

The Ontario Securities Commission

OSC Bulletin

August 1, 2003

Volume 26, Issue 31

(2003), 26 OSCB

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

The Ontario Securities Commission

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Published under the authority of the Commission by:

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

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

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

U.S.	\$175
Outside North America	\$400

Single issues of the printed Bulletin are available at \$20 per copy as long as supplies are available.

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ISSN 0226-9325



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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

AUGUST 1, 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
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Toronto, Ontario
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Robert L. Shirriff, Q.C.	—	RLS
Suresh Thakrar	—	ST
Wendell S. Wigle, Q. C.	—	WSW

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

s. 127

Y. Chisholm in attendance for Staff

Panel: TBA

September 18, 2003
10:00 a.m. **Brian Anderson, Leslie Brown, Douglas Brown, David Sloan and Flat Electronic Data Interchange (a.k.a. F.E.D.I.)**

s. 127

K. Daniels in attendance for Staff

Panel: HLM/WSW/RLS

October 7 to 10, 2003 **Gregory Hyrniw and Walter Hyrniw**

s. 127

Y. Chisholm in attendance for Staff

Panel: HLM/HPH/KDA

October 20 to 31, 2003
10:00 a.m. **Ricardo Molinari, Ashley Cooper, Thomas Stevenson, Marshall Sone, Fred Elliott, Elliott Management Inc. and Amber Coast Resort Corporation**

s. 127

E. Cole in attendance for Staff

Panel: RLS/HPH

October 20 to **M.C.J.C. Holdings Inc. and Michael**
November 7, 2003 **Cowpland**

10:00 a.m. s. 127

M. Britton in attendance for Staff

Panel: WSW/PKB/RWD

November 3-10, **Patrick Fraser Kenyon Pierrepont**
12 and 14-21, **Lett, Milehouse Investment**
2003 **Management Limited, Pierrepont**
Trading Inc., BMO Nesbitt

10:00 a.m. **Burns Inc.*, John Steven Hawkyard⁺**
and John Craig Dunn

s. 127

K. Manarin in attendance for Staff

Panel: HLM/MTM/ST

* BMO settled Sept. 23/02

+ April 29, 2003

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

Philip Services Corporation

Robert Walter Harris

S. B. McLaughlin

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

1.1.2 Strip Bond Information Statement Accepted Under OSC Rule 91-501 – Strip Bonds

STRIP BOND INFORMATION STATEMENT ACCEPTED UNDER ONTARIO SECURITIES COMMISSION RULE 91-501 – STRIP BONDS

On July 28, 2003, the Director “accepted” a revised form of Information Statement which was submitted by the Investment Dealers Association of Canada (the “IDA”), pursuant to section 4.2 of Ontario Securities Commission Rule 91-501 – *Strip Bonds* (the “Strip Bond Rule”). The Director’s acceptance is evidenced in an MRRS Decision Document dated July 28, 2003, which is published, with the Statement, in Chapter 2 of this Bulletin.

The revised Information Statement is substantially the same as an earlier information statement dated April, 1998 which was submitted by the IDA and accepted by the Director under section 4.2 of the Strip Bond Rule on May 1, 1998. As the MRRS Decision Document notes, the revised Information Statement has been made more user friendly in certain disclosure, with the illustration of potential tax consequences updated to reflect current income tax rates.

Market participants that are not members of the IDA should note that the Director’s acceptance of the Statement is not restricted to any particular market participant. In this connection, the IDA has confirmed that it does not object to other market participants using the revised Information Statement.

Market participants who are currently using the earlier information statement are encouraged to substitute the revised Information Statement.

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Registrant Regulation
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rkohl@osc.gov.on.ca

1.1.3 CSA Uniform Securities Transfer Act Task Force - Invitation for Comments

**CANADIAN SECURITIES ADMINISTRATORS'
UNIFORM SECURITIES TRANSFER ACT TASK FORCE**

**INVITATION FOR COMMENTS
NOTICE**

The Canadian Securities Administrators' (CSA) Uniform Securities Transfer Act Task Force (Task Force) is pleased to release for public comment a consultative draft of a proposed provincial *Uniform Securities Transfer Act* (USTA).

The USTA project is distinct from the CSA's Uniform Securities Legislation (USL) project. The proposed USTA is not securities regulatory law.

The USTA is commercial property-transfer law, governing the transfer and holding of securities and interests in securities (sometimes called securities settlement rules). The USTA requires conforming amendments to the common-law provincial *Personal Property Security Acts* (PPSAs) that govern the use of securities as loan collateral, commonly referred to as pledges. It also removes securities settlement rules currently contained in provincial *Business Corporations Acts* (BCAs).

Current Canadian law in this area is out of date. It fails to deal adequately with modern securities market practices, particularly the holding and trading of securities through multiple tiers of intermediaries. Implementation of the USTA will provide a sound legal foundation for existing practices and support the continuing evolution of market practices in the future. It is essential that Canadian legislation in this area be uniform within Canada and harmonized with existing similar legislation in the United States.

Securities market participants and Canadian financial services industries as a whole urgently need modern uniform legislation like the USTA to improve the efficiency and legal soundness of the Canadian securities settlement system. The Canadian securities settlement system handles an enormous quantity and value of transactions on a daily basis. Issuers, investors and financial institutions rely heavily on the system. It is vital to the continued growth and evolution of the Canadian capital markets – and to their competitiveness with international markets – that the system be supported by a modern legal foundation that produces predictable results, especially in situations involving cross-border transactions.

The CSA Task Force is leading this project at the request of the CSA Chairs and the Uniform Law Conference of Canada (ULCC). The CSA Task Force's mandate is twofold:

1. To develop a consultative draft USTA, including consequential changes to PPSAs and BCAs, that is as uniform and harmonious as possible with Revised Article 8 (Rev8) of the Uniform Commercial Code (UCC) in the United States and

corresponding provisions of UCC Revised Article 9.

2. To promote the uniform implementation of the USTA in each province and territory. This assumes uniformity in the common law provinces and territories without amendment and as close-to-uniformity as possible in Québec having regard to Québec's unique Civil Code requirements. The Task Force also intends to urge the Government of Canada to amend its legislation in this area to avoid duplication at the federal level and legal uncertainty in Canada.

The material being released with the consultative draft USTA includes proposed conforming amendments to Alberta and Ontario PPSAs and BCAs, detailed Draft Comments on the USTA, tables of concordance, and a Consultation Paper. We highlight the following information:

- a) In response to input from certain interested stakeholders on an earlier draft of the USTA, the Task Force prepared Comments accompanying each definition and section of the USTA, based largely on the UCC Official Comment. Material in the Comments and Consultation Paper that is derived from the Rev8 Prefatory Note and UCC Official Comment is copyright by the American Law Institute (ALI) and the National Conference of Commissioners on Uniform State Laws. The material has been reproduced for these consultation purposes under a limited license from the Permanent Editorial Board for the UCC (which reserves all rights to the UCC material). For any additional requests to duplicate UCC material, please visit the ALI website at www.ali.org. The Comments are a work in progress. The ALI has indicated to the Task Force a willingness to consider a further license going beyond the consultation process. The Task Force hopes that, if the USTA is implemented, Comments similar to these may be recognized as an interpretive aid to the USTA. Interpretive aid provisions have been used before in provincial legislation to sanction official comments or explanatory material in relation to international conventions that are ratified by Canada and implemented by the provinces.

We are particularly interested in receiving comments on the usefulness of the Comments as an interpretive aid, and on the contents of the Comments. See the Comment on proposed section 2 of the USTA.

- b) The proposed conforming amendments to Alberta and Ontario PPSAs, which are critical to the policy objectives of the USTA, have been prepared in consultation with the ULCC PPSA Working Group. The Working Group recently prepared a report entitled *Report on Reform of the Law of Secured Transactions* (PPSA Report) that addresses the proposed conforming PPSA amendments, which will be tabled at the ULCC's annual meeting in August 2003, being held in Fredericton, New Brunswick. The PPSA Report assesses the changes with the goal of achieving a workable interface between the proposed USTA and the PPSAs. A few issues that remain outstanding are identified in the proposed amendments, but most of the amendments are supported by the Working

Group. We are very grateful for the significant input and time devoted by members of the PPSA Working Group to this project and we are confident that the outstanding issues will be resolved during the comment period.

c) Previous drafts of the USTA were prepared by Alberta government legislative counsel, together with the Task Force, and with some input from British Columbia and Ontario legislative counsel. The Task Force's objective has been to ensure that, from a purely drafting perspective, the consultative draft USTA is not merely a "model Act" but is implementable in its current form. This consultative draft, although largely based on those previous drafts, includes a number of changes made by the Task Force and is not formal draft legislation of government legislative counsel. **At this time, the governments of the CSA jurisdictions have made no decision to proceed with the USTA and conforming PPSA and BCA amendments.**

d) The Task Force is posting this Notice, the consultative draft USTA and related material in PDF format on the web-site of the Ontario Securities Commission (OSC) at www.osc.gov.on.ca. The Notice is also being posted on the web-site of the Alberta Securities Commission at www.albertasecurities.com. Other members of the CSA are expected to post on their respective web-sites this Notice, together with the consultative draft USTA and related material or may, alternatively, post only this Notice inviting readers to review this material on the OSC web-site. Staff of the Commission des valeurs mobilières du Québec (CVMQ) are planning to prepare a French language version of all or a portion of the released material, including the consultative draft USTA. The CVMQ material would be a modified version of the material released today, primarily to account for the differences in laws and legal structure among the common law and civil law regimes. In the interim, the CVMQ is considering publishing in its bulletin a French language version of this Notice to invite readers to review the material on the OSC's web-site.

Invitation for comments

We invite you to participate in this project by reviewing the consultative draft USTA and related materials and providing your comments (in both paper and electronic (Word) form) to the CSA Task Force. The comment period will run until December 15, 2003. Confidentiality of submissions received cannot be maintained.

The Task Force welcomes comments on any aspect of the draft USTA and related material. **We specifically seek comments on the issues summarized in the Consultation Paper at pages 98-100.**

Kindly address your comments to:

Maxime Paré, Chair, CSA USTA Task Force
Senior Legal Counsel, Market Regulation
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Ontario Securities Commission
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August 1, 2003.

The USTA Task Force:

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1.2 Notices of Hearing

1.2.1 Mark Edward Valentine - s. 127

**IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990, C. S.5, as amended**

AND

**IN THE MATTER OF
MARK EDWARD VALENTINE**

**NOTICE OF HEARING
(Section 127)**

TAKE NOTICE that the Ontario Securities Commission will hold a hearing pursuant to section 127 of the *Securities Act*, at the offices of the Commission, located at 20 Queen Street West, Toronto, on Monday, July 28, 2003 at 10:00 a.m. or as soon thereafter as the hearing can be held:

TO CONSIDER whether, pursuant to section 127 of the Act, it is in the public interest for the Commission:

- (a) to extend the temporary order dated February 14, 2003 pending further order of the Commission; and
- (b) to make such other order as the Commission considers appropriate.

BY REASON OF the allegations set out in the amended Statement of Allegations dated January 7, 2003 and such additional allegations as counsel may advise and the Commission may permit;

AND TAKE FURTHER NOTICE that any party to the proceeding may be represented by counsel at the hearing;

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

July 22, 2003.

“John Stevenson”

1.3 News Releases

1.3.1 OSC Sets New Hearing Date in the Matter of Mark Edward Valentine

**FOR IMMEDIATE RELEASE
July 23, 2003**

OSC SETS NEW HEARING DATE IN THE MATTER OF MARK EDWARD VALENTINE

TORONTO – The Ontario Securities Commission has issued a further Notice of Hearing to Mark Edward Valentine.

On June 17, 2002 the Commission issued a temporary order prohibiting Valentine from trading in securities with certain exemptions and suspending his registration under Ontario securities law. On July 8, 2002, and February 14, 2003, the Commission extended the temporary order until at least July 31, 2003 to allow Staff to continue its investigation into the matters raised in the amended Statement of Allegations dated January 7, 2003.

A hearing will be held at 10 a.m. on Monday, July 28, 2003 to consider whether the temporary order should be further extended. The hearing will take place in the Main Hearing Room of the Commission's offices, located on the 17th floor, 20 Queen Street West, Toronto.

Copies of the Notice of Hearing and amended Statement of Allegations are available on the Commission's website at www.osc.gov.on.ca.

For Media Inquiries: Eric Pelletier
Manager, Media Relations
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For Investor Inquiries: OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.3.2 OSC Continues Cease Trade Order Against Mark Edward Valentine

**FOR IMMEDIATE RELEASE
July 28, 2003**

OSC CONTINUES CEASE TRADE ORDER AGAINST MARK EDWARD VALENTINE

TORONTO – The Ontario Securities Commission has extended its temporary order against Mark Edward Valentine until at least January 31, 2004.

The temporary order continues to suspend Valentine's registration under Ontario securities law and prohibits him from trading in securities, with certain specified exemptions.

Ruling that the terms of the order are "reasonable and fair" to Valentine, the Commission panel, chaired by Commissioner Robert Shirriff Q.C., granted Staff's request for a six month extension. Valentine is also required to demonstrate that he has complied with the Commission's previous order to provide copies of his monthly brokerage account statements.

Copies of the Notice of Hearing and amended Statement of Allegations are available on the Commission's website at www.osc.gov.on.ca. Copies of the Temporary Order will be posted shortly.

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1.3.3 CSA News Release - CSA Responds to Comments Received on Concept Proposal, Blueprint for Uniform Securities Laws for Canada

**For Immediate Release
July 31, 2003**

CSA RESPONDS TO COMMENTS RECEIVED ON CONCEPT PROPOSAL, BLUEPRINT FOR UNIFORM SECURITIES LAWS FOR CANADA

Calgary – The Canadian Securities Administrators (CSA) released today its responses to the comments received on the Concept Proposal, *Blueprint for Uniform Securities Laws for Canada* (USL Concept Proposal).

There was a significant response to the USL Concept Proposal with approximately 90 comment letters received from market participants, industry associations and law firms. "These comments will be very useful in assisting the CSA in drafting uniform securities legislation for consideration by each of the provincial and territorial governments of Canada," said Steve Sibold, Chair of the CSA and Chair of the Steering Committee that is heading up the USL project. "We are on target to publish a consultation draft of the Uniform Securities Act in Fall 2003. Uniform securities legislation will complement the Ministers' initiative to implement a passport system."

However, the specific situation of Québec, the only Canadian jurisdiction based on the Civil Code (as opposed to the common law system used in the other jurisdictions), will require special adjustments. "The goal is for the legislative and regulatory texts to produce similar results," noted Pierre Godin, Chair of the Commission des valeurs mobilières du Québec. "Thus, we might be asked to draft legal texts in Québec which comply with Québec law and the Civil Code, which will lead to harmonization rather than strict uniformity. What is important is that we arrive at a result which is as compatible as possible."

The vast majority of the commenters are supportive of the USL initiative. Most industry participants applauded efforts to implement:

- uniform securities legislation for registration, prospectuses and exemptions;
- passport or one-stop shopping for issuers and registrants; and
- delegation of decision making powers from one securities regulatory authority to another.

A number of commenters expressed concern about the ability to maintain uniformity. In response, the CSA plans to enter into protocols to ensure that regulators co-ordinate changes to securities law. The CSA also intends to propose to governments that they consider adopting an inter-governmental protocol to co-ordinate securities legislation.

A detailed summary of all comments received and the CSA responses as well as the full text of the comment letters can be viewed on the Alberta Securities Commission web site at <http://www.albertasecurities.com/policies/comment.html>.

The CSA, an umbrella organization for the 13 securities regulators of Canada's provinces and territories, coordinates and harmonizes regulation of the Canadian capital markets.

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 TomaNet Inc. - s. 3.1 of OSC Rule 54-501

Headnote

Ontario Securities Commission Rule 54-501 – Relief from the requirement to include certain financial information in the joint management information circular in connection with a plan of arrangement – subject to conditions.

Ontario Rules

OSC Rule 41-501 - General Prospectus Requirements.
OSC Rule 54-501 - Prospectus Disclosure in Certain Information Circulars - section 3.1.

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

AND

**IN THE MATTER OF
RULE 54-501 – PROSPECTUS DISCLOSURE IN
CERTAIN INFORMATION CIRCULARS (“Rule 54-501”)**

AND

**IN THE MATTER OF
TOMANET INC.**

**DECISION
(Section 3.1 of Rule 54-501)**

WHEREAS TomaNet Inc. (“TomaNet”) applied to the Ontario Securities Commission (the “Commission”) for an exemption from section 2 of Rule 54-501 to the extent that those sections would impose the following requirements in connection with the management information circular (the “Circular”) to be delivered by TomaNet to its shareholders in connection with a combination of the businesses of TomaNet and Imark Corporation (“Imark”) pursuant to a plan of arrangement (the “Arrangement”) to be effected under the *Business Corporations Act* (Alberta) (the “ABCA”) following completion of which Imark will be the continuing public company (under a new name – “Maxim Training Corporation”):

- (a) the requirement under Rule 41-501 for the inclusion of three year audited and interim historical financial statements for TomaNet; and

- (b) the requirement under Rule 41-501 for the inclusion of the probable acquisition of TomaNet in the *pro forma* financial statements of Imark;

(collectively, the “Financial Statement Requirements”).

AND WHEREAS TomaNet has represented to the Commission that:

1. This application is made in connection with a proposed transaction (the “Transaction”) involving (i) the Arrangement, (ii) the acquisitions of the KnowledgePool business division (“KnowledgePool”) of Fujitsu Services Limited (“Fujitsu Services”) and the product development and research and development assets of Mosaic Technologies Corporation (“Mosaic”), and (iii) a private equity financing of Maxim Training Corporation (“Maxim Training”) of up to approximately \$7.35 million.
2. TomaNet is a corporation existing under the laws of Alberta. TomaNet was continued under the ABCA from Ontario on November 19, 1993. From 2001 to March 31, 2003 (the date on which TomaNet, through its wholly owned subsidiary Maxim Training Corp (UK) Limited (“Maxim Training UK”), acquired KnowledgePool), TomaNet was an inactive company and did not carry on any business or operations. TomaNet’s only current operations relate to its indirect ownership of KnowledgePool. TomaNet’s head office and principal office is located in Toronto, Ontario.
3. TomaNet is a reporting issuer in Ontario, Alberta and British Columbia. TomaNet’s common shares and class A shares were listed and principally traded on the Canadian Venture Exchange but have been delisted since May 2001.
4. As at June 18, 2003, TomaNet’s share capital consisted of (i) an unlimited number of common shares of which 11,631,567 were outstanding; (ii) an unlimited number of class A shares of which, 23,225,121 were outstanding, (iii) an unlimited number of class B shares, issuable in series, none of which are outstanding, and (iv) 5,000,002 7% non-cumulative, non-voting preference shares none of which are outstanding.
5. The most recent continuous disclosure documents filed by TomaNet were a press release and material change report dated April 4, 2003, a

- press release and material change report dated May 9, 2003 and a press release dated June 18, 2003. Prior to this, TomaNet had not filed any continuous disclosure documents since its annual information form dated June 21, 2000 and management information circular dated September 4, 2001.
6. A cease trade order was issued by the Commission on May 25, 2001 for TomaNet's failure to file financial statements. The Alberta Securities Commission and British Columbia Securities Commission issued similar cease trade orders on October 12, 2001 and July 17, 2001, respectively.
7. Concurrently with this application, Tomanet has filed an application with the Commission, the Alberta Securities Commission and the British Columbia Securities Commission requesting a partial revocation of the cease trade orders to permit Tomanet to complete the Transaction.
8. Imark is a corporation amalgamated under the *Business Corporations Act* (Ontario). Imark's head office and principal office is located in Toronto, Ontario.
9. Imark is a reporting issuer under the Act. The Imark common shares are listed on the Toronto Stock Exchange ("TSX") under the symbol "IAK". The closing price of Imark common shares on the TSX on June 6, 2003 was \$0.105.
10. On June 6, 2003, the TSX suspended trading in Imark's shares on the TSX as a result of Imark's failure to satisfy certain continued listing standards of the TSX. Imark intends to apply to the TSX Venture Exchange ("TSX-V") to have its common shares listed for trading on the TSX-V as soon as practicable.
11. As at May 31, 2003, Imark's share capital consisted of (i) an unlimited number of common shares of which 17,082,089 were outstanding; and (ii) an unlimited number of Class A preferred shares, none of which are outstanding.
12. Mosaic is a corporation continued under the *Canada Business Corporations Act*. Mosaic's head office and principal office is located in Fredericton, New Brunswick.
13. Mosaic is a reporting issuer under the securities legislation of Alberta and British Columbia. The Mosaic common shares are listed on the TSX-V under the symbol "MAC". The closing price of Mosaic's common shares on the TSX-V on June 18 was \$0.07.
14. From October 21, 2000 until March 31, 2003, KnowledgePool was a separate business division of Fujitsu Services, a UK company, which is in turn a wholly owned subsidiary of Fujitsu Limited. KnowledgePool's head office is located in the United Kingdom.
15. On March 31, 2003, TomaNet, through its wholly-owned subsidiary Maxim Training UK, acquired substantially all of the assets of KnowledgePool for £4.0 million, £2.5 million of which was paid on closing by the issuance of promissory notes (the "Notes") by Maxim Training UK and the remaining £1.5 million of which will be payable on March 31, 2004.
16. On May 8, 2003, Imark and TomaNet entered into an arrangement agreement pursuant to which Imark agreed to acquire all of the shares of TomaNet in exchange for shares of Imark pursuant to the Arrangement. Contemporaneously, Maxim Training UK and Mosaic entered into an asset purchase agreement (the "Mosaic Acquisition Agreement") pursuant to which Maxim Training UK agreed to acquire the Mosaic Development Assets from Mosaic in exchange for approximately \$600,000 in cash and a \$1,000,000 promissory note, which will be payable in either cash or shares (the "Mosaic Asset Acquisition"). Imark, TomaNet and Mosaic issued a joint press release on May 8, 2003 announcing the Transaction and the execution of these agreements. Subject to satisfying all closing conditions and obtaining all applicable regulatory approvals, it is anticipated that the Transaction will be completed in July 2003.
17. The Transaction is proposed to be effected by the following steps:
- (a) Maxim Training UK completed the acquisition of KnowledgePool on March 31, 2003.
- (b) Maxim Training UK completed the Mosaic Asset Acquisition on June 18, 2003.
- (c) The Imark common shares will be consolidated on an approximately one-for-five basis, such that after completing the Transaction, the Imark shareholders will own approximately 15.67% of the outstanding Imark common shares.
- (d) Imark will complete a proposed equity private placement of its common shares with a number of private investors for gross aggregate proceeds of up to approximately \$7.35 million (the "Private Placement"). These funds will be used to repay the Notes, to pay transaction costs associated with the Transaction and for Imark's general working capital purposes following completion of the Transaction.

- (e) Immediately prior to completion of the Arrangement, TomaNet will issue an aggregate of 9,230,769 common shares (the "TomaNet Compensation Shares") and pay an aggregate of \$532,500 to certain of its directors, officers and consultants as compensation for their efforts in locating and arranging the Transaction on TomaNet's behalf.
- (f) Imark will acquire all of the shares of TomaNet pursuant to the Arrangement. In connection with the Arrangement, Imark will issue its common shares to the holders of each class of TomaNet shares and certain TomaNet debtholders, who will convert an aggregate of approximately \$2,710,000 of indebtedness into approximately 37,604,396 TomaNet common shares immediately prior to completion of the Arrangement (the "TomaNet Debt Conversion"). As a substantive result of this transaction TomaNet will become a wholly-owned subsidiary of Imark.
- (g) Maxim Training UK will transfer the Mosaic Development Assets to Imark and will assign its remaining rights and obligations under the Mosaic Acquisition Agreement to Imark. Imark intends to then repay the promissory note issued to Mosaic under this agreement by issuing 1,000,000 Imark common shares to Mosaic.
18. Imark intends to apply to the TSX-V to list the Imark common shares issuable pursuant to the Transaction on the TSX-V.
19. Following completion of the Transaction, TomaNet intends to apply to cease to be a reporting issuer in each jurisdiction in which it is currently a reporting issuer.
20. The Transaction will require, among other closing conditions:
- (a) board approval of each of Imark, TomaNet and Mosaic;
- (b) the approval of the shareholders of each of Imark and TomaNet;
- (c) interim and final orders of the Alberta Court of Queen's Bench for the Arrangement;
- (d) the revocation of the cease trade orders in respect of TomaNet by the Commission, the Alberta Securities Commission and the British Columbia Securities Commission for the purposes of allowing (i) the TomaNet Debt Conversion, (i) the issuance of the TomaNet Compensation Shares, and (iii) TomaNet shareholders to participate in the Transaction;
- (e) relief by the Commission from the requirement to include certain historical financial disclosure in the Circular; and
- (f) TSX approval of (i) the consolidation and issuance of the Imark common shares in connection with the Transaction and (ii) the proposed change of Imark's name.
21. In connection with the special meeting of TomaNet shareholders that will be convened to consider the Transaction, TomaNet will deliver the Circular to its shareholders. The Circular will contain prospectus level disclosure of the business and affairs of Imark (after giving effect to the Transaction) and a detailed description of the Transaction.
22. The Circular will contain the following financial statements:
- (a) Imark Financial Statements
- (i) audited statements of income, retained earnings and cash flows for the years ended December 31, 2002, 2001 and 2000;
- (ii) audited balance sheets as at December 31, 2002 and December 31, 2001;
- (iii) unaudited statements of income, retained earnings and cash flows for the three month period ended March 31, 2003 and for the three month period ended March 31, 2002; and
- (iv) an unaudited balance sheet as of March 31, 2003.
- (b) KnowledgePool Financial Statements
- (i) audited statements of income and cash flows for the years ended March 31, 2002, 2001 and 2000 and for the nine-month periods ended December 31, 2002 and December 31, 2001;
- (ii) audited balance sheets as at December 31, 2002, March 31, 2002 and March 31, 2001;

- (iii) unaudited statements of income and cash flows for the three month period ended March 31, 2003; and
 - (iv) an unaudited balance sheet as of March 31, 2003.
- (c) Pro-Forma Financial Statements
- (i) a *pro forma* balance sheet of Maxim Training as at December 31, 2002 and March 31, 2003 to give effect to the probable acquisitions of TomaNet and KnowledgePool and completion of the Private Placement; and
 - (ii) *pro forma* income statements of Maxim Training to give effect to the probable acquisitions of TomaNet and KnowledgePool and completion of the Private Placement for the financial year ended December 31, 2002 and for the three month period ended March 31, 2003, as if the acquisitions and the Private Placement had taken place at the beginning of the respective periods.

those sections impose the Financial Statement Requirements provided that the Circular contains the financial statements referred to in representation 22 above.

June 23, 2003.

“Charlie MacCready”

23. The revenues, assets and liabilities of TomaNet (excluding KnowledgePool) for the year ended and as at December 31, 2002 represent approximately 0.01% (approximately \$7000 of \$43,824,000), 0.5% (approximately \$139,000 of \$27,302,000) and 4.8% (approximately \$964,000 of \$19,732,000) of the pro forma revenues, assets and liabilities, respectively, of Maxim Training for the year ended and as at December 31, 2002.
24. In November 2001, Landmark Global Financial Corporation (“Landmark”) seized all of the assets of TomaNet (including its books and records) pursuant to the purported enforcement of a security interest in TomaNet’s assets. TomaNet has taken a number of steps, including instituting litigation against Landmark, to recover its former assets (including such books and records) from Landmark. As a result of its inability to access certain historical financial information relating to TomaNet that is currently held by Landmark, TomaNet cannot prepare audited financial statements for its 2001 and 2002 fiscal years.

AND WHEREAS the Commission is satisfied that it would not be prejudicial to the public interest to grant the exemptive relief requested.

THE DECISION of the Commission pursuant to Section 3.1 of Rule 54-501 is that TomaNet shall be exempt from Section 2 of Rule 54-501 to the extent that

2.1.2 Counsel Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – issuer bid for convertible debentures – prospectus-level disclosure required in issuer bid circular as issuer may be offering its securities as consideration under the issuer bid – disclosure to include financial statements of issuer for the three most recently completed financial years – financial statements for the year 2000 have been restated for discontinued operations and do not include report of auditors – information not relevant to debentureholders – issuer unable to obtain consent of auditor to inclusion of year 2000 auditor’s report because auditor ceased practising public accounting and no longer consents to the use of previously issued auditors’ reports – applicant exempt from requirement to provide year 2000 financial statements on condition that certain other disclosure included in circular.

Applicable Statutory Provision

Securities Act, R.S.O. 1990, c. S.5, as amended, s. 104(2)(c).

Applicable Rules

Rule 41-501 - General Prospectus Requirements, clause 4.1(1)(a).

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

AND

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

AND

**IN THE MATTER OF
COUNSEL CORPORATION**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of Ontario, Alberta, British Columbia, Manitoba, Newfoundland and Labrador, Nova Scotia, Quebec and Saskatchewan (collectively, the “Jurisdictions”) has received an application (the “Application”) from Counsel Corporation (“Counsel”) for a decision under the securities legislation of the Jurisdictions (collectively, the “Legislation”) that, in connection with its proposed offer (the “Offer”) to acquire its outstanding 6% Convertible Subordinated Debentures due October 31, 2003 (the “Debentures”), the requirement contained in the Legislation to include the financial statements for the financial year

ended December 31, 2000 (the “2000 Financials”) in the Circular (as defined below) shall not apply to Counsel;

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

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

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

1. Counsel is governed by the *Business Corporations Act* (Ontario). Its head office is located in Toronto, Ontario.
2. Counsel is a reporting issuer or the equivalent in each Jurisdiction and is not in default of any requirements under the Legislation.
3. Counsel’s authorized capital consists of an unlimited number of preferred shares and an unlimited number of common shares (the “Common Shares”). As at July 3, 2003 there were no preferred shares outstanding and 20,708,172 Common Shares outstanding.
4. As at July 3, 2003, Counsel has outstanding US\$41,566,000 principal amount of the Debentures.
5. The Common Shares are listed for trading on The Toronto Stock Exchange (the “TSX”) and The Nasdaq SmallCap Market and the Debentures are listed for trading on the TSX.
6. Counsel proposes to make the Offer for its outstanding Debentures. The consideration to be offered under the Offer may include other securities of Counsel. The Offer will be an “issuer bid” within the meaning of the Legislation.
7. Counsel shall prepare an issuer bid circular (the “Circular”) in connection with the Offer to be delivered to the holders of the Debentures (the “Debentureholders”).
8. Under the Legislation, if an issuer is offering securities as consideration under an issuer bid, it is required to include in the circular accompanying the issuer bid the information prescribed for the form of prospectus appropriate for the issuer. As Counsel may be offering its securities as consideration under the Offer, it must include with a prospectus the financial statements for the three most recently completed financial years ended more than 90 days before the date of the prospectus. Accordingly, Counsel is required to include the 2000 Financials in the Circular.

9. Counsel's annual report for the financial year ended December 31, 2002 (the "2002 Annual Report"), containing audited financial statements for the years ended December 31, 2002 and December 31, 2001 shall be mailed to Debentureholders as part of the Circular.
10. The 2000 Financials, other than the balance sheet for the year ended December 31, 2000, are included as comparatives in the 2002 Annual Report; however, such statements have been restated in accordance with generally accepted accounting principles for discontinued operations and do not include the report of auditors thereon.
11. The 2000 Financials relate entirely to discontinued operations and, as such, this information is not relevant to the Debentureholders in considering whether to tender to the Offer. In addition, the consent of Arthur Andersen to the inclusion of their report on the 2000 Financials, is unavailable. Accordingly, statutory remedies otherwise available to holders of Debentures in respect of the 2000 Financials are unavailable in this circumstance.
12. Counsel's 2002 Annual Report contains a discussion as to why the 2000 Financials are not relevant to Debentureholders.
13. The Offer will be made, and the Circular will contain information, in compliance with the requirements in the Legislation applicable to formal bids made by issuers, including the Financial Statement Requirements, except to the extent exemptive relief is granted by the Decision Makers.

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

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

THE DECISION of the Decision Makers under the Legislation is that, in connection with the Offer, the requirement contained in the Legislation to include the 2000 Financials in the Circular shall not apply to Counsel provided that Counsel complies with the other requirements in the Legislation applicable to formal bids made by issuers, except to the extent exemptive relief is granted by the Decision Makers.

July 23, 2003.

"Robert W. Davis"

"Harold P. Hands"

2.1.3 Royal Victoria Minerals Ltd. - MRRS Decision

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.

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

Applicable Ontario Statutory Provisions

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

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

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, ONTARIO AND YUKON**

AND

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

AND

**IN THE MATTER OF
ROYAL VICTORIA MINERALS LTD.**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Ontario and Yukon (the "Jurisdictions") has received an application from Royal Victoria Minerals Ltd. ("Royal") for:

- i. a decision under the securities legislation of the Jurisdictions (the "Legislation") that Royal be deemed to cease to be a reporting issuer under the Legislation; and
- ii. in Ontario only, an order under the *Business Corporations Act* (Ontario) (the OBCA) that Royal be deemed to have ceased to be offering its securities to the public;

AND WHEREAS under section 3.2 of National Policy 12-201 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 14-401 *Definitions*;

AND WHEREAS Royal has represented to the Decision Maker that:

1. Royal was incorporated under the *Canada Business Corporations Act* on April 30, 1987 as Royal Star Resources Ltd., on March 3, 2000, Royal changed its name to Royal Victoria Minerals Ltd. and Royal was continued under the *Business Corporations Act* (Yukon) on April 10, 2000.;
2. the head office of Royal is currently located in Oakville, Ontario;
3. the authorized capital of Royal consists of an unlimited number of common shares (the "Common Shares") of which 13,138,924 Common Shares were issued and outstanding as of June 20, 2003;
4. Royal is currently a reporting issuer in the Jurisdictions and is not in default of any of its obligations as a reporting issuer under the Legislation;
5. Royal is not a reporting issuer or the equivalent in any jurisdiction in Canada other than the Jurisdictions;
6. pursuant to an agreement made the 22nd day of April, 2003 between Royal, United Tex-Sol Mines Inc. ("UTX") and St Andrew Goldfields Ltd. ("St Andrew"), each of Royal and UTX agreed to complete a plan of arrangement (the "Arrangement") pursuant to which, among other things, all of the outstanding common shares of Royal not already owned by St Andrew, as well as all securities of Royal convertible or exercisable into common shares of Royal, would be acquired by St Andrew in exchange for common shares and securities convertible or exercisable into common shares of St Andrew;
7. on June 10, 2003, Royal was continued under the laws of Ontario pursuant to a Certificate and Articles of Continuance;
8. by Certificate and Articles of Arrangement dated June 23, 2003 issued pursuant to the OBCA to Royal, the Arrangement became effective, such that as of June 23, 2003, St Andrew became the sole securityholder of Royal;
9. the Common Shares of Royal were delisted from the TSX Venture Exchange on June 25, 2003;
10. no securities of Royal are currently traded on a marketplace as defined in National Instrument 21-101;

11. other than the Common Shares, there are no securities of Royal outstanding including debt securities; and

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

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

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

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

July 24, 2003.

"Charlie MacCready"

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

July 24, 2003.

"Harold P. Hands"

"Wendell S. Wigle"

2.1.4 United Tex-Sol Mines Inc. - MRRS Decision

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.

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

Applicable Ontario Statutory Provisions

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

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

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA AND ONTARIO**

AND

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

AND

**IN THE MATTER OF
UNITED TEX-SOL MINES INC.**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta and Ontario (the "Jurisdictions") has received an application from United Tex-Sol Mines Inc. ("UTX") for:

- i. a decision under the securities legislation of the Jurisdictions (the "Legislation") that UTX be deemed to cease to be a reporting issuer under the Legislation; and
- ii. in Ontario only, an order under the *Business Corporations Act* (Ontario) (the OBCA) that UTX be deemed to have ceased to be offering its securities to the public;

AND WHEREAS under section 3.2 of National Policy 12-201 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 14-401 *Definitions*;

AND WHEREAS UTX has represented to the Decision Maker that:

1. UTX was incorporated under the *Business Corporations Act* (Alberta) on August 31, 1990 as Worthing Industries Inc and on October 31, 1995, UTX changed its name to United Tex-Sol Mines Inc.;
2. the head office of UTX is currently located in Oakville, Ontario;
3. the authorized capital of UTX consists of an unlimited number of Class A common shares (the "Common Shares") and an unlimited number of Class B Preferred Shares issuable in series (the "Preferred Shares"), of which 24,542,901 Common Shares and no Preferred Shares are issued and outstanding as of June 20, 2003;
4. UTX is currently a reporting issuer in the Jurisdictions and is not in default of any of its obligations as a reporting issuer under the Legislation;
5. UTX is not a reporting issuer or the equivalent in any jurisdiction in Canada other than the Jurisdictions;
6. pursuant to an agreement made the 22nd day of April, 2003 between UTX, Royal Victoria Minerals Ltd. ("Royal") and St Andrew Goldfields Ltd. ("St Andrew"), each of UTX and Royal agreed to complete a plan of arrangement (the "Arrangement") pursuant to which, among other things, all of the outstanding common shares of UTX not already owned by St Andrew, as well as all securities of UTX convertible or exercisable into common shares of UTX, would be acquired by St Andrew in exchange for common shares and securities convertible or exercisable into common shares of St Andrew;
7. on June 11, 2003, UTX was continued under the laws of Ontario pursuant to a Certificate and Articles of Continuance;
8. by Certificate and Articles of Arrangement dated June 23, 2003 issued pursuant to the OBCA to UTX, the Arrangement became effective, such that as of June 23, 2003, St Andrew became the sole securityholder of UTX;
9. the Common Shares of UTX were delisted from the TSX Venture Exchange on June 25, 2003;
10. no securities of UTX are traded on a marketplace as defined in National Instrument 21-101;
11. other than the Common Shares, there are no securities of UTX outstanding including debt securities; and

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

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

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

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

July 23, 2003.

"Charlie MacCready"

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

July 23, 2003.

"Harold P. Hands"

"Wendell S. Wigle"

2.1.5 Heller Financial Canada, Ltd. - MRRS Decision

Headnote

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

Applicable Ontario Statutory Provisions

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

National Instrument Cited

National Instrument 21-101 Marketplace Operation.

Statutes Cited

Canada Business Corporations Act, R.S.C. 1985, c. C-44, as am.

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

AND

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

AND

**IN THE MATTER OF
HELLER FINANCIAL CANADA, LTD.**

MRRS DECISION DOCUMENT

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

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

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

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

1. The Filer is subject to the *Canada Business Corporations Act* and its head office is located in Mississauga, Ontario.
2. The Filer is a reporting issuer under the Legislation in each of the Jurisdictions.
3. The Filer is not in default of any requirements under the Legislation.
4. The Filer issued medium term notes pursuant to a short form base shelf prospectus dated March 20, 2001. The last remaining medium term notes matured on June 2, 2003 and are no longer outstanding.
5. The Filer's authorized capital consists of an unlimited number of common shares (the Common Shares), of which 649,896 Common Shares are issued and outstanding.
6. General Electric Capital Corporation is the indirect beneficial owner of all the issued and outstanding Common Shares.
7. Other than the Common Shares, the Filer has no other securities, including any debt securities, outstanding.
8. No securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.
9. The Filer does not intend to seek public financing by way of an offering of its securities.
10. Immediately following the granting of the requested relief, the Filer will not be a reporting issuer in any jurisdiction in Canada.

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

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

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

July 24, 2003.

"Charlie MacCready"

2.1.6 TD Asset Management Inc. - MRRS Decision

Headnote

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

Applicable Ontario Statutory Provisions

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

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

AND

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

AND

**IN THE MATTER OF
TD PRIVATE NORTH AMERICAN EQUITY INCOME
FUND AND TD PRIVATE U.S. EQUITY INCOME FUND
(individually a "Fund" and collectively, the "Funds")**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of Ontario, Alberta, Saskatchewan, Québec, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions") has received an application from TD Asset Management Inc. ("TDAM"), in its capacity as trustee and manager of the Funds, for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the Funds be deemed to have ceased to be reporting issuers in the Jurisdictions;

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

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

AND WHEREAS TDAM and the Funds have represented to the Decision Makers that:

1. TDAM, a corporation subject to the *Business Corporations Act* (Ontario), is a wholly-owned subsidiary of the Toronto-Dominion Bank.
2. The head office of TDAM is located in Toronto, Ontario.

3. TDAM is the trustee and manager of the Funds.
4. Each Fund is a mutual fund trust governed under the laws of Ontario pursuant to an amended and restated Trust Indenture dated as of April 4, 2003, as amended on May 28, 2003.
5. Each Fund filed a simplified prospectus and annual information form (collectively, the "Simplified Prospectuses") dated January 15, 1996 in the Jurisdictions and, upon obtaining final receipts for the Simplified Prospectuses, became reporting issuers in the Jurisdictions.
6. The Funds are currently reporting issuers in the Jurisdictions.
7. To the best of TDAM's knowledge, the Funds are not in default of any of their obligations as reporting issuers under the Legislation or any of the requirements of the Legislation, other than the failure on the part of each Fund to file an Annual Report for the year ended December 31, 2002.
8. There is no current prospectus for the Funds.
9. TDAM has determined that it is no longer desirable to offer units in the Funds to the public.
10. No securities of the Funds are listed or quoted on any exchange or market.
11. TDAM, on its own behalf and not in its capacity as trustee of the Funds, is the sole unitholder of each Fund and as such is the sole beneficial owner of all the outstanding units of each Fund.
12. Other than the units of each Fund held by TDAM on its own behalf, each Fund has no securities, including debt securities, outstanding.

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

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

THE DECISION of the Decision Makers under the Legislation is that the Funds be deemed to have ceased to be reporting issuers in each of the Jurisdictions.

July 25, 2003.

"Harold P. Hands"

"Wendell S. Wigle"

2.1.7 Research In Motion Limited - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – securities of issuer registered under section 12 of the 1934 Act – issuer not required to register under United States Investment Company Act of 1940 – relief granted from requirement to file annual and interim financial statements prepared in accordance with Canadian GAAP and audited in accordance with Canadian GAAS – relief granted from requirement to include in a short form prospectus annual and interim financial statements prepared in accordance with Canadian GAAP and audited in accordance with Canadian GAAS – relief conditional upon issuer preparing annual and interim financial statements in accordance with US GAAP and audited in accordance with US GAAS – issuer to provide Canadian GAAP reconciliation for two years following date of decision.

Statutes Cited

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

Regulations Cited

R.R.O. 1990, Reg. 1015, as am., s. 2.

Instruments Cited

National Instrument 44-101 Short Form Distributions (2000) 23 O.S.C.B. (supp.) 867.

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

AND

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

AND

**IN THE MATTER OF
RESEARCH IN MOTION LIMITED**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the Decision Maker) in each of Ontario, Quebec, British Columbia, Alberta, Saskatchewan, Manitoba, Nova Scotia, Prince Edward Island and Newfoundland and Labrador (collectively, the Jurisdictions) has received an application from Research In Motion Limited (the Filer) for a decision under the securities legislation of the Jurisdictions (the Legislation) that:

- (i) the requirements contained in the Legislation (the CD GAAP & GAAS Requirements) to file annual and interim financial statements prepared in accordance with Canadian generally accepted accounting principles (Canadian GAAP) and, in the case of the annual financial statements, audited in accordance with Canadian generally accepted auditing standards (Canadian GAAS); and
- (ii) the requirements contained in the Legislation (the Prospectus GAAP & GAAS Requirements) to include in a short form prospectus annual and interim financial statements prepared in accordance with Canadian GAAP and, in the case of the annual financial statements, audited in accordance with Canadian GAAS,

will not apply to the Filer;

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

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

- 1. The Filer is a designer, manufacturer and marketer of wireless solutions for the worldwide mobile communications market.
- 2. The Filer was originally incorporated pursuant to articles of incorporation under the laws of the Province of Ontario on March 7, 1984.
- 3. The Filer's head office is located in Waterloo, Ontario and operates in offices in North America, Europe and Asia Pacific.
- 4. The Filer's common shares (the Common Shares) are listed on the Nasdaq Stock Market (Nasdaq: RIMM) and the Toronto Stock Exchange (TSX: RIM).
- 5. The Filer is a reporting issuer in each of the Jurisdictions and is not in default of any requirements under the Legislation.
- 6. The Filer is qualified to file a short form prospectus under National Instrument 44-101 *Short Form Distributions*.
- 7. The Filer has a class of securities registered under section 12 of the *Securities Act of 1934* (the 1934 Act). The Filer is not registered or required to be registered as an investment company under the *Investment Company Act of 1940* of the United States of America.
- 8. The Filer's year end for fiscal 2004 is February 28, 2004 and its first quarter for fiscal 2004 ended on May 31, 2003.

- 9. The Filer currently prepares its annual and interim financial statements in accordance with Canadian GAAP. The annual financial statements of the Filer are currently audited in accordance with Canadian GAAS.
- 10. The Filer will continue to comply with the requirements of its jurisdiction of incorporation (Ontario) as they relate to the preparation and audit of annual financial statements in accordance with Canadian GAAP and Canadian GAAS, respectively (and the delivery thereof), which requirements are prescribed by the *Business Corporations Act* (Ontario).
- 11. The Filer is satisfied that it has obtained and applied the necessary level of expertise of the generally accepted accounting principles in the United States that the Securities and Exchange Commission (the SEC) has identified as having substantial authoritative support, as supplemented by Regulation S-X and Regulation S-B under the 1934 Act (US GAAP) to support the preparation of US GAAP financial statements.
- 12. The Filer's audit committee has taken steps to ensure it has, or has access to, the necessary expertise in relation to US GAAP and that management has put in place systems to ensure that the appropriate levels and numbers of staff have and will maintain the level of expertise in US GAAP necessary to prepare reliable, high quality financial statements.
- 13. The Filer's audit committee has satisfied itself as to the adequacy of the expertise of the audit engagement team and the audit firm in relation to the application of US GAAP and generally accepted auditing standards in the United States, as supplemented by the SEC's rules on auditor independence (US GAAS).

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

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 Decisions has been met;

THE DECISION of the Decision Makers under the Legislation is that the CD GAAP & GAAS Requirements will not apply to the Filer's annual and interim financial statements required to be filed under the Legislation provided that:

- (a) the Filer's Common Shares are registered under section 12 of the 1934 Act and the Applicant is not registered or required to register as an investment company under the United States *Investment Company Act of 1940*;

- (b) the Filer's annual and interim financial statements required to be filed under the Legislation are prepared in accordance with United States GAAP and, in the case of annual financial statements, audited in accordance with United States GAAS;
- (c) the notes to the first two sets of annual comparative financial statements filed after the date of this Decision and the notes to the interim financial statements for interim periods during those two years:
 - (i) explain the material differences between Canadian GAAP and United States GAAP that relate to recognition, measurement and presentation,
 - (ii) quantify the effect of material differences between Canadian GAAP and United States GAAP that relate to recognition, measurement and presentation, including a tabular reconciliation between net income reported in the financial statements and net income computed in accordance with Canadian GAAP, and
 - (iii) provide disclosure consistent with Canadian GAAP requirements to the extent not already reflected in the financial statements;
- (d) the notes to the financial statements identify the accounting principles used to prepare the financial statements;
- (e) the Filer files a supplement to the Management Discussion and Analysis ("MD&A") relating to each of the financial statements referred to in paragraph (c) above that will restate, based on financial information of the Applicant prepared in accordance with or reconciled to Canadian GAAP, those parts of the MD&A that:
 - (i) are based on financial statements of the Filer prepared in accordance with United States GAAP, and
 - (ii) would contain material differences if they were based on financial statements of the Filer prepared in accordance with Canadian GAAP;
- (f) the Filer uses United States GAAP generally on a going-forward basis for all of its financial statements filed under its continuous disclosure requirements in the Jurisdictions;
- (g) the Filer files an auditor's report on the annual financial statements filed under paragraph (c) above that is prepared in accordance with United States GAAS and that:
 - (i) contains an unqualified opinion,
 - (ii) identifies all financial periods presented for which the auditor has issued an auditor's report; if the Filer has changed its auditor and one or more of the comparative periods presented in the financial statements were audited by a different auditor, the auditor's report must refer to any former auditor's report(s) on the comparative periods, and
 - (iii) identifies the auditing standards used to conduct the audit and the accounting principles used to prepare the financial statements; and
- (h) this Decision, as it relates to the jurisdiction of a Decision Maker, will terminate upon publication in final form of any legislation or rule of that Decision Maker dealing with acceptable accounting principles and auditing standards, except proposed National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* in substantially the same form as published on May 16, 2003, that conflicts with any provision of this Decision;

July 25, 2003.

"Harold P. Hands"

"Wendell S. Wigle"

AND THE FURTHER DECISION of the Decision Makers is that the Prospectus GAAP and GAAS Requirements will not apply to the Filer's annual and interim financial statements included in a short form prospectus filed under National Instrument 44-101, provided that:

- (a) the Filers satisfies conditions (a) through (g) of the Decision, above; and
- (b) this Decision, as it relates to the jurisdiction of a Decision Maker, will terminate upon publication in final form of

any legislation or rule of that Decision Maker dealing with acceptable accounting principles and auditing standards, except proposed National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* in substantially the same form as published on May 16, 2003, that conflicts with any provision of this Decision.

July 25, 2003.

“Cameron McInnis”

2.1.8 Investment Dealers Association of Canada - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Revised form of strip bond information statement accepted by Director.

Staff Note

The B.C. Securities Commission did not participate in this MRRS Decision. However, the B.C. Securities Commission is publishing a contemporaneous Notice confirming that their Executive Director has approved the information statement, which is contained in Schedule A to the MRRS Decision, for the purposes of B.C. Instrument 91-504 Government Strip Bonds. The B.C. Notice will also confirm that their Executive Director has revoked BC Form 91-504F, being the form of the Previous Strip Bond Information Statement referred to in the MRRS Decision, with effect from November 1, 2003.

Applicable Ontario Rule

Ontario Securities Commission Rule 91-501 Strip Bonds.

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

AND

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

AND

**IN THE MATTER OF
THE INVESTMENT DEALERS ASSOCIATION OF CANADA**

AND

**A STRIP BOND INFORMATION STATEMENT
MRRS DECISION DOCUMENT**

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of Alberta, Manitoba, Newfoundland and Labrador, Nova Scotia, Ontario, Quebec and Saskatchewan (collectively, the "Jurisdictions") has received an application (the "Application") from the Investment Dealers Association of Canada (the "IDA") for a decision, pursuant to the securities legislation (the "Legislation") of each of the Jurisdictions, that the form of information statement dated June, 2003 (the "Revised Strip Bond Information Statement") submitted with the Application, and attached hereto as Schedule "A", is, depending upon the Jurisdiction, approved by, accepted by, or satisfactory to, the Decision Maker, for the purposes of the Revised Strip Bond Information Statement being delivered to purchasers of strip bonds in accordance with provisions (the "Information Statement Delivery Requirements") in the Legislation that require delivery of an information statement or document that has been approved or accepted by, or is satisfactory to, the Decision Maker;

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

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

1. The head office of the IDA is in Toronto, Ontario.
2. The IDA has prepared the Revised Strip Bond Information Statement and submitted it to the Decision Makers for this Decision in order that the Revised Strip Bond Information Statement may be used by members of the IDA to satisfy certain Information Statement Delivery Requirements.

3. The IDA does not object to other market participants using the Revised Strip Bond Information Statement to satisfy Information Statement Delivery Requirements.
4. The Information Statement Delivery Requirements are contained in:
 - (i) requirements in the Legislation that must be satisfied in order for a person or company to be able to rely upon an exemption from the “dealer registration requirement”, as defined in National Instrument 14-101 – Definitions (the “National Definition Instrument”), or the “prospectus requirement”, as defined in the National Definition Instrument, for trading in strip bonds; or
 - (ii) requirements in the Legislation applicable to trading by registrants in strip bonds.
5. The Revised Strip Bond Information Statement clearly describes:
 - (a) the nature of strip bonds, the rights of holders of strip bonds and how strip bonds differ from conventional interest-bearing debt securities;
 - (b) the fluctuations, and volatility of fluctuations, in the market price and value of strip bonds resulting from fluctuations in interest rates;
 - (c) the effect on the volatility of fluctuations referred to in paragraph (b) associated with the time to maturity of strip bonds;
 - (d) the secondary market for strip bonds and underlying bonds;
 - (e) custodial arrangements for strip bonds and underlying bonds;
 - (f) the Canadian federal income tax consequences of buying, selling and holding strip bonds; and
 - (g) the existence of dealer mark-ups or commissions on the purchase and sale of strip bonds and the impact, illustrated in tabular form, of different mark-ups or commissions on the yield to maturity of a strip bond, and includes a statement inviting the prospective purchaser or seller of a strip bond to compare the yield to maturity of the strip bond, calculated after giving effect to any applicable dealer mark-up or commission, against the similarly calculated yield to maturity of a conventional interest-bearing debt security, and to inquire about the dealer’s bid and ask prices for the subject strip bond.
6. The Revised Strip Bond Information Statement is substantially the same as an earlier information statement dated April, 1998 (the “Previous Strip Bond Information Statement”), which was submitted by the IDA to the Decision Makers and, depending upon the Jurisdiction, approved or accepted by, or determined to be satisfactory to, the Decision Makers.
7. The Revised Strip Bond Information Statement differs from the Previous Strip Bond Information Statement in the following respects:
 - (i) the section in the Revised Strip Bond Information Statement which identifies those strip bonds which are exempt from the registration and prospectus requirements of applicable securities legislation has been made more user friendly by specifically listing particular securities (whereas in the Previous Strip Bond Information Statement the corresponding section only described the general requirements for exemption);
 - (ii) the discussion illustrating potential tax consequences has been updated to reflect current income tax rates; and
 - (iii) the Revised Strip Bond Information Statement incorporates certain other minor drafting changes of a non-substantive nature.
8. Following the issuance of this Decision, the IDA will announce a date after which it will encourage its members to use the Revised Strip Bond Information Statement instead of the Previous Strip Bond Information Statement in order to comply with then applicable Information Statement Delivery Requirements.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the Revised Strip Bond Information Statement is approved or accepted by, or is satisfactory to, the Decision Maker, for the purposes of the Information Statement Delivery Requirements.

July 28, 2003.

“Margo Paul”

Schedule A

INVESTMENT
DEALERS
ASSOCIATION
OF CANADA

**STRIP BONDS AND STRIP BOND PACKAGES
INFORMATION STATEMENT**

This Information Statement is being provided as required by securities regulatory authorities in Canada to describe certain attributes of "strip bonds" and "strip bond packages".

Strip Bonds and Strip Bond Packages

In this Information Statement, the term "strip bond" refers to an interest in (i) the amount payable on account of principal, and/or (ii) an amount payable on account of interest, in respect of "Underlying Bonds". Underlying Bonds are certain government bonds which can be traded pursuant to an exemption from the registration and prospectus requirements of applicable securities legislation. For a trade in bonds not expressly exempted by the applicable securities legislation, an order or other form of acknowledgment may be sought from the applicable securities commission to proceed without complying with registration and prospectus requirements.

The following is a summary of certain government bonds which can be traded pursuant to an exemption from the registration and prospectus requirements of applicable securities legislation in particular provinces or territories (or in the case of the Yukon Territory, from the prospectus requirements only).

Canada, Provincial and Territorial Bonds

- In all provinces and territories, bonds issued or guaranteed by the Government of Canada or a province of Canada.
- In Alberta, British Columbia, New Brunswick, Nova Scotia, Newfoundland, Ontario, Prince Edward Island, Saskatchewan, the Northwest Territories, Nunavut and the Yukon Territory, bonds issued or guaranteed by a government of a territory in Canada.

Foreign Country Bonds

- In Alberta, Newfoundland, Nova Scotia, Ontario, Prince Edward Island, the Northwest Territories, Nunavut and the Yukon Territory, bonds issued or guaranteed by the government of any foreign country or a political division thereof.
- In British Columbia and Saskatchewan, bonds issued or guaranteed by the Government of the United Kingdom, the Government of the United States of America, a state or territory of the United States of America, or the District of Columbia in the United States of America.
- In Manitoba, bonds issued or guaranteed by the Government of the United States of America or the Government of the United Kingdom.

A strip bond entitles the holder to a single payment of a fixed amount in the future without the payment of any interest in the interim. The purchase price or present value of a strip bond is determined by discounting the amount of the payment to be received on the payment or maturity date of the strip bond by the appropriate interest rate or yield factor. Strip bonds are therefore different from conventional interest-bearing debt securities and purchasers of strip bonds should be aware of the special attributes of strip bonds as described in this Information Statement. Strip bonds may be purchased in various different forms as described below under "Custodial Arrangements".

In this Information Statement the term "strip bond package" refers to a security comprised of two or more strip bonds which are combined to make up a "bond-like" strip bond package or an "annuity-like" strip bond package. A bond-like strip bond package consists of a lump-sum payable at maturity, which is backed by an interest in a strip bond payable in respect of one or more Underlying Bonds, together with one or more interests in other strip bonds (usually interest payments) related to one or more Underlying Bonds, thereby creating an instrument that resembles, in its payment characteristics, a conventional bond. An annuity-like strip bond package differs from a bond-like strip bond package only to the extent that it does not include a lump-sum payment at maturity. Strip bond packages may be purchased in the form of several separate strip bonds or as one security in one of the forms described below under "Custodial Arrangements".

Price Volatility

As with conventional interest-bearing debt securities, the market price of strip bonds and strip bond packages will fluctuate with prevailing interest rates. Generally, the market price of conventional interest-bearing debt securities and of strip bonds and strip bond packages will fluctuate in the same direction: when prevailing interest rates rise above the yield of these instruments, their market price will tend to fall; conversely, when prevailing interest rates fall below the yield of these instruments, their market price will tend to rise.

However, the market price of a strip bond will be significantly more volatile than the price of a conventional interest-bearing debt security with the same credit risk and term to maturity. When prevailing interest rates rise, the market price of a strip bond will tend to fall to a greater degree than the market price of a conventional interest-bearing debt security with the same credit risk and term to maturity. Conversely, when prevailing interest rates fall, the market price of a strip bond will tend to rise to a greater degree than the market price of a conventional interest-bearing debt security with the same credit risk and term to maturity. The primary reason for such volatility is the fact that no interest is paid in respect of a strip bond prior to its maturity. There is, therefore, no opportunity to reinvest interest payments at prevailing rates of interest prior to maturity.

The table below compares changes in the prices of conventional interest-bearing debt securities and strip bonds. The table shows, on a hypothetical basis, the difference in price fluctuation as a result of fluctuations in prevailing interest rates between, on the one hand, 5-year and 20-year \$100 face amount conventional bonds bearing interest at 6% payable semi-annually, and, on the other hand, 5-year and 20-year \$100 face amount strip bonds priced to yield 6%. It will be noted that the longer the term to maturity of the bond or the strip bond, the more volatile its market price will be.

Market Price Volatility						
	Market price	Market yield	Price with rate drop to 5%	% price change	Price with rate increase to 7%	% price change
6% 5 Year Bond	\$100.00	6.00%	\$104.38	+ 4.38%	\$95.84	- 4.16%
5 Year Strip Bond	74.41	6.00	78.12	+ 4.99	70.89	- 4.73
6% 20 Year Bond	100.00	6.00	112.55	+ 12.55	89.32	- 10.68
20 Year Strip Bond	30.66	6.00	37.24	+ 21.49	25.26	- 17.61

In contrast to strip bonds, the income stream received on a strip bond package prior to maturity or the final payment date may be reinvested at the then prevailing interest rates. Therefore, the market price of a strip bond package will not be as volatile as the market price of a strip bond with the same credit risk and term to maturity or final payment date. However, it may be more volatile than the market price of a conventional interest-bearing debt security with the same credit risk and term to maturity.

Secondary Market and Liquidity

Strip bonds, strip bond packages and Underlying Bonds do not trade in Canada in an auction market similar to that for shares listed on a stock exchange. Instead, strip bonds, strip bond packages and Underlying Bonds trade in dealer or over-the-counter markets similar to those for most conventional debt securities.

Certain strip bonds and strip bond packages that are available in Canada are offered by groups of investment dealers or financial institutions which may make markets for the strip bonds and strip bond packages they offer, although they are not obligated to do so. **There can be no assurance that a market for particular strip bonds or strip bond packages will be available at any given time.** In such circumstances, purchasers may have to hold their strip bonds and strip bond packages to maturity or final payment date in order to realize their investment.

The market for Underlying Bonds is more liquid than the market for strip bonds and strip bond packages. Total turnover in Canadian federal and provincial bonds totalled \$3.6 trillion in 2000, with trading in Canadian federal bonds accounting for 92 percent of this amount. The average daily turnover of Government of Canada bonds amounted to \$13 billion in 2000, in proportionate terms roughly equivalent to the average daily turnover of U.S. treasury bonds which is generally considered to be the most liquid market in the world.

Government of Canada bonds with 2, 5, 10 and 30-year maturities (i.e., the so-called benchmark issues) account for most of the trading activity in this market and are the most liquid Government of Canada securities. The benchmark issues trade with the tightest bid-offered spread, with spreads widening for securities with different maturities than the benchmark issues. The market for provincial and territorial government securities is less liquid than the market for Government of Canada securities. Securities issued by the larger provinces with significant borrowing requirements are more liquid than securities issued by the smaller provinces, or the territories.

Custodial Arrangements

Purchasers may purchase strip bonds and strip bond packages in four forms:

- A book-entry position created by The Canadian Depository for Securities Limited (CDS) which represents an undivided interest in the relevant interest and/or principal payment(s) to be made in respect of one or more Underlying Bonds held by CDS. This is the most common form of ownership today.
- A deposit receipt or certificate issued by a custodian where the receipt or certificate represents an undivided interest in a pool of interest coupons or principal residues held by the custodian or in interest or principal payments to be made in respect of one or more Underlying Bonds held by the custodian (non alter-ego receipts).
- A deposit receipt or certificate issued by a custodian where the receipt or certificate represents the relevant segregated underlying interest coupon(s) or principal residue(s) held by the custodian (alter-ego receipt).
- In limited circumstances, physical delivery of the actual coupon(s) or residue(s) (in specie).

Each of these forms has different characteristics:

- Holders of book-entry positions and non alter-ego receipts are not entitled to take physical delivery of the underlying coupon(s) or residue(s), except in cases where specifically allowed by the rules of CDS or the custodial arrangements, as the case may be.
- Holders of book-entry positions, alter-ego receipts and non alter-ego receipts and holders of physical coupon(s) and residue(s), may be limited in their right to enforce the terms of the Underlying Bond(s) directly against the issuer. Further, such holders may have their rights under applicable custodial arrangements and in respect of the Underlying Bond(s) affected by a specified majority of such holders. Voting rights may be allocated to holders of strip bonds and strip bond packages based on a formula specified as part of the relevant custodial arrangement or as specified in the terms of the Underlying Bond(s). Each purchaser should review the relevant custodial arrangements and the purchaser's rights thereunder.
- For non alter-ego receipts and alter-ego receipts, registered certificates may be available to the holder on request. Where registered certificates are not available, the holder should receive periodic statements showing the security position from his or her investment dealer or other financial institution.
- Alter-ego receipts may entitle the holder to take physical delivery of the underlying coupon(s) or residue(s). If the holder decides to take physical delivery, the holder should be aware of the risks (including the risk of lost ownership) associated with holding a bearer security which cannot be replaced. The holder also should be aware that the secondary market for physical strip bonds may be more limited than for other forms of strip bonds and strip bond packages, due to the risks involved.

The facilities of CDS are available for custody and settlement of strip bonds and strip bond packages for any CDS participant.

In some cases the Underlying Bonds are redeemable or callable prior to maturity. Purchasers of strip bonds or strip bond packages relating to interest payments to be made in respect of Underlying Bonds that are redeemable or callable should satisfy themselves that such interest payments do not relate to interest payment dates that may occur after the Underlying Bond's earliest call or redemption date.

Canadian Income Tax Summary

The Canadian income tax consequences of purchasing strip bonds and strip bond packages are complex. Purchasers of strip bonds and strip bond packages should consult their own tax advisors for advice relating to their particular circumstances. The following summary is intended to be a general commentary on the attributes of strip bonds and strip bond packages under the *Income Tax Act* (Canada) ("Tax Act") and the regulations thereunder ("Regulations") for purchasers who hold their strip bonds and strip bond packages as capital property for purposes of the Tax Act. The summary also comments on the attributes under applicable similar provincial or territorial taxation laws.

Qualified Investments

Strip bonds and strip bond packages relating to Underlying Bonds that are issued or guaranteed by the Government of Canada or issued by a province or territory of Canada are "qualified investments" under the Tax Act and are therefore eligible for purchase by trusts governed by registered retirement savings plans ("RRSPs"), registered retirement income funds ("RRIFs"), registered education savings plans ("RESPs") and deferred profit sharing plans ("DPSPs").

Annual Taxation of Strip Bonds

The Canada Customs and Revenue Agency has indicated that purchasers of strip bonds will be treated as having purchased a "prescribed debt obligation" within the meaning of the Regulations. Accordingly, a purchaser will be required to include in income in each year a notional amount of interest, notwithstanding that no interest will be paid or received in the year (see example below). Therefore, these instruments may be more attractive to non-taxable accounts, such as self-directed RRSPs, RRIFs, DPSPs, RESPs, pension funds and charities, than to taxable accounts.

In general terms, the amount of notional interest deemed to accrue each year will be determined by using that interest rate which, when applied to the total purchase price (including any dealer mark-up or commission) and compounded at least annually, will result in a cumulative accrual of notional interest from the date of purchase to the date of maturity equal to the amount of the discount from face value at which the strip bond was purchased.

For individuals and certain trusts, the required accrual of notional interest in each year is generally only up to the anniversary date of the issuance of the Underlying Bond. For example, if a strip bond is purchased on February 1 of a year and the anniversary date of the issuance of the Underlying Bond is June 30, only five months of notional interest accrual will be required in the year of purchase. However, in each subsequent year, notional interest will be required to be accrued from July 1 of the previous year to June 30 of the subsequent year.

The table below sets out the income tax treatment of a taxable individual investor resident in Canada who purchases a \$5,000 strip bond on February 1, 2002 at a total purchase price of \$3,742.96. The anniversary date of the issuance of the Underlying Bond is June 30. The strip bond is due on June 30, 2007 (i.e. 5 years and 149 days later) and the investor holds it to maturity. Thus, the effective annual interest rate on the strip bond for purposes of the interest accrual rules will be 5.5%. The investor's marginal tax rate (determined after taking into account applicable provincial or territorial taxation laws) is assumed for illustrative purposes only to be 45%. Investors should determine their actual marginal tax rate after discussion with a professional tax advisor.

Year	Base for interest compounding (i.e. purchase price plus previously accrued notional interest)	Accrued notional interest for year (i.e. 5.5% of the base for interest compounding except in the first year)	Tax liability at 45%
2002	\$3,742.96	\$ 82.71*	\$ 37.22
2003	3,825.67	210.41	94.68
2004	4,036.08	221.98	99.89
2005	4,258.06	234.20	105.39
2006	4,492.26	247.07	111.18
2007	4,739.33	<u>260.67</u>	117.30
		1,257.04	

* $[(1.055)^{149/365} \times \$3,742.96] - \$3,742.96$. February 1, 2002 to June 30, 2002 = 149 days because the investor is not credited with interest for the day of purchase.

In some circumstances the anniversary date of the issuance of the Underlying Bond may not be readily determinable. In these circumstances individual investors may wish to consider accruing notional interest each year to the end of the year instead of to the anniversary date.

A corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary is required for each taxation year to accrue notional interest to the end of the taxation year and not just to an earlier anniversary date in the taxation year.

Disposition of Strip Bonds Prior To Maturity

Upon the disposition of a strip bond prior to maturity, purchasers will be required to include in their income for the year of disposition notional interest to the date of disposition. If the amount received on such a disposition exceeds the total of the purchase price and the amount of all notional interest accrued and included in income, the excess will be treated as a capital gain. If the amount received on disposition is less than the total of the purchase price and the amount of all notional interest

Decisions, Orders and Rulings

accrued and included in income, the difference will be treated as a capital loss. As of the date of this Information Statement, a taxpayer was required to take into account one half of the capital gain or loss in determining taxable income.

The table below sets out the income tax treatment for the individual investor in the previous example where the investor sells the strip bond on September 30, 2004 for an assumed sale price of \$4,361.31.

Proceeds of disposition		\$4,361.31
Base for calculation of capital gain		
· initial purchase price	\$3,742.96	
· accrued income for 2002 (see previous table)	82.71	
· accrued income for 2003 (see previous table)	210.41	
· accrued income for 2004		
· to anniversary date (see previous table)	221.98	
· to September 30	<u>57.85*</u>	<u>4,315.91</u>
Capital gain		45.40
Taxable capital gain (1/2 of capital gain)		22.70
* $[(1.055)^{92/365} \times \$4,258.06] - \$4,258.06$		

Strip Bond Packages

Because a strip bond package consists for tax purposes of a series of separate strip bonds, the interest inclusion rules will be satisfied if an annual notional interest inclusion is determined in respect of each separate strip bond as outlined above. However, the calculation of such annual notional interest inclusion may be very complex. In addition, the calculation may be impossible to perform for individual purchasers to the extent that the anniversary dates of the Underlying Bonds are unknown.

As an alternative, purchasers of strip bond packages may wish to consider accruing notional interest to the end of each year at the internal rate of return or yield of the strip bond package determined by reference to the total purchase price (including any dealer mark-up or commission) and on the assumption that each component of the strip bond package is held to maturity or final payment date. The use of this method may in some circumstances result in a marginally less favourable income tax result to an individual purchaser than the calculation of an annual notional interest inclusion in respect of each separate strip bond comprising the strip bond package.

Upon the disposition of a strip bond package prior to maturity, purchasers will be required to include in their income for the year of disposition notional interest to the date of disposition. If the amount received on such a disposition exceeds the sum of the total purchase price and the amount of all notional interest accrued and included in income, the excess will be treated as a capital gain. If the amount received on disposition is less than the sum of the total purchase price and the amount of all notional interest accrued and included in income, the difference will be treated as a capital loss. As of the date of this Information Statement, a taxpayer was required to take into account one half of the capital gain or loss in determining taxable income.

Non-Residents of Canada

Non-residents of Canada for the purposes of the Tax Act who purchase strip bonds or strip bond packages relating to Underlying Bonds issued or guaranteed by the Government of Canada or issued by a province or territory of Canada and which were issued after April 15, 1966 will not be liable for income tax in Canada (including withholding tax) on any amounts paid or credited with respect to the strip bonds or strip bond packages if such purchasers do not use or hold the strip bonds or strip bond packages in carrying on business in Canada and their sole connection with Canada is the acquisition and ownership of the strip bonds or strip bond packages.

Impact on Yield-to-Maturity of Dealer Mark-ups or Commissions Paid on Strip Bonds

Dealer mark-ups or commissions on strip bonds are quoted as a fixed amount per \$100 of maturity amount of the strip bond purchased. The commission charged is generally not affected by the purchase price of the strip bond. Thus, the commission remains the same for strip bonds with a longer term to maturity and lower purchase price. The commissions quoted by investment dealers for strip bonds generally range between 25 cents per \$100 of maturity amount to \$1.50 per \$100 of maturity amount. Commissions are typically at the higher end of this range for small transaction amounts, reflecting the higher costs of processing a small trade. The commissions generally decline for larger transaction sizes.

The table below illustrates the after-commission yield to an investor in strip bonds with different before-commission yields and with different terms to maturity. All of the yield numbers are semi-annual. For example, a strip bond with a term to maturity of one year, a before-commission yield of 4.5% and a commission of 25 cents per \$100 of maturity amount has an after-commission yield of 4.234%. The before-commission cost of this particular strip bond will be \$94.72 per \$100 of maturity

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amount while the after-commission cost will be \$94.97 per \$100 of maturity amount. Similarly, a strip bond with a term to maturity of 25 years, a before-commission yield of 6.5% and a commission of \$1.50 per \$100 of maturity amount has an after-commission yield of 6.204%. The before-commission cost of this particular strip bond will be \$20.21 per \$100 of maturity amount while the after-commission cost will be \$21.71 per \$100 of maturity amount.

Commission or dealer mark-up amount	Yield before commission or dealer mark-up	Term to maturity in years and yield after commission or dealer mark-up					
		1	2	5	10	15	25
\$0.25	4.5%	4.234%	4.361%	4.436%	4.460%	4.467%	4.469%
	5.5%	5.229%	5.357%	5.433%	5.456%	5.462%	5.460%
	6.5%	6.225%	6.354%	6.429%	6.451%	6.455%	6.449%
\$0.75	4.5%	3.703%	4.083%	4.309%	4.381%	4.401%	4.408%
	5.5%	4.691%	5.073%	5.299%	5.368%	5.385%	5.382%
	6.5%	5.679%	6.062%	6.288%	6.354%	6.367%	6.349%
\$1.50	4.5%	2.915%	3.670%	4.121%	4.263%	4.304%	4.318%
	5.5%	3.892%	4.650%	5.100%	5.238%	5.272%	5.267%
	6.5%	4.868%	5.629%	6.078%	6.211%	6.236%	6.204%

The approximate reduction in annual percentage yield associated with the payment of a specific amount of commission or dealer mark-up may generally be calculated as follows:

$$\left(\left(\frac{MA}{PP - CA} \right)^{\frac{365}{n}} - \left(\frac{MA}{PP} \right)^{\frac{365}{n}} \right) \times 100$$

where

MA is the maturity value of the strip bond

PP is the purchase price of the strip bond including the amount of any commission or dealer mark-up required to be paid in order to acquire the strip bond

CA is the amount of the commission or dealer mark-up required to be paid to the selling dealer at the time of purchase of the strip bond

n is the number of days from the time of purchase of the strip bond to the time of maturity of the strip bond (determined excluding the day of purchase but including the maturity day and ignoring leap years)

A prospective purchaser or seller of a strip bond is invited to compare the yield to maturity of the strip bond, calculated after giving effect to any applicable dealer mark-up or commission, against the similarly calculated yield to maturity of a conventional interest bearing debt security. Prospective purchasers or sellers are invited to inquire about the dealer's bid and ask prices for the subject strip bond.

June, 2003.

2.1.9 TransAlta Power, L.P. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief from issuer bid requirements in connection with the acquisition of issuer’s units pursuant to a delivery agreement.

Applicable Ontario Statutory Provisions

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

**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
TRANSALTA POWER, L.P.**

MRRS DECISION DOCUMENT

1. WHEREAS the local securities regulatory authority or regulator (collectively, the “Decision Makers”) in each of Alberta and Ontario (the “Jurisdictions”) has received an application from TransAlta Power, L.P. (“TA Power”) for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that certain transactions be exempt from the issuer bid requirements pursuant to the Securities Act (Alberta) (the “Alberta Act”) and the Securities Act (Ontario) (the “Ontario Act”);
2. AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the “System”) the Alberta Securities Commission is the principal regulator for this application;
3. AND WHEREAS TA Power has represented to the Decision Makers that:
 - 3.1 TA Power is a limited partnership formed on December 16, 1997 under the laws of the Province of Ontario;
 - 3.2 TA Power’s principal and head office is located at 110 – 12th Avenue S.W., Calgary, Alberta, T2P 2M1;
 - 3.3 TA Power is permitted to carry on only activities which are directly or indirectly related to the energy supply industry and to hold investments in other entities

which are primarily engaged in the energy supply industry;

- 3.4 TA Power is and has been a reporting issuer (or the equivalent) for a period in excess of 12 months in each of the Jurisdictions;
- 3.5 TA Power is not in default of the securities legislation of the Jurisdictions;
- 3.6 the authorized capital of TA Power consists of an unlimited number of limited partnership units (the “TA Power Units”). As at May 31, 2003, 33,987,700 TA Power Units were issued and outstanding;
- 3.7 the TA Power Units are listed and posted for trading on the Toronto Stock Exchange (the “TSX”);
- 3.8 at present, TA Power owns a 49.99% interest in TA Cogen which wholly owns three cogeneration facilities located in Mississauga, Ottawa and Windsor, Ontario and which also owns a 60% interest in a cogeneration facility located in Fort Saskatchewan, Alberta. The remaining 50.01% of TA Cogen is owned by TransAlta Energy Corporation (“TEC”) (50.00%) and by TransAlta Cogeneration Ltd. (“TA Cogen GP”) (0.01%). TA Cogen GP is the general partner of TA Cogen;
- 3.9 the business and affairs of TA Power are managed by TransAlta Power Ltd. (“TA Power GP”). TA Power GP has contracted with TEC to provide TA Power with certain management, administrative and other services. TEC relies on its own resources in providing such services to TA Power;
- 3.10 the business and affairs of TA Cogen are managed by TA Cogen GP. TA Cogen CP has contracted with TEC to provide TA Cogen with certain management, administrative, operations and maintenance and other services. TEC relies on its own resources in providing such services to TA Cogen;
- 3.11 TA Cogen proposes to acquire (the “Acquisition”) from TEC a 50% interest in a 756 megawatt coal-fired mine mouth thermal electric generating station located near Hanna, Alberta currently held by TransAlta Utilities Corporation (“TAU”) and the related agreements (the “Acquired Business”) for approximately

- \$600 million. At least one week prior to the purchase of the Acquired Business by TA Cogen, TAU will sell all of its right, title and interest in and to the Acquired Business to TEC;
- 3.12 in connection with the proposed transaction, TA Power will complete an offering (the "Public Offering") of up to 18.5 million subscription receipts (the "Subscription Receipts") for gross proceeds of up to approximately \$171 million. The Subscription Receipts will be issued pursuant to a subscription receipt agreement to be entered into between TA Power, the underwriters of the Public Offering and CIBC Mellon Trust Company. It is expected that the Subscription Receipts will be listed and posted for trading on the TSX. Each Subscription Receipt will be automatically exchanged for one TA Power Unit and one warrant (a "Warrant") of TA Power without payment of additional consideration on the closing date of the Acquisition (the "Acquisition Closing Date") or, if the Acquisition has been completed prior to the closing date of the Public Offering (the "Closing Date"), on the Closing Date. Each Warrant will entitle the holder to acquire one TA Power Unit at a specified price within a period of one year from the Acquisition Closing Date. The Warrants will be issued pursuant to a warrant agreement to be entered into between TA Power, the underwriters of the Offering and CIBC Mellon Trust Company (the "Warrants Agent"), as warrants agent;
- 3.13 concurrent with the Public Offering, TEC will subscribe (the "Private Placement") for up to 20.5 million private placement subscription receipts (the "Private Subscription Receipts") for gross proceeds of up to approximately \$190 million. The Private Subscription Receipts will be issued pursuant to a subscription agreement to be entered into between TA Power, TEC and CIBC Mellon Trust Company. Each Private Subscription Receipt will be automatically exchanged for one TA Power Unit without payment of additional consideration on the Acquisition Closing Date or, if the Acquisition has been completed prior to the Closing Date, on the Closing Date;
- 3.14 the net proceeds from the sale of the Subscription Receipts and the Private Subscription Receipts will be held in escrow by CIBC Mellon Trust Company
- (the "Escrow Agent"), as escrow agent, pending the closing of the Acquisition. Provided that the Acquisition closes prior to a specified date, such proceeds will be released to TA Power concurrently with the closing of the Acquisition;
- 3.15 if the Acquisition fails to close by a specified date, or the agreement governing the terms of the Acquisition is terminated at any earlier time, the Escrow Agent and TA Power will return to holders of the Subscription Receipts and the Private Subscription Receipts an amount equal to the issue price therefor and their pro rata entitlement to interest on such amount;
- 3.16 TA Power will, concurrent with the closing of the Acquisition, use the net proceeds of the Public Offering and the Private Placement to subscribe for additional limited partnership units in TA Cogen ("TA Cogen Units");
- 3.17 TA Cogen will, in turn, use the funds received from TA Power to complete the Acquisition. The balance of the purchase price for the Acquired Business will be satisfied by TA Cogen by the issuance to TEC of TA Cogen Units;
- 3.18 pursuant to a delivery agreement (the "Delivery Agreement") to be dated as of the Closing Date among TA Power, TEC and CIBC Mellon Trust Company (the "Warrants Agent"), TEC will commit to sell to TA Power, as Warrants are exercised, that number of the TA Power Units issued to it pursuant to the exchange of Private Subscription Receipts equal to the number of TA Power Units issued to holders of the Warrants (the "Warrant Holders") by TA Power. The purchase price payable by TA Power for TA Power Units purchased from TEC in this manner will be equal to the exercise price of the Warrants and the TA Power Units so purchased will be cancelled;
- 3.19 the Delivery Agreement is the mechanism being utilized to essentially provide TA Power with TA Power Units for Warrant exercise. The principal terms of the Delivery Agreement are as follows:
- 3.19.1 pursuant to the Delivery Agreement, TEC will irrevocably commit and agree to sell TA Power Units from its holdings of TA Power Units to TA Power for cancellation upon the due

- exercise of the Warrants. To secure this obligation, TEC will agree, among other things, to deposit, upon the closing of the Public Offering, certificates representing that number of up to 18.5 million TA Power Units equal to the number of TA Power Units issuable upon exercise of the Warrants (the "Pledged Units") in favour of TA Power;
- 3.19.2 upon the due exercise of the Warrants, TA Power will issue to the Warrant Holders that number of TA Power Units to which the Warrant Holders are entitled. TA Power will, immediately thereafter, purchase an equal number of the Pledged Units from TEC for a purchase price equal to the funds received by TA Power upon exercise of the Warrants. Pledged Units so purchased by TA Power will be immediately cancelled. The Warrants Agent will credit TA Power the full amount of the funds received in payment of the exercise price of the Warrants, debit TA Power the full amount of the purchase price for the Pledged Units cancelled and remit that amount to TEC;
- 3.19.3 until the due exercise of the Warrants, distributions, if any, in respect of the Pledged Units will be paid to, or to the order of the Warrants Agent, as registered holder of the Pledged Units. The Warrants Agent will remit such distributions to TEC. The right to vote attached to the Pledged Units will be exercised by the Warrants Agent in accordance with the written instructions of TEC;
- 3.19.4 in the event that any Pledged Units remain with the Warrants Agent after 5:00 p.m. (Toronto time) on the expiry date of the Warrants expected to be July 31, 2004 (the "Expiry Date"), the Warrants Agent will deliver to TEC a certificate representing any such remaining Pledged Units;
- 3.20 to the extent that Warrants remain unexercised on the Expiry Date, TEC will continue to own the TA Power Units acquired by it pursuant to the exercise of Private Subscription Receipts acquired pursuant to the Private Placement. In addition, the Delivery Agreement provides that TEC will indemnify TA Power and hold TA Power harmless against any and all losses, damages or liabilities to which TA Power may become subject arising out of or based upon any default of TEC under the Delivery Agreement;
- 3.21 application is being made to list the Warrants on the TSX;
- 3.22 TA Power applied for an exemption from the Decision Makers from the issuer bid requirements of Part 14 of the Alberta Act and Part XX of the Ontario Act in connection with the issuer bid that will arise upon the acquisition by TA Power of TA Power Units from TEC pursuant to the Delivery Agreement;
4. AND WHEREAS under the MRRS, this Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");
5. AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;
6. THE DECISION of the Decision Makers under the Legislation is that the issuer bid requirements contained in Part 14 of the Alberta Act and Part XX of the Ontario Act shall not apply to the acquisition by TA Power of TA Power Units from TEC pursuant to the Delivery Agreement.
- July 7, 2003.
- "Glenda A. Campbell" "Stephen R. Murison"

2.1.10 Custom Direct Income Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - fund filed prospectus that contained four years of audited financial statements for underlying business - fund itself had not completed financial year - fund unable to use prospectus as a "current AIF" under Multilateral Instrument 45-102 - fund exempt from "current AIF" requirement, subject to conditions.

Applicable Ontario Statutory Provisions

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

Applicable Ontario Rules

Multilateral Instrument 45-102 Resale Of Securities (2001) 24 OSCB 7029, Sections. 1.1, 4.1.

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

AND

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

AND

**IN THE MATTER OF
CUSTOM DIRECT INCOME FUND**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario and Saskatchewan (the "Jurisdictions") has received an application from Custom Direct Income Fund (the "Fund") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation to have a "current AIF" (a "Current AIF") as defined in Multilateral Instrument 45-102 *Resale of Securities* ("MI 45-102") filed on SEDAR to be a "qualifying issuer" (a "Qualifying Issuer") under MI 45-102 shall not apply to the Fund;

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

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

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

1. The Fund is an open-ended limited purpose trust established under the laws of Ontario on March 18, 2003 pursuant to a declaration of trust which was amended and restated on May 14, 2003.
2. The head office of the Fund is located at 79 Wellington Street West, Toronto, Ontario, Canada, M5K 1N2.
3. The authorized capital of the Fund is an unlimited number of units of which 15,613,804 units are outstanding.
4. The operations and assets of Custom Direct, Inc. (the "Custom Direct Business") constitute the only business of the Fund and the Fund is entirely dependent on the Custom Direct Business through the indirect ownership of its shares. Custom Direct, Inc. is not a reporting issuer or the equivalent under the Legislation.
5. A decision document pursuant to National Policy 43-201 Mutual Reliance Review for Prospectuses and Annual Information Forms was issued on May 16, 2003 for the Fund's (final) prospectus dated May 15, 2003 (the "Prospectus").
6. Since the Fund had not completed a full financial year, the Prospectus did not include audited financial statements for the Fund's most recently completed financial year. The Prospectus did include (a) audited combined financial statements of the Custom Direct Business for the years ended December 31, 2002, 2001, 2000 and 1999 and (b) unaudited pro forma consolidated financial statements of the Fund for the year ended December 31, 2002 giving effect to the acquisition by the Fund of 80% of the Custom Direct Business from MDC.
7. The Fund is a reporting issuer or its equivalent in each of the Jurisdictions. The Fund is not in default of its reporting issuer obligations under the Legislation.
8. The units of the Fund are listed and posted for trading on The Toronto Stock Exchange.
9. To be a Qualifying Issuer under MI 45-102, the Fund must have a Current AIF that contains audited financial statements for the issuer's most recently completed financial year filed on SEDAR.

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

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

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

THE DECISION of the Decision Makers under the Legislation is that the requirement contained in the Legislation to have a Current AIF filed on SEDAR in order to be a Qualifying Issuer under MI 45-102 shall not apply to the Fund provided that:

- (a) the Fund files a notice on SEDAR advising that it has filed the Prospectus as an alternative form of annual information form and identifying the SEDAR project number under which the Prospectus was filed;
- (b) the Fund, or a selling securityholder in the case of a control distribution, files a Form 45-102F2 on or before the tenth day after the distribution date of any securities certifying that the Fund is a Qualifying Issuer except for the requirement that it have a Current AIF; and
- (c) this Decision expires on the earlier of (i) the 140th day after completion of the Fund's financial year ending December 31, 2003; and (ii) the date that the Fund files an Annual Information Form in the form required by Form 44-101F1 in each of the provinces and territories of Canada.

July 29, 2003.

"Charlie MacCready"

2.2 Orders

2.2.1 TomaNet Inc. - s. 144

Headnote

Section 144 – variation of cease trade order to permit certain trades of securities pursuant to an arrangement.

Statutes Cited

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

**IN THE MATTER OF
THE SECURITIES ACT**

R.S.O. 1990, CHAPTER S-5, AS AMENDED (the “Act”)

AND

**IN THE MATTER OF
TOMANET INC.**

**ORDER
(Section 144 of the Act)**

WHEREAS the securities of TomaNet Inc. (“TomaNet”) are subject to a temporary order of the Director dated May 25, 2001 under paragraph 127(1)2 and subsection 127(5) of the Act and extended by a further order of the Director dated June 8, 2001 (collectively referred to as the “Cease Trade Order”) directing that trading in the securities of TomaNet cease;

AND WHEREAS TomaNet has applied to the Ontario Securities Commission (the “Commission”) for an order under section 144 of the Act varying the Cease Trade Order;

AND WHEREAS TomaNet has represented to the Commission that:

1. TomaNet and others will enter into a transaction (the “Transaction”) involving (i) the combination of TomaNet and Imark Corporation (“Imark”), (ii) the acquisitions of the KnowledgePool business division (“KnowledgePool”) of Fujitsu Services Limited and the product development and research and development assets of Mosaic Technologies Corporation (“Mosaic”), and (iii) a private equity financing of up to \$7.35 million.
2. On May 8, 2003, Imark and TomaNet entered into an arrangement agreement in which Imark agreed to acquire all of the shares of TomaNet in exchange for shares of Imark pursuant to a plan of arrangement (the “Arrangement”) under the *Business Corporations Act* (Alberta) (the “ABCA”).
3. Contemporaneously, Maxim Training Corp (UK) Limited (“Maxim Training UK”), a wholly-owned subsidiary of TomaNet, and Mosaic, entered into an asset purchase agreement pursuant to which Maxim Training UK agreed to acquire certain

assets and employees relating to Mosaic’s product development and research and development business (the “Mosaic Development Assets”) from Mosaic in exchange for \$600,000 in cash and a \$1,000,000 promissory note, which will be payable in either cash or shares (the “Mosaic Asset Acquisition”).

4. Imark, TomaNet and Mosaic issued a joint press release on May 8, 2003 announcing the Transaction and the execution of these agreements. Subject to satisfying all closing conditions and obtaining all applicable regulatory approvals, the parties anticipate that the Transaction will be completed in July 2003.
5. TomaNet is a corporation existing under the laws of Alberta. TomaNet was continued under the ABCA from Ontario on November 19, 1993. TomaNet’s head office and principal office is located in Toronto, Ontario.
6. From 2001 to March 31, 2003 (the date on which TomaNet acquired KnowledgePool through Maxim Training UK), TomaNet was an inactive company and did not carry on any business or operations. TomaNet’s only current operations relate to its indirect ownership of KnowledgePool.
7. In November 2001, Landmark Global Financial Corporation (“Landmark”) seized all of the assets of TomaNet (including its books and records) pursuant to the enforcement of a security interest over TomaNet’s assets. As a result of TomaNet’s inability to access certain of its historical financial information that is currently held by Landmark, TomaNet is unable to prepare audited financial statements for its 2001 and 2002 fiscal years.
8. However, based on management prepared statements for the year ended December 31, 2002, TomaNet incurred a net loss of approximately \$732,000 on revenues of approximately \$7,000. As at December 31, 2002, TomaNet had total assets of approximately \$139,000, total liabilities of approximately \$964,000 and total shareholders’ equity of approximately negative \$475,408.
9. TomaNet’s common shares and Class A Shares were listed and principally traded on the Canadian Venture Exchange but have been delisted since May 2001.
10. As at July 10, 2003, TomaNet’s share capital consisted of (i) an unlimited number of common shares of which 11,631,567 were outstanding, (ii) an unlimited number of Class A shares of which, 23,225,121 were outstanding, (iii) an unlimited number of Class B shares, issuable in series, none of which are outstanding, and (iv) 5,000,002 7% non-cumulative, non-voting preference shares none of which are outstanding.

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|-----|--|--------|--|
| 11. | From September 4, 2001 until April 4, 2003, TomaNet did not file any continuous disclosure documents. | (ii) | Maxim Training UK completed the Mosaic Asset Acquisition on June 18, 2003. |
| 12. | The Cease Trade Order was issued as a result of TomaNet's failure to file financial statements. | (iii) | The Imark common shares will be consolidated on an approximately one-for-five basis, such that after completing the Transaction, the existing Imark shareholders will own approximately 15.21% of the outstanding Imark common shares. |
| 13. | Imark is a corporation amalgamated under the <i>Business Corporations Act</i> (Ontario). Imark's head office and principal office is located in Toronto, Ontario. | | |
| 14. | Imark is a reporting issuer in Ontario. | (iv) | Imark will complete an equity private placement of its common shares for gross aggregate proceeds of up to approximately \$7.35 million (the "Private Placement"). These funds will be used to repay the Notes, to pay transaction costs associated with the Transaction and for Imark's general working capital purposes following completion of the Transaction. |
| 15. | The Imark common shares are listed on the Toronto Stock Exchange (TSX) under the symbol "IAK". However, because of Imark's failure to meet certain TSX continued listings standards, trading in Imark's common shares on the TSX was suspended effective June 6, 2003. | | |
| 16. | Imark intends to apply to the TSX Venture Exchange (TSX-V) to have its common shares listed for trading on the TSX-V as soon as practicable. | (v) | Immediately prior to completion of the Arrangement, TomaNet will issue an aggregate of 9,230,769 common shares (the "TomaNet Compensation Shares") and pay an aggregate of \$532,500 (the "TomaNet Compensation Payment") to certain of its directors and officers as compensation for locating and arranging the Transaction on TomaNet's behalf. |
| 17. | As at June 30, 2003, Imark's share capital consisted of (i) an unlimited number of common shares of which 17,082,089 were outstanding; and (ii) an unlimited number of Class A preferred shares, none of which are outstanding. | | |
| 18. | Mosaic is a corporation continued under the <i>Canada Business Corporations Act</i> . Mosaic's head office and principal office is located in Fredericton, New Brunswick. | (vi) | The TomaNet Compensation Payment will be funded by Imark advancing proceeds of the Private Placement. The parties anticipate that TomaNet's indebtedness in respect of the advance will be assumed by or transferred to Imark prior to completion of the Arrangement. |
| 19. | Mosaic is a reporting issuer in Alberta and British Columbia. | | |
| 20. | The Mosaic common shares are listed on the TSX-V under the symbol "MAC". The closing price of Mosaic's common shares on the TSX-V on July 8, 2003 was \$0.07. | (vii) | Certain TomaNet debtholders will convert an aggregate of approximately \$2,710,000 of indebtedness into approximately 37,604,396 TomaNet common shares immediately prior to completion of the Arrangement (the "TomaNet Debt Conversion"). |
| 21. | KnowledgePool's head office is in the United Kingdom. | | |
| 22. | On March 31, 2003, TomaNet, through Maxim Training UK, acquired KnowledgePool for £4.0 million. £2.5 million was paid on closing by the issuance of promissory notes (the "Notes") by Maxim Training UK and the remaining £1.5 million is payable on March 31, 2004. | (viii) | Imark will acquire all of the outstanding shares of TomaNet (the "TomaNet Share Acquisition") pursuant to the Arrangement and Imark will issue its common shares to the holders of each class of TomaNet shares. |
| 23. | The Transaction is proposed to be effected by the following steps: | (ix) | Maxim Training UK will transfer the Mosaic Development Assets to Imark and will assign its remaining rights and obligations under the Mosaic Acquisition Agreement to Imark. Imark intends to repay the promissory note issued to Mosaic under this agreement by issuing |
| | (i) TomaNet (through Maxim Training UK) completed the acquisition of KnowledgePool on March 31, 2003. | | |

1,000,000 Imark common shares to Mosaic.

ended December 31, 2002, 2001 and 2000;

(x) As a result of the Transaction, Imark will be the continuing public company combining the current operations of TomaNet, Imark and KnowledgePool and certain of the operations of Mosaic, and will change its name to "Maxim Training Corporation".

(ii) audited balance sheets as at December 31, 2002 and December 31, 2001;

(iii) unaudited statements of income, retained earnings and cash flows for the three month period ended March 31, 2003 and for the three month period ended March 31, 2002; and

(xi) Following completion of the Transaction, TomaNet will apply to cease to be a reporting issuer in all jurisdictions in which it is a reporting issuer.

(iv) an unaudited balance sheet as of March 31, 2003.

KnowledgePool Financial Statements

24. Detailed descriptions of the Arrangement, the acquisition of KnowledgePool and the Mosaic Development Assets and the Private Placement were included in the joint management information circular of TomaNet and Imark (the Joint Circular) that was mailed to their respective shareholders on June 26, 2003 in connection with the special meetings called to vote on the Transaction.

(i) audited statements of income and cash flows for the years ended March 31, 2002, 2001 and 2000 and for the nine-month periods ended December 31, 2002 and December 31, 2001;

(ii) audited balance sheets as at December 31, 2002, March 31, 2002 and March 31, 2001;

25. The Transaction will require, among other closing conditions:

(i) board approval of each of Imark, TomaNet and Mosaic;

(iii) unaudited statements of income and cash flows for the three month period ended March 31, 2003; and

(ii) approval of the shareholders of each of Imark and TomaNet;

(iv) unaudited balance sheet as of March 31, 2003.

(iii) interim and final orders of the Alberta Court of Queen's Bench for the Arrangement;

Pro-Forma Financial Statements

(iv) partial revocation of the Cease Trade Order to allow the (i) TomaNet Debt Conversion, (ii) issuance of the TomaNet Compensation Shares, and (iii) TomaNet Share Acquisition; and

(i) a *pro forma* balance sheet of Maxim Training Corporation as at December 31, 2002 and March 31, 2003 to give effect to the acquisitions of TomaNet and KnowledgePool and completion of the Private Placement; and

(v) relief from the Commission from the requirement to include certain historical financial disclosure in the Joint Circular, which the Commission granted on June 23, 2003.

(ii) *pro forma* income statements of Maxim Training Corporation to give effect to the acquisitions of TomaNet and KnowledgePool and completion of the Private Placement for the financial year ended December 31, 2002 and for the three month period ended March 31, 2003, as if the acquisitions and the Private Placement had taken place at the beginning of the respective periods.

26. The Joint Circular contains prospectus level disclosure of the business and affairs of Imark (after giving effect to the Transaction) and a detailed description of the Transaction.

27. The Joint Circular contains the following financial statements:

AND WHEREAS the Commission's power to make the Order has been assigned to the Director;

Imark Financial Statements

(i) audited statements of income, retained earnings and cash flows for the years

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

IT IS ORDERED, pursuant to section 144 of the Act, that the Cease Trade Order is varied solely to permit (i)

the TomaNet Debt Conversion, (ii) the issuance of the TomaNet Compensation Shares, and (iii) TomaNet shareholders to participate in the Arrangement.

July 16, 2003.

“Charlie MacCready”

2.2.2 Rampart Mercantile Inc. et al. - s. 144

Headnote

Section 144 - variation of cease trade order solely to permit trade of a debenture.

Applicable Ontario Statutory Provision

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

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

AND

**IN THE MATTER OF
RAMPART MERCANTILE INC.**

AND

**IN THE MATTER OF
ROBERT SALNA**

AND

**IN THE MATTER OF
VITO PALMIERI**

**ORDER
(Section 144)**

WHEREAS the securities of Rampart Mercantile Inc. (the **Issuer**) are subject to a Temporary Order of the Director dated March 22, 2002 made under section 127 of the Act and extended by an Order of the Director (as defined in the Act) dated April 3, 2002 (the **Cease Trade Order**) directing that trading in the securities of the Issuer cease until the Cease Trade Order is revoked by a further order of revocation;

AND WHEREAS the Issuer, Robert Salna (**Salna**) and Vito Palmieri (**Palmieri**) have made an application (the **Application**) to the Ontario Securities Commission for an order to vary the Cease Trade Order pursuant to section 144 of the Act with respect to the purchase of a convertible debenture (the **Debenture**);

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

AND UPON the Issuer, Salna and Palmieri having represented to the Commission as follows:

Rampart Mercantile Inc.

1. The Issuer was formed by a Memorandum of Association dated November 18, 1968 in the Province of British Columbia under the name Rampart Mines Limited. On May 28, 1984, the Issuer changed its name to Rampart Resources Limited. On July 23, 1987 the Issuer changed its

name to Trans-Rampart Industries Ltd. On May 3, 1993, the Issuer changed its name to Rampart Mercantile Inc. On October 6, 1999 the Issuer filed an Amendment to its Memorandum consolidating its outstanding capital on the basis of one (1) post-consolidated common share for each ten (10) pre-consolidated common shares and increasing its outstanding capital to 100,000,000 common shares. On November 24, 1999 the Issuer continued out of the Province of British Columbia into the Province of Ontario, increased its outstanding capital to an unlimited number of common shares and an unlimited number of First Preferred Shares issuable in series and implemented new by-laws.

2. The authorized capital of the Issuer consists of an unlimited number of common shares without par value and an unlimited number of First Preferred Shares issuable in series. Currently, the Issuer has 3,617,545 common shares and no First Preferred Shares issued and outstanding.

3. The Issuer became a reporting issuer in the Province of Ontario in October of 1989 by virtue of being listed on the Toronto Stock Exchange. The Issuer is also a reporting issuer in British Columbia (August 4, 1972), Alberta (February, 2000), Quebec (July, 2000) and Nova Scotia (July, 2000). No subsequent prospectus offering was undertaken after the initial prospectus offering in August of 1972.

4. The Issuer maintained its reporting issuer status from that date until the issuance of the Cease Trade Order. The Cease Trade Order was issued in Ontario as a result of the Issuer's failure to file annual financial statements for the year ended October 31, 2001 (the 2001 Annual Financial Statements). Subsequently, the Issuer failed to file its interim financial statements for the periods ended January 31, 2002, April 30, 2002, and July 31, 2002 (the Interim Financial Statements), as well as its annual financial statements for the year ended October 31, 2002 (the 2002 Annual Financial Statements, together with the 2001 Annual Financial Statements and the Interim Financial Statements, the Financial Statements).

The Issuer filed the 2001 Annual Financial Statements and the Interim Financial Statements on March 13, 2003. The Issuer filed the 2002 Annual Financial Statements on March 14, 2003. The Issuer mailed the Financial Statements to its shareholders on March 17, 2003. On June 4, 2003, the Issuer refiled on SEDAR restated 2002 Annual Financial Statements and restated interim financial statements for the period ended January 31, 2003.

The Financial Statements, the restated 2002 Annual Financial Statements and the restated interim financial statements for the period ended

January 31, 2003, are referred to herein as the Restated Financial Statements.

5. Prior to the issuance of the Cease Trade Order, the common shares of the Issuer were traded on Tier 3 of the TSX Venture Exchange.

6. The TSX Venture Exchange suspended trading of the shares of the Issuer on March 22, 2002. The Issuer is subject to cease trade orders issued in the Province of Quebec (March 25, 2002), the Province of British Columbia (April 3, 2002) and the Province of Alberta (April 12, 2002). No cease trade order has been issued by the Nova Scotia Securities Commission.

The Proposal

7. The Debenture has a principal amount of \$2,000,000, bearing interest at the rate of 10% per annum, dated March 30, 2001 and due September 30, 2002 issued to Palmieri and convertible into common shares of the Issuer at the rate of one (1) common share for each \$6.00 in principal amount converted.

8. The Debenture is subordinate in interest to a first debenture in the principal amount of \$53,594 (originally \$200,000 with \$146,406 having been repaid), bearing interest at the rate of 8.5% per annum, dated June 15, 1999 and due on June 15, 2002 issued to Sheri Fuller-Monardo and convertible into common shares of the Issuer at the rate of one (1) common share for each \$6.00 of principal amount converted (the **SFM Debenture**).

9. The Debenture is equal in interest to a debenture in the principal amount of \$150,000, bearing interest at the rate of 10% per annum, dated April 30, 2001 and due on October 31, 2002 and convertible into common shares of the Issuer at the rate of one (1) common share for each \$6.00 of principal amount converted (the **Third Debenture**).

10. The remaining directors of the Issuer wish to reactivate the Issuer.

11. A necessary precondition of any potential reactivation plan is making arrangements with respect to the Debenture. The Debenture is secured against all of the assets of the Issuer and its subsidiary, Rampart Securities Inc., and is currently in default. The SFM Debenture has first priority over the assets of the Issuer with the Debenture having second priority along with the Third Debenture.

12. Palmieri is prepared to dispose of the Debenture to Salna on the payment of \$100,000 in cash by Salna to Palmieri.

13. Salna is a sophisticated investor and is aware of the limitations he will be subject to once he acquires the Debenture. Salna will comply with any requirement under Ontario securities law triggered by his acquisition of the Debenture.
14. The intention of management of the Issuer is to reassess the situation once the Debenture has been transferred to determine the next course of action. Management will then decide whether a further variation order is needed to complete interim transactions or whether the Issuer will be in a position to apply to all the relevant commissions for a full revocation of all the outstanding cease trade orders.

General

15. Apart from its failure to file financial statements that prompted the issuance of the Cease Trade Order, the Issuer is not in default of any requirements of the Act, the rules or the regulations made thereunder.
16. The Issuer and Salna acknowledge that the Cease Trade Order will remain in effect following the transfer of the Debenture and that the Debenture will remain subject to the Cease Trade Order until the Cease Trade Order is revoked by a further order of revocation.
17. The Issuer acknowledges that the granting of this Order may not be relied upon as the basis for an application for a full revocation of the Cease Trade Order.
18. Salna acknowledges that he has reviewed the Restated Financial Statements of the Issuer for the year ended October 31, 2002, and has received sufficient independent legal and financial advice in respect of both the acquisition of the Debenture and this Application necessary for him to make an informed investment decision.
19. Palmieri acknowledges that he has reviewed the Restated Financial Statements of the Issuer for the year ended October 31, 2002, and has received sufficient independent legal and financial advice in respect of both the disposition of the Debenture and this Application necessary for him to make an informed investment decision.
20. The beneficial holder of the SFM Debenture consents to the granting of this Order and the transfer of the Debenture from Palmieri to Salna.
21. The beneficial holder of the Third Debenture consents to the granting of this Order and the transfer of the Debenture from Palmieri to Salna.

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

IT IS ORDERED pursuant to section 144 of the Act that the Cease Trade Order be varied solely to permit the transfer of the Debenture from Palmieri to Salna as set out in paragraph 12 of this Order.

July 22, 2003.

“John Hughes”

2.2.3 Phoenix Bond and Equity Corporation and Phoenix Capital Inc. - OSC Rule 13-502

Headnote

Issuer exempt from requirement to pay filing fee in connection with take-over bid circular filed in Ontario – target has 17 unitholders in Ontario holding 3.6% of target units – issuer also exempt from paying additional \$2,000 fee for application because parent pays participation fees in Ontario.

Ontario Rules Cited

Ontario Securities Commission Rule 13-502 Fees, Parts E(3) and G(1) of Appendix C, and section 6.1.

**IN THE MATTER OF
ONTARIO SECURITIES COMMISSION
RULE 13-502 FEES**

AND

**IN THE MATTER OF
PHOENIX BOND AND EQUITY CORPORATION**

**ORDER
(Rule 13-502)**

WHEREAS the Ontario Securities Commission (the “OSC”) has received an application from Phoenix Bond and Equity Corporation (“Phoenix”) and Phoenix Capital Inc. (“Phoenix Parent”) for an order, pursuant to section 6.1 of OSC Rule 13-502 Fees (the “Fees Rule”), that:

- (i) the requirement to pay a filing fee under Part G(1) of Appendix C of the Fees Rule shall not apply to Phoenix in connection with the filing of the take-over bid circular (the “Circular”) accompanying Phoenix’s offer (the “Offer”) dated June 30, 2003 for all outstanding units (the “Units”) of Imperial Square Edmonton III – West (“Imperial West”) not currently owned by Phoenix Parent (the “Take-over Bid Application”); and
- (ii) in connection with the filing of the Take-over Bid Application, the activity fee payable by Phoenix under Part E(3) of Appendix C of the Fees Rule shall not include the additional amount of \$2,000 payable by Phoenix because it does not pay a participation fee.

AND WHEREAS Phoenix and Phoenix Parent have represented to the OSC that:

1. Phoenix was incorporated under the laws of the Province of Ontario on August 26, 1998 and is a wholly owned subsidiary of Phoenix Parent.

2. Phoenix was incorporated for administrative and tax reasons to assist in business acquisitions by Phoenix Parent. It conducts no other business other than as directed by Phoenix Parent. Phoenix Parent consolidates the financial information of Phoenix in its financial statements.
3. Phoenix Parent is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, and Newfoundland and Labrador. Phoenix Parent is not in default of any requirement under the securities legislation of Ontario.
4. Phoenix Parent pays participation fees as required under section 2.2 of the Fees Rule. Under clause 2.2(2)(a), Phoenix is not required to pay a participating fee as Phoenix Parent is a reporting issuer under the securities legislation of Ontario.
5. Imperial West is a rental pool that owns a commercial property in Edmonton, Alberta. By order of the Alberta Securities Commission Board dated January 15, 1992, Imperial West was declared to be a reporting issuer for purposes of the *Securities Act* (Alberta). Imperial West is not a reporting issuer in Ontario.
6. The Units are not listed or traded on any stock exchange or other market.
7. Based upon publicly available information, there were 3,150,417 Units outstanding as of the date of the Offer. As of the date of the Offer, Phoenix Parent beneficially owned 1,915,184 Units, representing approximately 61% of the outstanding Units.
8. Based upon publicly available information, there are only 17 holders of Units in Ontario (the “Ontario Unitholders”). The Ontario Unitholders own 115,000 Units, or 3.6% of the outstanding Units. As the consideration payable under the Offer is \$0.60 per Unit, the Ontario Unitholders are entitled to receive \$69,000 for their Units.

THE ORDER of the OSC under the Fees Rule is that:

- (a) the requirement to pay a filing fee under Part G(1) of Appendix C of the Fees Rule shall not apply to Phoenix in connection with the filing of the Circular in Ontario; and

- (b) in connection with the filing of the Take-over Bid Application, the activity fee payable by Phoenix under Part E(3) of Appendix C of the Fees Rule shall not include the additional amount of \$2,000 payable by Phoenix because it does not pay a participation fee.

July 22, 2003.

“John Hughes”

Chapter 4

Cease Trading Orders

4.1.1 Temporary, Extending & Rescinding Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/Revoke
Blake River Explorations Ltd.	25 Jul 03	06 Aug 03		
Cintech Solutions, Inc.	18 Jul 03	30 Jul 03	30 Jul 03	
Epic Energy Inc.	25 Jul 03	06 Aug 03		
Finline Technologies Ltd.	24 Jul 03	05 Aug 03		
FT Capital Ltd.	30 Jul 03	12 Aug 03		
Polyphalt Inc.	21 Jul 03	01 Aug 03		
Resorts Unlimited Management Inc.	22 Jul 03	01 Aug 03		
Waseco Resources Inc.	29 Jul 03	11 Aug 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	03 Jun 03		
Aspen Group Resources Corporation	21 May 03	03 Jun 03	03 Jun 03	29 Jul 03	
Finline Technologies Ltd.	21 May 03	03 Jun 03	03 Jun 03		24 Jul 03
Hydromet Environmental Recovery Ltd.	21 May 03	03 Jun 03	03 Jun 03		
National Construction Inc.	25 Jul 03	07 Aug 03			
Wastecorp. International Investment Inc.	23 Jul 03	05 Aug 03			

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Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

Exempt Financings

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

REPORTS OF TRADES SUBMITTED ON FORM 45-501F1

<u>Transaction Date</u>	<u>Purchaser</u>	<u>Security</u>	<u>Total Purchase Price (\$)</u>	<u>Number of Securities</u>
10-Jul-2003 to 16-Jul-2003	2 Purchasers	Acuity Pooled Conservative Asset Allocation - Units	355,428.00	27,053.00
10-Jul-2003 to 14-Jul-2003	5 Purchasers	Acuity Pooled Fixed Income Fund - Units	688,758.00	50,726.00
08-Jul-2003 to 18-Jul-2003	10 Purchasers	Acuity Pooled High Income Fund - Units	1,000,721.00	64,071.00
09-Jul-2003 to 14-Jul-2003	2 Purchasers	Acuity Pooled Income Trust Fund - Units	224,707.00	19,070.00
09-Jul-2003	3 Purchasers	Andromeda Media Capital Corporation - Units	2,000.00	2,000.00
15-Jul-2003	David Grand and Doug McGrath	Avenue Financial Corporation - Units	100,000.00	1,000,000.00
17-Jul-2003	Ontario Municipal Employees Retirement System	Borealis Retail Real Estate Investment Trust - Units	44,239,610.00	4,423,961.00
26-Jun-2003	Waterra Pumps Limited	Boulder Mining Corporation - Units	22,000.00	100,000.00
27-Jun-2003	Mark R. Bostock	Canadian Public Venture Capital I Inc. - Common Shares	25,000.00	100,000.00
18-Jul-2003	Noah I Snyder	CareVest Blended Mortgage Investment Corporation - Preferred Shares	76,726.00	76,726.00
18-Jul-2003	6 Purchasers	Dominion Citrus Limited - Units	1,332,498.00	807,575.00
09-Jul-2003	5 Purchasers	Excellon Resources Inc. - Units	245,000.00	350.00
22-Jul-2003	Laurence W. Curtis	Exeter Resources Corporation - Units	2,500.00	10,000.00

Notice of Exempt Financings

14-Jul-2003 to 15-Jul-2003	FactorCorp. Financial Inc.	Express Commercial Services Inc. - Shares	120,000.00	120,000.00
23-Jul-2003	FactorCorp Financial Inc.	Express Commercial Services Inc. - Shares	350,000.00	350,000.00
17-Jul-2003	N/A	Genesis Worldwide Inc. - Preferred Shares	11,075,480.00	11,075,480.00
30-Jun-2003	Lester Holdings Corporation and Darak Investments Limited	Gladiator Limited Partnership - Limited Liability Interest	300,000.00	2.00
11-Jul-2003	14 Purchasers	Great Canadian Gaming Corporation - Units	4,050,000.00	450,000.00
16-Jul-2003	5 Purchasers	GridIron Software Inc. - Preferred Shares	953,570.00	544,055.00
17-Jul-2003	12 Purchasers	Halcon Crew Transport Inc. - Shares	2,300,002.00	2,562,014.00
17-Jul-2003	N/A	KML Limited Partnership - Units	4,502,406.00	42.00
17-Jul-2003	Graham Millington	Martin Health Group Inc. - Common Shares	109,700.00	1,097,000.00
08-Jul-2003	Merrill Lynch Canada Inc.	Merrill Lynch Financial Assets Inc. - Mortgage	14,011,217.00	113,977,240.00
08-Jul-2003	CIBC Wood Gundy	Merrill Lynch Financial Assets Inc. - Mortgage	198,321.00	286,000.00
08-Jul-2003	CIBC Wood Gundy	Merrill Lynch Financial Assets Inc. - Mortgage	10,227,677.00	105,983,040.00
08-Jul-2003	RBC Dominion Securities Inc.	Merrill Lynch Financial Assets Inc. - Mortgage	199,341.00	452,000.00
08-Jul-2003	Canaccord Capital Corporation	Merrill Lynch Financial Assets Inc. - Mortgage	194,053.00	435,000.00
08-Jul-2003	CIBC Wood Gundy	Merrill Lynch Financial Assets Inc. - Mortgage	24,248.00	55,000.00
08-Jul-2003	Canaccord Capital Corporation	Merrill Lynch Financial Assets Inc. - Mortgage	5,287.00	17,000.00
08-Jul-2003	National Bank Correseport Network Inc.	Merrill Lynch Financial Assets Inc. - Mortgage	3,837,456.00	6,123,000.00
08-Jul-2003	RBC Dominion Securities Inc.	Merrill Lynch Financial Assets Inc. - Mortgage	199,341.00	452,000.00
08-Jul-2003	CIBC Wood Gundy	Merrill Lynch Financial Assets Inc. - Mortgage	83,553.00	189,200.00
08-Jul-2003	Scotia Capital Inc.	Merrill Lynch Financial Assets Inc. - Mortgage	199,341.00	452,000.00

Notice of Exempt Financings

17-Jul-2003	Fred Ng	Microsource Online, Inc. - Common Shares	60,000.00	10,000.00
18-Jul-2003	Sumit Bhatia	Microsource Online, Inc. - Common Shares	1,200.00	200.00
17-Jul-2003	S. Grant Hall	Microsource Online, Inc. - Common Shares	3,000.00	500.00
17-Jul-2003	Sean Rodrigue	Microsource Online, Inc. - Common Shares	4,800.00	800.00
17-Jul-2003	Trung Tran	Microsource Online, Inc. - Common Shares	6,000.00	1,000.00
17-Jul-2003	Paul Dimora	Microsource Online, Inc. - Common Shares	1,200.00	200.00
17-Jul-2003	William (Bill) Mount	Microsource Online, Inc. - Common Shares	1,200.00	200.00
23-Jul-2003	Suzanne Tremblay	Microsource Online, Inc. - Common Shares	28,800.00	4,800.00
23-Jul-2003	Michael Rasenberg	Microsource Online, Inc. - Common Shares	1,800.00	300.00
23-Jul-2003	Pino Di Stefano	Microsource Online, Inc. - Common Shares	3,000.00	500.00
22-Jul-2003	10 Purchasers	Natural Data Inc. - Common Shares	270,285.00	1,081,143.00
15-Jul-2003	Paul Crossett and Josph Vital	Neodym Technologies Inc. - Units	20,000.00	200,000.00
15-Jul-2003	Albanses Branding & Communications Inc.	Nexus Group International Inc. - Units	21,400.00	662,000.00
21-Jul-2003	11 Purchasers	Online Hearing.com Inc. - Convertible Debentures	53,167.00	53,167.00
16-Jul-2003	Dallas Grogon	Outlook Resources Inc. - Convertible Debentures	20,000.00	20,000.00
15-Jul-2003	11 Purchasers	Stellar International Inc. - Units	327,060.00	1,211,335.00
16-Jul-2003	11 Purchasers	Thistle Mining Inc. - Notes	3,961,538.00	2,575,000.00
22-Jul-2003	Ian A. MacIntosh	Vault Minerals Inc. - Units	20,000.00	100,000.00
21-Jul-2003	Credit Risk Advisors and Elliott & Page	Westlake Chemical Corporation - Notes	2,810,600.00	2,000,000.00

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

<u>Seller</u>	<u>Security</u>	<u>Number of Securities</u>
Ralph Sickinger	Carma Financial Services Corporation - Common Shares	768,500.00
Chengfeng Zhou	China Ventures Inc. - Common Shares	7,874,000.00
CMG Reservior Simulation Foundation	Computer Modelling Group Ltd. - Common Shares	232,600.00
F.D.L. & Associes Ltee	Cossette Communication Group Inc. - Shares	50,000.00

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

Exceed Energy Inc.
Principal Jurisdiction - Alberta

Dates:

Amended and Restated Preliminary Prospectus July 29th, 2003

Mutual Reliance Review System Receipt dated July 29th, 2003

Underwriter(s):

Octagon Capital Corporation
Research Capital Corporation
Canaccord Capital Corporation

Promoter(s):

Rick Orman

Project Number:

554055

Issuer Name:

Wi-LAN Inc.
Principal Jurisdiction - Alberta

Dates:

Preliminary Short Form Prospectus dated July 29th, 2003

Mutual Reliance Review System Receipt dated July 29th, 2003

Underwriter(s):

Orion Securities Inc.
First Associates Investments Inc.

Promoter(s):

-

Project Number:

560369

Issuer Name:

Baytex Energy Ltd.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated July 28, 2003

Mutual Reliance Review System Receipt dated July 28, 2003

Offering Price and Description:

Exchange Offer for US\$179,699,000 of our 9 5/8 Senior Notes Due 2010

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #559881

Issuer Name:

Cambior Inc.
Principal Regulator - Quebec

Type and Date:

Preliminary Short Form Prospectus dated July 28, 2003

Mutual Reliance Review System Receipt dated July 28, 2003

Offering Price and Description:

\$100,000,000.00 - 40,000,000 Units consisting of 40,000,000 Common Shares and 20,000,000 Series C Common Share Purchase Warrants

Underwriter(s) or Distributor(s):

Sprott Securities Inc.
National Bank Financial Inc.
CIBC World Markets Inc.
Dundee Securities Corporation
Orion Securities Inc.
Paradigm Capital Inc.

Promoter(s):

-

Project #559947

Issuer Name:

Canadian Natural Resources Limited
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Shelf Prospectus dated July 25, 2003

Mutual Reliance Review System Receipt dated July 28, 2003

Offering Price and Description:

\$1,000,000,000 Medium Term Notes (unsecured)

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
Promoter(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.

Project #559868

Issuer Name:

Defiant Energy Corporation
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated July 25, 2003
Mutual Reliance Review System Receipt dated July 25, 2003

Offering Price and Description:

4,360,000.00 - Common Shares Issuable on Exercise of
4,360,000 Special Warrants

Underwriter(s) or Distributor(s):

Research Capital Corporation
Salman Partners Inc.
Canaccord Capital Corporation
CIBC World Markets Inc.
Lightyear Capital Inc.
Octagon Capital Corporation
Raymond James Ltd.

Promoter(s):

-

Project #559743

Issuer Name:

Energy Split Corp. Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated July 25, 2003
Mutual Reliance Review System Receipt dated July 28, 2003

Offering Price and Description:

\$ * (Maximum) Capital Yield Shares
\$ * (Maximum) ROC Preferred Shares
\$ * per Capital Yield Share and \$25.00 per ROC Preferred Shares

Underwriter(s) or Distributor(s):

Scotia Capital Inc.

Promoter(s):

Scotia Capital Inc.

Project #559814

Issuer Name:

Golden Star Resources Ltd.
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated July 28, 2003
Mutual Reliance Review System Receipt dated July 28, 2003

Offering Price and Description:

\$31,980,000.00 - Cdn\$3.90 per Common Share
8,200,000 Common Shares

Underwriter(s) or Distributor(s):

Orion Securities Inc.
BMO Nesbitt Burns Inc.
Canaccord Capital Corporation
National Bank Financial Inc.
RBC Dominion Securities Inc.
Westwind Partners Inc.

Promoter(s):

-

Project #560012

Issuer Name:

Miramar Mining Corporation
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated July 28, 2003
Mutual Reliance Review System Receipt dated July 28, 2003

Offering Price and Description:

\$30,030,000.00 - 14,300,000 Common Shares \$2.10 per
Common Share

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
Salaman Partners Inc.
Haywood Securities Inc.
Westwind Partners Inc.

Promoter(s):

-

Project #560052

Issuer Name:

U.S. Value Fund
U.S. Small Cap Fund
International Value Fund
International Small Cap Fund
Five-Year Global Fixed Income Fund
Principal Regulator - British Columbia

Type and Date:

Preliminary Simplified Prospectus dated July 22, 2003
Mutual Reliance Review System Receipt dated July 23, 2003

Offering Price and Description:

Class A and F Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

Dimensional Fund Advisors Canada Inc.

Project #558990

Issuer Name:

Clarington Canadian Core Portfolio
Clarington U.S. Core Portfolio
Clarington Global Core Portfolio
Clarington Canadian Bond Fund
Clarington Money Market Fund
Clarington Short-Term Income Class
Clarington Canadian Dividend Fund
Clarington Canadian Income Fund
Clarington Canadian Income Fund II
Clarington Diversified Income Fund
Clarington Global Income Fund
Clarington Canadian Balanced Fund
Clarington Canadian Equity Fund
Clarington Canadian Equity Class
Clarington Canadian Growth Fund
Clarington Canadian Small Cap Fund
Clarington Canadian Value Fund
Clarington Navellier U.S. All Cap Fund
Clarington Navellier U.S. All Cap Class
Clarington U.S. Growth Fund
Clarington U.S. Value Class
Clarington U.S. Smaller Company Growth Fund
Clarington Asia Pacific Fund
Clarington Global Equity Fund
Clarington Global Equity Class
Clarington Global Small Cap Fund
Clarington Global Value Class
Clarington International Equity Fund
Clarington Global Communications Fund
Clarington Global Health Sciences Class
Clarington RSP Global Communications Fund
Clarington RSP Global Equity Fund
Clarington RSP Global Income Fund
Clarington RSP Navellier U.S. All Cap Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated July 23, 2003
Mutual Reliance Review System Receipt dated July 28, 2003

Offering Price and Description:

Mutual Fund Units, Series A and Series B Units and Shares

Underwriter(s) or Distributor(s):

ClaringtonFunds Inc.

Promoter(s):

-

Project #553091

Issuer Name:

MDPIM International Equity Pool
MDPIM Canadian Bond Pool
MDPIM Canadian Equity Pool
MDPIM US Equity Pool
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated July 23, 2003
Mutual Reliance Review System Receipt dated July 25, 2003

Offering Price and Description:

Mutual Fund Units and "Private Trust Class" Mutual Fund Units

Underwriter(s) or Distributor(s):

MD Management Limited

Promoter(s):

-

Project #559401

Issuer Name:

MD Balanced Fund
MD Bond Fund
MD Bond and Mortgage Fund
MD Dividend Fund
MD Equity Fund
MD Global Bond Fund
MD Global Equity RSP Fund
MD Growth Investments Limited
MD Growth RSP Fund
MD International Growth Fund
MD International Growth RSP Fund
MD Money Fund
MD Select Fund
MD US Large Cap Growth Fund
MD US Large Cap Growth RSP Fund
MD US Large Cap Value Fund
MD US Large Cap Value RSP Fund
MD US Small Cap Growth Fund
MDPIM Canadian Equity Pool
MDPIM US Equity Pool
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated July 23, 2003
Mutual Reliance Review System Receipt dated July 25, 2003

Offering Price and Description:

Mutual Fund Units and "Class A" Mutual Fund Units

Underwriter(s) or Distributor(s):

MD Management Limited

Promoter(s):

-

Project #552939

Issuer Name:

Northern Orion Resources Inc.
Principal Regulator - British Columbia

Type and Date:

Final Prospectus dated July 25, 2003
Mutual Reliance Review System Receipt dated July 28, 2003

Offering Price and Description:

\$105,352,403.13 - 81,040,310 Common Shares and 40,520,155 Common Share Purchase Warrants issuable upon the exercise of 810,403,101 previously issued Special Warrants

Underwriter(s) or Distributor(s):

Griffiths McBurney & Partners
BMO Nesbitt Burns Inc.
Canaccord Capital Corporation
Pacific International Securities Inc.
Yorkton Securities Inc.
Salman Partners Inc.
McFarlane Gordon Inc.

Promoter(s):

David Cohen
Robert Cross

Project #555136

Issuer Name:

O&Y Real Estate Investment Trust
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated July 23, 2003
Mutual Reliance Review System Receipt dated July 23, 2003

Offering Price and Description:

\$65,642,500.00 - 6,050,000 Limited Voting Units @\$10.85 per Voting Unit

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #556822

Issuer Name:

Royal Bank of Canada
Principal Regulator - Quebec

Type and Date:

Final Short Form Shelf Prospectus dated July 28, 2003
Mutual Reliance Review System Receipt dated July 29, 2003

Offering Price and Description:

\$4,000,000,000.00 - Medium Term Notes (Subordinated Indebtedness)

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
TD Securities Inc.
Merrill Lynch Canada Inc.
National Bank Financial Inc.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Laurentian Bank Securities Inc.

Promoter(s):

-

Project #558298

Issuer Name:

Royal LePage Franchise Services Fund
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated July 29, 2003
Mutual Reliance Review System Receipt dated July 29, 2003

Offering Price and Description:

\$99,830,000.00 - 9,983,000 UNITS @\$10.00 per Unit

Underwriter(s) or Distributor(s):

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

Promoter(s):

Royal LePage Limited

Project #555961

Issuer Name:

Saxon High Income Fund
Saxon Balanced Fund
Saxon Stock Fund
Saxon Small Cap
Saxon World Growth
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated July 21, 2003 to the Final Simplified Prospectus and Annual Information Form dated November 20, 2002
Mutual Reliance Review System Receipt dated July 23, 2003

Offering Price and Description:

Class A and B Units

Underwriter(s) or Distributor(s):

Howson Tattersall Investment Counsel Limited

Promoter(s):

Howson Tattersall Investment Counsel Limited

Project #487487

Issuer Name:

Sentry Select Canadian Income Fund
Sentry Select Canadian Energy Growth Fund
Sentry Select Precious Metals Growth Fund
Sentry Select REIT Fund
Sentry Select Focused Alternative Energy Fund
Sentry Select Focused Biotechnology Fund
Sentry Select Focused Technologies Fund
Sentry Select Focused Wealth Management Fund
Sentry Select Money Market Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated July 22, 2003
Mutual Reliance Review System Receipt dated July 28, 2003

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Sentry Select Capital Corp.
Sentry Select Capital Corp.
NCE Financial Corporation

Promoter(s):

Sentry Select Capital Corp.

Project #552413

Issuer Name:

Signature Canadian Resource Fund
Signature Canadian Resource Sector Fund
Signature Select Canadian Fund
Signature Select Canadian Sector Fund
Signature Canadian Balanced Fund
Signature Canadian Income Fund
Signature Corporate Bond Fund
Signature Corporate Bond Sector Fund
Signature Dividend Fund
Signature Dividend Sector Fund
Signature High Income Fund
Signature High Income Sector Fund
BPI American Equity Fund
BPI American Equity RSP Fund
BPI American Equity Sector Fund
BPI Global Equity Fund
BPI Global Equity RSP Fund
BPI Global Equity Sector Fund
BPI International Equity Fund
BPI International Equity RSP Fund
BPI International Equity Sector Fund
Landmark American Fund
Landmark American RSP Fund
Landmark American Sector Fund
Landmark Canadian Fund
Landmark Canadian Sector Fund
Landmark Global Sector Fund
Landmark Global RSP Fund
Harbour Fund
Harbour Sector Fund
Harbour Foreign Equity Sector Fund
Harbour Foreign Equity RSP Fund
Harbour Foreign Growth & Income Sector Fund
Harbour Foreign Growth & Income RSP Fund
Harbour Growth & Income Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus and Annual Information Form dated July 15, 2003
Mutual Reliance Review System Receipt dated July 23, 2003

Offering Price and Description:

Class A, F, I, X, Y, Z and Insight Units; and Sector A, F and T Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

CI Mutual Funds Inc.

Project #550702

Issuer Name:

TD International Equity Fund
Principal Regulator - Ontario

Type and Date:

Amended and Restated Simplified Prospectus dated July 23rd, 2003, amending and restating the Simplified Prospectus dated October 7th, 2002 and Amendment No. 1 dated July 23rd, 2003 to the Annual information Form dated October 7th, 2002

Mutual Reliance Review System Receipt dated July 28, 2003

Offering Price and Description:

Units

Underwriter(s) or Distributor(s):

TD Investment Services Inc.
TD Investment Services Inc.

Promoter(s):

TD Asset Management Inc.

Project #474584

Issuer Name:

York Receivables Trust III
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated July 24, 2003
Mutual Reliance Review System Receipt dated July 25, 2003

Offering Price and Description:

\$190,000,000 2.885% Credit Card Receivables-Backed Class A Notes, Series 2003-1
\$4,000,000 3.141% Credit Card Receivables-Backed Class B Notes, Series 2003-1
\$6,000,000 3.583% Credit Card Receivables-Backed Class C Notes, Series 2003-1

Underwriter(s) or Distributor(s):

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

Promoter(s):

The Toronto-Dominion Bank

Project #557275

Issuer Name:

York Receivables Trust III
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated July 24, 2003
Mutual Reliance Review System Receipt dated July 25, 2003

Offering Price and Description:

\$475,000,000 3.568% Credit Card Receivables-Backed Class A Notes, Series 2003-2
\$10,000,000 3.988% Credit Card Receivables-Backed Class B Notes, Series 2003-2
\$15,000,000 4.588% Credit Card Receivables-Backed Class C Notes, Series 2003-2

Underwriter(s) or Distributor(s):

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

Promoter(s):

The Toronto-Dominion Bank

Project #557280

Issuer Name:

York Receivables Trust III
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated July 24, 2003
Mutual Reliance Review System Receipt dated July 25, 2003

Offering Price and Description:

\$760,000,000 4.272% Credit Card Receivables-Backed Class A Notes, Series 2003-3
\$16,000,000 4.852% Credit Card Receivables-Backed Class B Notes, Series 2003-3
\$24,000,000 5.452% Credit Card Receivables-Backed Class C Notes, Series 2003-3

Underwriter(s) or Distributor(s):

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

Promoter(s):

The Toronto-Dominion Bank

Project #557284

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Change of Name	From: SGY Asset Management (Singapore) Limited To: SGY Asset Management (Singapore) Ltd.	International Adviser (Investment Counsel/Portfolio Manager)	July 1, 2003
New Registration	Atlantic-Pacific Capital, Inc.	International Dealer	July 24, 2003
New Registration	Schachter Asset Management Inc.	Extra-provincial Adviser/Investment Counsel & Portfolio Manager	July 28, 2003
Change of Category	Fairlane Asset Management Limited	From: Investment Counsel & Portfolio Manager To: Limited Market Dealer & Investment Counsel & Portfolio Manager & Commodity Trading Manager.	July 29, 2003
Change of Name	From: First Canada Securities Corporation To: Toll Cross Securities Inc.	Investment Dealer	July 21, 2003

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Chapter 13

SRO Notices and Disciplinary Proceedings

**13.1.1 Discipline Pursuant to IDA By-law 20 -
Peregrine Financial Group Canada Inc. -
Settlement Agreement**

Bulletin No. 3176

**IN THE MATTER OF DISCIPLINE PURSUANT TO BY-
LAW 20 OF THE INVESTMENT DEALERS
ASSOCIATION OF CANADA**

RE: PEREGRINE FINANCIAL GROUP CANADA INC.

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. The Staff ("Staff") of the Investment Dealers Association of Canada ("the Association") has conducted an investigation (the "Investigation") into the conduct of Peregrine Financial Group Canada Inc. ("Peregrine").
2. The Investigation discloses matters for which the District Council of the Association ("the District Council") may penalize the Respondent by imposing discipline penalties.

II. JOINT SETTLEMENT RECOMMENDATION

3. Staff and Peregrine consent and agree to the settlement of these matters by way of this Settlement Agreement in accordance with By-law 20.25.
4. This Settlement Agreement is subject to its acceptance, or the imposition of a lesser penalty or less onerous terms, or the imposition, with the consent of Peregrine, of a penalty or terms more onerous, by the District Council in accordance with By-law 20.26.
5. Staff and Peregrine jointly recommend that the District Council accept this Settlement Agreement.
6. If at any time prior to the acceptance of this Settlement Agreement, or the imposition of a lesser penalty or less onerous terms, or the imposition, with the consent of Peregrine, of a penalty or terms more onerous, by the District Council, there are new facts or issues of substantial concern in the view of Staff regarding the facts or issues set out in Section III of this Settlement Agreement, Staff will be entitled to withdraw this Settlement Agreement from consideration by the District Council.

III. STATEMENT OF FACTS

(i) Acknowledgement

7. Staff and Peregrine agree with the facts set out in Section III and acknowledge that the terms of the settlement contained in this Settlement Agreement are based upon those specific facts.

(ii) Factual Background

8. Peregrine is and was at all material times a Member of the Association.
9. Peregrine, which is owned 100% by Peregrine Financial Group Inc. (PFG), is a Type 1 introducing broker to Refco Futures (Canada) Ltd. for its futures contracts and options on futures.
10. The main source of revenue for Peregrine is consulting fees received from PFG. These consulting fees represent 50% of the commission that PFG earns from Canadian clients engaging in electronic trading with PFG.
11. On October 2, 2001, an external Chartered Accountant, who was retained by Peregrine to assist in regulatory filings, sent written notification to the IDA that Peregrine was capital deficient in the amount of \$181,003 as at August 31, 2001.
12. On September 6, 2001, Peregrine received a deposit of consulting fees from PFG and remedied the capital deficiency.
13. On October 11, 2001 Association Staff conducted a review of Peregrine's books and records and determined that the deficiency was caused by untimely receipt of a forthcoming payment of consulting fees from Peregrine's parent, PFG.
14. Association Staff found Peregrine to be capital deficient on two previous occasions –April 30, 2000 and June 30, 2000. The two capital deficiencies were caused by the late payment of forthcoming commission fees from their parent company. Peregrine was informed in writing of its errors by Association Staff. However, no formal disciplinary action was taken, as the capital deficiencies were minor and had been quickly remedied by Peregrine.

IV. CONTRAVENTIONS

15. On August 31, 2001 Peregrine Financial Group Canada Inc., a Member of the Association, as a

result of the untimely receipt of a forthcoming payment of consulting fees, failed to maintain its risk adjusted capital at a level greater than zero, calculated in accordance with Association Form 1, contrary to By-law 17.1.

V. ADMISSION OF CONTRAVENTIONS AND FUTURE COMPLIANCE

16. Peregrine admits the contravention of Association By-law 17.1, as noted in Section IV of this Settlement Agreement. In the future, the Respondent shall comply with By-law 17.1, and all By-laws, Regulations, Rulings and Policies of the Association.

VI. DISCIPLINE PENALTIES

17. Peregrine accepts the imposition of discipline penalties by the Association pursuant to this Settlement Agreement as follows:

- a) a fine in the amount of \$25,000, inclusive of costs, payable to the Association within 30 days of the effective date of this Settlement Agreement; and
- b) Peregrine acknowledges and accepts that in the event that a fine or condition imposed by the District Council is not paid or complied with respectively, within the time prescribed by the District Council, the District Council may, upon application by the Senior Vice-President, Member Regulation, and without further notice to Peregrine, suspend the rights and privileges of Peregrine until such fine is paid or condition fulfilled.

VII. EFFECTIVE DATE

18. This Settlement Agreement shall become effective and binding upon Peregrine and Staff in accordance with its terms as of the date of:

- a) its acceptance; or
- b) the imposition of a lesser penalty or less onerous terms; or
- c) the imposition, with the consent of the Respondent, of a penalty or terms more onerous,

by the District Council.

VIII. WAIVER

19. If this Settlement Agreement becomes effective and binding, Peregrine hereby waives its right to a hearing under the Association By-laws in respect of the matters described herein and further waives any right of appeal or review which may be

available under such By-laws or any applicable legislation.

IX. STAFF COMMITMENT

20. If this Settlement Agreement becomes effective and binding, Staff will not proceed with disciplinary proceedings under Association By-laws in relation to the facts set out in Section III of the Settlement Agreement.

X. PUBLIC NOTICE OF DISCIPLINE PENALTY

21. If this Settlement Agreement becomes effective and binding:

a) Peregrine shall be deemed to have been penalized by the District Council for the purpose of giving written notice to the public thereof by publication in an Association Bulletin and by delivery of the notice to the securities regulators and such other persons, organizations or corporations, as required by Association By-laws and any applicable Securities Commission requirements; and

b) the Settlement Agreement and the Association Bulletin shall remain on file and shall be disclosed to members of the public upon request.

XI. ACCEPTANCE OR REJECTION OF SETTLEMENT AGREEMENT

22. If the District Council rejects this Settlement Agreement:

a) the provisions of By-laws 20.10 to 20.24, inclusive, shall apply, provided that no member of the District Council rejecting this Settlement Agreement shall participate in any hearing conducted by the District Council with respect to the same matters which are the subject of the Settlement Agreement; and

b) the negotiations relating thereto shall be without prejudice and may not be used as evidence or referred to in any hearing.

AGREED TO by Staff at the City of Toronto, in the Province of Ontario, this "21st" day of May 2003.

"George Limberis"
Witness

"Kenneth J. Kelertas"
Enforcement Counsel, on behalf of the Staff of the Investment Dealers Association of Canada
Per: Kenneth Kelertas

AGREED TO by the Respondent at the City of Toronto, in the Province of Ontario, This "20th" day of May 2003.

"illegible"
Witness

"Robert Zaborowski"
Peregrine Financial Group Canada Inc.
Respondent
Per: Robert Zaborowski

ACCEPTED BY the Ontario District Council of the Investment Dealers Association of Canada, at the City of Toronto, in the Province of Ontario, this "17th" day of "July" 2003.

Investment Dealers Association of Canada
(Ontario District Council)

Per: "Hon. Fred Kaufman"
Per: "T.H. McNabney"
Per: "David Kerr"

13.1.2 IDA Discipline Penalties Imposed on Peregrine Financial Group Canada Inc. – Violation of By-Law 17.1

Contact:
Ken Kelertas
Enforcement Counsel
(416) 943-5781

BULLETIN # 3176
July 23, 2003

DISCIPLINE

DISCIPLINE PENALTIES IMPOSED ON PEREGRINE FINANCIAL GROUP CANADA INC. – VIOLATION OF BY-LAW 17.1

Person Disciplined The Ontario District Council of the Investment Dealers Association of Canada (the “Association”) has imposed discipline penalties on Peregrine Financial Group Canada Inc., a Member firm of the Association.

By-laws, Regulations, Policies Violated On July 17, 2003, the Ontario District Council reviewed and accepted a Settlement Agreement negotiated between Peregrine Financial Group Canada Inc and Association Staff.

Pursuant to the Settlement Agreement, Peregrine Financial Group Canada Inc. admitted that as at August 31, 2001, it failed to maintain its risk adjusted capital at a level greater than zero, contrary to Association By-Law 17.1.

Penalty Assessed The discipline penalty assessed against Peregrine Financial Group Canada Inc. is a fine in the amount of \$25,000, inclusive of the Association’s costs of this proceeding.

Summary of Facts Peregrine Financial Group Canada Inc. (“PFGC”) was capital deficient in the amount of \$181,003 as at August 31, 2001 and, hence breached Association By-law 17.1, which requires a Member firm to maintain its risk adjusted capital at all times at a level greater than zero, calculated in accordance with Association Form 1- the Joint Regulatory Financial Questionnaire And Report

PFGC is a Type 1 introducing broker to Refco Futures (Canada) Ltd. for futures contracts and options on futures for high net worth clients. PFGC is 100% owned by Peregrine Financial Group (“PFG”), based in the United States The main source of revenue for PFGC is consulting fees received from PFG. These consulting fees represent 50% of the commission that PFG earns from Canadian clients doing e-trades with PFG.

On October 2, 2001, an external accountant, who was retained by PFGC to assist in regulatory filings, sent written notification to the Association that Peregrine was capital deficient in the amount of \$181,003 as at August 31, 2001. Association Staff conducted a review of PFGC’s books and records and confirmed that the deficiency was caused by the untimely receipt of a payment of consulting fees from Peregrine’s parent, PFG. By that time, a deposit of consulting fees from PFG had already remedied the deficiency identified.

Peregrine Financial Group Canada Inc. has accepted the terms and conditions of the Settlement Agreement and has undertaken to comply with the penalties that were assessed pursuant to such agreement.

Kenneth A. Nason
Association Secretary

Chapter 25

Other Information

25.1 Consents

25.1.1 Learnsoft Corporation - cl. 4(b) of O. Reg. 289/00

Headnote

Consent given to offering corporation under OBCA to continue under the Companies Act (British Columbia).

Statutes Cited

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

Regulations Cited

Regulation made under the Business Corporation Act, O. Reg. 289/00, as am., s. 4(b).

**IN THE MATTER OF
THE REGULATION MADE UNDER THE
BUSINESS CORPORATIONS ACT,
R.S.O. 1990, c. B.16 (the OBCA)
ONTARIO REG. 289/00, AS AMENDED
(the Regulation)**

AND

**IN THE MATTER OF
LEARNSOFT CORPORATION**

**CONSENT
(Clause 4(b) of the Regulation)**

UPON the application of Learnsoft Corporation (the **Corporation**) to the Ontario Securities Commission (the **Commission**) requesting a consent from the Commission 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 the Corporation having represented to the Commission that:

1. the Corporation is proposing to submit an application to the Director under the OBCA for authorization to continue in another jurisdiction pursuant to section 180 of the OBCA (the **Application for Continuance**);
2. pursuant to clause 4(b) of the Regulation, where a corporation is an offering corporation, the Application for Continuance must be accompanied by a consent from the Commission;

3. the Corporation 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**);
4. the Corporation is also a reporting issuer under the securities legislation of British Columbia, Alberta, Ontario and Nova Scotia;
5. the Corporation's registered office is located at 90 Sparks Street, 4th Floor, Ottawa, Ontario, K1P 1E2;
6. the Corporation intends to continue to be a reporting issuer in the Province of Ontario;
7. the Corporation is not in default under any of the provisions of the Act or the regulations made under the Act;
8. the Corporation is not a party to any proceeding or to the best of its knowledge, information and belief, any pending proceeding under the Act;
9. the authorized capital of the Corporation consists of an unlimited number of common shares and an unlimited number of preferred shares issuable in series, of which approximately 36,265,089 common shares are outstanding;
10. the Corporation's issued and outstanding common shares are listed for trading on the TSX Venture Exchange;
11. the continuance under the laws of British Columbia has been proposed so that the Corporation may conduct its affairs in accordance with the *Companies Act* (British Columbia);
12. the continuance under the laws of British Columbia was approved by the shareholders of the Corporation at its Annual General Meeting and Special Meeting of the shareholders held on March 28, 2003;
13. the material rights, duties and obligations of a corporation incorporated under the *Companies Act* (British Columbia) are substantially similar to those under the OBCA.

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

Other Information

THE COMMISSION HEREBY CONSENTS to the continuance of the Corporation as a company under the laws of British Columbia.

July 22, 2003.

“Robert W. Korthals”

“H. Lorne Morphy”

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