nadine S. Rockman Torys LLP Suite 3000 - 79 Wellington Street West Toronto ON M5K 1N2	From: Putnam Lovell Securities Inc.  To: Putnam Lovell NBF Securities Inc.	Jan 02/03



**Registrations**

<b>Type</b>	<b>Company</b>	<b>Category of Registration</b>	<b>Effective Date</b>
Change of Name	Leeward Hedge Funds Inc. Attention: Michael Brendan Kyne 1099 Yonge Street Toronto ON M4W 2L7	From: Leeward Capital Management Inc.  To: Leeward Hedge Funds Inc.	Sep 18/02
Change of Name	Credit Suisse First Boston LLC c/o McCarthy Tetrault Suite 4700, TD Bank Tower Toronto Dominion Centre Toronto ON M5K 1E6	From: Credit Suisse Boston Corporation  To: Credit Suisse First Boston LLC	Jan 17/03
Amalgamation	Gestion de Portefeuille NATCAN Inc./ NATCAN Investment Management Inc. Attention: Michel Tremblay 1100 University Avenue Suite 400 Montreal QC H3B 4L2	NATCAN Investment Management Inc. and Valorem Financial Inc.  To form: Gestion de Portefeuille NATCAN Inc./ NATCAN Investment Management Inc.	Nov 01/02

## Chapter 13

# SRO Notices and Disciplinary Proceedings

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### 13.1.1 IDA Discipline Penalties Imposed on April Shuk-Fan Che – Violation of By-law 29.1

Contact:  
Andrew Werbowski  
Enforcement Counsel  
(416) 943-5789

**BULLETIN #3094**  
December 24, 2002

#### DISCIPLINE

#### DISCIPLINE PENALTIES IMPOSED ON APRIL SHUK-FAN CHE – VIOLATION OF BY-LAW 29.1

**Person Disciplined** The Ontario District Council of the Investment Dealers Association of Canada has imposed discipline penalties on April Shuk-Fan Che, at the relevant times a registered representative with TD Evergreen Securities Inc., a Member of the Association.

**By-laws, Regulations, Policies Violated** Following a hearing on December 18, 2002, the Ontario District Council found Ms. Che to have violated Association By-law 29.1 by engaging in conduct unbecoming a registered representative in that she had participated in a series of off-book transactions in the distribution of certain shares and re-purchased certain shares from numerous dissatisfied customers.

**Penalty Assessed** The discipline penalties assessed against Ms. Che are as follows:

- A fine in the sum of \$35,000;
- An obligation to rewrite the CPH should she return to the industry;
- A requirement that Ms. Che be subject to strict supervision for a period of one year upon her return to the industry;
- Payment of Association costs in the sum of \$10,000.

**Summary of Facts** Ms. Che joined TD Evergreen in November 1994 and became registered with its Scarborough Branch in March of 1995. On February 17, 1999, Ms. Che was dismissed for cause and a Uniform Termination Notice dated March 5, 1999 was completed and forwarded to the Association. In addition, the Association received complaints from various former clients.

The UTN and complaints relate to off-book transactions in the distribution of shares of EPA Enterprises Inc. ("EPA") and Ecology Pure Air International, Inc. ("EPAI"). EPA was a public company which traded on the former VSE. It last traded on the VSE on March 3, 1995 at which time trading was halted at the request of the company. EPA was suspended from the VSE on July 5, 1995 and delisted on March 5, 1996. It was also subject to a cease trade order by the British Columbia Securities Commission from July 26, 1995 through August 18, 1995 and from August 11, 1997 onward.

From approximately March 1995 to November 1998 Ms. Che sold EPA shares to approximately 23 individuals, the majority of whom held accounts at TDE. The shares were made available by the President and CEO of EPA and EPAI and the transactions were made "off-book".

The proceeds of the transactions were payable to several third-party entities which were apparently controlled by the President and CEO of EPA and EPAI. No payment was made to, or recorded on the books and records of, TD Evergreen Securities Inc.

Ms. Che was responsible for the distribution of approximately 100,000 shares of EPA to various individuals. She did not deliver trade confirmations with respect to any of these transactions.

Ms. Che facilitated the purchase and sale of EPA and EPAI shares between clients, journaling the shares from one client account to the other. EPA and EPAI shares were journalled from one client account to

another on approximately 9 occasions during the period December 1996 through November 1998. In each case of shares being journalled between accounts, payment for the shares took place completely off-book, usually between the clients themselves.

During the period when the shares were being journalled off-book, the shares were subject to a cease trade order and were not trading on any exchange.

In addition, Ms. Che repurchased the shares of two dissatisfied clients at their original cost in off-book transactions.

At no time did Ms. Che advise TD Evergreen Securities Inc. of these dealings or transactions, nor did she advise of the client complaints.

The District Council specifically confirmed that in circumstances where a Respondent fails to deliver a Reply or attend at a Disciplinary Hearing, it is appropriate for the District Council to rely on the provisions of By-Law 20.16 and treat the facts as alleged in the Notice of Hearing and Particulars as having been proven by Staff of the Association.

Ms. Che is currently not employed in the securities industry.

Kenneth A. Nason  
*Association Secretary*

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