The Ontario Securities Commission

OSC Bulletin

May 30, 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)

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

MAY 30, 2003

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

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

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

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

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THE COMMISSIONERS

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

SCHEDULED OSC HEARINGS

DATE: TBA **ATI Technologies Inc., Kwok Yuen Ho, Betty Ho, JoAnne Chang, David Stone, Mary de La Torre, Alan Rae and Sally Daub**

s. 127

M. Britton in attendance for Staff

Panel: TBA

DATE: TBA **Jack Banks A.K.A. Jacques Benquesus and Larry Weltman***

s. 127

K. Manarin in attendance for Staff

Panel: PMM/KDA/MTM

* Larry Weltman settled on January 8, 2003

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
\+ April 29, 2003

DATE: TBA **Teodosio Vincent Pangia, Agostino Capista and Dallas/North Group Inc.**

s. 127

Y. Chisholm in attendance for Staff

Panel: TBA

June 5, 2003 10:00 a.m.	**Dual Capital Management Limited, Warren Lawrence Wall, Shirley Joan Wall** s. 127 J. Superina in attendance for Staff Panel: PMM	**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** **Global Privacy Management Trust and Robert Cranston** **M.C.J.C. Holdings Inc. and Michael Cowpland** **Ricardo Molinari, Ashley Cooper, Thomas Stevenson, Marshall Sone, Fred Elliott, Elliott Management Inc. and Amber Coast Resort Corporation** **Philip Services Corporation** **S. B. McLaughlin** **Livent Inc., Garth H. Drabinsky, Myron I. Gottlieb, Gordon Eckstein, Robert Topol**
June 25, 2003 10:00 a.m.	**The Farini Companies Inc., and Darryl Harris** s. 127 A. Clark in attendance for Staff Panel: HLM/KDA	
October 7 to 10, 2003	**Gregory Hyrniw and Walter Hyrniw** s. 127 Y. Chisholm in attendance for Staff Panel: TBA	

1.1.2 Speech by David Brown - Giving Investors Reason for Confidence: A Robust Response to the Financial Reporting Scandals

GIVING INVESTORS REASON FOR CONFIDENCE: A ROBUST RESPONSE TO THE FINANCIAL REPORTING SCANDALS

REMARKS BY DAVID A. BROWN, Q.C.
CHAIR, ONTARIO SECURITIES COMMISSION
AT THE BOARD OF TRADE
MAY 23, 2003

I'm pleased to have this chance to speak to you today. I want to talk to you about some of the steps that governments, regulators, self-regulating organizations and others have been taking to restore confidence and ensure Canada's ability to compete in the post-Enron world. A robust market that commands public confidence is important to our ability to create wealth, create jobs, and improve our standard of living. In other words, it has a direct relationship to what you do every day as business people. A fair, well-run market is important to Toronto's business community.

But before I talk about that I want to congratulate you for helping to deal with one of the toughest challenges that the Greater Toronto Area has ever faced. I am referring of course to SARS. We all know that the heroes in this battle were the health-care workers, who had to risk their lives. As a member of the board of the University Health Network, I am well aware of the kind of sacrifices our front-line health care workers made. But this was a challenge that demanded a response of many kinds and from many quarters. It required a response from Toronto's business community – and Toronto's business community came through. Whether it was marketing and information campaigns, special tourism promotions or mortgage payment deferral for many who were quarantined, Toronto's business sector made it clear that it is part of the community – and it is prepared to play its part.

This has been a difficult year for financial markets. It's been a difficult year for investors; and, yes, it's been a difficult year for securities regulators. To paraphrase an ancient Chinese curse, we've been living in "interesting' times. They've been the kind of interesting times that make you appreciate a little boredom every now and then.

A year ago, the United States was reeling from a string of major business failures. With very little warning, several of its largest corporations, some with near-icon status, encountered unexpected financial difficulties. The financial losses to investors and employees were serious. The revelation that malfeasance and fraud shared part of the blame was devastating.

The resulting crisis in confidence was contagious, quickly affecting markets all over the world. Canada was not immune. Early on, it became very apparent that investor fears were spilling across the Canada-U.S. border.

The International Organization of Securities Commissions (IOSCO) formed a task force comprised of the heads of securities regulators of the 15 largest industrialized countries to co-ordinate a global response to the crisis. I was privileged to Chair that group. In six short months, the group was able to formulate international best practices in the three most critical areas exposed by the U.S. failures: auditor independence; enhanced transparency and disclosure by public corporations; and independent oversight of the audit function.

Here in Canada, a number of initiatives were well underway:

- A new Canadian Public Accountability Board was created, chaired by former Bank of Canada Governor, Gordon Thiessen, to conduct annual reviews of the audit practices of accounting firms auditing public corporations. It is comprised of highly skilled directors, a significant majority of whom are independent of the accounting profession. The CPAB was created by the accounting profession in co-operation with provincial and federal regulators with a mandate to accomplish objectives similar to those established for its U.S. counterpart, the Public Company Accounting Oversight Board.

- The Canadian Institute of Chartered Accountants published for comment new requirements for auditor independence, combining the stringent new requirements proposed by the SEC with the latest initiatives by the International Federation of Accountants (IFAC).

- Working with our CSA colleagues, we published a new, harmonized National Instrument supplementing required disclosure by public companies in their annual Management Discussion and Analysis. The new requirements incorporated the supplemental disclosure mandated by the SEC in response to deficiencies exposed by the Enron and other failures. In a few weeks, the CSA will publish a revised version of the National Instrument incorporating suggestions received during the comment period plus additional requirements recently announced by the SEC.

- The IDA introduced a new policy governing analyst standards. Securities analysts are in a position of potential conflict of interest, since most of them work for firms that also run investment banking businesses. This produces concerns that the analyst's recommendations may be influenced by more than the best interests of the firm's investor clients. Canadian regulators have been considering these issues for several years. A committee established by the TSE, CDNX and IDA and chaired by Purdy Crawford had begun studying the issue in 1999, in response to concerns that were being raised about the role that analysts play in promoting stocks in the

marketplace. The committee set out 33 recommendations in its report. The IDA's new Policy 11 has incorporated some recently adopted US standards as well as most of the committee's recommendations. The result will be an approach to the regulation of research activities that acknowledges their cross-border nature, but addresses the conflicts that are specific to the Canadian markets. Increasingly, research reports are becoming cooperative cross-border ventures, with reports produced in Toronto being distributed in New York and other US cities, and vice versa. It is not just a matter of integrating rules. We have to attempt to facilitate, as much as possible, the increasing integration of the markets themselves, while remaining mindful of the inherent differences in those markets.

The U.S. congress was swift to react to the crisis in confidence that had roiled its markets. After months of intense and very public analysis, the Sarbanes-Oxley Act was signed into law effective July 30, 2002. It was immediately apparent that governance of public corporations and the regulation of financial markets would be fundamentally changed.

Shortly after the passage of the Sarbanes-Oxley Act, we wrote an open letter to all market participants in Ontario, alerting them to the impact these fundamental U.S. reforms could have for Canada and our ability to compete for capital. This sparked a very public consideration of the merits of introducing similar reforms in Canada. We sought advice from stock exchanges, self-regulatory organizations, industry associations, public interest groups and groups of like-minded market participants formed to address the crisis in investor confidence. We consulted with governments and market participants from all segments of our markets. We debated the issues (often publicly) with market commentators and other regulators. We attended conferences and seminars and met with focus groups. And, we listened.

Here's what we were told:

First, we were told that Canadians are entitled to a regulatory regime that is as comprehensive and dynamic as the regime established by our neighbours. We were told that it would be a mistake to think that we can write the issue off as an American problem. The big scandals erupted south of the border, but they emitted after-shocks that cannot be restrained by political borders.

Second, we were told that equal regulatory protection does not mean identical protection. Canada and the United States are different countries. We were told that we need to take into account the different composition of the Canadian market. Canada has a much higher proportion of small-cap public companies than the United States and a much higher proportion of controlled companies. Roughly 80 per cent of public companies in Canada are closely-held, compared to only 20 per cent in the U.S.

Somewhat conversely, however, we were also told that we should avoid a two-tier market. In the United States, all listed companies are covered by Sarbanes-Oxley.

Later in my remarks, I will explain how we have addressed these issues in moving forward with specific initiatives.

Lastly, we were told that we should take account of the fact that Canadian governance requirements have historically relied more on principles compared to the rules-based culture in the U.S.

Let me digress for a moment to address this issue.

A regulatory regime that is clearly based on governing principles is of course a Canadian tradition, one that we respect.

But it is very difficult for market participants to apply principles. It is difficult for the courts to interpret them and it's difficult to enforce them. And it is especially difficult to apply principles with the consistency that is required if they are to serve as an effective deterrent and a symbol of assurance to all market participants.

Securities regulation must be based on clear principles. Principles do indeed give voice to our conscience. But rules give life to it.

The notion that we have to decide between principles and rules is a red herring. What we are really deciding, as a commentator noted this past week, is whether we are going to take steps as a society to ensure specific requirements for public companies, or whether we are going to rely on the conscience of individual market players to determine if we are going to have a safe market in which to invest.

To put our consciences into action, our principles must give birth to rules. Neither issuers nor investors should be forced to read our minds. We must make our intentions clear.

The provincial and federal governments have made additional important contributions to restoring investor confidence.

Last month the Province of Ontario proclaimed into law a series of amendments to the *Securities Act* and the *Commodity Futures Act.* These amendments give the OSC rule-making authority to promote management accountability, auditor independence, and stronger audit committees. It gives the OSC the authority to levy an administrative penalty of up to one million dollars, and the ability to order the disgorgement of profits made as a result of a breach of the *Securities Act.* The legislation also gives the courts authority to impose higher fines and longer jail terms – a strong signal that stiffer sentences are needed in this area.

Finance Minister Manley announced in his recent budget that increased federal resources will be made available to combat criminal activity in our capital markets, to expand

- RCMP investigative capacity in this area and increase resources for criminal prosecutions.

- The federal government is also proposing amendments to the Canada Business Corporations Act to impose higher corporate governance standards on CBCA companies. To avoid regulatory duplication, federal officials have indicated that companies that comply with new OSC rules would be deemed to be in compliance with any changes to federal legislation.

We've heard from market participants, and governments have demonstrated their concerns. Our challenge as regulators is to address all of the issues, including the concern about Canada's distinct regulatory character. We must introduce reforms that are every bit as robust as U.S. reforms; but tailored specifically to our markets and their unique needs. In other words, we needed to develop a made in Canada solution.

But it is important to recognize that any proposed solution must actually solve the problems. It must ensure that Canada is an appealing place to invest. It must ensure that Canadian listed companies can raise money on the global capital markets. And it must ensure that our market rules are compatible with our largest trading and investment partner. As one Toronto columnist put it last weekend, "Sarbanes-Oxley is the new gold standard in the world's dominant capital market." In a Policy Comment issued last month by the University of Toronto Capital Markets Institute, Sarbanes-Oxley was described as the "global high water mark in corporate governance".

The North American markets are too integrated for Canadians to think that the U.S. could adopt a new, robust set of market standards, that we could simply ignore, as though our markets have no relationship with each other.

Emerging from the consultation and public discussion of the past 10 months is a course of action that we believe is appropriate for Ontario and Canada – indeed essential. It's time for us to provide specifics.

On June 27, we will introduce three new rules for comment. They deal with:

- CEO and CFO certification of annual and interim disclosures;
- the role and composition of audit committees;
- a rule to support the work of the Canadian Public Accountability Board in its oversight of auditors of public companies.

We understand that a number of Canadian provinces and territories will join with us in this initiative. These rules will be accompanied by a rigorous cost-benefit analysis, to be made publicly available.

These three rules are very much made in Canada, to deal with unique Canadian circumstances. They are as robust as the rules in the United States. We believe they will be as effective as the U.S. rules in restoring investor confidence. But they are Canadian rules, with input from Canadian participants.

The first rule will require the CEOs and CFOs of all Canadian public companies to
each file an annual and interim certificate in which they personally certify that based on their knowledge:

- their issuer's annual and interim filings do not contain a misrepresentation; and
- their issuer's annual and interim financial statements fairly present the financial condition of the issuer

This representation is not qualified by the phrase "in accordance with generally accepted accounting principles", a phrase typically found in a Canadian audit opinion. This qualification has been specifically excluded to prevent management from relying entirely upon compliance with GAAP procedures in this representation, particularly where the results of a GAAP audit may not fairly reflect the overall financial condition of a company.

In our view, fair presentation includes:

- the selection and proper application of appropriate accounting policies
- disclosure of financial information that is informative and reasonably reflects the underlying transactions
- inclusion of additional disclosure necessary to provide investors with a materially accurate and complete picture of financial condition, results of operations and cash flows.

CEOs and CFOs will also be required to certify that they have reasonable internal controls in place, and the rule will specify that they must evaluate the effectiveness of these controls and disclose any deficiencies to the firm's audit committee and auditors. This requirement will be phased-in after one year. However, we will not prescribe the degree of complexity or any specific policies or procedures that must make up an issuer's internal controls. Rather, it will be left to the judgement of the issuer's CEO and CFO to ensure that adequate controls are in place.

This rule is comparable to similar measures undertaken by the SEC in response to Sarbanes-Oxley.

We believe that it is crucial for this rule to apply to all Canadian public companies, and that it will not be overly burdensome for smaller issuers to satisfy. In our consultations, stakeholders told us that we should not have a two-tiered approach for CEO/CFO certification. If the CEO and CFO cannot stand behind the company's financial information, the company should not be publicly traded.

The second rule concerns the role and composition of audit committees. The recent U.S. scandals have demonstrated the dangers of permitting management to oversee the relationship between an issuer and its external auditors. The conflict of interest inherent in this arrangement is exacerbated where the external auditors begin to consider management their client – rather than the issuer and its shareholders.

International best practices suggest that the external auditors should report to a body that is independent of management. In the U.S., the Sarbanes-Oxley Act requires the external auditors to report to the audit committee of the board that is completely independent of management. U.S. listed issuers will now be required to have an independent audit committee that is directly responsible for the appointment, compensation, retention and oversight of the work of the external auditors and to whom the external auditors must report directly. By barring management from any oversight role with respect to the external auditors, the U.S. requirements facilitate the independent review and oversight of a company's financial reporting processes and external auditors.

We have heard from our stakeholders that Canadian investors should be afforded equivalent protection. We agree. We believe that we must introduce into Canada rules regulating the composition and responsibilities of audit committees that conform to, and are as robust as, those that have been introduced in the United States and internationally recognized best practices. But, as I have already discussed, we must be sensitive to the unique needs of our market and the nature of our corporate law.

We believe that our proposed new rule achieves this objective. Under the rule, every audit committee must have a minimum of three members, and each member must be independent and financially literate. In addition, an issuer must disclose whether or not there is a financial expert serving on its audit committee.

Under the rule, an audit committee member is independent if he or she has no direct or indirect material relationship with the issuer; that is, a relationship that could, in the view of the board of directors, reasonably interfere with the exercise of the member's independent judgement. In addition, certain relationships that are set out in the rule are deemed to constitute material relationships with the issuer.

Financial literacy will be defined in the rule as the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues comparable to those that can reasonably be expected to be raised by the issuer's financial statements. In other words, an individual's financial literacy will be determined in relation to the issuer in question.

The definition of an audit committee financial expert in the rule will be virtually identical to the definition that has been adopted in the U.S.

The proposed rule will require that each audit committee must be responsible for, among other matters:

- recommending to the board of directors the external auditors to be nominated for the purpose of preparing or issuing an audit report (and any related work), as well as the compensation to be paid to such auditors;
- overseeing the work of external auditors engaged for the purpose of preparing or issuing an audit report and related work;
- pre-approving all non-audit services to be provided by the external auditors; and
- reviewing the issuer's financial statements, MD&A and earnings press releases before this information is disclosed by the issuer.

We believe these provisions are appropriate for our larger and more liquid companies – those listed on the TSX. But what about small issuers? We heard that it would be unfair to hold them to the same standard; that it would constitute an unfair burden on their resources, and an unacceptable barrier to their ability to access the public markets and compete. In the U.S., small issuers, those issuers that are too small to qualify their shares for listing on a U.S. exchange or Nasdaq are exempt from the provisions of the Sarbanes-Oxley Act. Since a small Canadian issuer listed on TSX Venture Exchange generally would not be large enough to qualify as a listed company in the United States, they will be largely exempted from the provisions of the proposed rule. They will be required only to disclose whether or not they have an audit committee, and if they have an audit committee, the names of its members and whether those members are independent and financially literate.

The draft rule also recognizes the unique needs of closely-held companies. Consistent with parallel U.S. regulation, the draft rule permits an independent director of a company to be a member of the audit committee of an affiliated entity. Thus, an independent director of a parent company would be permitted to be a member of the audit committee of a subsidiary.

The third rule that we are releasing for comment in June puts some teeth into the Canadian Public Accountability Board. It will require financial statements to be audited by a firm that is in good standing with the CPAB.

The draft rules recognize that Canada is an independent country with its own unique market. But they also recognize that we share in the global need to ensure investor confidence.

Ladies and gentlemen, our system and structure for securities regulation is not something that we can assume will always stay the same. It has to reflect market realities. It has to reflect the broader base of investors, and the need to maintain their confidence in market integrity. It has to reflect the fact that we live in an interconnected world.

We have met the challenge that we set for ourselves. We've consulted with stakeholders. We've listened to what

they have to say. Canadian measures to restore investor confidence will be as robust as those implemented in the U.S., but they will reflect the differences in Canadian markets:

- we will have comparable rules dealing with analyst standards and potential conflicts of interest;
- we will have comparable reforms to increase auditor independence;
- we will have tough new sanctions to deal with violators;
- CEOs and CFOs of all Canadian public companies will be required to certify financial results;
- audit firms will be required to be in good standing with the new CPAB in order to issue audit opinions for public companies; and
- audit committees, independent of management, will have oversight responsibilities in connection with the audit and financial reporting.

These reforms have support from investors, the business community and other Canadian securities commissions.

They will help ensure a Canadian market that is fair to Canadians, and a Canadian economy that is able to compete.

Thank you.

1.1.3 Approval of Amendments to IDA Regulation 100.4 – Capital Share, Convertible Security and Exercisable Security Offsets – Notice of Commission Approval

AMENDMENTS TO IDA REGULATION 100.4 – CAPITAL SHARE, CONVERTIBLE SECURITY AND EXERCISABLE SECURITY OFFSETS

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission approved amendments to IDA Regulation 100.4 regarding capital share, convertible security and exercisable security offsets. The Alberta Securities Commission approved and the British Columbia Securities Commission did not object to these amendments. The purpose of the amendments is to establish specific capital and margin requirements for capital share, convertible security and exercisable security offsets that are reflective of their market risk. A copy and description of these amendments were published on November 8, 2002 at (2002) 25 OSCB 7402. No comments were received. The final amendments to Regulation 100.4G(d) to 100.4G(e) blacklined from the version published on November 8, 2002 are contained in Chapter 13 of this Bulletin.

1.3 News Releases

1.3.1 OSC to Consider a Settlement Between Staff and Thomas Stevenson

FOR IMMEDIATE RELEASE
May 21, 2003

OSC TO CONSIDER A SETTLEMENT BETWEEN STAFF AND THOMAS STEVENSON

TORONTO – On May 22, 2003 at 10:45 a.m., the Commission will convene a hearing to consider a settlement reached by Staff of the Commission and the respondent Thomas Stevenson.

During the material time, Stevenson was registered with the Commission to sell mutual fund securities and was sponsored by CCI Capital Canada Limited. Staff alleges that CCI agreed to sell and did sell securities of a company called Amber Coast Resort Corporation. CCI was not registered to sell these securities. Staff alleges that Stevenson's conduct facilitated this unregistered activity.

The terms of the Settlement Agreement are confidential until approved by the Commission. The hearing is open to the public except as may be required for the discussion of confidential matters.

Copies of the Notice of Hearing issued June 15, 2001 and the Statement of Allegations are available on the Commission's website at **www.osc.gov.on.ca**.

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 Chair David Brown to Address the Toronto Board of Trade on Action Taken to Address Investor Confidence

FOR IMMEDIATE RELEASE
May 22, 2003

OSC CHAIR DAVID BROWN TO ADDRESS THE TORONTO BOARD OF TRADE ON ACTION TAKEN TO ADDRESS INVESTOR CONFIDENCE

TORONTO – In his first public speech since his reappointment as Chairman of the Ontario Securities Commission, David Brown will address the ongoing campaign to rebuild investor confidence in the capital markets.

The speech will kick off a series of speaking events that will take Brown across the country and to the U.S.

David Brown was first appointed Chairman of the OSC in April 1998. Since his appointment, the OSC has moved from a government agency to a self-funded Crown Corporation with a focus on providing effective protection to investors and maintaining strong, efficient Canadian capital markets.

Mr. Brown will be available to answer media questions following his remarks.

When: Friday, May 23
7:45 am to 9 am

Where: Toronto Board of Trade
1 First Canadian Place
Adelaide Street Entrance
Toronto, Ontario
Phone: 416-366-6811

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 Chair David Brown Speaking Engagements Vancouver, New York, Banff, Ottawa

FOR IMMEDIATE RELEASE
May 23, 2003

OSC CHAIR DAVID BROWN
SPEAKING ENGAGEMENTS
VANCOUVER, NEW YORK, BANFF, OTTAWA

TORONTO – In his first public speech since his reappointment as Chairman of the Ontario Securities Commission, David Brown today addressed the ongoing campaign to rebuild investor confidence in the capital markets. Today's speech to the Toronto Board of Trade kicks off a series of speaking events that will take Mr. Brown across the country and to the U.S.

Mr. Brown will be available to answer media questions following his remarks at the following events.

Vancouver, BC, May 28, 2003
Capital Ideas 2003 – A Dialogue with the BCSC
9:30 – 10:30 a.m. Morning Panel: Alternatives and Choices
Four Seasons Hotel, 791 West Georgia St, Vancouver
Online registration: www.bcsc.bc.ca

New York, New York, June 4, 2003
Canadian Society in New York Luncheon
12:00 – 1:30 p.m.
The Harvard Club, 27 West 44 Street, New York
Online information: http://www.canadian-society.com/events.html

Banff, Alberta, June 13, 2003
Financial Executives International Canada: *Peak Performance – Leadership Challenges*
8:00 – 8:45 a.m. Keynote Address
Rimrock Resort Hotel, Banff
Registration contact: Kathy Polak, FEI, 416 366-3007 ext. 5112

Ottawa, Ontario, June 18, 2003
National Press Club Newsmaker Breakfast
7:45 – 9:00 a.m.
National Press Club Dining Room, 150 Wellington Street
Registration contact: 613 233-5641

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)

1.3.4 OSC Rejects Proposed Settlement Between Staff and Thomas Stevenson

FOR IMMEDIATE RELEASE
May 23, 2003

OSC REJECTS PROPOSED SETTLEMENT BETWEEN STAFF AND THOMAS STEVENSON

TORONTO – On May 22, 2003 the Commission convened a hearing to consider a settlement reached by Staff of the Commission and the respondent Thomas Stevenson.

During the material time, Stevenson was registered with the Commission to sell mutual fund securities and was sponsored by CCI Capital Canada Limited. Staff alleges that CCI agreed to sell and did sell securities of a company called Amber Coast Resort Corporation. Staff alleges that CCI was not registered to sell these securities and that Stevenson's conduct facilitated this unregistered activity.

The Commission did not approve the settlement agreement. In accordance with standard Commission procedure, the terms of the Settlement Agreement will remain confidential given that they were not approved.

Staff of the Commission are now assessing options for future steps to be taken in this case.

Copies of the Notice of Hearing issued June 15, 2001 and the Statement of Allegations are available on the Commission's website at **www.osc.gov.on.ca**.

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416-595-8913

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1-877-785-1555 (Toll Free)

1.3.5 OSC Approves the Settlement Between Staff and Trafalgar Associates Limited and Edward Furtak

FOR IMMEDIATE RELEASE
May 27, 2003

OSC APPROVES THE SETTLEMENT BETWEEN STAFF AND TRAFALGAR ASSOCIATES LIMITED AND EDWARD FURTAK

TORONTO – The Commission approved a settlement on May 15 reached between Staff of the Commission and the respondents Trafalgar Associates Limited and Edward Furtak.

During the material time, Trafalgar was registered with the Commission as a limited market dealer. Furtak was not registered with the Commission. Pursuant to the Settlement Agreement, Trafalgar and Furtak agreed that they participated in distributions of units in the FFWD-98 Limited Partnership and shares in Conexys Corporation Limited, formerly FaxForward International Ltd. Such distributions contravened Ontario securities law. Trafalgar also engaged in conduct that contravened sections 44 and 45 of the Act. In connection with one elderly client, Furtak engaged in unregistered trading.

As a result of settlement discussions with Staff, Trafalgar redeemed all investments in FFWD-98. Accordingly, all investors in FFWD-98 received from Trafalgar monies representing the full purchase price of their initial investment. The transactions relating to Furtak's client were similarly reversed.

The Commission reprimanded the respondents and ordered that Furtak be prohibited from trading securities for six months. Trafalgar undertook to the Commission that it would not apply for registration with the Commission for four months. The Commission ordered total costs of $7,500 payable by the respondents.

Copies of the Commission Order and approved Settlement Agreement are available on the Commission's website, **www.osc.gov.on.ca**.

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)

1.3.6 OSC Hearing Regarding First Federal Capital (Canada) Corporation and Monte Morris Friesner Adjourned to May 29, 2003

FOR IMMEDIATE RELEASE
May 27, 2003

OSC HEARING REGARDING FIRST FEDERAL CAPITAL (CANADA) CORPORATION AND MONTE MORRIS FRIESNER ADJOURNED TO MAY 29, 2003

TORONTO – The hearing in this matter, originally scheduled for May 28, 29 and 30, 2003, has been rescheduled to Thursday May 29, 2003 only. The hearing will be conducted in the Large Hearing Room of the Commission's offices located at 20 Queen Street West, Toronto, and is scheduled to begin at 10:00 am.

A copy of the Notice of Hearing and Amended Amended Statement of Allegations is available at **www.osc.gov.on.ca**.

For Media Inquiries: Frank Switzer
Director, Communications
416-593-8120

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 CMP 2003 Resource Limited Partnership - MRRS Decision

Headnote

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

Applicable Ontario Statutes

Securities Act, R.S.O. 1990, c. S.5, as amended, ss. 77(1), 79, 80(b)(iii).

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, 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
CMP 2003 RESOURCE LIMITED PARTNERSHIP

MRRS DECISION DOCUMENT

WHEREAS the securities regulatory authority or regulator (the "Decision Maker") in each of the Provinces of British Columbia, Alberta, Ontario, Nova Scotia and Newfoundland (the "Jurisdictions") has received the application of CMP 2003 Resource Limited Partnership (the "Partnership") for a decision pursuant to the securities legislation (the "Legislation") of the Jurisdictions exempting the Partnership from the requirements of the Legislation to file with the Decision Makers and send to its securityholders (the "Limited Partners") interim financial statements for the first and third quarters of each financial year of the Partnership;

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

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

1. the Partnership is a limited partnership formed pursuant to the *Limited Partnerships Act* (Ontario) on December 19, 2002;

2. on March 28, 2003, the Decision Makers issued a receipt for a prospectus of the Partnership (the "Prospectus") dated March 27, 2003 with respect to the offering of units of the Partnership ("Partnership Units");

3. the Partnership was formed for the purpose of investing the proceeds from the issue and sale of the Partnership Units primarily in flow-through shares of corporations that represent to the Partnership that they are principal business corporations as defined in the *Income Tax Act* (Canada) and that they intend to incur Canadian Exploration Expense;

4. the Partnership Units have not been and will not be listed for trading on a stock exchange;

5. at the time of purchase or transfer of Partnership Units, each of the purchasers or transferees of Partnership Units will consent to the exemption requested herein by executing the subscription and power of attorney form in respect of their purchase of Partnership Units;

6. it is disclosed in the Prospectus that Dynamic CMP Funds VI Management Inc., as the General Partner of the Partnership, will apply for the relief granted herein;

7. on or before July 1, 2005, each Partnership will be liquidated and the Limited Partners will receive their *pro rata* share of the net assets of the Partnership. The General Partner will enter into an agreement with an open-end mutual fund corporation managed by Dynamic Mutual Funds Ltd. (the "Mutual Fund"), whereby the assets of the Partnership would be exchanged for shares of the Mutual Fund and upon such dissolution, Limited Partners would then receive their *pro rata* share of the shares of the Mutual Fund;

8. unless a material change takes place in the business and affairs of the Partnership, the Limited Partners will obtain adequate financial information concerning the Partnership from the semi-annual financial statements and the annual report containing audited financial statements of

the Partnership together with the auditors' report thereon distributed to Limited Partners;

9. given the limited range of business activities to be conducted by the Partnership and the nature of the investment of the Limited Partners in the Partnership, the provision by the Partnership of interim financial statements in respect of the first and third quarters of each financial year of the Partnership will not be of significant benefit to the Limited Partners and may impose a material financial burden on the Partnership;

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

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

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

1. the Partnership is exempted from the requirement to file with the Decision Makers interim financial statements for the first and third quarters of each financial year of the Partnership; and

2. the Partnership is exempted from the requirement to send to the Limited Partners interim financial statements for the first and third quarters of each financial year of the Partnership, provided that these exemptions shall terminate upon the occurrence of a material change in the affairs of the Partnership unless the Partnership satisfies the Decision Makers that the exemptions should continue, which satisfaction shall be evidenced in writing.

May 2, 2003.

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

2.1.2 Canadian Blackhawk Energy Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - decision that a reporting issuer be deemed to have ceased to be a reporting issuer.

Applicable Ontario Statutory Provisions

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

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA AND ONTARIO

AND

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

AND

IN THE MATTER OF
CANADIAN BLACKHAWK ENERGY INC.

MRRS DECISION DOCUMENT

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

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

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

   3.1 Canadian Blackhawk is a corporation incorporated under the *Business Corporations Act* (Alberta) (the "ABCA");

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

   3.3 Canadian Blackhawk is a reporting issuer in the Jurisdictions and British Columbia;

   3.4 the authorized capital of Canadian Blackhawk consists of an unlimited number of common shares (the "Canadian Blackhawk Shares"), an unlimited number of first preferred

shares, series 1 ("Series 1 Preferred Shares"), an unlimited number of first preferred shares, series 2 ("Series 2 Preferred Shares"), an unlimited number of first preferred shares, series 3 ("Series 3 Preferred Shares") and an unlimited number of second preferred shares;

3.5 there were 12,249,246 Canadian Blackhawk Shares, 98,000 Series 1 Preferred Shares, 337,000 Series 2 Preferred Shares, 251,000 Series 3 Preferred Shares and no second preferred shares issued and outstanding as at April 21, 2003;

3.6 New North Resources Ltd. ("New North"), is a corporation incorporated under the ABCA with its head office in Calgary, Alberta;

3.7 TM Energy Ltd. ("TM Energy"), is a corporation incorporated under the ABCA with its head office in Calgary, Alberta;

3.8 all of the issued and outstanding securities of TM Energy are indirectly owned by Hugh Thomson, the President and a director of New North;

3.9 effective March 19, 2003, Canadian Blackhawk and TM Energy completed a plan of arrangement under the ABCA (the "Arrangement");

3.10 under the Arrangement, TM Energy acquired all of the Canadian Blackhawk Shares in exchange for $0.01 in cash per share;

3.11 as a result of the Arrangement, TM Energy holds all of the outstanding Canadian Blackhawk Shares;

3.12 prior to the completion of the Arrangement:

(a) New North transferred certain partnership interests to Canadian Blackhawk in exchange for 89,000 Series 1 Preferred Shares;

(b) Daisy Oils Ltd. ("Daisy Oils") transferred certain partnership interests to Canadian Blackhawk in exchange for 9,000 Series 1 Preferred Shares;

(c) New North transferred shares of Daisy Oils to Canadian Blackhawk in exchange for 85,900 Series 2 Preferred Shares;

(d) New North transferred shares of Daisy Resources Ltd. ("Daisy Resources") to Canadian Blackhawk in exchange for 251,000 Series 3 Preferred Shares;

(e) Daisy Resources transferred shares of Daisy Oils to Canadian Blackhawk in exchange for 251,100 Series 2 Preferred Shares;

(collectively the "Preferred Share Trades");

3.13 as a result of the Preferred Share Trades, New North holds 89,000 Series 1 Preferred Shares, 85,900 Series 2 Preferred Shares and 251,000 Series 3 Preferred Shares, Daisy Oils holds 9,000 Series 1 Preferred Shares and Daisy Resources holds 251,100 Series 2 Preferred Shares;

3.14 prior to the Arrangement, the Canadian Blackhawk Shares were listed on the Canadian Venture Exchange;

3.15 they were delisted on June 5, 2002 for failure by Canadian Blackhawk to pay the required sustaining fees;

3.16 the securities of Canadian Blackhawk are, since June 30, 2002, subject to cease trade orders of the Commission and the Ontario Securities Commission and are since June 12, 2002, subject to a cease trade order of the Executive Director of the British Columbia Securities Commission for Canadian Blackhawk's failure to file audited financial statements for the year ended December 31, 2001 and interim financial statements for the quarter ended March 31, 2002 (collectively the "Cease Trade Orders");

3.17 in addition to the defaults that gave rise to the Cease Trade Orders, Canadian Blackhawk is currently in default of the requirement to file and send to its shareholders interim financial statements for the periods ended June 30, 2002 and September 30, 2002;

3.18 in order to permit the trades of Canadian Blackhawk Shares by the holders thereof to TM Energy pursuant to the Arrangement and to permit the Preferred

Share Trades, the Cease Trade Orders were varied on December 30, 2002 by the Commission under section 214 of the *Securities Act* (Alberta), by the Ontario Securities Commission under section 144 of the *Securities Act* (Ontario) and by the Executive Director of the British Columbia Securities Commission under section 171 of the *Securities Act* (British Columbia) (collectively the "Variation Orders");

3.19 there are no securities of Canadian Blackhawk, including debt securities, outstanding other than the Canadian Blackhawk Shares held by TM Energy, the 89,000 Series 1 Preferred Shares, 85,900 Series 2 Preferred Shares and 251,000 Series 3 Preferred Shares held by New North, the 9,000 Series 1 Preferred Shares held by Daisy Oils and the 251,100 Series 2 Preferred Shares held by Daisy Resources;

3.20 no securities of Canadian Blackhawk are listed or quoted on any exchange or market; and

3.21 Canadian Blackhawk has no current intention of seeking future financing by a public offering of its securities.

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

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

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

May 15, 2003.

"Patricia M. Johnston"

2.1.3 Emco Limited - MRRS Decision

Headnote

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

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

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
ONTARIO, ALBERTA, SASKATCHEWAN, QUEBEC, NEWFOUNDLAND AND LABRADOR, NOVA SCOTIA, YUKON TERRITORY AND NUNAVUT

AND

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

AND

IN THE MATTER OF
EMCO LIMITED

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the Decision Maker) in each of Ontario, Alberta, Saskatchewan, Quebec, Newfoundland and Labrador, Nova Scotia, Yukon Territory and Nunavut (the Jurisdictions) has received an application from Emco Limited, (Emco or the Filer), an indirect wholly-owned indirect subsidiary of Blackfriars Corp. (Blackfriars), 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 or the equivalent 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. Emco 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), Emco was a reporting issuer or had an equivalent status in each of the provinces and territories of Canada and its common shares (the Common Shares) were listed on the Toronto Stock Exchange (the TSX) under the symbol "EML" and on the Nasdaq National Market under the symbol "EMLTF". In addition, prior to the completion of the Take-Over Bid, Emco's 6.5% convertible unsecured subordinated debentures (the Debentures) were listed on the TSX under the symbol "EML.DB".

3. In accordance with a Notice of Redemption of Emco dated April 8, 2003, the outstanding Debentures were redeemed on May 9, 2003 in accordance with their terms.

4. Other than the Common Shares and the Debentures (which were redeemed on May 9, 2003), Emco has no securities, including debt securities or options, outstanding. As of May 9, 2003, all of the Common Shares were owned by a wholly-owned subsidiary of Blackfriars.

5. Blackfriars is a company incorporated pursuant to the laws of the State of Delaware.

6. On February 28, 2003, pursuant to a support agreement entered into by and between the Filer, Blackfriars and 2022841 Ontario Inc. (Bidco) dated February 19, 2003, Bidco offered to acquire all of the outstanding Common Shares for a cash price of $16.60 per share by means of a take-over bid circular (the Take-Over Bid).

7. The Take-Over Bid was successful, and on April 7, 2003, Bidco took up and paid for the approximately 95.7% of the Common Shares that were validly tendered to the Take-Over Bid.

8. The authorized share capital of the Filer consists of an unlimited number of Common Shares and an unlimited number of preference shares, of which there are 15,908,633 Common Shares and no preference shares issued and outstanding on a fully diluted basis.

9. The Filer is a reporting issuer in each of the Jurisdictions in which such concept exists and to the best of its knowledge is not in default of its obligations as a reporting issuer under the Legislation.

10. The Common Shares and the Debentures were delisted from the TSX at the close of business on May 9, 2003. The Common Shares were delisted from Nasdaq on or about April 8, 2003. No other securities of Emco are listed or quoted on any stock exchange or quotation system.

11. On April 8, 2003 a notice was sent to all remaining shareholders pursuant to the compulsory acquisition provisions of the OBCA. Pursuant to section 188(10) of the OBCA, all of the remaining Common Shares were acquired by Bidco on May 9, 2003, thereby making Emco an indirect wholly-owned subsidiary of Blackfriars.

12. Neither Blackfriars nor Bidco 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 Emco is deemed to have ceased to be a reporting issuer under the Legislation.

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

May 20, 2003.

"H. Lorne Morphy" "Theresa McLeod"

2.1.4 Assante Asset Management Ltd. - Director's Decision

IN THE MATTER OF
SECTION 139 OF R.R.O. 1990, REGULATION 1015
MADE UNDER THE *SECURITIES ACT (ONTARIO)*

AND

IN THE MATTER OF
ASSANTE ASSET MANAGEMENT LTD.

HEARD ON: May 26, 2003

HEARD AT: Ontario Securities Commission
20 Queen Street West
18th Floor
Toronto, Ontario

HEARD BEFORE: David M. Gilkes
Manager, Registrant Regulation
Capital Markets

DIRECTOR'S DECISION

By letter dated April 9, 2003, the Manager, Compliance, Capital Markets Branch of the Ontario Securities Commission (the **OSC**) advised the registrant, Assante Asset Management Ltd., that the OSC had not received the registrant's annual audited financial statements for the year ended December 31, 2003. The registrant was advised that staff was of the view that its registration as an extra provincial investment counsel and portfolio manager should be restricted by the imposition of terms and conditions (as attached to the letter). In the April 9, 2003 letter, the registrant was asked to advise staff whether it accepted the terms and conditions outlined in the letter. If not, the registrant was advised that it could avail itself of the opportunity to be heard by a Director pursuant to section 26(3) of the *Securities Act (Ontario)* (the **Act**). If the registrant intended to exercise this opportunity, it was asked to provide written notice to the Manager, Compliance. By letter dated April 21, 2003, the registrant provided its formal request for the Commission to remove the proposed terms and conditions for the following reasons:

1. The registrant underwent an internal restructuring and certain functions were transferred from Winnipeg to Toronto. Unfortunately the transition was not seamless. The registrant has paid the applicable late fees.

2. In past years, the Compliance and Finance areas of the registrant split the responsibility for filing the registrant's annual financial statements, this year the Finance Group had sole responsibility for this function. There is now a designated position and process to ensure that statements are filed in a timely fashion.

3. In the past, the registrant has filed its financial statements on time and this is the first time the registrant has been late.

In staff's opinion, the reasons do not outweigh the need to impress upon this and other registrants the importance of complying with the filing requirement and terms and conditions therefore should be imposed on its registration. The filing of annual financial statements by registrants is one of the most serious regulatory requirements in the Act. Compliance with securities legislation and financial solvency are two of the essential components of a dealer or adviser's continued suitability for registration. Financial statements are the principal tool enabling staff to monitor a registrant's financial viability and its capital position. As a result, the late filing (or non-filing) of annual financial statements raises serious potential regulatory concerns and needs to be addressed in a serious fashion.

On the basis of all written submissions presented to me and after having reviewed them, it is my decision that the registration of Assante Asset Management Ltd. should be restricted by the terms and conditions outlined in the April 9, 2003 letter.

May 26, 2003.

"David M. Gilkes"

2.1.5 Berkshire Securities Inc. et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief from certain requirements under MI 33-109 to file submissions on NRD in connection with an internal reorganization during the NRD transition period.

Ontario Rules

Multilateral Instrument 33-109 – Registration Information.

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

AND

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

AND

MULTILATERAL INSTRUMENT 33-109

AND

IN THE MATTER OF
BERKSHIRE SECURITIES INC., BERKSHIRE INVESTMENT GROUP INC., 1556036 ONTARIO LIMITED AND 1556035 ONTARIO LIMITED,

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions") has received an application from Berkshire Securities Inc. ("BSI"), Berkshire Investment Group Inc. ("BIG"), 1556036 Ontario Limited (to be renamed Berkshire Securities Inc. on or about May 16, 2003) ("New BSI") and 1556035 Ontario Limited (to be renamed Berkshire Investment Group Inc. on or about May 16, 2003)("New BIG")(BSI, New BSI, BIG and New BIG are collectively referred to as the "Applicants") for a decision pursuant to Part 7 of Multilateral Instrument 33-109 *Registration Information* ("MI 33-109") exempting the Applicants from certain provisions of MI 33-109 in respect of the reorganization of BSI and BIG (the "Reorganization").

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

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

1. BSI is currently an investment dealer in all provinces of Canada, a member of the Investment Dealers Association of Canada ("IDA") and a member of the Toronto Stock Exchange ("TSX").

2. BIG is currently a mutual fund dealer in all provinces of Canada and a member of the Mutual Fund Dealers Association of Canada (the "MFDA").

3. New BSI and New BIG are corporations incorporated under the laws of Ontario with their head offices located in Burlington, Ontario.

4. The incorporation of New BSI and New BIG is part of the Reorganization of a number of affiliated entities including BSI and BIG whereby the majority of the assets of both companies are to be transferred to New BIG and New BSI, respectively.

5. The transactions described herein are internal restructuring transactions and do not involve any third parties. New BIG and New BSI will carry on all of the active business of BIG and BSI in an identical manner with the same officers, directors and individual representatives of BIG and BSI.

6. As part of the Reorganization, BSI and BIG will change their names, surrender their registrations under the securities legislation of the Jurisdictions and cease to carry on securities related registerable activities.

7. Given the sheer volume of business locations, officers, directors and employees of BSI and BIG, it would be exceedingly difficult to transfer each individual to the New BSI and New BIG as per the requirements set out in the MI 33-109.

AND WHEREAS, staff of the principal regulator has confirmed to the Decision Makers that, in connection with staff's activities to address NRD transitional issues, staff has been able in this instance to make alternative arrangements to ensure that the information that would otherwise have been required to be submitted on NRD for the Transaction in the absence of this Decision will be captured on NRD;

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 tests contained in MI 33-109 that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers pursuant to MI 33-109 is that the following requirements of MI 33-

109 shall not apply to the Applicants in respect of the Reorganization:

(i) the requirement to submit a notice regarding the termination of each employment, partner, or agency relationship under section 4.3 of MI 33-109;

(ii) the requirement to submit a notice regarding each individual who ceases to be a non-registered individual under section 5.2 of MI 33-109;

(iii) the requirement to submit a registration application for each individual applying to become a registered individual under section 2.2 of MI 33-109;

(iv) the requirement to submit a Form 33-109F4 for each non-registered individual under section 3.3 of MI 33-109; and

(v) the requirement under section 3.1 of MI 33-109 to notify the regulator of a change to the business location information in Form 33-109F3.

May 16, 2003.

"Robert F. Kohl"

2.1.6 IAMGold Corporation - MRRS Decision

Headnote

Mutual Reliance Review System B Issuer requesting relief from the Parts 2, 3, and 4 of NI 43-101 in respect of royalty interests. The issuer is unable to obtain the necessary technical information from the operating company to prepare a technical report. The issuer is granted relief subject to conditions.

Rules Cited

National Instrument 43-101 B Standards of Disclosure for Mineral Projects, subsection 9.1(1).

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

AND

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

AND

IN THE MATTER OF
IAMGOLD CORPORATION

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker", and collectively, the "Decision Makers") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut (collectively the "Jurisdictions") has received an application (the "Application") from IAMGold Corporation (the "Filer") for a decision under subsection 9.1(1) of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") that the Filer is exempt from the requirements to file current technical reports contained in Part 2, Part 3 and Part 4 of NI 43-101 (the "Technical Report Filing Requirements") in connection with certain written disclosure concerning the following mineral projects:

(a) a 1% royalty (the "Diavik Royalty") in respect of diamond production from certain claims in the Lac des Gras area of the Northwest Territories, which claims include the Diavik diamond property (the "Diavik Mine") owned 40% by Aber Diamond Corporation ("Aber") and 60% by a wholly-owned subsidiary of Rio Tinto plc ("Rio Tinto"); and

(b) a 72% interest, through the Williams Royalty Trust, in a 1% net smelter return royalty (the "Williams Royalty") on minerals recovered from the Williams gold mine (the "Williams Mine") in northwestern Ontario owned 50% by Barrick Gold Corporation ("Barrick") and 50% by Teck Cominco Limited ("Teck");

subject, in either case, to certain conditions;

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

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

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

1. The Filer was incorporated under the Canada Business Corporations Act on March 27, 1990. On April 11, 2000 the Filer amalgamated with a wholly-owned subsidiary, with the continuing company being identical in all respects to the pre-amalgamation IAMGold Corporation. The Filer's registered and principal executive offices are located in Toronto, Ontario.

2. The Filer is a reporting issuer in each of the Jurisdictions and is eligible to file a prospectus in the form of a short form prospectus under NI 44-101.

3. The authorized share capital of the Filer consists of an unlimited number of first preference shares, issuable in series, an unlimited number of second preference shares, issuable in series, and an unlimited number of common shares (the "IAMGold Shares"), of which, as at March 31, 2003, nil first preference shares, nil second preference shares and 143,512,347 IAMGold Shares were issued and outstanding.

4. The IAMGold Shares are listed and posted for trading on the TSX.

5. The Filer's business consists of:

(a) an indirect 38% interest, through La Societe d'Exploitation des Mines d'Or de Sadiola S.A. ("SEMOS"), in the Sadiola Gold Mine located in Mali;

(b) an indirect 40% interest, through Yatela Exploitation Company Limited ("Yatela"), in the Yatela Gold Mine located in Mali immediately to the north of the Sadiola Gold Mine;

(c) an indirect 18.9% interest, through Gold Fields Ghana Limited ("GFGL"), in the Tarkwa Gold Mine, located in Ghana;

(d) an indirect 18.9% interest, through Abosso Goldfields Limited ("Abosso"), in the Damang Gold Mine, located immediately to the north of the Tarkwa Gold Mine in Ghana;

(e) a portfolio of active and inactive royalties on natural resource properties in a number of countries around the world; and

(f) exploration properties located in West Africa and in South America.

The remaining interests in SEMOS are owned by AngloGold Ltd. ("AngloGold") as to 38%, the Government of Mali as to 18% and International Finance Corporation (a member of the World Bank Group) as to 6%. AngloGold is the second largest gold mining company in the world having its ordinary shares listed on a number of international stock exchanges and its America Depositary Receipts ("ADR"s) listed on the New York Stock Exchange ("NYSE"). The remaining interests in Yatela are owned indirectly by AngloGold as to 40% and the Government of Mali as to 20%. A wholly-owned subsidiary of AngloGold is the operator of both the Sadiola Gold Mine and the Yatela Gold Mine.

The remaining interests in each of GFGL and Abosso are held by Gold Fields Limited ("Gold Fields") as to 71.1% and the Government of Ghana as to 10%. Gold Fields is a major international gold mining company having its ordinary shares listed on the Johannesburg Stock Exchange and its ADRs listed on the NYSE. GFGL is the owner and operator of the Tarkwa Gold Mine and Abosso is the owner and operator of the Damang Gold Mine.

6. The interests referred to in paragraphs 5(c), (d) and (e) above are owned by Repadre Capital Corporation ("New Repadre"), a wholly-owned subsidiary of the Filer which was acquired on January 7, 2003 pursuant to an amalgamation by way of plan of arrangement of Repadre Capital Corporation ("Old Repadre"), a company then listed on the Toronto Stock Exchange, and a subsidiary of the Filer incorporated for the purpose.

7. The original business of Old Repadre was the acquisition of royalty interests on mineral properties. The royalty interests are typically in the form of net smelter return ("NSR") royalties, but may also be net profit interest ("NPI") royalties or gross sales royalties. NSR royalties and gross sales royalties provide payments from revenues,

generally ranging from less than 1% to 5%, before the deduction of most of the operating expenses incurred by the owner of the mine. NPI royalties provide payments based upon a percentage, generally ranging from 1% to 10%, of net profits of the mine or the owner of the mine. New Repadre currently holds no NPIs. Old Repadre held, and the Filer (through New Repadre) holds, revenue producing royalty interests on mineral properties located in Canada, Nicaragua, South Africa, Mexico, Bolivia and Honduras and non-revenue producing royalty interests on mineral properties located in Canada, the United States, Burkino Faso, Ghana, Colombia, Mexico and Bolivia.

8. On January 24, 2003, the Canadian Securities Administrators (the "CSA") published a revised CSA Staff Notice 43-302 - *Frequently Asked Questions* and confirmed that a royalty holder must comply with all of the requirements under NI 43-101.

9. Item 4.3 of Form 44-101F1-AIF under National Instrument 44-101-Short Form Prospectus Distributions ("NI 44-101") requires that an annual information form (AIF) provide specific disclosure, for each property material to an issuer.

10. The Filer is required to file its renewal AIF under NI 44-101 on or before May 20, 2003. In the last few months production has commenced at the Diavik Mine. Based on Aber's public disclosure of estimated production during 2003 and thereafter, the Filer believes that the Diavik Mine, which is covered by the Diavik Royalty, has become a mining project on a property material to the Filer. The Williams Royalty is also sufficiently important to the Filer that the Williams Mine may be a mining project on a property material to the Filer.

11. Subsection 4.2(1) of NI 43-101 requires an issuer to file a current technical report to support information in a list of specified documents, including an AIF or annual report, that includes material information concerning mining projects on material properties.

12. As such, under NI 43-101, the Filer is required to file technical reports in respect of the Diavik Mine and the Williams Mine.

13. The Diavik Royalty and the Williams Royalty Trust do not contain provisions that would enable the Filer to obtain the information necessary to prepare a technical report with respect to the Diavik Mine or the Williams Mine. The Filer has certain rights to require an audit of payments received under these royalties but does not have access to technical information regarding the mines, other than as publicly disclosed by Aber and Rio Tinto in the case of the Diavik Mine and Barrick and Teck in the case of the Williams Mine. Aber, Barrick and Teck are all reporting issuers listed on the Toronto Stock Exchange.

14. The Diavik Royalty and the interest in the Williams Royalty Trust were acquired in 1992 and 1996, respectively, prior to the coming into force of NI 43-101.

15. The Filer will provide the disclosure with respect to the Diavik Mine and the Williams Mine required by item 4.3 of NI 44-101 by relying upon information publicly disclosed in documents referred to in section 4.2 of NI 43-101 filed on SEDAR by Aber and Barrick and/or Teck, respectively.

16. The disclosure required by item 4.3 of NI 44-101 provided by the Filer with respect to the Diavik Mine and the Williams Mine will contain a cautionary statement (the "Cautionary Statement") stating the following:

"National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* contains certain requirements relating to disclosure of technical information in respect of mineral projects, including that such information is supported by a technical report or other information prepared by or under the supervision of a qualified person. Pursuant to an exemption order granted to the Filer by the Canadian securities regulatory authorities, the information contained herein with respect to the Diavik Mine and the Williams Mine has been extracted from information publicly disclosed in documents filed on SEDAR by Aber and Barrick and /or Teck, respectively."

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 securities legislation of the Jurisdictions that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under subsection 9.1(1) of NI 43-101 is that:

I. the Filer is exempt from the Technical Report Filing Requirements with respect to the written disclosure prepared by the Filer relating to the Diavik Mine provided that:

(a) the written disclosure includes the Cautionary Statement and such disclosure provided by the Filer will specify the source documents and location in the source documents of the information so extracted ;

(b) the Filer is unable to obtain the information necessary to prepare a technical report with respect to the Diavik Mine; and

(c) this relief expires no later than one year from the date of this Decision.

II. the Filer is exempt from the Technical Report Filing Requirements with respect to the written disclosure prepared by the Filer relating to the Williams Mine provided that:

(a) the written disclosure includes the Cautionary Statement and such disclosure provided by the Filer will specify the source documents and location in the source documents of the information so extracted;

(b) the Filer is unable to obtain the information necessary to prepare a technical report with respect to the Williams Mine; and

(c) this relief expires no later than one year from the date of this Decision.

May 20, 2003.

"Heidi Franken"

2.1.7 TransCanada PipeLines Limited and TransCanada Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - under a plan of arrangement, issuer to become a wholly owned subsidiary of holdco - each security holder to receive one common share of holdco for each common share of issuer - holdco to adopt issuer's DRIP - sections 25 and 53 of the Act do not apply distribution of shares by the holdco to holders of issuer's securities pursuant to a dividend reinvestment plan (DRIP). Relief subject to conditions.

Applicable Ontario Statutory Provisions

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

Ontario Rules

Ontario Securities Commission Rule 45-501 – Exempt Distributions.

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

AND

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

AND

IN THE MATTER OF
TRANSCANADA PIPELINES LIMITED
AND
TRANSCANADA CORPORATION

MRRS DECISION DOCUMENT

1. WHEREAS the local securities regulatory authority or regulator (the "Decision Makers") in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland and Labrador, the Yukon Territory, the Northwest Territories, and Nunavut (collectively, the "Jurisdictions") has received an application from TransCanada PipeLines Limited ("TransCanada") and TransCanada Corporation ("Holdco") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirements contained in the Legislation to be registered to trade in a security (the "Registration

Requirement") and to file and obtain a receipt for a preliminary prospectus and a final prospectus before effecting a trade that is a distribution (the "Prospectus Requirement") shall not apply:

1.1 to certain trades in shares of Holdco in connection with a Holdco dividend reinvestment and share purchase plan; and

1.2 to certain trades in certain of the Jurisdictions:

1.2.1 in connection with a proposed plan of arrangement (the "Arrangement") under the *Canada Business Corporations Act* (the "CBCA") involving TransCanada and Holdco;

1.2.2 in stock options of Holdco in connection with a Holdco stock option plan; and

1.2.3 in rights of Holdco in connection with a Holdco shareholder rights plan;

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

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

4. AND WHEREAS it was represented by TransCanada to the Decision Makers that:

4.1 TransCanada is a corporation governed under the laws of Canada;

4.2 TransCanada is and has been a reporting issuer (or the equivalent) for a period in excess of 12 months in each of the Jurisdictions;

4.3 TransCanada is eligible to use the short form prospectus system pursuant to National Instrument 44-101 ("NI 44-101");

4.4 TransCanada's registered and head office is in Calgary, Alberta;

4.5 the authorized capital of TransCanada consists of an unlimited number of common shares (the "TransCanada Shares"), an unlimited number of Cumulative Redeemable First Preferred Shares ("TransCanada First Preferred Shares"), and an unlimited number of Cumulative Redeemable Second Preferred Shares of which as of February 25, 2003 there were 480,193,991 TransCanada Shares, 4,000,000 TransCanada First Preferred Shares, Series U, and 4,000,000 TransCanada First Preferred Shares, Series Y outstanding;

4.6 the TransCanada Shares are listed on the Toronto Stock Exchange (the "TSX") and the New York Stock Exchange (the "NYSE");

4.7 TransCanada has implemented the TransCanada Key Employee Stock Incentive Plan (1995), as amended and restated as of May 19, 1998 (the "TransCanada Option Plan") pursuant to which it has granted stock options ("TransCanada Options") to acquire TransCanada Shares to certain key employees. As at February 25, 2003, an aggregate of approximately 13,551,530 TransCanada Shares were subject to TransCanada Options granted under the TransCanada Option Plan;

4.8 TransCanada has a Shareholder Rights Plan (the "TransCanada Rights Plan") pursuant to a Shareholder Rights Plan Agreement dated as of December 2, 1994 between TransCanada and Computershare Trust Company of Canada, as Rights Agent. The TransCanada Rights Plan was subsequently amended, with the approval of the holders of TransCanada Shares on April 7, 1995, May 19, 1998 and April 27, 2001;

4.9 the TransCanada Rights Plan is designed to encourage the fair treatment of shareholders in connection with a take-over bid for TransCanada. Rights issued under the TransCanada Rights Plan become exercisable when a person acquires or commences a take-over bid to acquire 20% or more of the outstanding TransCanada Shares without complying with certain provisions set out in the TransCanada Rights Plan. Should such an event occur, each rights holder, other than the acquiring person, will have the right to purchase $200 worth of TransCanada Shares for $100;

4.10 TransCanada has a dividend reinvestment and share purchase plan (the "TransCanada DRIP") pursuant to which registered holders of TransCanada Shares and TransCanada First Preferred Shares are entitled to acquire

TransCanada Shares by reinvesting dividends paid on TransCanada Shares and TransCanada First Preferred Shares and by making optional cash payments to a maximum of $10,000 (U.S.$7,000) per quarter without being subject to brokerage or administrative fees;

4.11 the price of TransCanada Shares purchased under the TransCanada DRIP is 100% of the weighted average purchase price of TransCanada Shares on the TSX on the investment date;

4.12 TransCanada may also issue the TransCanada Shares purchased under the TransCanada DRIP from treasury at 100% of the average market price, being the weighted average price of all TransCanada Shares traded on the TSX on the 20 trading days preceding the applicable dividend payment date;

4.13 TransCanada has proposed a reorganization by way of the Arrangement that will result in Holdco acquiring all of the issued and outstanding TransCanada Shares;

4.14 each holder of TransCanada Shares (a "TransCanada Shareholder") will, immediately after the date of the certificate giving effect to the Arrangement (the "Effective Date"), hold one common share of Holdco (a "Holdco Share") for each TransCanada Share formerly held;

4.15 Holdco was incorporated pursuant to the provisions of the CBCA on February 25, 2003 for the purposes of effecting the Arrangement;

4.16 the registered and head office of Holdco is, and will be following the completion of the Arrangement, located in Calgary, Alberta;

4.17 the authorized share capital of Holdco consists of an unlimited number of Holdco Shares and an unlimited number of First Preferred Shares (the "Holdco First Preferred Shares") and Second Preferred Shares (the "Holdco Second Preferred Shares"), issuable in series;

4.18 upon completion of the Arrangement:

4.18.1 Holdco will become a reporting issuer in British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia, and Newfoundland and Labrador;

4.18.2 Holdco will be eligible to use the short form prospectus system pursuant to NI 44-101 and will be a "qualifying issuer" as defined in Multilateral Instrument 45-102 *Resale of Securities* ("MI- 45-102");

4.18.3 Holdco will act as a management holding company;

4.19 application is being made in Québec for an order declaring Holdco to be a reporting issuer on the Effective Date and to have been a reporting issuer for the period of time that TransCanada was a reporting issuer before the Effective Date;

4.20 on the Effective Date:

4.20.1 Holdco will not own any assets directly other than all of the TransCanada Shares and its only outstanding securities will be the Holdco Shares;

4.20.2 all of the existing employees of TransCanada will continue to be employed by TransCanada;

4.20.3 TransCanada will enter into a management services agreement with Holdco whereby TransCanada will provide Holdco with the management and administrative services required by Holdco;

4.20.4 Holdco will provide strategic direction to TransCanada and its subsidiaries and also provide coordination on matters which affect these companies collectively;

4.20.5 based on the number of TransCanada Shares outstanding as of February 25, 2003, it is expected that there will be approximately 480,193,991 Holdco Shares outstanding, which amount does not take into consideration the exercise of any options under the TransCanada Option Plan after February 25, 2003; and

4.20.6 Holdco will not have any Holdco First Preferred Shares or Holdco Second Preferred Shares outstanding;

4.21 the TSX and the NYSE have conditionally approved the listing of the Holdco Shares;

4.22 the rights, privileges, restrictions and conditions attaching to the Holdco Shares, the Holdco First Preferred Shares and the Holdco Second Preferred Shares, as a class, are in all material respects identical to the rights, privileges, restrictions and conditions attaching to the TransCanada Shares, the TransCanada Cumulative Redeemable First Preferred Shares and the TransCanada Cumulative Redeemable Second Preferred Shares, as a class, respectively, except that no voting rights attach to the Holdco First Preferred Shares and the Holdco Second Preferred Shares, except as provided under the CBCA or except as provided under the share conditions attaching to a particular series of Holdco First Preferred Shares or Holdco Second Preferred Shares;

4.23 the following steps will occur in the following order as part of the Arrangement effective as of the Effective Date:

4.23.1 each right ("TransCanada Right") held by TransCanada Shareholders under the TransCanada Rights Plan shall be cancelled and the TransCanada Rights Plan shall be terminated and be of no further force and effect;

4.23.2 each TransCanada Share (other than TransCanada Shares held by TransCanada Shareholders who exercise their dissent rights under section 190 of the CBCA in respect of the Arrangement) shall be and shall be deemed to have been exchanged, free and clear of any encumbrances and claims, with Holdco for the sole consideration of the issuance by Holdco of one Holdco Share;

4.23.3 Holdco will hold all of the issued and outstanding TransCanada Shares. The Holdco Shares will have the same rights, privileges, restrictions and conditions as the TransCanada Shares;

4.23.4 each holder of Holdco Shares shall be issued and shall be deemed to have been issued that number of rights ("Holdco Rights") under a shareholder rights plan of Holdco to be implemented on or before the Effective Date equal to the number of Holdco Shares issued to such holder under the Arrangement; and

4.23.5 TransCanada Options issued and outstanding under the TransCanada Option Plan, shall be and shall be deemed to be exchanged with Holdco for the same number of options ("Holdco Options") to purchase Holdco Shares granted pursuant to a stock option plan of Holdco (the "Holdco Option Plan") on the same terms and conditions and at the same exercise price as provided for under the TransCanada Options so exchanged, provided that the exercise price under each Holdco Option will be such that the amount by which the total fair market value of a Holdco Share that a holder is entitled to acquire under a Holdco Option immediately after the Effective Date exceeds the total amount payable by such holder to acquire a Holdco Share under a Holdco Option will not exceed the amount by which the total fair market value of a TransCanada Share that a holder is entitled to acquire under a TransCanada Option immediately before the Effective Date exceeds the amount payable by such holder to acquire a TransCanada Share under a TransCanada Option. Immediately following such exchange all issued and outstanding TransCanada Options shall be cancelled;

(the trades referred to in paragraphs 4.23.1 through 4.23.5 are collectively referred to herein as the "Arrangement Trades");

4.24 TransCanada's outstanding first mortgage pipe line bonds, medium term notes, debentures, preferred securities and subordinated debentures and outstanding Cumulative Redeemable First Preferred Shares, Series U and Cumulative Redeemable First Preferred Shares, Series Y will not be affected by the Arrangement and will remain

obligations and securities of TransCanada after the Effective Date;

4.25 on or before the Effective Date, Holdco will adopt a dividend reinvestment and share purchase plan (the "Holdco DRIP") which will be substantially the same as the TransCanada DRIP;

4.26 subject to this decision document, registered holders of Holdco Shares and TransCanada First Preferred Shares will be entitled to acquire Holdco Shares under the Holdco DRIP, on the same basis as participants in the TransCanada DRIP are presently able to acquire TransCanada Shares, by reinvesting dividends paid on TransCanada Shares and TransCanada First Preferred Shares and by making optional cash payments (to a maximum of $10,000 (U.S.$7,000) per quarter (the "Optional Cash Payments") without being subject to brokerage or administrative fees;

4.27 there are currently 18 holders of TransCanada First Preferred Shares that are participating in the TransCanada DRIP that will be participating in the Holdco DRIP;

4.28 the TransCanada DRIP will be terminated after the Effective Date;

4.29 on the Effective Date, all participants in the TransCanada DRIP automatically will become participants in the Holdco DRIP in respect of reinvestment of dividends paid after the Effective Date on Holdco Shares and, subject to this decision document, TransCanada First Preferred Shares, unless a notice of withdrawal has been delivered to the trustee of the TransCanada DRIP by June 30, 2003 or the participant has dissented in connection with the Arrangement;

4.30 TransCanada's other compensation plans will be amended to provide that accruals or vesting thereunder, as applicable, will be measured with reference to the financial performance of Holdco rather than TransCanada and the stock market performance of Holdco Shares rather than TransCanada Shares, as applicable, and that any rights to shares thereunder will be with respect to Holdco Shares rather than TransCanada Shares;

4.31 unless and until changed in accordance with applicable law, the financial year of Holdco will end on December 31st in each year;

4.32 the board of directors of TransCanada, acting upon the recommendation of senior management, have unanimously approved the Arrangement and have unanimously recommended that the TransCanada Shareholders vote in favour of the Arrangement;

4.33 a management proxy circular dated February 25, 2003 (the "Circular") has been sent to the TransCanada Shareholders in connection with the Meeting, which contains among other things, prospectus level disclosure of the business and affairs of TransCanada, Holdco and the particulars of the Arrangement. The mailing of the Circular was commenced on March 25, 2003 and was filed on SEDAR in each of the Jurisdictions concurrently with the mailing to TransCanada Shareholders;

4.34 on March 4, 2003, the Court of Queen's Bench of Alberta (the "Alberta Court") granted an interim order (the "Interim Order") providing, among other things, for the calling and holding of an annual and special meeting of TransCanada Shareholders (the "Meeting");

4.35 on April 25, 2003, TransCanada held the Meeting at which the TransCanada Shareholders passed a special resolution approving the Arrangement;

4.36 on April 28, 2003, the Arrangement received final approval of the Alberta Court;

4.37 each TransCanada Shareholder was entitled to dissent from the Arrangement in accordance with section 190 of the CBCA, as modified by the Interim Order and the Arrangement, and to be paid the fair value of such holder's TransCanada Shares, subject to certain conditions described in the Circular;

4.38 it is anticipated that the Arrangement will become effective on May 15, 2003, after all conditions to the Arrangement have been satisfied or waived;

4.39 exemptive relief from the Registration Requirement and the Prospectus Requirement is required:

4.39.1 in all Jurisdictions to effect the distribution of the Holdco Shares by Holdco pursuant to

the Holdco DRIP to the holders of TransCanada First Preferred Shares who do not also hold Holdco Shares;

4.39.2 in New Brunswick and the Yukon Territory to effect the distribution of the Holdco Shares by Holdco pursuant to the Holdco DRIP to holders of Holdco Shares;

4.39.3 in Québec to effect the Arrangement Trades and the trades in Holdco Rights and Holdco Shares issuable pursuant to the exercise of Holdco Rights under the Holdco shareholder rights plan (the "Rights Trades"); and

4.39.4 in New Brunswick to effect the Rights Trades and trades in Holdco Options and Holdco Shares issuable pursuant to the exercise of Holdco Options to employees of TransCanada under the Holdco Option Plan (the "Option Trades" and collectively, with the Arrangement Trades and the Rights Trades, the "Transaction Trades");

5. AND WHEREAS under the System this MRRS Decision Document evidences the decision of the Decision Makers (the "Decision");

6. 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;

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

7.1 the Registration Requirement and Prospectus Requirement shall not apply to the Transaction Trades provided that the first trade in securities acquired pursuant to the Transaction Trades under this Decision shall be deemed to be a distribution or a primary distribution to the public under the Legislation;

7.2 except in Québec, the Registration Requirement and Prospectus Requirement shall not apply to trades by Holdco of Holdco Shares to holders of Holdco Shares under the Holdco DRIP, provided that:

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

7.2.2 no sales charge is payable in respect of the trade;

7.2.3 the terms and conditions of the Holdco DRIP are accessible to prospective participants and existing participants including instructions regarding participation in, and terminating participation in, the Holdco DRIP;

7.2.4 in any financial year of Holdco during which the trade takes place, the aggregate number of Holdco Shares issued pursuant to the Optional Cash Payments shall not exceed 2% of the aggregate number of Holdco Shares outstanding at the commencement of that financial year; and

7.2.5 the first trade of the Holdco Shares acquired pursuant to the Holdco DRIP under this Decision shall be deemed to be a distribution or a primary distribution to the public under the Legislation;

7.3 except in Québec, the Registration Requirement and Prospectus Requirement shall not apply to trades by Holdco of Holdco Shares to holders of TransCanada First Preferred Shares under the Holdco DRIP, provided that:

7.3.1 the requirements in each of the conditions in 7.2.1 through 7.2.5 are met;

7.3.2 TransCanada is a subsidiary of Holdco;

7.3.3 the assets of TransCanada and its subsidiaries, on a book value basis, as reflected in the latest interim or annual financial statements of Holdco filed under the Legislation, represent at least 85% of the assets of consolidated Holdco on a book value basis; and

7.3.4 Holdco provides any new participant in the Holdco DRIP

that is a registered holder of TransCanada First Preferred Shares and not Holdco Shares copies of all continuous disclosure documents that are provided to holders of Holdco Shares;

7.4 the Prospectus Requirement shall not apply to the first trade of securities acquired under this Decision, provided that:

7.4.1 except in Québec, the conditions in paragraphs 2 through 5 of subsection 2.6(3) of MI 45-102 are satisfied; and

7.4.2 in Québec:

7.4.2.1. at the time of the first trade Holdco is a reporting issuer in Québec and is not in default of any of the requirements of the securities legislation in Québec;

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

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

7.4.2.4. if the selling security holder is in a special relationship with the issuer, the selling security holder has no reasonable grounds to believe that the issuer is in default of any requirement of the securities legislation in Québec.

May 14, 2003.

"Glenda A. Campbell" "Stephen R. Murison"

2.1.8 Canadian Imperial Bank of Commerce and CIBC Asset Management Inc. - 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, QUEBEC, NOVA SCOTIA, NEWFOUNDLAND AND LABRADOR

AND

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

AND

IN THE MATTER OF
CANADIAN IMPERIAL BANK OF COMMERCE
CIBC ASSET MANAGEMENT INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "**Decision Maker**") in each of the provinces of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia and Newfoundland and Labrador (the "**Jurisdictions**") has received an application (the "**Application**") from Canadian Imperial Bank of Commerce ("**CIBC**") and CIBC Asset Management Inc. ("**CIBC AMI**") (collectively, the "**Filer**", and collectively, with their affiliates, the "**CIBC Group of Companies**") for a decision (the "**Decision**") pursuant to the securities legislation of the Jurisdictions (the "**Legislation**") that the provisions of the Legislation requiring a management company, or in British Columbia a mutual fund manager, to file a report, within thirty days after each month end and in respect of each mutual fund to 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 either from the mutual fund or from the other party to the transaction or both (the "**Reporting Requirement**") shall not apply to purchases and sales effected by the Funds (as defined below) through CIBC World Markets Inc. ("**CWMI**"), CIBC World Markets Corp. ("**CWMC**"), CIBC or any other Related Company (as defined below);

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the

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

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

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

1. CIBC is a bank listed in Schedule I to the *Bank Act* (Canada), S.C. 1991, c. 46, as amended, with its head office currently in Toronto, Ontario. CIBC AMI is a corporation established under the laws of Canada with its head office currently in Montreal, Quebec. CIBC AMI is registered under the Act as a mutual fund dealer and an adviser in the categories of investment counsel and portfolio manager, and under the *Commodity Futures Act* (Ontario), R.S.O. 1990, c. C.20, as amended, in the category of commodity trading manager;

2. CIBC and CIBC AMI act as managers of the groups of mutual funds that currently consist of the funds set out in Schedule "A" hereto (such funds, together with such other funds managed by a member of the CIBC Group of Companies from time to time, being herein referred to as the "Funds");

3. CWMI is a registered dealer in each of the provinces of Canada. CWMC is registered as an international dealer with the Ontario Securities Commission;

4. The Funds are open-ended investment trusts or mutual fund trusts established under the laws of the Province of Ontario. Each Fund is a reporting issuer in each of the provinces and territories of Canada where units (the "Units") of the Fund are sold pursuant to a prospectus accepted by the decision maker in such jurisdictions;

5. Each of CIBC AMI, CWMI and CWMC are subsidiaries of CIBC. CWMI and CWMC are issuers in which CIBC (which is also a substantial securityholder of CIBC AMI) has a significant interest, such that the Funds are prohibited from making an investment in CWMI and CWMC under the Legislation. Therefore, CWMI and CWMC are "related persons" to the Funds under the Legislation;

6. As disclosed in the annual information forms or prospectuses of the Funds, the portfolio advisers or sub-advisers of the Funds appointed by CIBC or CIBC AMI (such portfolio advisers or sub-advisers "Portfolio Advisers") may allocate brokerage business of the Funds to CWMI and CWMC or other related brokers or dealers that are members of the CIBC Group of Companies (together with CWMI and CWMC, "Related Companies"), provided such transactions are made on terms and conditions comparable to those offered by unrelated brokers and dealers;

7. The Portfolio Advisers of the Funds have discretion to allocate brokerage business in any manner that they believe to be in a Fund's best interests. The purchase or sale of securities effected through CWMI, CWMC or another 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. It is disclosed and will continue to be disclosed in the Funds' interim and annual financial statements the amount of brokerage commissions paid by each Fund on trades with Related Companies;

9. In the absence of this Decision the Legislation requires that reports must be filed on a monthly basis in respect of every purchase or sale of securities effected through a 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 or company that paid the fee to the Related Company and the amount of the fee received by the Related Company;

10. It would be costly and time consuming to continue to provide the information required by the Legislation on a monthly and segregated basis;

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 effective as of the date of this Decision, the Reporting Requirement shall not apply to any purchase or sale of securities by the Funds which is effected through CWMI, CWMC, CIBC or any other Related Company and with respect to which the Related Company received a fee either 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 each Related Company;

(b) the amount of fees paid to each Related Company; and

(c) the person or company that paid the fees.

May 27, 2003.

"H. Lorne Morphy" "Mary Theresa McLeod"

2.1.9 The Consumers' Waterheater Income Fund and The Consumers' Waterheater Operating Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief for wholly owned subsidiary of income fund from the requirements to make an annual filing in lieu of an information circular, where applicable, file an AIF, where applicable, and have a current AIF in order to qualify to file a short form prospectus, subject to certain conditions, including that the parent complies with such requirements and has no assets or liabilities, other than securities of the subsidiary, of more than nominal value having regard to the total consolidated assets of the parent.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 80(b)(iii) and 81(2).

Applicable Ontario Rules

Ontario Securities Commission Rule 51-501 - AIF and MD&A.

Applicable National Instruments

National Instrument 44-101 – Short Form Prospectus Distributions.

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUEBEC, NEW BRUNSWICK, PRINCE EDWARD ISLAND, NEWFOUNDLAND AND LABRADOR, NOVA SCOTIA, 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
THE CONSUMERS' WATERHEATER INCOME FUND

AND

IN THE MATTER OF
THE CONSUMERS' WATERHEATER OPERATING TRUST

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, Newfoundland and Labrador, Nova Scotia, the Northwest Territories, Nunavut and the Yukon Territory (collectively, the "Jurisdictions") has received an application from The Consumers' Waterheater Income Fund (the "Fund") and The Consumers' Waterheater Operating Trust (the "Trust") for a decision under the securities legislation of the Jurisdictions (the "Legislation"), that the requirements contained in the Legislation to:

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

(b) file an annual information form (an "AIF") with the Decision Makers, where applicable; and

(c) have a "current AIF" (as defined in National Instrument 44-101 — Short Form Distributions ("NI 44-101")) in order to qualify under NI 44-101 to file a short form prospectus;

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

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

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

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

The Trust

1. The Trust is an unincorporated open-ended limited purpose trust established under the laws of Ontario pursuant to a declaration of trust dated November 18, 2002, as amended and restated on December 17, 2002 (the "Trust Declaration").

2. The Trust's principal and head office is located at 25 Sheppard Avenue West, Suite 1400, Toronto, Ontario M2N 6S6.

3. The Trust's financial year-end is December 31.

4. The beneficial interests in the Trust are divided into units of the Trust ("Trust Units"). An unlimited number of Trust Units are issuable under the Trust Declaration. All of the issued and outstanding Trust Units are held by the Fund. The Fund is also the sole holder of subordinated unsecured notes of the Trust (the "Unsecured Notes") issued by the Trust from time to time in connection with its capitalization.

5. The Trust became a reporting issuer, or the equivalent, in each of the provinces and territories of Canada that provides for a reporting issuer regime upon the filing of a prospectus of the Trust dated January 15, 2003, and the issuance of a final MRRS Decision Document in respect thereof, under which the Trust offered secured notes (the "Debt Securities"). The Debt Securities are non-voting, except in certain limited circumstances. To its knowledge, the Trust is currently not in default of any applicable requirements under the Legislation.

6. The unconsolidated interim and annual financial statements of the Trust will be prepared, filed and delivered to the indenture trustee in respect of the Debt Securities, and related management's discussion and analysis of the financial conditions and results of operations will be prepared, filed and delivered to security holders of the Trust in accordance with applicable Legislation.

The Fund

7. The Fund is an unincorporated open-ended limited purpose trust established under the laws of Ontario pursuant to a declaration of trust dated October 28, 2002, as amended and restated on December 4, 2002 (the "Fund Declaration").

8. The Fund's principal and head office is located at 25 Sheppard Avenue West, Suite 1400, Toronto, Ontario M2N 6S6.

9. The Fund's financial year-end is December 31.

10. The beneficial interests in the Fund are divided into units of the Fund ("Fund Units"). An unlimited number of Fund Units and special trust units of the Fund ("Special Trust Units") are issuable under the Fund Declaration. As at April 4, 2003, there were issued and outstanding 39,668,798 Fund Units and 9,855,294 Special Trust Units. Special Trust Units provide voting rights in respect of the Fund to holders of securities exchangeable into Fund Units.

11. The Fund became a reporting issuer, or the equivalent, in each of the provinces and territories of Canada that provides for a reporting issuer regime upon the filing of a prospectus of the Fund dated December 5, 2002 and the issuance of a final MRRS Decision Document in respect thereof, under which the Fund offered Fund Units. The Fund Units are listed and posted for trading on the Toronto Stock Exchange. To its knowledge, the Fund is currently not in default of any applicable requirements under the Legislation.

12. The board of trustees of the Fund is, and pursuant to the Fund Declaration is required to be, identical to the board of trustees of the Trust.

13. The administrative agent of the Fund is also the administrative agent of the Trust. The administrative agent provides advice and counsel with respect to the administration of the day-to-day operations and affairs of the Fund and the Trust and other matters as may be requested by the Trustees of the Fund and the Trust from time to time.

14. The Fund has no assets or liabilities (other than the Trust Units and the Unsecured Notes held by it) of more than nominal value having regard to the total consolidated assets of the Fund.

15. The Fund carries on no business other than its investment in the Trust.

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

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

THE DECISION of the Decision Makers in Ontario, Alberta, Saskatchewan, Nova Scotia and Newfoundland and Labrador is that the requirement contained in the Legislation to make an Annual Filing with the Decision Makers in Ontario, Alberta, Saskatchewan, Nova Scotia and Newfoundland and Labrador in lieu of filing an information circular shall not apply to the Trust for so long as:

(i) the Fund remains a reporting issuer under the Legislation of those Jurisdictions providing for reporting issuer status;

(ii) the Fund files with the Decision Makers in Ontario, Alberta, Saskatchewan, Nova Scotia and Newfoundland and Labrador, in electronic format under the Trust's SEDAR profile, the Fund's Annual Filing or information circular (the "Documents"), as applicable, at the same time as they are required under the Legislation, where applicable, to be filed by the Fund;

(iii) the Trust pays all filing fees that would otherwise be payable by the Trust in connection with the filing of the Documents;

(iv) the Fund sends the Documents to the security holders of the Trust to the extent required under the Legislation at the same time and in the same manner as if the security holders of the Trust were security holders of the Fund; and

(v) the Fund has no assets or liabilities (other than the Trust Units and the Unsecured Notes held by it) of more than nominal value having regard to the total consolidated assets of the Fund and carries on no business other than its investment in the Trust.

May 26, 2003.

"Harold P. Hands" "Robert W. Davis"

AND THE FURTHER DECISION of the Decision Makers in Ontario, Saskatchewan and Quebec is that the requirement contained in the Legislation to prepare and file an AIF with the Decision Makers in Ontario, Saskatchewan and Quebec shall not apply to the Trust for so long as:

(i) the Fund remains a reporting issuer under the Legislation of those Jurisdictions providing for reporting issuer status;

(ii) the Fund files with the Decision Makers in Ontario, Saskatchewan and Quebec, in electronic format under the Trust's SEDAR profile, the AIF of the Fund at the same time as it is required under the Legislation, where applicable, to be filed by the Fund;

(iii) the Trust pays all filing fees that would otherwise be payable by the Trust in connection with the filing of the AIF;

(iv) the Fund sends the AIF to the security holders of the Trust to the extent required under the Legislation at the same time and in the same manner as if the security holders of the Trust were security holders of the Fund; and

(v) the Fund has no assets or liabilities (other than the Trust Units and the Unsecured Notes held by it) of more than nominal value having regard to the total consolidated assets of the Fund and carries on no business other than its investment in the Trust.

May 26, 2003.

"John Hughes"

AND THE FURTHER DECISION of the Decision Makers pursuant to the Legislation is that the requirement that the Trust have a current AIF in order to qualify under NI 44-101 to file a short form prospectus shall not apply, provided that:

(i) the Fund has a current AIF; and

(ii) the Fund has no assets or liabilities (other than the Trust Units and the Unsecured Notes held by it) of more than nominal value having regard to the total consolidated assets of the Fund and carries on no business other than its investment in the Trust.

May 26, 2003.

"John Hughes"

2.2 Orders

2.2.1 Cornerstone Trading Company, Inc. - ss. 38(1) of the CFA

Headnote

Relief from the adviser registration requirement of paragraph 22(1)(b) of the Commodity Futures Act (Ontario) (CFA) granted to a non-resident adviser in connection with the proposed advisory services to be provided to a registered commodity trading manager under the CFA for a term of 3 years, subject to certain terms and conditions, pursuant subsection 38(1) of the CFA.

Statutes Cited

Commodity Futures Act, R.S.O. 1990. c. C.20., as am., ss. 22(1)(b), 38(1).
Securities Act, R.S.O. 1990, c. S.5 (as am.) - OSC Rule 35-502 – Non-Resident Advisers, s. 7.3.

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

AND

IN THE MATTER OF
CORNERSTONE TRADING COMPANY, INC.

ORDER
(Subsection 38(1) of the Act)

UPON the application of Cornerstone Trading Company, Inc. (Cornerstone) to the Ontario Securities Commission (the Commission) for a ruling under subsection 38(1) of the CFA that Cornerstone, its officers, directors and representatives are not subject to the requirements of subsection 22(1)(b) of the CFA;

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

AND UPON Cornerstone having represented to the Commission as follows.

1. Cornerstone is a corporation incorporated under the laws of the State of New York.

2. Cornerstone is registered with the United States Commodity Futures Trading Commission (the CFTC) as a commodity trading adviser/commodity pool operator and is a member of the U.S. National Futures Association (the NFA).

3. Cornerstone is proposing to enter into a sub-advisory agreement with Toron Capital Markets Inc. (Toron) and the Horizons Tactical Hedge Fund (the Fund) whereby Toron would act as the portfolio adviser to the Fund in respect of purchases and sales of commodity futures contracts or related products traded on commodity futures exchanges and cleared through acceptable clearing corporations outside of Canada, such as standard futures contracts based on currency, bonds and short-term fixed income securities, and Cornerstone would act as sub-adviser to Toron (the Proposed Advisory Services).

4. Toron is currently registered under the *Securities Act* (Ontario) (the Act) as an adviser (investment counsel and portfolio manager) and limited market dealer. Toron is also currently registered with the Commission as an adviser in the category of commodity trading manager under the Act. Toron will be responsible for the investment advice provided by Cornerstone. As portfolio adviser to the Fund, Toron manages the assets of the Fund by selecting, retaining, removing, replacing and adding sub-advisers to manage the assets of the Fund and re-allocating the assets of the Fund among such sub-advisers in accordance with the investment objectives of the Fund.

5. In connection with the Proposed Advisory Services, Cornerstone will enter into a written agreement with Toron and the Fund setting out the obligations and duties of Cornerstone. Under this agreement, Toron will assume responsibility to the Fund for all advice provided by Cornerstone.

6. Cornerstone will only provide advice to Toron where Toron has represented that it has contractually agreed with the Fund to be responsible for any loss that arises out of the failure of Cornerstone to:

   (a) exercise its powers and discharge the duties of its office honestly, in good faith and in the best interests of the Fund; or

   (b) exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances (the Standard of Care); and that this responsibility cannot be waived.

7. Cornerstone will only provide advice to Toron in connection with the Fund. The Fund has advised Cornerstone that the offering documents will disclose that:

   (a) Toron has responsibility for the investment advice or portfolio management services provided by Cornerstone; and

   (b) to the extent applicable, there may be difficulty in enforcing any legal rights against Cornerstone because it is resident outside of Canada and all or a substantial portion of its assets are situated outside of Canada.

8. Cornerstone will only provide advice to Toron so long as Toron remains a registrant under the Act while the Proposed Advisory Services are provided by Cornerstone.

AND UPON being satisfied that it would not be prejudicial to the public interest for the Commission to grant the exemptions requested;

IT IS ORDERED pursuant to subsection 38(1) of the Act that Cornerstone, its officers, directors and representatives are not subject to the requirements of subsection 22(1)(b) of the CFA in respect of the Proposed Advisory Services, provided that:

(a) the obligations and duties of Cornerstone are set out in a written agreement with Toron;

(b) Cornerstone will only provide advice to Toron where Toron has represented that it has contractually agreed with the Fund to be responsible for any loss that arises out of the failure of Cornerstone to meet the Standard of Care and such responsibility cannot be waived;

(c) Cornerstone will only provide advice to Toron where the offering documents for the Fund disclose that Toron is responsible for any loss that arises out of the failure of Cornerstone to meet the Standard of Care, and that:

(i) Toron has responsibility for the investment advice or portfolio management services provided by Cornerstone, and

(ii) there may be difficulty in enforcing any legal rights against Cornerstone because it is resident outside of Canada and all or a substantial portion of its assets are situated outside of Canada;

(d) Cornerstone continues to be registered with the CFTC as a commodity trading adviser/commodity pool operator;

(e) Cornerstone will only provide advice to Toron so long as Toron remains a registrant under the Act while the Proposed Advisory Services are provided by Cornerstone; and

(f) this order shall terminate three years from the date of the order.

May 2, 2003.

"Theresa McLeod" "Paul M. Moore"

2.2.2 Phillips, Hager & North Investment Management Limited Partnership - ss. 38(1) of the CFA

Headnote

Subsection 38(1) of the Commodity Futures Act (Ontario) (the CFA) - relief from the registration requirements of paragraph 22(1)(b) of the CFA granted to an extra-provincial adviser in respect of the provision of advisory services relating to futures contracts to a mutual fund that does not have an address in Ontario, subject to certain terms and conditions.

Statutes Cited

Commodity Futures Act, R.S.O. 1990. c. C.20., as am., ss. 22(1)(b), 38(1).

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

AND

IN THE MATTER OF
PHILLIPS, HAGER & NORTH INVESTMENT MANAGEMENT LIMITED PARTNERSHIP

ORDER
(Section 38(1))

UPON the application of Phillips, Hager & North Investment Management Limited Partnership (the Applicant) to the Ontario Securities Commission (the Commission) for a ruling under subsection 38(1) of the CFA that the Applicant and its partners, officers and employees are not subject to the requirements of paragraph 22(1)(b) of the CFA with respect to advice provided to mutual funds (collectively, the Funds) managed by Phillips, Hager & North Investment Management Ltd. (PH&N), the general partner of the Applicant, with respect to commodity futures contracts and commodity futures options;

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a limited partnership organized under the laws of British Columbia pursuant to a limited partnership agreement made effective October 25, 2002. PH&N is the general partner of the Applicant and the shareholders of PH&N are its limited partners.

2. The head office of the Applicant is located in British Columbia. The Applicant does not have an address in Ontario.

3. The Applicant is registered as an adviser in the category of portfolio manager under the *Securities Act* (British Columbia) (the BCSA). This registration permits the Applicant to provide advice in British Columbia with respect to securities (including futures and options) and exchange contracts within the meaning of the BCSA.

4. PH&N is the manager and principal portfolio advisor of the Funds which are organized under the laws of British Columbia. The head office of each of the Funds is located in British Columbia. None of the Funds has an address in Ontario.

5. Units of the Funds are distributed in Ontario either pursuant to a simplified prospectus filed with the Commission or pursuant to exemptions from the prospectus requirements under the *Securities Act* (Ontario) (the OSA).

6. The Applicant is the sub-adviser to PH&N with respect to the Funds. The Applicant wishes to advise the Funds with respect to commodity futures contracts and commodity futures options within the meaning of the CFA.

AND WHEREAS paragraph 22(1)(b) of the CFA prohibits a person or company from acting as an adviser unless the person is registered as an adviser, or is registered as a partner or an officer of a registered adviser and is acting on behalf of a registered adviser, and the registration is in accordance with the CFA and the regulations;

AND UPON the Commission being satisfied that to make this ruling would not be prejudicial to the public interest;

IT IS ORDERED pursuant to subsection 38(1) of the CFA that the Applicant and its partners, officers and employees are not subject to the requirement of paragraph 22(1)(b) of the CFA in respect of the advice it provides to the Funds, provided that:

(a) all advice by the Applicant to the Partnership is given and received, or portfolio management services are provided, outside of Ontario;

(b) the Applicant remains registered under the BCSA and permitted to provide advice in British Columbia with respect to exchange contracts;

(c) the Applicant and the Funds continue not to have addresses in Ontario; and

(d) this Order shall terminate three years from the date of the Order.

May 23, 2003.

"H. Lorne Morphy" "Robert W. Korthals"

2.2.3 Trafalgar Associates Limited and Edward Furtak - ss. 127 and 127.1

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

AND

**IN THE MATTER OF
TRAFALGAR ASSOCIATES LIMITED
AND EDWARD FURTAK**

**ORDER
(Sections 127 and 127.1)**

WHEREAS on May 1, 2003, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") respecting Trafalgar Associates Limited ("Trafalgar") and Edward Furtak ("Furtak");

AND WHEREAS Trafalgar and Furtak entered into a Settlement Agreement with Staff of the Commission (the "Settlement Agreement") in which they agreed to a proposed settlement of the proceedings, subject to the approval of the Commission;

AND UPON reviewing the Settlement Agreement and the Statement of Allegations of Staff of the Commission and upon hearing submissions from counsel for Trafalgar and Furtak and from Staff of the Commission;

AND WHEREAS Trafalgar undertakes to the Commission that it will not apply for registration, or pursue its pending application for registration, for four months commencing on the date of this Order;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this Order pursuant to subsection 127(1) and section 127.1 of the Act;

IT IS ORDERED THAT:

1. the attached Settlement Agreement is approved;
2. pursuant to subsection 127(1), paragraph 2, trading in any securities by Furtak cease for six months commencing on the date of this Order;
3. pursuant to subsection 127(1), paragraph 6, Trafalgar and Furtak are reprimanded; and
4. pursuant to section 127.1, Trafalgar and Furtak will pay costs to the Commission in the amount of $5,000 and $2,500 respectively.

May 15, 2003.

"H. Lorne Morphy" "Robert L. Shirriff" "Kerry D. Adams"

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

AND

**IN THE MATTER OF
TRAFALGAR ASSOCIATES LIMITED
AND EDWARD FURTAK**

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. By Notice of Hearing, the Ontario Securities Commission (the "Commission") will convene a hearing to consider the approval of this proposed settlement between Staff of the Commission ("Staff") and the respondents Trafalgar Associates Limited ("Trafalgar") and Edward Furtak ("Furtak") including the making of an Order pursuant to subsection 127(1) and section 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5 (the "Act").

II. JOINT SETTLEMENT RECOMMENDATION

2. Staff agrees to recommend settlement of the proceeding respecting Trafalgar and Furtak initiated by the Notice of Hearing in accordance with the terms and conditions set out below. Trafalgar and Furtak consent to the making of an Order against them in the form attached as Schedule "A" based on the facts set out in Part III of this Settlement Agreement.

III. STATEMENT OF FACTS

Acknowledgement

3. Solely for the purposes of this proceeding, and of any other proceeding commenced by a securities regulatory agency, Staff, Trafalgar and Furtak agree with the facts set out in paragraphs 4 through 25 of this Settlement Agreement.

Facts

(a) The Respondents

4. Trafalgar is a company incorporated under the laws of Ontario. On April 15, 1998, Trafalgar was granted registration with the Commission as a limited market dealer. Trafalgar's registration was suspended in May 1999 due to non-renewal of its registration.

5. Furtak is a Canadian citizen residing in Bermuda. Furtak is the President of the Trafalgar Group of Companies. Trafalgar is a wholly owned subsidiary of this Group. Furtak is Trafalgar's President.

6. Furtak is also the Chair and President of Conexys Corporation Limited, formerly FaxForward International Ltd. ("Conexys"). Conexys trades on the Bermuda Stock Exchange under the symbol CXYS.BH.

7. During the material time, Furtak was not registered with the Commission.

(b) Distributions of FFWD-1998 Limited Partnership Units

8. FFWD-98 Limited Partnership ("FFWD-98") was established in or about April 1998. FFWD-98 entered into a services agreement with Conexys. Conexys was developing fax technology that it intended to market to corporations in Bermuda and Canada.

9. Units in FFWD-98 were offered exclusively to residents of Ontario through an Offering Memorandum dated April 30, 1998 (the "OM"). According to the OM, a maximum of 1,000 units was offered at $5,000 per unit.

10. Units in FFWD-98 were sold to ten Ontario investors for a total amount sold of $220,000. Trafalgar, through Furtak, sold $150,000 worth of the FFWD-98 units to one client (the "Client"). The remaining investors purchased between $5,000 and $10,000 worth of FFWD-98 from registered salespeople who were not employees of Trafalgar.

11. FFWD-98 did not file a preliminary prospectus or prospectus with the Commission. Trafalgar and Furtak traded in securities, which trades were distributions, without a prospectus being filed or receipted by the Commission and with no exemption from the prospectus requirements of Ontario securities law being available for the vast majority of such distributions.

12. The FFWD-98 units offering was advertised on the Trafalgar Group's website and in at least one Toronto newspaper. Selling commissions relating to the sale of FFWD-98 units to the Client and promotional expenses were paid to Trafalgar.

13. Although Form 20's respecting the sale of FFWD-98 units ultimately were filed with the Commission, they were not filed in accordance with the Act.

(c) Conversion of FFWD-98 Units

14. The FFWD-98 units ultimately were converted to shares of Conexys. In May 1999, the General Partner of FFWD-98 gave notice to all the FFWD-98 investors (the "Investors") that Conexys had elected to terminate its services agreement with FFWD-98. Accordingly, Conexys was obliged to, and did, purchase the units held by the Investors at the price of 2,300 Conexys shares for each FFWD-98 unit.

15. In converting the FFWD-98 units to Conexys shares, Trafalgar and Furtak sold securities in a publicly listed company when they were not registered by the Commission to do so.

16. Further, no preliminary prospectus and prospectus was filed and receipted by the Commission and no prospectus exemption was available for the vast majority of these distributions.

17. Investors were not provided with access to substantially the same information concerning the Conexys shares that a prospectus filed under the Act would provide. Although the OM referenced a potential conversion, it provided no information about Conexys' business and financial condition. Trafalgar and Furtak did not supplement this information for their clients.

(d) Advertising and Holding Out

18. Contrary to section 44 of the Act, Trafalgar advertised on its website that it was registered as a limited market dealer with the Commission. Once notified by Enforcement Staff of this contravention of the Act, Trafalgar immediately removed the impugned reference.

19. In the Spring of 2000, Trafalgar held itself out as being registered with the Commission when it was not registered contrary to section 45 of the Act. Trafalgar informs Staff that, at the time, it was unaware that its registration had lapsed.

(e) Unregistered Selling by Furtak

20. Although he was not registered to do so, Furtak sold $150,000 worth of the FFWD-98 units to the Client in May 1998. At the time of the investment, the Client was in his early 80's.

21. Subsequently, Furtak sold to the Client an interest in a software licensing agreement, the cost of which was $90,000 cash and a $210,000 promissory note. The licensing agreement locked in the octogenarian's money for ten years.

22. In Staff's view, the investments described in paragraphs 20 and 21 above were unsuitable for the Client.

(f) Conduct Contrary to Ontario Securities Law and the Public Interest

23. Trafalgar's and Furtak's conduct was contrary to Ontario securities law and the public interest.

(g) Rescission

24. On or about February 17, 2003, Trafalgar redeemed the Investors' investment in FFWD-98 (now Conexys shares). The purchase price represented the full value paid for the FFWD-98 units by the Investors.

25. Furtak redeemed the Client's $90,000 investment in the software licensing agreement and effected the discharge of the $210,000 promissory note on or about February 17, 2003 and February 21, 2003 respectively.

IV. TERMS OF SETTLEMENT

26. Trafalgar agrees to the following terms of settlement:

(a) the making of an Order:

(i) approving this settlement; and

(ii) reprimanding Trafalgar;

(b) Trafalgar will undertake in writing to the Commission that it will not apply to the Commission for registration for 4 months; and

(c) Trafalgar will pay costs to the Commission in the amount of $5,000.

27. Furtak agrees to the following terms of settlement:

(a) the making of an Order:

(i) approving this settlement;

(ii) that trading in any securities by Furtak cease for 6 months;

(iii) reprimanding Furtak; and

(iv) Furtak will pay costs to the Commission in the amount of $2,500.

V. STAFF COMMITMENT

28. If this settlement is approved by the Commission, Staff will not initiate any complaint to the Commission or any other proceeding under the Act against Trafalgar or Furtak respecting the facts set out in Part III of this Settlement Agreement.

VI. APPROVAL OF SETTLEMENT

29. Approval of the settlement set out in this Settlement Agreement shall be sought at the public hearing of the Commission scheduled for May 15, 2003 or such other date as may be agreed to by Staff, Trafalgar and Furtak (the "Settlement Hearing"). Furtak will attend the Settlement Hearing in person.

30. Counsel for Staff or for Trafalgar/Furtak may refer to any part, or all, of this Settlement Agreement at the Settlement Hearing. Staff, Trafalgar and Furtak agree that this Settlement Agreement will constitute the entirety of the evidence to be submitted at the Settlement Hearing.

31. If this settlement is approved by the Commission, Trafalgar and Furtak agree to waive their rights to a full hearing, judicial review or appeal of the matter under the Act.

32. Staff, Trafalgar and Furtak agree that if this settlement is approved by the Commission, they will not make any public statement inconsistent with this Settlement Agreement.

33. If, for any reason whatsoever, this settlement is not approved by the Commission, or an order in the form attached as Schedule "A" is not made by the Commission;

(a) this Settlement Agreement and its terms, including all discussions and negotiations between Staff, Trafalgar and Furtak leading up to its presentation at the Settlement Hearing, shall be without prejudice to Staff, Trafalgar and Furtak;

(b) Staff, Trafalgar and Furtak shall be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations in the Notice of Hearing and Statement of Allegations of Staff, unaffected by this Settlement Agreement or the settlement discussions/negotiations;

(c) the terms of this Settlement Agreement will not be referred to in any subsequent proceeding, or disclosed to any person except with the written consent of Staff, Trafalgar and Furtak, or as may be required by law; and

(d) Trafalgar and Furtak agree that they will not, in any proceeding, refer to or rely upon this Settlement Agreement, the settlement discussions/negotiations or the process of approval of this Settlement Agreement as the basis of any attack on the Commission's jurisdiction, alleged bias or appearance of bias, alleged unfairness or any other remedies or challenges that may otherwise be available.

VII. DISCLOSURE OF SETTLEMENT AGREEMENT

34. Subject to paragraph 30 above, this Settlement Agreement and its terms will be treated as confidential by Staff, Trafalgar and Furtak until approved by the Commission, and forever if, for any reason whatsoever, this settlement is not approved by the Commission, except with the written consent of Staff, Trafalgar and Furtak, or as may be required by law.

35. Any obligations of confidentiality shall terminate upon approval of this settlement by the Commission.

VIII. EXECUTION OF SETTLEMENT AGREEMENT

36. This Settlement Agreement may be signed in one or more counterparts which together shall constitute a binding agreement.

37. A facsimile copy of any signature shall be as effective as an original signature.

March 26, 2003.

"Trafalgar Associates Limited"
Trafalgar Associates Limited

March 27, 2003.

"Edward Furtak"
Edward Furtak

May 13, 2003.

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

2.2.4 Foreign Currency Exchange Corp. - s. 83

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Reporting issuer deemed to have ceased to be a reporting issuer - only one security holder remaining.

Applicable Ontario Statutory Provisions

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

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

AND

**IN THE MATTER OF
FOREIGN CURRENCY EXCHANGE CORP.**

**ORDER
(Section 83)**

WHEREAS the Ontario Securities Commission (the Commission) has received an application from Foreign Currency Exchange Corp. (the Corporation) for a decision by the Commission under the Act deeming the Corporation to have ceased to be a reporting issuer under section 83 of the Act;

AND WHEREAS the Corporation has represented to the Commission that:

1. The Corporation is a company existing under the laws of the state of Florida and is a reporting issuer in Ontario. The Corporation is not a reporting issuer or the equivalent in any jurisdiction in Canada other than Ontario.

2. The Head Office of the Corporation is located in Orlando, Florida.

3. First Rate Acquisition, Inc. (FRA) made an offer (the Offer) to purchase all of the common shares of the Corporation on February 26, 2003.

4. At the time of the Offer, the authorized capital of the Corporation consisted of 10,000,000 common shares (the Shares) of which 3,165,787 Shares were issued and outstanding.

5. At the time of the Offer FRA was a Florida corporation and a wholly-owned subsidiary of BancIreland First Financial, Inc. which in turn was ultimately owned 100% by Bank of Ireland Group.

6. FRA has never been a reporting issuer in Ontario.

7. On April 2, 2003, approximately 99% of the issued and outstanding Shares were tendered pursuant to the Offer. FRA announced its intention to take

up and pay for the tendered Shares on April 3, 2003.

8. The remaining outstanding Shares were cancelled pursuant to a compulsory merger (the Merger) between the Corporation and FRA effected under section 607.1104 of *Florida Business Corporation Act*, Florida statutes chapter 607, as amended.

9. As a result of the Merger, FRA was merged into the Corporation and BancIreland First Financial, Inc., an affiliate of FRA, became the sole shareholder of the Corporation.

10. As a result of the Merger, the Corporation has no securities, including debt securities, outstanding other than the common shares held by BankIreland First Financial, Inc.

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

12. The Corporation is not in default of any of its obligations as a reporting issuer.

13. The Shares were listed on the Toronto Stock Exchange (the TSX) under the stock symbol FXX. However, they were delisted at the close on April 29, 2003. No securities of the Corporation are listed or quoted on any marketplace as defined in National Instrument 21-101.

AND WHEREAS the Commission is satisfied that it would not be prejudicial to the public interest;

IT IS DECIDED pursuant to Section 83 of the Act that the Corporation is deemed to have ceased to be a reporting issuer under the Act.

May 21, 2003.

"John Hughes"

2.2.5 Dynasty Motorcar Corporation - s. 144

Headnote

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

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127, 144.

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

AND

IN THE MATTER OF
DYNASTY MOTORCAR CORPORATION

ORDER
(Section 144)

WHEREAS the securities of DYNASTY MOTORCAR CORPORATION (Dynasty) are subject to a Temporary Order (the Temporary Order) of the Director made on behalf of the Ontario Securities Commission (the Commission), pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act, on November 30, 2001, as extended by further order of the Director on December 12, 2001 on behalf of the Commission pursuant to subsection 127(8) of the Act, that trading in the securities of Dynasty cease (collectively, the Cease Trade Order);

AND WHEREAS Dynasty has applied to the Commission for revocation of the Cease Trade Order pursuant to section 144 of the Act;

AND UPON Dynasty having represented to the Commission that:

1) Dynasty is a reporting issuer in the Provinces of British Columbia, Alberta, Manitoba and Ontario.

2) Dynasty was originally incorporated under the name of Enerex Resources Ltd. under the laws of British Columbia on July 25, 1977 and changed its name to Dynasty Motorcar Corporation on June 2, 2002. On November 29, 2002 Dynasty Motorcar Corporation was amalgamated with its wholly owned subsidiary, Dynasty Motorcar (Canada) Corporation, under Certificate of Amalgamation No. 659409 and continued under the name Dynasty Motorcar Corporation.

3) The authorized capital of Dynasty is 100,000,000 common shares of which 20,269,761 common shares are issued and outstanding.

4) The Cease Trade Order was issued by reason of the failure of Dynasty to file with the Commission interim financial statements for the three-month

period ended August 31, 2001 (the Financial Statements) as required by the Act.

5) Dynasty was unable to file the Financial Statements due to financial difficulties.

6) Dynasty filed the Financial Statements with the Commission on November 25, 2002.

7) Except for the Cease Trade Order, Dynasty is not in default of any requirements of the Act or the regulations made thereunder.

8) Dynasty was subject to cease trade orders issued by the Alberta Securities Commission on December 21, 2001, the Manitoba Securities Commission on July 19, 2002 and the British Columbia Securities Commission on November 22, 2001, all of which have been revoked.

9) The common shares of Dynasty are listed on the TSX Venture Exchange, although trading has been suspended. Dynasty has made application to the TSX Venture Exchange to have the suspension lifted.

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

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

IT IS ORDERED pursuant to section 144 of the Act that the Cease Trade Order be revoked.

May 26, 2003.

"John Hughes"

2.3 Rulings

2.3.1 General Minerals Corporation - s. 9.1 of OSC Rule 61-501

Headnote

Rule 61-501 – related party transactions – relief from valuation requirement in connection with a proposed related party transaction – related party and its affiliate to purchase units from the issuer under a private placement – the related party currently owns 19.1% of the issued and outstanding shares of the issuer – following the transaction, the related party and its affiliate will own 24.6% of the issued and outstanding shares of the issuer – neither the issuer nor the related party has knowledge of any material information concerning the issuer or its securities that has not been generally disclosed and the disclosure document will include a statement to that effect – the disclosure document includes a description of the effect of the distribution of the units on the direct and indirect voting interest of the related party – issuer will comply with all other requirements of Rule 61-501 including obtaining majority of minority approval – transaction has received the approval of the issuer's board of directors-issuer exempt from valuation requirements.

Ontario Rule Cited

Rule 61-501—Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions, ss. 5.5 and 9.1.

IN THE MATTER OF
ONTARIO SECURITIES COMMISSION
RULE 61-501

AND

IN THE MATTER OF
GENERAL MINERALS CORPORATION

RULING
(Section 9.1)

UPON the application (the "Application") of General Minerals Corporation ("GMC") to the Director of the Ontario Securities Commission pursuant to section 9.1 of Rule 61-501 for a decision exempting GMC from the valuation requirements in section 5.5 of Rule 61-501 (the "Valuation Requirements") in connection with a proposed related party transaction with, among others, Exploration Capital Partners 2000 Limited Partnership ("Exploration");

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

AND UPON GMC having represented to the Director as follows:

1. GMC is a corporation existing under the laws of Canada. GMC is a reporting issuer under the applicable securities legislation of each of the provinces of Canada, other than Quebec.

2. The authorized capital of GMC consists of an unlimited number of common shares (the "Shares") and an unlimited number of special shares of which there are currently 43,205,768 Shares and no special shares outstanding. The Shares are listed on The Toronto Stock Exchange.

3. As of May 15, 2003, Exploration owns 8,270,000 Shares, representing approximately 19.1% of the issued and outstanding Shares. Therefore, Exploration is a "related party" of GMC within the meaning of Rule 61-501.

4. At the annual and special meeting of the shareholders of GMC to be held on June 16, 2003 (the "Meeting"), GMC will be asking its shareholders (the "Shareholders") to approve a share consolidation (the "Consolidation") on the basis of one post-Consolidation Share for ten pre-Consolidation Shares. GMC will also be asking the Shareholders to approve the Transaction (as described in paragraph 5 below).

5. GMC intends to issue up to 25,000,000 units (the "Units") at a price of $0.11 per Unit pursuant to a private placement financing transaction (the "Transaction"). Each Unit is comprised of one Share and one common share purchase warrant ("Warrant"). Each Warrant is exercisable for one Share for a period of five years at a price which, assuming the completion of the Consolidation, ranges between $1.40 and $2.05 depending on how long the Warrant is outstanding before it is exercised. The Warrants are redeemable by GMC at any time after the first anniversary of their issue if the closing price of the Shares for 20 consecutive trading days is equal to or greater than 125% of the then exercise price, provided that notice of such redemption is delivered to Warrant holders within 20 business days after the last of such 20 consecutive trading days.

6. GMC has reached an agreement with Exploration pursuant to which Exploration will purchase 6,250,000 Units under the Transaction. In addition, an affiliate of Exploration has agreed to purchase 2,272,727 of the Units under the Transaction. Following the completion of the Transaction, Exploration and its affiliates will own 16,792,727 Shares, representing 24.6% of the issued and outstanding Shares, and 8,522,727 Warrants.

7. By virtue of Exploration being a related party of GMC, the Transaction, as a whole, is a related party transaction under Rule 61-501. GMC is therefore required, absent exemption or discretionary relief, to comply with, among other

things, the Valuation Requirements in order to complete the Transaction.

8. The Transaction is subject to a number of conditions including, without limitation, the approval of all applicable regulatory authorities and the approval of a majority of the Shareholders other than insiders or related parties participating in the Transaction and their associates and affiliates. GMC has received conditional approval for the Transaction from The Toronto Stock Exchange. The board of directors of GMC unanimously approved the Transaction at a meeting held May 15, 2003.

9. GMC will deliver an information circular (the "Circular") to Shareholders disclosing the details of the Transaction. The details of the Transaction will also be disclosed by GMC in a press release and a material change report.

10. Neither GMC nor, to the knowledge of GMC after reasonable inquiry, Exploration has any knowledge of any material information concerning GMC or its securities that has not been generally disclosed. The Circular will include a statement to this effect.

11. The Circular will also include a description of the effect of the distribution of Units on the direct and indirect voting interest of Exploration.

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

IT IS DECIDED pursuant to section 9.1 of Rule 61-501 that GMC shall not be subject to the Valuation Requirements in connection with the Transaction provided that:

(1) the Circular contain the disclosure set out in paragraphs 10 and 11 above; and

(2) GMC complies with the other applicable provisions of Rule 61-501.

May 16, 2003.

"Ralph Shay"

2.3.2 Glimmer Resources Inc. - ss. 74(1)

Headnote

Ruling under subsection 74(1) of the Act - Sections 25 and 53 of the Act will not apply to the issuance of 300,000 common shares of the issuer to a creditor of the issuer subject to conditions, including that the first trade of such shares will be a distribution unless such trade is made in accordance with the provisions of subsections (2) or (3) of section 2.5 of Multilateral Instrument 45-102 - Resale of Securities.

Ontario Statutes

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

Ontario Rules

Multilateral Instrument 45-102 - Resale of Securities, subsections (2) or (3) of section 2.5.

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

AND

IN THE MATTER OF
GLIMMER RESOURCES INC.

RULING
(Subsection 74(1) of the Act)

UPON the application (the "Application") of Glimmer Resources Inc. (the "Corporation") to the Ontario Securities Commission (the "Commission") for a ruling pursuant to section 74(1) of the Act that sections 25 and 53 of the Act will not apply to the issuance of 300,000 common shares of the Corporation (the "Settlement Shares") to a creditor of the Corporation, subject to certain conditions;

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

AND UPON the Corporation having represented to the Commission that:

1. The Corporation was incorporated under the *Business Corporations Act* (Ontario) on March 10, 1986. The head office of the Corporation is located at Suite 500, 56 Temperance Street, Toronto, Ontario, M5H 3V5.

2. The Corporation is a reporting issuer under the Act and is not on the list of defaulting reporting issuers maintained pursuant to section 72(9) of the Act.

3. The authorized capital of the Corporation consists of an unlimited number of common shares (the "Common Shares"), of which 6,098,962 Common

Shares are currently issued and outstanding. The Common Shares are listed on the TSX Venture Exchange (the "TSXV") under the symbol "GME".

4. The Corporation is a mining and exploration company. Together with Exall Resources Inc. ("Exall"), its joint venture partner, the Corporation brought the Glimmer Mine, a ramp-access underground gold mining operation located near Matheson, Ontario, into production in 1998.

5. The Glimmer Mine was operated as a joint venture (the "Joint Venture"). The Corporation held a forty-eight per cent interest in the Joint Venture. Pursuant to a joint venture agreement dated November 20, 2000 (the "Joint Venture Agreement"), Exall was named the "operator" of the Joint Venture, and was responsible for the day-to-day operations of the Glimmer Mine, including the payment of creditors of the Glimmer Mine. The Joint Venture Agreement required the Corporation to reimburse Exall for forty-eight per cent of the expenses of the Joint Venture.

6. On May 10, 2001, production at the Glimmer Mine was halted, and the Glimmer Mine was placed on care and maintenance. On May 30, 2002, the Corporation and Exall entered into an agreement with International Pursuit Corporation (now Apollo Gold Corporation) ("Apollo") to sell all of their right, title and interest in and to the Joint Venture to Apollo.

7. The sale of the Joint Venture was completed on September 6, 2002. As consideration, the Corporation received cash in the amount of $1,516,416, together with 960,000 common shares in the capital of Apollo. The Corporation also has the right, contingent upon the Glimmer Mine reaching certain specified levels of commercial production, to receive an additional $1,440,000 from Apollo. The Glimmer Mine has not yet resumed commercial production.

8. As a result of the sale by the Corporation of its only significant asset, its interest in the Joint Venture, the Corporation has been designated "Inactive" by the TSXV.

9. During the period between May 10, 2001 and May 30, 2002, the Joint Venture incurred expenses of $347,111.50. Exall, as the operator of the Joint Venture, paid these expenses. The Corporation's proportionate share of the Joint Venture expenses incurred during this period is $166,613.52.

10. The Corporation has been experiencing financial difficulty for some time. The Corporation's audited financial statements for the year ended December 31, 2002 showed total assets of $2,293,408, and total liabilities of $3,636,113. The Corporation reported a total loss of $1,870,525, or $0.31 per Common Share, for the year ended December 31, 2002. The Corporation has no revenue-producing assets.

11. All of the cash consideration received by the Corporation for the sale of its interest in the Joint Venture was used by the Corporation to satisfy creditors of the Joint Venture and the Corporation.

12. Since September 6, 2002, Exall and the Corporation have negotiated a settlement of the amounts owing by the Corporation to Exall pursuant to the Joint Venture Agreement. On December 18, 2002, Exall agreed to accept 38,400 common shares of Apollo in partial satisfaction of the amounts owing to it by the Corporation. The closing price of the Apollo common shares on December 18, 2002 was $2.50; therefore, Exall and the Corporation have valued these Apollo common shares at $96,000.00. The Corporation currently owes Exall the sum of $70,613.52 in respect of its proportionate share of the Joint Venture expenses.

13. In satisfaction of its remaining debt to Exall, the Corporation has offered, subject to receipt of all necessary regulatory approvals, to issue the Settlement Shares to Exall (one Common Share for each $0.2353 of indebtedness). Exall has accepted this offer.

14. Exall is at arm's length to the Corporation and is a genuine creditor of the Corporation.

15. The issuance of the Settlement Shares to Exall will represent approximately 4.92% of the currently issued and outstanding Common Shares. Following the issuance of the Settlement Shares to Exall, the Corporation will have a total of 6,398,962 Common Shares issued and outstanding, of which approximately 4.69% will be held by Exall.

16. The Corporation has applied to the TSXV for approval of the issuance of the Settlement Shares to Exall in satisfaction of the debt owed to it.

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

IT IS RULED pursuant to section 74(1) of the Act that section 25 and 53 of the Act will not apply to the issuance of the Settlement Shares to Exall provided that:

(a) prior to or concurrently with the issuance of the Settlement Shares to Exall, the Corporation provides Exall with a copy of this ruling together with a statement explaining that, as a consequence of the ruling, certain protections, rights and remedies provided under the Act to purchasers of securities distributed by way of prospectus, including statutory

rights of rescission and damages, are not available; and

(b) the first trade in Settlement Shares issued to Exall pursuant to this ruling will be a distribution unless such trade is made in accordance with the provisions of subsections (2) or (3) of section 2.5 of Multilateral Instrument 45-102 - *Resale of Securities*.

May 26, 2003.

"Harold P. Hands" "Robert W. Korthals"

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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
701 Media Group Inc.	21 May 03	02 Jun 03		
Arcamatrix Corporation	27 May 03	06 Jun 03		
Ateba Technology & Environmental Inc.	23 May 03	04 Jun 03		
Bearcat Explorations Ltd.	13 May 03	23 May 03		27 May 03
Beta Brands Incorporated	21 May 03	02 Jun 03		
Cairngorm Mines Limited	23 May 03	04 Jun 03		
Canadian Spooner Industries Corporation	26 May 03	06 Jun 03		
Compressario Corporation	21 May 03	02 Jun 03		
Denroy Manufacturing Corporation	23 May 03	04 Jun 03		
Derlak Enterprises Inc.	23 May 03	04 Jun 03		
Dura Products International Inc.	23 May 03	04 Jun 03		
Enblast Productions Inc.	23 May 03	04 Jun 03		
e-Manufacturing Networks Inc.	28 May 03	09 Jun 03		
EStation Network Services, Inc.	23 May 03	04 Jun 03		
E Ventures Inc.	23 May 03	04 Jun 03		
Euro-Net Investments Ltd.	27 May 03	06 Jun 03		
Goldpark China Limited	21 May 03	02 Jun 03		
Intelligent Web Technologies Inc.	21 May 03	02 Jun 03		
MedX Health Corp.	23 May 03	04 Jun 03		
Meteor Creek Resources Inc.	23 May 03	04 Jun 03		
Nobile China Inc.	21 May 03	02 Jun 03		
Nu-Life Corp.	21 May 03	02 Jun 03		
Scintilore Explorations Limited	23 May 03	04 Jun 03		
Seven Seas Petroleum Inc.	28 May 03	09 Jun 03		

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/Revoke
Southern Reef Ventures Inc.	26 May 03	06 Jun 03		
St. Anthony Resources Inc.	26 May 03	06 Jun 03		
Tagalder (2000) Inc.	23 May 03	04 Jun 03		
Telum International Corporation	22 May 03	03 Jun 03		
The Chippery Chip Factory, Inc.	23 May 03	04 Jun 03		
The Mandarin Golf and Country Club Inc.	23 May 03	04 Jun 03		
The NRG Group Inc.	22 May 03	03 Jun 03		
Tintina Mines Limited	28 May 03	09 Jun 03		
Transpacific Resources Inc.	28 May 03	09 Jun 03		
Vector Intermediaries Inc.	28 May 03	09 Jun 03		
Visa Gold Explorations Inc.	28 May 03	09 Jun 03		
Vital Retirement Living Inc.	22 May 03	03 Jun 03		
WebEngine Corporation	27 May 03	06 Jun 03		
World Wide Minerals Ltd.	21 May 03	02 Jun 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
Afton Food Group Ltd.	21 May 03	03 Jun 03			
Aspen Group Resources Corporation	21 May 03	03 Jun 03			
Battery Technologies Inc.	21 May 03	03 Jun 03			
Devine Entertainment Corporation	22 May 03	04 Jun 03			
Finline Technologies Ltd.	21 May 03	03 Jun 03			
Hydromet Environmental Recovery Ltd.	21 May 03	03 Jun 03			
Polyphalt Inc.	21 May 03	03 Jun 03			
Ivernia West Inc.	22 May 03	04 Jun 03			
Radiant Energy Corporation	26 Mar 03	08 Apr 03	08 Apr 03	22 May 03	
Slater Steel Inc.	21 May 03	03 Jun 03			

Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

Exempt Financings

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

REPORTS OF TRADES SUBMITTED ON FORM 45-501F1

Transaction Date	Purchaser	Security	Total Purchase Price ($)	Number of Securities
13-May-2003	Donna Percival	Acuity Pooled Conservative Asset Allocation - Trust Units	29,655.59	2,358.00
23-May-2003	Kenneth Cowan	Acuity Pooled Fixed Income Fund - Trust Units	150,000.00	11,099.00
16-May-2003	Lynne Duncombe	Acuity Pooled High Income Fund - Trust Units	50,000.00	3,330.00
28-Apr-2003	Lynn Wilhelm	Acuity Pooled High Income Fund - Trust Units	25,000.00	1,697.00
02-May-2003	Gerbrand and Renelda Boersen	Acuity Pooled High Income Fund - Trust Units	600,000.00	40,612.00
30-Apr-2003	Ann Smithson	Acuity Pooled High Income Fund - Trust Units	192,336.00	13,043.00
23-May-2003	Andree Hiltz	Acuity Pooled High Income Fund - Trust Units	51,599.00	3,422.00
23-May-2003	Marilyn Haines and Max Haines	Acuity Pooled High Income Fund - Trust Units	200,000.00	13,457.00
13-May-2003	Exel Research Inc.	Acuity Pooled High Income Fund - Units	1,000,000.00	66,695.00
15-May-2003	Leonid Skirko	Acuity Pooled Income Trust Fund - Trust Units	150,000.00	13,687.00
16-Jan-2003	Salida Capital Corp.	Apache Corporation - Shares	610,000.00	10,000.00
20-May-2003	Bruce Gregory and Alan Rottenberg	Boldstreet Inc. - Preferred Shares	64,996.00	20,634.00
14-May-2003	Ralph Sickinger;Evergreen Enterprises Inc.	Carma Financial Services Corporation - Units	200,000.00	2,000,000.00
31-Mar-2003	Sun Life Assurance Company of Canada	Catalyst Fund Limited Partnership I - Units	19,779,840.00	13,600.00

20-May-2003	Peter D. Walker	Corona Gold Corporation - Common Shares	30,000.00	100,000.00
22-Apr-2003	N/A	CPI Plastics Group Limited - Common Shares	4,020.00	1,000.00
23-Apr-2003	6 Purchasers	CPI Plastics Group Limited - Common Shares	69,350.00	20,000.00
24-Mar-2003	3 Purchasers	CPI Plastics Group Limited - Common Shares	65,350.00	3,800.00
28-Apr-2003	2 Purchasers	CPI Plastics Group Limited - Common Shares	8,925.00	2,500.00
29-Apr-2003	2 Purchasers	CPI Plastics Group Limited - Common Shares	152,755.55	44,219.00
13-May-2003	3 Purchasers	CV Technologies Inc. - Units	50,000.00	500,000.00
20-May-2003	26 Purchasers	Discovery Biotech Inc. - Common Shares	100,599.00	33,533.00
15-May-2003	4 Purchasers	ExAlta Energy Inc. - Common Shares	327,600.00	312,000.00
16-May-2003	Bernard Sherman	Excalibur Limited Partnership - Limited Partnership Units	4,816,350.00	22.00
16-May-2003	Rikare Management Inc.	Excalibur Limited Partnership - Limited Partnership Units	481,635.00	2.00
16-May-2003	Sherfam Inc.	Excalibur Limited Partnership - Limited Partnership Units	2,958,615.00	13.00
19-May-2003	Bank of Montreal	Forest City Enterprises Inc. - Notes	2,225,000.00	2,225,000.00
20-May-2003	International Power Holdings Ltd.;Reserve Investment Company	Fortis Inc. - Convertible Debentures	13,446,000.00	10,000,000.00
19-May-2003	USB Trust (Canada)	GAM Diversity Inc. - Shares	41,515.00	59.00
15-May-2003	Delta One Energy and Roger L. Lockhart	Goose River Resources Ltd. - Units	202,500.00	450,000.00
22-May-2003	Cinram International Inc.	HSBC Short Term Investment Fund - Units	1,000,000.00	99,709.00
12-May-2003	TAL Global Asset Management Inc.	iPayment, Inc. - Common Shares	110,088.00	5,000.00
13-May-2003 5/21/03	3 Purchasers	IMAGIN Diagnostics, Inc. - Common Shares	16,500.00	5,500.00
16-May-2003	5 Purchasers	IPC US Income Commercial Real Estate Investment Trust - Units	7,272,240.00	772,000.00
01-May-2003	Gregory A. Young	JOG Limited Partnership No. 1 - Limited Partnership Interest	75,000.00	5,249.00

23-May-2003	6 Purchasers	MacMillan Gold Corp. - Units	100,000.00	500,000.00
30-Apr-2003	SCR Canada Inc.	Meritus Realty Advisors Inc. - Preferred Shares	500,000.00	5,000.00
16-May-2003	Kevin Drensek	Microsource Online, Inc. - Common Shares	6,000.00	1,000.00
16-May-2003	Micheal Marino	Microsource Online, Inc. - Common Shares	3,000.00	500.00
16-May-2003	Tim Mervin Zehr	Microsource Online, Inc. - Common Shares	1,800.00	300.00
16-May-2003	Gino Paolone	Microsource Online, Inc. - Common Shares	3,000.00	500.00
16-May-2003	Erwin Speckert;CFA	Microsource Online, Inc. - Common Shares	24,000.00	4,000.00
16-May-2003	Roy Jonathan Planck	Microsource Online, Inc. - Common Shares	4,800.00	800.00
02-May-2003	Mirabaud Canada Inc.	Miralt North America - Z- USD - Common Shares	143,116.62	990.00
15-May-2003	Don Simpson	Monster Copper Corporation - Units	25,000.00	100,000.00
07-Apr-2003	Hospitals of Ontario Pension Plan	Neuro Discovery Limited Partnership - Limited Partnership Units	400,000.00	4,000.00
14-May-2003	4 Purchasers	Nextair Inc. - Units	446,000.00	6,371,429.00
13-May-2003	10 Purchasers	NFX Gold Inc. - Common Shares	72,500.00	1,450,000.00
18-Mar-2003 3/20/03	Caza Kirk and Salba Jan	Northern Shield Resources Inc. - Units	42,000.00	200,000.00
28-Feb-2003	Frigon Roger	Northern Shield Resources Inc. - Units	6,000.00	30,000.00
05-May-2003	15 Purchasers	Northern Shield Resources Inc. - Units	10,200.00	51,000.00
02-May-2003	8 Purchasers	Phoenix Matachewan Mines Inc. - Special Warrants	86,270.00	862,700.00
15-May-2003	13 Purchasers	Plazacorp Retail Properties Ltd. - Convertible Debentures	1,215,000.00	1,215.00
22-Apr-2003	1258703 Ontario Limited	ReAud Technologies Inc. - Common Shares	500,000.00	411.00
22-Apr-2003	MVO Investments Ltd.	ReAud Technologies Inc. - Common Shares	100,000.00	82.00
22-Apr-2003	1258703 Ontario Limited	ReAud Technologies Inc. - Promissory note	400,000.00	1.00

14-May-2003	12 Purchasers	Redcorp Ventures Ltd. - Flow-Through Shares	1,000,000.00	5,000,000.00
14-May-2003	6 Purchasers	Redcorp Ventures Ltd. - Units	220,000.00	1,100,000.00
30-Dec-2002	3 Purchasers	Rhonda Corporation - Flow-Through Shares	79,200.00	440,000.00
15-May-2003	Ontario Municipal Employees Retirement Board	RH Fund 4, L.P. - Limited Partnership Units	137,610,000.00	100,000,000.00
20-May-2003	Credit Risk Advisors	Rite Aid Corporation - Notes	1,323,072.00	1.00
09-May-2003	Sherrie Johnston	Safefreight Technology Ltd. - Common Shares	5,000.00	10,000.00
19-May-2003	Credit Risk Advisors	Salt Holdings Corporation - Notes	379,271.72	12.00
16-May-2003	3 Purchasers	Second World Trader Inc. - Units	6,619.00	528.00
01-May-2003	Douglas Kee	Silvercreek Limited Partnership - Limited Partnership Units	150,000.00	2,359.00
13-May-2003	The Toronto Dominion Bank;Royal Bank of Canada	Telbeau Inc. - Debentures	78,399,984.00	2.00
06-May-2003	4 Purchasers	Telesis North Communications Inc. - Units	22,001.00	220,010.00
12-May-2003	Stuart C. McCormack;Monica Rosenthal	The Strand Boulders Investment Trust - Trust Units	75,000.00	6.00
21-May-2003	3 Purchasers	Thomas & Betts Corporation - Notes	1,689,000.00	1,250,000.00
07-Jan-2003	Silvercreek Management Inc.	Tyco International Group S.A. - Convertible Debentures	4,711,200.00	3,000,000.00
26-May-2003	Stanley G. Hawkins	WebEngine Corporation - Common Shares	15,000.00	300,000.00
16-May-2003	Column Canada Financial Corp.	West Edmonton Mall Property Inc. - Mortgage	335,000,000.00	1.00
13-May-2003	6 Purchasers	Woodbridge Finance Corporation - Notes	92,400,000.00	6.00

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

Seller	Security	Number of Securities
Scanfield Holdings Limited	Arbor Memorial Services Inc. - Common Shares	42,720.00
Discovery Capital Corporation	CardioComm Solutions Inc. - Common Shares	1,125,000.00
James Matthews	CCC Internet Solutions Inc. - Common Shares	12,950.00
Paul Timoteo	CCC Internet Solutions Inc. - Common Shares	12,950.00
Eli Oszlak	CCC Internet Solutions Inc. - Common Shares	11,100.00
Larry Melnick	Champion Natural Health.com Inc. - Shares	29,900.00
Hector Davila Santos	First Silver Reserve Inc. - Common Share Purchase Warrant	135,000.00
Hector Davila Santos	First Silver Reserve Inc. - Common Shares	135,000.00
Xenolith Gold Limited	Kookaburra Resources Ltd. - Common Shares	1,113,700.00
Canaccord Capital Corporation	Mosaic Technologies Corporation - Common Shares	1,797,843.00
A-Shear Holdings Inc.	Teknion Corporation - Shares	34,800.00
Thomas V. Hinke	Thermal Energy International Inc. - Common Shares	500,000.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
ARC Energy Trust
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated May 22, 2003
Mutual Reliance Review System Receipt dated May 22, 2003
Offering Price and Description:
$171,579,391.00 - 14,358,108 Trust Units @ $11.95 per Trust Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
National Bank Financial Inc.
TD Securities Inc.
FirstEnergy Capital Corp.
Raymond James Ltd.
Dundee Securities Corporation
Promoter(s):
-
Project #543883

Issuer Name:
ARC Energy Trust
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated May 22, 200
Mutual Reliance Review System Receipt dated May 22, 2003
Offering Price and Description:
$150,000,000.00 - 8% Adjustable Convertible Unsecured Subordinated Debentures
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
Promoter(s):
-
Project #543910

Issuer Name:
Capital Alliance Ventures Inc.
Type and Date:
Amendment #2 dated May 26, 2003 to Final Long Form Prospectus dated October 23, 2002
Received on May 27, 2003
Offering Price and Description:
(Class A Shares)
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #482810

Issuer Name:
Cardiome Pharma Corp
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus (NI 44-101) dated
Mutual Reliance Review System Receipt dated
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #545189

Issuer Name:
Central Gold-Trust
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Prospectus dated May 22, 2003
Mutual Reliance Review System Receipt dated May 22, 2003
Offering Price and Description:
$ * - * Units - @$20.00 per Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Pollitt & Co. Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Dundee Securities Corporation
First Associates Investments Inc.
Haywood Securities Inc.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Sprott Securities Inc.
Promoter(s):
J.C. Stefan Spicer
Alexander J. Grieve
Project #533220

Issuer Name:
Dominion Equity 2003 Flow-Through Limited Partnership
Principal Regulator - Alberta
Type and Date:
Preliminary Prospectus dated May 23, 2003
Mutual Reliance Review System Receipt dated May 23, 2003
Offering Price and Description:
$15,000,000 (Maximum Offering); $5,000,000 (Minimum Offering) - A maximum of 15,000 and a minimum of 5,000 Limited Partnership Units - Price: $1,000.00 per Unit Minimum Purchase: 10 Units $10,000.00)
Underwriter(s) or Distributor(s):
J.F. Mackie & Company
Tristone Capital Inc.
Promoter(s):
Crescent Capital Corp.
Project #544260

Issuer Name:
Enbridge Income Fund
Principal Regulator - Alberta
Type and Date:
Preliminary Prospectus dated May 26, 2003
Mutual Reliance Review System Receipt dated May 26, 2003
Offering Price and Description:
$ * - * Ordinary Units
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Promoter(s):
Enbridge Inc.
Project #544448

Issuer Name:
ENMAX Corporation
Principal Regulator - Alberta
Type and Date:
Preliminary Non-Offering Prospectus dated May 22, 2003
Mutual Reliance Review System Receipt dated May 22, 2003
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #543859

Issuer Name:
Fort Chicago Energy Partners L.P.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated May 26, 2003
Mutual Reliance Review System Receipt dated May 26, 2003
Offering Price and Description:
$110,625,000.00 - 12,500,000 Class A Units at a Price of $8.85 per Class A Unit
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
TD Securities Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Canaccord Capital Corporation
FirstEnergy Capital Corp.
Promoter(s):
-
Project #544699

Issuer Name:
Hydro One Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Shelf Prospectus dated May 23, 2003
Mutual Reliance Review System Receipt dated May 26, 2003
Offering Price and Description:
$2,000,000,000.00 - Medium Term Notes (unsecured)
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Casgrain & Company Limited
CIBC World Markets Inc.
HSBC Securities (Canada) Inc.
Laurentian Bank Securities Inc.
Merrill Lynch Canada Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
-
Project #544256

Issuer Name:
Impression Plan
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated May 21, 2003
Mutual Reliance Review System Receipt dated May 22, 2003
Offering Price and Description:
Units
Underwriter(s) or Distributor(s):
Allianz Education Funds, Inc.
Promoter(s):
-
Project #543174

Issuer Name:
Lorus Therapeutics Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 26, 2003
Mutual Reliance Review System Receipt dated May 27, 2003
Offering Price and Description:
$ * - * Units Price: $ * per Unit
Underwriter(s) or Distributor(s):
Loewen, Ondaatje, McCutcheon Limited
Dundee Securities Corporation
Harris Partners Limited
Haywood Securities Inc.
Promoter(s):
-
Project #544882

Issuer Name:
Methanex Corporation
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated May 21, 2003
Mutual Reliance Review System Receipt dated May 21, 2003
Offering Price and Description:
$504,693,451.00 - 37,946,876 Common Shares @ $13.30 per Common Share
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
TD Securities Inc.
Citigroup Global Markets Canada Inc.
UBS Securities Canada Inc.
Promoter(s):
-
Project #543283

Issuer Name:
N-45° First CMBS Issuer Corporation
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated May 22, 2003
Mutual Reliance Review System Receipt dated May 26, 2003
Offering Price and Description:
Commercial Mortgage-Backed Bonds Series 2003-1
$523,352,000 (Approximate)
$200,000,000 principal amount of [*]% Class A-1 Bonds, due May 15, 2008
$278,574,000 principal amount of [*]% Class A-2 Bonds, due March 15, 2013
$8,396,000 principal amount of [*]% Class B Bonds, due March 15, 2013
$16,792,000 principal amount of [*]% Class C Bonds, due September 15, 2013
$19,590,000 principal amount of [*]% Class D Bonds, due September 15, 2013
$559,735,881 notional amount of Class IO Bonds (interest only), due December 15, 2016
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
Merrill Lynch Canada Inc.
National Bank Financial Inc.
CIBC World Markets Inc.
Desjardins Securities Inc.
Laurentian Bank Securities Inc.
Canaccord Capital Corporation
Promoter(s):
Hypothèques CDPQ Inc.
Project #544423

Issuer Name:
Q2-Global Equity Fund
Q1-Balanced Fund
Principal Regulator - Ontario
Type and Date: Annu
Preliminary Simplified Prospectuses dated May 21, 2003
Mutual Reliance Review System Receipt dated May 27, 2003
Offering Price and Description:
(Quadrus Series and H Series Securities)
Underwriter(s) or Distributor(s):
Quadrus Investment Services Ltd.
Quadrus Investment Services Ltd.
Quadrus Investment Services Inc.
Quadrus Investments Services Ltd.
Promoter(s):
Mackenzie Financial Corporation
Project #544659

Issuer Name:
RBC Private Short-Term Income Pool
RBC Private Corporate Bond Pool
RBC Private Canadian Bond Pool
RBC Private Global Bond Pool
RBC Private Income Pool
RBC Private Dividend Pool
RBC Private Canadian Equity Pool
RBC Private EAFE Equity
RBC Private Concentrated U.S. Equity Pool
RBC Private Canadian Growth and Income Equity Pool
RBC Private World Equity Pool
RBC Private U.S. Small Cap Equity Pool
RBC Private U.S. Value Equity Pool
RBC Private U.S. Growth Equity Pool
RBC Private Concentrated Canadian Equity Pool
RBC Private RSP U.S. Large Cap Equity Pool
RBC Private RSP International Equity Pool
RBC Private Canadian Mid Cap Equity Pool
RBC Private U.S. Large Cap Equity Pool
RBC Private International Equity Pool
RBC Private U.S. Mid Cap Equity Pool
RBC Private Asian Equity Pool
RBC Private European Equity Pool
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated May 23, 2003
Mutual Reliance Review System Receipt dated May 23, 2003
Offering Price and Description:
Series O and F Units
Underwriter(s) or Distributor(s):
RBC Global Investment Management Inc.
The Royal Trust Company
RBC Global Investment Management Inc.
Promoter(s):
RBC Global Investment Management Inc.
Project #544124

Issuer Name:
CANADIAN SCHOLARSHIP TRUST FAMILY SAVINGS PLAN
CANADIAN SCHOLARSHIP TRUST PLAN-OPTIONAL PLAN
CANADIAN SCHOLARSHIP TRUST PLAN-MILLENNIUM PLAN
Principal Regulator - Ontario
Type and Date:
Final Prospectuses dated May 22, 2003
Mutual Reliance Review System Receipt dated May 23, 2003
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #515948;515874;515954

Issuer Name:
Clearwater Seafoods Income Fund
Principal Regulator - Nova Scotia
Type and Date:
Final Prospectus dated May 26, 2003
Mutual Reliance Review System Receipt dated May 26, 2003
Offering Price and Description:
4,000,000 Units Issuable upon the exercise of 4,000,000 Special Warrants
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Promoter(s):
Clearwater Fine Foods Incorporated
Project #534133

Issuer Name:
Counsel Managed
Counsel Focus
Counsel Focus RSP
Counsel World Equity
Counsel World Equity RSP
Counsel Select Sector
Counsel Select Sector RSP
Counsel Money Market
Counsel Select Canada
Counsel Select Value
Counsel Focus Value
Counsel Fixed Income
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated May 23, 2003
Mutual Reliance Review System Receipt dated May 27, 2003
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
Counsel Group of Funds Inc.
Project #531192

Issuer Name:
Fortis Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated May 26, 2003
Mutual Reliance Review System Receipt dated May 26, 2003
Offering Price and Description:
$125,000,000 - 5,000,000 First Preference Shares, Series C
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Beacon Securities Limited
Promoter(s):
-
Project #539184

Issuer Name:
Hawk Energy Corp.
Principal Regulator - Alberta
Type and Date:
Final Prospectus dated May 22, 2003
Mutual Reliance Review System Receipt dated May 22, 2003
Offering Price and Description:
$5,000,000 to $9,000,000 - 5,000 to 9,000 Units @ $1,000.00 per Unit. Minimum Subscription: 5 Units
Underwriter(s) or Distributor(s):
Griffiths McBurney & Partners
Promoter(s):
Stephen J. Fitzmaurice
Erik A. DeWiel
Randolph D. Deobald
David N. Bonnar
Project #531193

Issuer Name:
ID Biomedical Corporation
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated May 22, 2003
Mutual Reliance Review System Receipt dated May 22, 2003
Offering Price and Description:
Common shares - 2,610,000 common shares @ US$8.50/share
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Canaccord Capital Corporation
RBC Dominion Securities Inc.
Dloughy Merchant Group Inc.
TD Securities Inc.
Desjardins Securities Inc.
Promoter(s):
-
Project #538136

Issuer Name:
Mackenzie Cundill American Capital Class
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated May 15, 2003
Mutual Reliance Review System Receipt dated May 21, 2003
Offering Price and Description:
Offering Series A, F, I and O Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
Mackenzie Financial Corporation
Project #532143

Issuer Name:
GWLIM Equity/Bond Fund
LLIM Balanced Strategic Growth Fund
GWLIM Emerging Industries Fund
Principal Regulator - Ontario
Type and Date:
Amendment #4 dated May 22, 2003 to the Final Simplified Prospectuses and Annual Information Forms dated July 31, 2002
Mutual Reliance Review System Receipt dated May 27, 2003
Offering Price and Description:
(Quadrus Series and H Series)
Underwriter(s) or Distributor(s):
Quadrus Investment Services Ltd.
Quadrus Investment Services Ltd.
Quadrus Investment Services Inc.
Quadrus Investments Services Ltd.
Promoter(s):
Mackenzie Financial Corporation
Project #463679

Issuer Name:
Mega Bloks Inc.
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated May 22, 2003
Mutual Reliance Review System Receipt dated May 22, 2003
Offering Price and Description:
6,223,240 Common Shares @ $21.50/Share = $133,799,660
Underwriter(s) or Distributor(s):
Merrill Lynch Canada Inc.
Promoter(s):
-
Project #537529

Issuer Name:
MIX AIM American Mid-Cap Growth Class
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated May 14, 2003 to the Final Simplified Prospectus and Annual Information Form dated October 29, 2002
Mutual Reliance Review System Receipt dated May 21, 2003
Offering Price and Description:
Advisor Series and Series F Shares)
Underwriter(s) or Distributor(s):
Elliott & Page Limited
Elliott & Page Limited
Promoter(s):
Elliott & Page Limited
Project #482310

Issuer Name:
Nexen Inc.
Principal Regulator - Alberta
Type and Date:
Final Shelf Prospectus dated May 22, 2003
Mutual Reliance Review System Receipt dated May 22, 2003
Offering Price and Description:
Debt Securities up to $500,000,000
Underwriter(s) or Distributor(s):
TD Securities Inc.
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
HSBC Securities (Canada) Inc.
Promoter(s):
-
Project #537689

Issuer Name:
Northbridge Financial Corporation
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated May 21, 2003
Mutual Reliance Review System Receipt dated May 22, 2003
Offering Price and Description:
$201,000,000.00 - 13,400,000 Common Shares @$15.00 per Common Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
Promoter(s):
Fairfax Financial Holdings Limited
Project #528158

Issuer Name:
Paramount Energy Trust
Principal Regulator - Alberta
Type and Date:
Final Prospectus dated May 23, 2003
Mutual Reliance Review System Receipt dated May 23, 2003
Offering Price and Description:
$55,027,500.00 - 4,350,000 Trust Units @ $12.65/Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
FirstEnergy Capital Corp.
Peters & Co. Limited
Promoter(s):
PARAMOUNT RESOURCES LTD.
Project #534800

Issuer Name:
Renaissance Canadian Real Return Bond Fund
(formerly Renaissance Global Opportunities Fund)
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated May 15, 2003 to the Final Simplified Prospectus and Annual Information Form dated November 8, 2002
Mutual Reliance Review System Receipt dated May 22, 2003
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
CIBC Securities Inc.
CIBC Securities Inc.
Promoter(s):
-
Project #484243

Issuer Name:
Solar Trust
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated May 21, 2003
Mutual Reliance Review System Receipt dated May 21, 2003
Offering Price and Description:
$430,150,000 (Approximate) Commercial Mortgage Pass Through Certificates, Series 2003-CC1
Underwriter(s) or Distributor(s):
TD Securities Inc.
Credit Suisse First Boston Canada Inc.
Promoter(s):
-
Project #535458

Issuer Name:
The Children's Educational Foundation of Canada
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated May 22, 2003
Mutual Reliance Review System Receipt dated May 22, 2003
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Education Fund Services Inc.
Project #530614

Issuer Name:
The Millennium BullionFund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated May 20, 2003
Mutual Reliance Review System Receipt dated May 22, 2003
Offering Price and Description:
Units of a Mutual Fund Trust
Underwriter(s) or Distributor(s):
-
Promoter(s):
Bullion Management Services Inc.
Project #508841

Issuer Name:
Ultima Energy Trust
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated May 22, 2003
Mutual Reliance Review System Receipt dated May 22, 2003
Offering Price and Description:
4,000,000 Trust Units ($20,200,000)
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
-
Project #538282

Issuer Name:
Viking Energy Royalty Trust
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated May 21, 2003
Mutual Reliance Review System Receipt dated May 22, 2003
Offering Price and Description:
$50,400,000.00 - 8,000,000 Trust Units @$6.30 per Trust Unit
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
TD Securities Inc.
Promoter(s):
-
Project #537227

Issuer Name:
Eastshore Energy Ltd.
Principal Regulator - Alberta
Type and Date:
Amendment #1 dated May 16, 2003 to the Long Form Prospectus dated April 30, 2003
Mutual Reliance Review System Receipt dated May 21, 2003
Offering Price and Description:
Minimum: 6,000 Units ($6,000,000); Maximum: 8,000 Units ($8,000,000) Price: $1,000 per Unit
Minimum Subscription: 5 Units ($5,000)
Underwriter(s) or Distributor(s):
GRIFFITHS McBURNEY & PARTNERS
Promoter(s):
Project : 522713

Issuer Name:
Keyspan Facilities Income Fund
Principal Regulator - Alberta
Type and Date:
Final Prospectus dated May 22, 2003
Mutual Reliance Review System Receipt dated May 22, 2003
Offering Price and Description:
$150,000,000.00 - 15,000,000 Units Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
Peters & Co. Limited
Promoter(s):
Project: 528349

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Harrington Lane Financial Corporation Attention: Daniel W. Brintnell WaterPark Place 10 Bay Street, Suite 400 Toronto ON M5J 2R8	Limited Market Dealer	May 21/03
Restructuring	Berkshire Securities Inc. Attention: Henry Laferriere 1375 Kerns Road Burlington ON L7R 4X8	Investment Dealer	May 16/03
Restructuring	Berkshire Investment Group Inc. Attention: Alison Elizabeth Fletcher 1375 Kerns Road Burlington ON L7R 4X8	Mutual Fund Dealer Limited Market Dealer	May 16/03
Change of Name	Wealth Advisory Services Ltd. 67 Yonge Street Suite 1203 Toronto ON M5E 1J8	From: Efunds.ca Securities Limited To: Wealth Advisory Services Ltd.	Apr 14/03
Change of Name	Fort House Inc. Attention: Allan Folk The Exchange Tower 130 King Street West Suite 3690 Toronto ON M5X 1C7	From: Fahnestock Canada Inc. To: Fort House Inc.	May 01/03
Change of Name	UBS Securities Canada Inc./ UBS Valeurs Mobilieres Canada Inc. 161 Bay Street Suite 4100 BCE Place, PO Box 617 Toronto ON M5J 2S1	From: UBS Bunting Warburg Inc. To: UBS Securities Canada Inc./ UBS Valeurs Mobilieres Canada Inc.	May 13/03
Suspension of Registration	Watermark Capital Management Inc. 1260-885 West Georgia Street Vancouver BC V6C3E8	Limited Market Dealer	May 07/03

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 IDA Discipline Penalties imposed on Paul Mark Herd – Violation of By-Law 29.1 and Regulation 1300.4

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

BULLETIN # 3157
May 26, 2003

DISCIPLINE

DISCIPLINE PENALTIES IMPOSED ON PAUL MARK HERD – VIOLATION OF BY-LAW 29.1 AND REGULATION 1300.4

Person Disciplined

The Ontario District Council of the Investment Dealers Association of Canada (the "Association") has imposed discipline penalties on Paul Mark Herd, at all material times a registered representative employed by RBC Dominion Securities Inc., a Member of the Association.

By-laws, Regulations, Policies Violated

On May 13, 2003 the Ontario District Council considered, reviewed and accepted a Settlement Agreement negotiated between Mr. Herd and Association staff.

Pursuant to the Settlement Agreement, Mr. Herd admitted that he:

- engaged in conduct unbecoming a registered representative by trading excessively in his client's Canadian Dollar Margin Account for the purpose of earning commissions, contrary to By-law 29.1;
- engaged in conduct unbecoming a registered representative by being less than forthright with the management of his Member firm as to the extent of his client's participation in the trading activity being undertaken in his account, contrary to By-law 29.1; and
- exercised discretion in effecting trades in his client's Canadian Dollar Margin Account, in respect of which the client had not given his written authorization for the exercise of such discretion and which had not been accepted as a discretionary account by Member firm management, contrary to Regulation 1300.4.

Penalty Assessed

The discipline penalty assessed against Mr. Herd is:

- a fine in the amount of $30,000;
- disgorgement of commissions in the amount of $50,000; and
- re-write and pass the examination based on the Conduct and Practices Handbook within 6 months.

Mr. Herd is also required to pay $5000.00 towards the Association's costs of the investigation of this matter.

Summary of Facts

From 1991 to 1999, Mr. Herd managed a Canadian Dollar Margin Account belonging to an elderly client, Mr. A. Mr. A is a retired teacher approximately 88 years of age, living in a senior's residence. He had a 1998 annual income of approximately $165,000.

Mr. A's investment plan, of which Mr. Herd was aware, was to have his investments grow to be passed on to his estate. Mr. A does not consider himself a good investor and thus relied upon Mr. Herd for all investment decisions in his account. During the relevant period he did not exhibit a strong interest in the particulars of his account and did not pay much attention to his confirmation slips, as he did not understand them. Mr. A. is comfortable with the use of margin in his account and understands that it involves a lot of risk.

Mr. A and Mr. Herd did not have frequent contact, speaking only between four and eight times a year. Nevertheless, during the four-year period between January 1995 and December 1998, there were a total of 252 securities transactions in the account, reflecting 90 different securities including 28 mutual funds, many from different fund families. Most or all of these trades involved the exercise of discretion by Mr. Herd to price or timing or quantity or a combination of those factors. Mr. Herd did not ensure that his client had given his written authorization for the exercise of discretion in respect of Mr. A's account, or that RBC had accepted the account as discretionary.

During the 4-year period from January 1, 1995 to December 31, 1998, Client A was charged $214,005.99 in commissions on a total of 252 trades. The commissions were primarily from Deferred Sales Charges ("DSC") on mutual fund switches. Of the $214,005.99 charged to the account of Client A, the sum of $108,093.15 was remitted to the various mutual fund companies. Mr. Herd's share of the remaining commissions was $50,838.16.

The trading activity and corresponding commission charges during the time frame described above was of concern to RBC management. Consequently, on various occasions in each instance Mr. Herd was asked to provide explanations as to the basis for the high volume of transactions and commissions. In each case, Mr. Herd led RBC management to believe that Client A was a knowledgeable investor who was actively involved in the trading decisions relating to this account and that he approved of such activity.

Because of these apparent irregularities, an RBC Branch Manager paid a personal visit to Client A at his senior's residence early in January 1999. As a result of this meeting, Mr. Herd was terminated from his employment at RBCDS.

In accepting the Settlement Agreement the District Council took notice of the fact that Mr. Herd had been on close supervision for a period in excess of four years with no further incidents. Mr. Herd had also agreed to a resolution of this matter which did not necessitate the attendance of client A. In these specific circumstances, the District Council accepted that a period of suspension was not warranted.

Mr. Herd is currently employed with TD Securities Inc.

Kenneth A. Nason
Association Secretary

13.1.2 Approval of Amendments to IDA Regulation 100.4 – Capital share, Convertible Security and Exercisable Security Offsets – Notice of Commission Approval

AMENDMENTS TO IDA REGULATION 100.4 – CAPITAL SHARE, CONVERTIBLE SECURITY AND EXERCISABLE SECURITY OFFSETS

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission approved amendments to IDA Regulation 100.4 regarding capital share, convertible security and exercisable security offsets. The Alberta Securities Commission approved and the British Columbia Securities Commission did not object to these amendments. The purpose of the amendments is to establish specific capital and margin requirements for capital share, convertible security and exercisable security offsets that are reflective of their market risk. A copy and description of these amendments were published on November 8, 2002 at (2002) 25 OSCB 7402. No comments were received. The final amendments to Regulation 100.4G(d) to 100.4G(e) blacklined from the version published on November 8, 2002 are contained in Appendix "A".

APPENDIX "A"

The Final Amendments to Regulation 100.4G(d) and 100.4G(e)

Reg. 100.4G(d) - Long capital shares and short call option contracts

Where capital shares are carried long in an account and the account is also short an equivalent number of call option contracts expiring on or before the redemption date of the capital shares, the capital and margin requirements, for Member firm and customer account positions respectively, shall be equal to the sum of:

(i) the lesser of:

(A) the normal capital required (credit required in the case of customer account positions) on the ~~underlying common shares~~ capital shares less, if any, the market value of the premium credit on the short call option, but cannot reduce the capital required to less than zero; and

(B) any excess of the market value of the underlying common shares over the aggregate exercise value of the Call Options ~~over the normal loan value of the underlying common shares~~;

and

(ii) the capital share conversion loss, if any; and

(iii) where the capital shares cannot be tendered to the split share company for retraction directly for the underlying common shares at the option of the holder, 20% of the normal capital required (margin required in the case of customer account positions) on the underlying common shares.

Reg. 100.4G(e) - Long common shares and short capital shares

Where common shares are carried long in an account and the account is also short an equivalent number of capital shares, the capital and margin requirements, for Member firm and customer account positions respectively, shall be equal to the ~~greater~~ sum of:

(i) the ~~sum~~ lesser of:

(A) the sum of:

(AI) the capital share conversion loss, if any; and

(BII) the normal capital required (margin required in the case of customer account positions) on

the equivalent number of preferred shares; and

(B) the normal capital required (margin required in the case of customer account positions) on the underlying common shares;

~~(C) 40% of the normal capital required (margin required in the case of customer account positions) on the underlying common shares.~~

and

(ii) 40% of the normal capital required (margin required in the case of customer account positions) on the underlying common shares. ~~the normal capital required (margin required in the case of customer account positions) on the underlying common shares.~~

Chapter 25

Other Information

25.1 Consents

25.1.1 Apollo Gold Corporation - ss. 4(b) of Reg. 289

Headnote

Consent given to an OBCA corporation to continue under the laws of the Yukon.

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 181.
Securities Act, R.S.O. 1990, c. S.5, as am.
Business Corporations Act (Yukon) R.S.Y.T. 1986 c. 15.

Regulations Cited

Regulation made under the Business Corporation Act, Ont. Reg. 289/00, ss. 4(b).

IN THE MATTER OF
ONT. REG. 289/00 (THE "REGULATION")
MADE UNDER THE BUSINESS CORPORATIONS ACT,
R.S.O. 1990, c. B.16 (THE "OBCA")

AND

IN THE MATTER OF
APOLLO GOLD CORPORATION

CONSENT
(Subsection 4(b) of the Regulation)

UPON the application of Apollo Gold Corporation ("Apollo") to the Ontario Securities Commission (the "Commission") requesting a consent from the Commission for Apollo to continue into another jurisdiction pursuant to clause 4(b) of the Regulation;

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

AND UPON Apollo having represented to the Commission that:

1. Apollo is a corporation existing under the provisions of the OBCA. Apollo's registered office is located at Suite 4400, Royal Trust Tower, P.O. Box 95, TD Centre, Toronto, Ontario M5K 1G8.

2. Apollo is an offering corporation under the OBCA and is a reporting issuer under the Securities Act, R.S.O. 1990, c.S.5, as amended (the "Act"). Apollo is also a reporting issuer in the provinces of Alberta, British Columbia and Manitoba.

3. Apollo is proposing to submit an application to the Director under the OBCA pursuant to section 181 of the OBCA (the "Application for Continuance") for authorization to continue (the "Continuance") as a corporation under the laws of the Yukon Territory.

4. Pursuant to subsection 4(b) of the Regulation, where the corporation is an offering corporation, the Application for Continuance must be accompanied by consent from the Commission.

5. Apollo intends to remain a reporting issuer in Ontario.

6. Apollo is not in default under any of the provisions of the Act or the regulation or rules made under the Act. Apollo is not in default under the securities legislation of any other jurisdiction where it is a reporting issuer.

7. Apollo is not a party to a proceeding nor, to the best of its knowledge, information and belief, any pending proceeding under the Act.

8. Apollo's shareholders authorized the Continuance by special resolution at a meeting of shareholders held on May 21, 2003.

9. The Continuance has been proposed so that Apollo may conduct its affairs in accordance with the Business Corporations Act (Yukon) R.S.Y.T. 1986 c. 15 (the "YBCA").

10. The material rights, duties and obligations of a corporation governed by the YBCA are substantially similar to those of a corporation governed by the OBCA, with the exception that there is no Canadian residency requirement for the members of the board of directors under the YBCA.

THE COMMISSION HEREBY CONSENTS to the continuance of Apollo as a corporation under the laws of the Yukon Territory.

May 23, 2003.

"H. Lorne Morphy" "Robert W. Korthals"

25.2 Approvals

25.2.1 Franklin Templeton Investment Corp. - cl. 213(3)(b) of the LTCA

Headnote

Subsection 213(3)(b) of the Loan and Trust Corporations Act – application for approval to act as trustee.

Statutes Cited

Loan and Trust Corporations Act, R.S.O. 1990, c. L.25, as am., ss. 213(3)(b).

May 23, 2003

Borden Ladner Gervais LLP

Attention: Brian D. Behrman

Re: Franklin Templeton Investment Corp. (the "Applicant")
Application for Exemptive Relief pursuant to clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario)
Application # 286/03

Further to an application dated May 8, 2003 (the "Application") filed on behalf of the Applicant and based on the facts set out in the Application, pursuant to the authority conferred on the Ontario Securities Commission (the "Commission") in clause 213(3)(b) of the *Loan and Trust Corporations Act*, 1987 (Ontario), the Commission approves the proposal that the Applicant act as the trustee of funds managed by the Applicant, which are not offered under a prospectus or simplified prospectus and annual information form.

"H. Lorne Morphy" "Robert W. Korthals"

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