

The Ontario Securities Commission

OSC Bulletin

December 5, 2003

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

The Ontario Securities Commission

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

DECEMBER 5, 2003

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

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

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

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Robert W. Korthals	—	RWK
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H. Lorne Morphy, Q.C.	—	HLM
Robert L. Shirriff, Q.C.	—	RLS
Suresh Thakrar	—	ST
Wendell S. Wigle, Q. C.	—	WSW

SCHEDULED OSC HEARINGS

DATE: TBA

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: TBA

December 1 to 5, 2003

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

10:00 a.m.

s. 127

Y. Chisholm in attendance for Staff

Panel: HLM/ST

February 19, 2004 to March 10, 2004

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

May 2004

Gregory Hyrniw and Walter Hyrniw

s. 127

Y. Chisholm in attendance for Staff

Panel: TBA

ADJOURNED SINE DIE

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

Global Privacy Management Trust and Robert
Cranston

Philip Services Corporation

Robert Walter Harris

Andrew Keith Lech

S. B. McLaughlin

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

**1.1.2 Notice of Commission Approval – Proposed
MFDA By-laws No. 5 and No. 6 Regarding
Corporate Governance**

THE MUTUAL FUND DEALERS ASSOCIATION (MFDA)

**PROPOSED MFDA BY-LAWS NO. 5 AND NO. 6
REGARDING CORPORATE GOVERNANCE**

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission approved proposed MFDA By-laws No. 5 and No. 6 regarding corporate governance. In addition, the Alberta Securities Commission, Nova Scotia Securities Commission and Saskatchewan Financial Services Commission approved and the British Columbia Securities Commission did not object to the proposed by-laws. The proposed by-laws reflect recommendations made by the MFDA Corporate Governance Committee in its report dated February 2003. Proposed MFDA By-law No. 5 deals with board and governance amendments, including the composition of the MFDA Board and its committees, and processes for nominating and electing directors. Proposed MFDA By-law No. 6 deals with regional council and hearing panel amendments, including the composition of the MFDA regional councils and disciplinary panels, and sets out the process for setting up the disciplinary panels.

A copy and description of the proposed by-laws were published on August 29, 2003, at (2003) 26 OSCB 6209. Three comment letters were received. The MFDA has revised Proposed By-law No. 5 as a result. Under the terms and conditions of recognition of the MFDA as a self-regulatory organization, members, directors, officers and employees of the Investment Dealers Association of Canada and the Investment Funds Institute of Canada should not be public directors of the MFDA. The definition of "public director" proposed in By-law No. 5 that was published on August 29, 2003, did not contain this restriction. The MFDA has reinstated this prohibition in its proposed By-law No. 5. The revised MFDA By-law No. 5, together with the MFDA's summary of public comments and response are contained in Chapter 13 of this Ontario Securities Commission Bulletin.

**1.1.3 CSA Request for Comment Notice 51-402 -
Illegal Insider Trading in Canada:
Recommendations on Prevention, Detection
and Deterrence Report**

**CANADIAN SECURITIES ADMINISTRATORS
REQUEST FOR COMMENT NOTICE 51-402
ILLEGAL INSIDER TRADING IN CANADA:
RECOMMENDATIONS ON PREVENTION, DETECTION
AND DETERRENCE REPORT**

The Canadian Securities Administrators (the "CSA") are requesting comment on the *Illegal Insider Trading in Canada: Recommendations on Prevention, Detection and Deterrence* report received from an independent task force which recommends practices to address illegal insider trading in Canadian capital markets. The recommendations in the report focus on addressing illegal insider trading from three directions: prevention, detection and deterrence.

Key recommendations in the report include:

- Through information and best practice recommendations, encourage strict adherence to information containment practices by senior management, corporate directors, lawyers and accountants;
- Give investors real-time access to trading data with markers used to identify trades by insiders;
- Improve surveillance capabilities through a shared database among regulators to integrate client data with data from trading on Canadian equities and derivatives markets;
- Reduce the use of offshore accounts in illegal insider trades by identifying jurisdictions that have unsatisfactory regulatory regimes and by evaluating the costs and benefits of requiring offshore financial institutions that open accounts for Canadian investors to consent to identify individuals responsible for specific trades;
- Support the approval of proposed criminal sanctions under the Federal Bill C-46; and
- Recommend the formation of a national subgroup of the Royal Canadian Mounted Police Integrated Market Enforcement Teams to focus solely on illegal insider trading.

The report was developed by the Illegal Insider Trading Task Force, which was established in September 2002, and included representatives from the Ontario, Quebec, British Columbia and Alberta securities commissions, the Investment Dealers Association of Canada (IDA), the Bourse de Montréal (Mx) and Market Regulation Services Inc. (RS). A copy of the report is available on the websites of various CSA members, including the jurisdictions represented on the task force.

Request for Comment

We welcome your comments on the *Illegal Insider Trading in Canada: Recommendations on Prevention, Detection and Deterrence* report. Please submit your comments in writing on or before Monday, February 2, 2004. If you are not sending your comments by email, please forward a diskette containing the submissions (in Windows format, preferably Word).

Please address your submission to all of the CSA member commissions, as follows:

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
The Manitoba Securities Commission
Ontario Securities Commission
Office of the Administrator, New Brunswick
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Newfoundland and Labrador Securities Commission
Registrar of Securities, Northwest Territories
Registrar of Securities, Yukon Territory
Registrar of Securities, Nunavut

You do not need to deliver your comments to all of the CSA member commissions. Instead, please deliver your comments to the address noted below. Your comments will be forwarded to the remaining CSA member jurisdictions.

John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
19th Floor, Box 55
Toronto, Ontario M5H 3S8
jstevenson@osc.gov.on.ca

Submissions should also be addressed to the Commission des valeurs mobilières du Québec as follows:

Denise Brosseau, Secrétaire
Commission des valeurs mobilières du Québec
800 Victoria Square
Stock Exchange Tower
P.O. Box 246, 22nd Floor
Montréal, Québec H4Z 1G3
denise.brosseau@cvmq.com

We cannot keep submissions confidential because securities legislation in certain provinces requires us to publish a summary of written comments received during the comment period.

November 28, 2003.

**1.1.4 Notice of Commission - Approval MFDA
By-law No. 8 - Disciplinary and Enforcement
Amendments**

**THE MUTUAL FUND DEALERS ASSOCIATION (MFDA)
NOTICE OF COMMISSION APPROVAL
MFDA BY-LAW NO. 8 REGARDING
DISCIPLINARY AND ENFORCEMENT AMENDMENTS**

The Ontario Securities Commission approved By-law No. 8 of the MFDA regarding Disciplinary and Enforcement Amendments. In addition, the Alberta Securities Commission, Nova Scotia Securities Commission and Saskatchewan Financial Services Commission approved; and the British Columbia Securities Commission did not object to the amendments. The proposed amendments strengthen the powers of the Hearing Panel and harmonize the MFDA's disciplinary and investigative provisions. A copy and description of these amendments were published on July 11, 2003 at (2003) 26 OSCB 5443. No comments were received.

**1.1.5 CSA Staff Notice 52-307 - Auditor Oversight
and Financial Statements Accompanied by an
Audit Report Dated on or after March 30, 2004**

CSA STAFF NOTICE 52-307

**AUDITOR OVERSIGHT AND FINANCIAL STATEMENTS
ACCOMPANIED BY AN AUDIT REPORT DATED
ON OR AFTER MARCH 30, 2004**

Introduction

The Canadian Securities Administrators (CSA), other than British Columbia, published on June 27, 2003 proposed Multilateral Instrument 52-108 *Auditor Oversight* for a 90-day comment period. British Columbia published the proposed Instrument on September 3, 2003 for a 60-day comment period. Staff of the CSA are in the process of finalizing the proposed Instrument and do not expect to make material changes from the version published for comment.

We are issuing this notice to alert reporting issuers and their auditors to the need to act now to organize their affairs to ensure they are able to comply with the requirements of the final Instrument which we expect to affect auditors' reports dated on or after March 30, 2004.

March 30, 2004 Effective Date Expected

Subject to receiving all necessary Commission and Ministerial approvals, CSA staff expect that the final Instrument will be adopted by all jurisdictions in January 2004 and will take effect on March 30, 2004. Accordingly, reporting issuers and their Canadian auditors should be aware that audit reports dated on or after March 30, 2004 that are filed with a securities commission will have to be signed by an auditor that:

- (i) is registered with the Canadian Public Accountability Board (CPAB); and
- (ii) is in compliance with any restriction or sanction that may have been imposed by the CPAB.

The CPAB Registration System

For Canadian auditors, the CPAB registration system involves two phases. Under the first phase, audit firms must file with the CPAB by December 31, 2003 a notice of their intention to participate, together with a quality control report and the required fees. Under the second phase, audit firms will be invited to file with the CPAB by February 29, 2004 an initial registration form and a signed participation agreement. If a reporting issuer's auditor files the materials required by the CPAB within these time frames, it will be considered to be registered with the CPAB. Foreign audit firms will have until July 19, 2004 to complete the registration process. Detailed information about the CPAB registration system is available on the CPAB web-site at cpab-crc.ca.

Questions

Please refer your questions to any of the following people:

British Columbia Securities Commission

Carla-Marie Hait, Chief Accountant, (604) 899-6726
Susan Toews, Senior Legal Counsel, (604) 899-6764
You may also call 1-800-373-6393 from B.C. and Alberta.

Alberta Securities Commission

Fred Snell, Chief Accountant, (403) 297-6553
Denise Hendrickson, General Counsel, (403) 297-2648

Ontario Securities Commission

John Carchrae, Chief Accountant, (416) 593-8221
Jean-Paul Bureaud, Senior Legal Counsel, (416) 593-8131

Commission des valeurs mobilières du Québec

Diane Joly, Director, Financial Expertise, Research and Governance, (514) 940-2199 ext. 4551

December 5, 2003.

1.1.6 Notice of Commission Approval – MFDA By-law No. 7 Miscellaneous Administrative Amendments

MUTUAL FUND DEALERS ASSOCIATION (MFDA)

MFDA BY-LAW NO. 7 MISCELLANEOUS ADMINISTRATIVE AMENDMENTS

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission has approved MFDA By-law No. 7 Miscellaneous Administrative Amendments (the By-law). In addition, the Alberta Securities Commission, Nova Scotia Securities Commission and Saskatchewan Financial Services Commission approved and the British Columbia Securities Commission did not object to the By-law.

The By-law makes certain administrative corrections or clarifications to the text of MFDA By-law No. 1 (as amended). The By-law was published for comment in the Ontario Securities Commission Bulletin on July 11, 2003, at (2003) 26 OSCB 5430. No comments were received.

1.2 Notices of Hearing

1.2.1 Jonathan Carley - ss. 127 and 127.1

IN THE MATTER OF
THE SECURITIES ACT

AND

IN THE MATTER OF
JONATHAN CARLEY

NOTICE OF HEARING
(Section 127 and 127.1)

TAKE NOTICE that the Ontario Securities Commission will hold a hearing under section 127 of the *Securities Act*, R.S.O. 1990, c.S.5, as amended, in the Main Hearing Room on the 17th Floor of the Ontario Securities Commission, 20 Queen Street West, Toronto on December 10, 2003 to consider whether to approve the proposed settlement agreement reached by Staff of the Commission and Jonathan Carley,

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

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

November 14, 2003.

"John Stevenson"

IN THE MATTER OF
THE SECURITIES ACT

AND

IN THE MATTER OF
JONATHAN CARLEY

STATEMENT OF ALLEGATIONS
OF STAFF OF THE
ONTARIO SECURITIES COMMISSION

I. The Respondent

1. On June 21, 1999, Jonathan Carley became the Manager of Corporate Development for Finline Technologies Ltd. Carley had recently graduated from university. He had no prior experience working for a public company. Carley's responsibilities included to raise equity financing and to act as a liaison between Finline and its capital markets.
2. As an employee of Finline, Carley was a "person in a special relationship" as defined by ss. 76(5) of the *Securities Act*. Carley was not an officer or director of Finline.

II. Background

3. Finline was incorporated under the *Business Corporations Act* on February 24, 1989 and is located in Waterloo, Ontario. At the material time, Finline traded on the Canadian Venture Exchange (the Vancouver Stock Exchange) under the symbol FIN. As such, Finline is a "reporting issuer" as defined by ss.1 (1) of the *Securities Act*.
4. Finline designs and manufactures broadband wireless systems focusing on MMDS "wireless cable" solutions for the broadcast of video, voice and high speed internet systems. It is a small company with about 11 employees.
5. In 1999, Finline's business strategy was twofold: to capitalize on emerging digital technology by manufacturing digital systems and to raise equity through a second public offering. As part of that strategy, Finline wanted to merge with or purchase Impress Image Compression Inc. ("IIC"), the company that developed and patented Wavelet image compression technology.
6. After Carley joined Finline in June 1999, he was involved in discussions with Finline and IIC about the "synergy and potential merging of technologies."
7. At the same time, Finline approached several groups of investors to obtain equity financing to build its business. Carley was involved in some of the presentations Finline made to potential investors.

8. On July 5, 1999, Finline discussed a possible merger with or acquisition of IIC. On July 20, 1999, Finline signed a letter of intent to purchase IIC. That deal was abandoned because Finline was unable to obtain the financing.
 9. On Friday, January 28, 2000, Finline signed a second letter of intent to purchase IIC. Although the letter gave Finline sixty days to conduct due diligence, the deal was contingent only on securing \$1.5 million from investors for working capital and development of the technology.
 10. On Friday, January 28, 2000, Carley was aware of the letter of intent.
 11. On Tuesday, February 1, 2000, Finline advised IIC that it was exercising its right to acquire IIC. On February 1, 2000, Carley was aware that Finline was going to exercise its option to purchase IIC. On February 1, 2000, Carley worked on the press release announcing the pending acquisition.
 12. On February 2, 2000, Carley, with knowledge of the pending acquisition of IIC, purchased 30,500 shares of Finline at a price of \$1.76 per share in his personal trading account held by Yorkton Securities in Calgary, Alberta.
 13. On the morning of Thursday, February 3, 2000, Carley faxed the press release regarding the pending acquisition of IIC to the Canadian Venture Exchange. Trading was suspended until Finline made a public announcement about the acquisition and then resumed at 10.00 a.m. the same day.
 14. On February 3, 2000, Carley sold 5,000 shares of Finline at a price of \$2.95 per share and sold an additional 5,000 shares of Finline at a price of \$2.90 per share. On February 4, 2000, Carley sold 5,000 shares of Finline at a price of \$4.20 per share and sold an additional 15,500 shares of Finline at a price of \$4.11 per share.
 15. By purchasing these shares prior to the public announcement and subsequently selling them, Carley made \$59,600.
- III. The Allegations**
16. Accordingly, Staff allege that on February 2, 2000, Jonathan Carley being a person in a special relationship with Finline, a reporting issuer in Ontario purchased 30,500 securities of Finline at a price of \$1.76 per share with knowledge of a material fact or change with respect to Finline that had not been generally disclosed, contrary to ss.76(1) of the *Securities Act*.
 17. Carley's conduct, as described above, is contrary to the public interest.
- November 14, 2003.

1.3 News Releases

1.3.1 CSA News Release - CSA Implements New Rule to Ensure Equity Monetization Disclosure

Released: November 28, 2003

CSA IMPLEMENTS NEW RULE TO ENSURE EQUITY MONETIZATION DISCLOSURE

Calgary – Canadian securities regulators today approved a rule that will require insiders to disclose the existence and material terms of insider transactions involving derivatives, including so-called “equity monetization” transactions.

The Canadian Securities Administrators (CSA) have developed Multilateral Instrument 55-103 *Insider Reporting for Certain Derivative Transactions (Equity Monetization)* to respond to concerns that the existing insider reporting requirements in Canadian securities legislation may not cover certain derivative-based transactions, including equity monetization transactions. Subject to ministerial approvals, the rule is scheduled to come into force on February 28, 2004.

Equity monetization transactions are derivative-based transactions that allow an investor to “cash out” an equity position without formally selling the securities that make up the position. The rule does not prohibit insiders from entering into monetization transactions, but does require that insiders disclose them to the public, so that investors can make their own determination as to their significance.

“While the current rules capture most of these types of transactions, this rule removes any doubt that may have existed,” said Stephen Sibold, Chair of the CSA and of the Alberta Securities Commission. “If you are an insider, and you cash out an equity position through an equity monetization transaction, you need to disclose that transaction. If these kinds of transactions are not disclosed, an insider’s publicly disclosed holdings do not accurately reflect the insider’s “true” economic position in the company.”

In certain circumstances, the instrument will also require that insiders disclose monetization arrangements entered into before the instrument comes into effect which continue to have an impact on an insider’s publicly reported holdings.

The rule and related materials are available on most provincial securities commission websites, and is expected to be adopted by all jurisdictions of the CSA, other than British Columbia. The British Columbia Securities Commission has participated in the development of the rule, but has decided to implement similar requirements by proclaiming amendments to the British Columbia Securities Act and providing exemptions in a BC Instrument instead.

Media relations contacts:

Alberta Securities Commission
Joni Delaurier
403-297-4481
www.albertasecurities.com

Ontario Securities Commission
Eric Pelletier
416-595-8913
1-877-785-1555 (toll free in Canada)
www.osc.gov.on.ca

1.3.2 OSC Commences Proceedings in Relation to Jonathan Carley

**FOR IMMEDIATE RELEASE
November 17, 2003**

**OSC COMMENCES PROCEEDINGS
IN RELATION TO JONATHAN CARLEY**

TORONTO – The Ontario Securities Commission will consider a settlement agreement reached by Staff of the Commission with Jonathan Carley. The hearing will take place on December 10, 2003 at 10:00 a.m. in the Main Hearing Room of the Commission's offices, located on the 17th floor, 20 Queen Street West, Toronto.

Staff allege that on February 2, 2000, Jonathan Carley being a person in a special relationship with Finline Technologies Ltd., a reporting issuer in Ontario purchased securities of Finline with knowledge of a material fact or change with respect to Finline that had not been generally disclosed, contrary to ss.76(1) of the *Securities Act*.

Carley's conduct, as described above, is contrary to the public interest.

The terms of the settlement agreement between Staff and Jonathan Carley are confidential until approved by the Commission. The hearing is open to the public except as may be required for the discussion of confidential matters.

Copies of the Notice of Hearing and Statement of Allegations dated November 14, 2003 in this matter are available on the Commission's website at www.osc.gov.on.ca.

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

Michael Watson
Director, Enforcement Branch
416-593-8156

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

1.3.3 OSC Extends Temporary Order Against Brian Anderson et al.

**FOR IMMEDIATE RELEASE
November 28, 2003**

**OSC EXTENDS TEMPORARY ORDER AGAINST
BRIAN ANDERSON ET AL.**

TORONTO – On November 25, 2003, the Commission continued a temporary order in the matter of Brian Anderson et al. The temporary order prohibits the Individual Respondents from trading in the subject securities and from providing certain documents to members of the public. The temporary order originally was made on June 5, 2003. The Commission set April 19, 2004 for the hearing on the merits.

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

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

Michael Watson
Director, Enforcement Branch
416-593-8156

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

**1.3.4 Solicitor General Canada News Release
- First-Ever Integrated Market Enforcement
Teams Target Capital Markets Fraud**

**FIRST-EVER INTEGRATED MARKET
ENFORCEMENT TEAMS TARGET
CAPITAL MARKETS FRAUD**

TORONTO, November 28, 2003 — Federal Solicitor General Wayne Easter today launched the first two Integrated Market Enforcement Teams (IMETs) in Canada.

The two Greater Toronto Area IMETs are designed to respond swiftly to major capital markets fraud and market-related crimes. They are made up of highly skilled Royal Canadian Mounted Police investigators, lawyers and other investigative experts working together to detect, investigate and deter serious capital markets fraud. They will work closely with securities regulators, federal and provincial authorities, and police of local jurisdiction.

Toronto will eventually have a total of three IMETs operating. IMETs will soon open in Vancouver, Montreal and Calgary to cover Canada's major financial centres. The goal is to have nine IMETs operating in Canada by April 1, 2006.

"IMETs will help catch corporate criminals who may have previously evaded the law," said Minister Easter. "They will also be a serious deterrent to those even contemplating such criminal acts in the first place. The goal is to ensure that through rigorous detection and investigation, investors will participate in safe and secure Canadian markets."

The IMETs help fulfill a commitment made in the 2002 Speech from the Throne and Budget 2003 to spend up to \$120 million over the next five years to boost investor confidence in Canadian financial markets and sustain Canada's economic growth.

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This document is also available at the Solicitor General Canada web site: www.sgc.gc.ca.

Integrated Market Enforcement Teams (IMETs)

Maintaining investor confidence in Canada's publicly traded companies and capital markets is a crucial element of sustained economic growth. Investor confidence in Canada's capital markets has suffered following corporate scandals in the United States, such as Enron and WorldCom in 2001-2002. Ensuring individuals and companies that violate the public trust face punishment consistent with the seriousness of the violation is an important element of efforts to bolster investor confidence.

The Integrated Market Enforcement Teams initiative will strengthen the law enforcement community's ability to detect, investigate and deter capital markets fraud by focusing resources on the investigation and prosecution of the most serious market -related crimes. By sending the message that those who commit serious capital markets fraud offences will be brought to justice in an effective and timely fashion, this initiative will promote compliance with the law in the corporate community and assure investors that Canada's markets are safe and secure.

In accordance with funding provided in the Government of Canada's 2003 Budget, the RCMP and federal partners will receive up to \$30 million a year over the next five years to create integrated enforcement teams composed of police, lawyers and other investigative experts in Canada's four major financial centers: Toronto, Vancouver, Montreal and Calgary. The teams will be jointly managed by the Royal Canadian Mounted Police, Justice Canada and partner departments and agencies, and will work closely with securities regulators and other federal and provincial authorities – building on the RCMP's existing partnerships with these organizations.

Police officers chosen for IMET work will be highly qualified financial investigators. The RCMP will ensure that these investigators receive additional markets-related training, are kept abreast of the latest techniques and legal developments in their field, and are dedicated to the teams for specified periods of time. Investigators will receive ongoing advice from legal advisors from the federal prosecution service. Each team will be made up of about 10 people.

This year two IMETs are being established in Toronto and a third is being launched in Vancouver. Eventually there will be nine IMETs operating in major financial centres across Canada, including Montreal and Calgary. The teams will incorporate a quick-start capability, allowing them to respond swiftly to major capital markets fraud anywhere in Canada. Effective management and accountability mechanisms will be a key feature of the initiative.

November 2003

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Assante Corporation and Loring Ward International Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Tacking relief granted for control persons of new issuer spun off from existing reporting issuer in connection with a plan of arrangement. The prospectus requirement shall not apply to control distributions of the new issuer provided that the conditions in section 2.8(3) of Multilateral Instrument 45-102 - Resale of Securities are satisfied, provided that in determining the period of time that a holder of securities of the new issuer has held such securities, such holder may include the period of time that the holder held securities of the existing reporting issuer immediately before the effective time of the plan of arrangement.

Ontario Statutes

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

Applicable National Instruments

Multilateral Instrument 45-102 - Resale of Securities.

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

AND

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

AND

**IN THE MATTER OF
ASSANTE CORPORATION AND
LORING WARD INTERNATIONAL LTD.**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (each, a "Decision Maker") in each of Ontario, British Columbia, Alberta, Manitoba,

Saskatchewan, New Brunswick, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, the Northwest Territories, the Yukon Territory and Nunavut (the "Jurisdictions") has received an application from Assante Corporation ("Assante") and Loring Ward International Ltd. (formerly Assante Newco III Ltd.) ("US Co") (together, the "Filers") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirements contained in the Legislation to file and obtain a receipt for a preliminary prospectus and a prospectus (the "Prospectus Requirement") shall not apply to control distributions of common shares of US Co (the "US Co Common Shares") acquired in connection with the proposed plan of arrangement (the "Arrangement") involving Assante, US Co and CI Fund Management Inc. ("CI") provided that the conditions in section 2.8(3) of Multilateral Instrument 45-102 of the Canadian Securities Administrators ("MI 45-102") are satisfied, except that for the purpose of determining the period of time that a holder of the US Co Common Shares has held US Co Common Shares under section 2.8 of MI 45-102, such holders be permitted to include the period of time that the holder held the common shares of Assante (the "Assante Common Shares") immediately before the effective time (the "Effective Time") of the Arrangement.

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

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

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

1. Assante is a corporation amalgamated under the laws of Canada. The Assante Common Shares are listed and posted for trading on the Toronto Stock Exchange (the "TSX") under the symbol "LMS".
2. Assante is, and has been for a period of time in excess of twelve months, a reporting issuer, or the equivalent, under the securities laws of each of the provinces and territories of Canada and is not on the list of defaulting reporting issuers maintained by the applicable securities regulatory authorities therein.
3. Assante's head office is located at the Commodity Exchange Tower, 15th Floor, 360 Main Street, Winnipeg, Manitoba, Canada.

4. Assante offers its clients in Canada and the United States a large range of products and services which encompass a multidisciplinary approach to financial planning, investment advice, wealth management, estate and succession planning, insurance, business management services, and sports and marketing representation services. Collectively, these products and services form the basis of personalized "Life Management Solutions™".
5. Assante's principal business is the provision of Life Management Solutions™ tailored to meet the specific objectives of Assante's clients. Life Management Solutions™ are a range of products and services that encompass the financial planning and financial management needs of the client. These products and services are developed and/or distributed through Assante's wholly-owned subsidiaries, which include investment counselling firms, portfolio managers, mutual fund managers, securities dealers, mutual fund dealers, life insurance agents, business managers and sports agents. Commencing with 2002, these subsidiaries were organized into two strategic business units on geographical lines: Canada and the United States, which for financial reporting purposes, form Assante's two reportable operating segments.
6. Assante's Canadian subsidiaries provide a wide range of products and services, including the manufacture of investment products such as mutual funds, portfolio management, investment advisory services, distribution of securities (including mutual funds), insurance products, banking and mortgage services and wealth management, including financial, tax and estate planning services.
7. Primarily in the United States, Assante provides business management services, sports representation services, consulting, endorsement and marketing services and tax and estate planning services. Limited sports representation services are also provided in Canada. The term "US operations" refers to this business, even if partly carried on in Canada.
8. As at September 25, 2003, (a) there were 86,709,800 Assante Common Shares issued and outstanding; and (b) up to a maximum of 4,362,726 Assante Common Shares were issuable in connection with the exercise of Assante options ("Assante Options").
9. US Co is a corporation incorporated under the laws of Canada and is a wholly-owned direct subsidiary of Assante. US Co is not currently a reporting issuer, or the equivalent, in any jurisdiction in Canada.
10. US Co's head office is expected to be located at the Commodity Exchange Tower, 15th Floor, 360 Main Street, Winnipeg, Manitoba, Canada following the Effective Time.
11. US Co is a holding company that will, prior to the Effective Time, own Assante's US operations.
12. The authorized share capital of US Co consists of an unlimited number of US Co Common Shares, of which there will be outstanding at the Effective Time that number of US Co Common Shares as there are outstanding Assante Common Shares immediately prior to the Effective Time. Assante owns all of the issued and outstanding US Co Common Shares.
13. It is not expected that the US Co Common Shares will be listed or quoted on any stock exchange or other marketplace at the Effective Time, although they are expected to be qualified to trade in the Canadian over-the-counter market. Each year, US Co shareholders are expected to be asked to decide whether US Co should seek a stock exchange listing or other quotation and, if a majority of those voting vote in favour of seeking a stock exchange listing or other quotation, US Co intends to do so. Management of Assante considers that a listing would be premature and that US Co would likely be better able to enhance shareholder value by deferring a listing at this time.
14. CI is a corporation incorporated under the laws of Ontario. The common shares of CI (the "CI Common Shares") are listed and posted for trading on the TSX under the symbol "CIX". CI is a reporting issuer, or the equivalent, in each of the provinces in Canada and is not on the list of defaulting reporting issuers maintained by the applicable securities regulatory authorities therein.
15. CI's head office is located at CI Place, 151 Yonge Street, Eleventh Floor, Toronto, Canada M5C 2W7.
16. The principal business of CI is the management, marketing, distribution and administration of mutual funds, segregated funds and other fee-earning investment products for Canadian investors through its wholly-owned subsidiary, CI Mutual Funds Inc. In addition, through its money management subsidiaries, CI manages institutional assets for clients on a global basis.
17. At August 31, 2003, CI's fee-earning assets totalled \$35.4 billion, represented by \$30.3 billion in mutual and segregated funds, \$710 million in labour-sponsored funds, \$193 million in closed-end and other funds and \$4.2 billion in institutional assets. CI markets its funds to Canadian retail investors through over 43,000 financial advisers representing over 2 million retail investment

- accounts owning CI's funds. CI's share of total Canadian mutual fund assets as reported by the Investment Funds Institute of Canada was 7.1% at May 31, 2003, compared with 4.7% at May 31, 2002.
18. As of September 15, 2003, the authorized and issued capital of CI consisted of the following: an unlimited number of CI Common Shares and an unlimited number of preferred shares, of which 234,573,418 CI Common Shares and no preferred shares were issued and outstanding.
 19. As the first step under the Arrangement, persons who hold Assante Common Shares indirectly through a holding company may choose to have such holding company (and if desired a wholly-owned subsidiary of such holding company) amalgamate with Assante in accordance with the terms of a holdco amalgamation agreement and the Arrangement and thereby be issued by Assante the same number of Assante Common Shares that was formerly held by the holding company.
 20. Under the terms of the Arrangement, unexercised outstanding Assante Options will be terminated at the Effective Time in exchange for the following and then subsequently cancelled: (a) an option of US Co ("US Co Replacement Option"); and (b) a new option of Assante ("New Assante Option"), in each case with exercise prices such that each such new option has an "in-the-money" value proportionate to the values ascribed to US Co and Assante Canada by Assante as at the date of the arrangement agreement (the "Arrangement Agreement").
 21. Immediately prior to CI's acquisition of the Assante Common Shares, Assante will, subject to the terms and conditions of the Arrangement Agreement, spin-off US Co by distributing the US Co Common Shares to shareholders of Assante ("Assante Shareholders") by way of a return of capital. The US Co Common Shares will be issued to each Assante Shareholder, with no necessity to make any election in respect thereof.
 22. In respect of the spin-off of US Co, Assante Shareholders are entitled, upon completion of the Arrangement, to receive one US Co Common Share for each Assante Common Share. While uncertain, the board of directors of Assante has estimated, based on a number of factors, and after consultation with its investment bankers, that when spun off as a stand-alone entity without the financial and other support of Assante Canada, the enterprise value of US Co, as at the date of entering into of the Arrangement Agreement, to be within a range of \$118 million to \$136 million, and the equity value to be within a range of \$1.20 to \$1.40 per US Co Common Share.
 23. The New Assante Options will, depending on their exercise prices, subsequently be treated under the Arrangement as follows: (x) those that were more than \$0.05 "in-the-money" at the date of the Arrangement Agreement (based on a \$9.55 Assante Common Share value), will be exchanged for Assante Common Shares equal to the net value of each New Assante Option based on the agreed transaction price of \$8.25 per Assante Common Share (after deducting the \$1.30 per share value attributed to US Co, based on the mid-point of the range of the estimated values of a US Co Common Share); and (y) those that were "in-the-money" by \$0.05 or less or that were "out-of-the-money" as at the date of the Arrangement Agreement (based on a \$9.55 Assante Common Share value), for cash settled share appreciation rights in respect of CI. All US Co Replacement Options and CI share appreciation rights will be fully vested when issued on the exchange.
 24. After the spin-off of US Co, pursuant to the terms of the Arrangement, for every Assante Common Share, Assante Shareholders will be able to elect to receive all cash (based on \$8.25 per Assante Common Share) or all CI Common Shares (based on an exchange ratio of 0.61543 of a CI Common Share per Assante Common Share), or a combination of the two, in each case subject to pro-rata. If all Assante Shareholders elected to receive only cash or if all Assante Shareholders elected to receive only CI Common Shares, all Assante Shareholders would receive \$1.87 in cash and approximately 0.47574 CI Common Shares per Assante Common Share.
 25. The transaction, including the US Co spin-off, is proposed to be accomplished through the Arrangement under section 192 of the *Canada Business Corporations Act*, as amended (the "CBCA"), and is subject to a number of conditions, including, among others, approval by applicable regulators, the Superior Court of Justice (Ontario) (the "Court") and the holders of Assante Common Shares and Assante Options (collectively, the "Assante Securityholders").
 26. The management information circular to be prepared and mailed to Assante Securityholders in connection with a special meeting of Assante Securityholders (currently anticipated to be held on or about November 7, 2003) for the purpose of approving the Arrangement (the "Meeting"), and filed with the Canadian securities regulatory authorities, will contain prospectus-level disclosure of US Co and CI (incorporated by reference in the case of CI).
 27. An interim order (the "Interim Order") of the Court pursuant to the CBCA will be sought to set out certain requirements relating to the approval of the Arrangement by Assante Securityholders. The

Interim Order is expected to provide, among other things, that:

- (a) the approval of not less than 66 2/3% of Assante Securityholders present or voting by proxy (with holders of Assante Common Shares and Assante Options voting together) at the Meeting; and
- (b) the final approval of the Court;

must be obtained in order for the Arrangement to be completed.

28. Upon the completion of the Arrangement, (a) all of the issued and outstanding Assante Common Shares will be held, directly or indirectly, by CI, (b) all Assante Options will have been cancelled and replaced by US Co Replacement Options, and either CI Common Shares and/or cash or CI share appreciation rights; and (c) each Assante Shareholder (other than Assante Shareholders exercising their dissent rights pursuant to the Interim Order) will hold one US Co Common Share and 0.61543 of a CI Common Share (and/or cash) for each Assante Common Share held by them at the Effective time (unless all Assante Shareholders elect to receive only cash or if all Assante Shareholders elected to receive only CI Common Shares, then each Assante Shareholder would receive, in addition to one US Co Common Share, \$1.87 in cash and approximately 0.47574 CI Common Shares per Assante Common Share).

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 is that the Prospectus Requirement shall not apply to control distributions (as defined in MI 45-102) of US Co Common Shares acquired in connection with the Arrangement provided that the conditions in section 2.8(3) of MI 45-102 are satisfied, except that for the purpose of determining the period of time that a holder of the US Co Common Shares has held US Co Common Shares under section 2.8 of MI 45-102, such holders be permitted to include the period of time that the holder held Assante Common Shares immediately before the Effective Time of the Arrangement:

November 5, 2003.

"Douglas Brown"

2.1.2 Expatriate Resources Ltd. et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – issuer exempted from the requirement to have a current annual information form filed on SEDAR in order to be a qualifying issuer under MI 45-102.

Ontario Rules

Multilateral Instrument 45-102 Resale of Securities.

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

AND

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

AND

IN THE MATTER OF EXPATRIATE RESOURCES LTD., STRATAGOLD CORPORATION AND 668025 B.C. LTD.

MRRS DECISION DOCUMENT

1. WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, Newfoundland and Labrador, Yukon, the Northwest Territories and Nunavut (the "Jurisdictions") has received an application from Expatriate Resources Ltd. ("Expatriate"), StrataGold Corporation ("StrataGold") and 668025 B.C. Ltd. ("Newco") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirement to have a current annual information form (AIF) filed on SEDAR in order to be a qualifying issuer under Multilateral Instrument 45-102 Resale of Securities MI 45-102) shall not apply to Newco.
2. AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Alberta Securities Commission is the principal regulator for this application;
3. AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions;

4. AND WHEREAS Expatriate, StrataGold and Newco have represented to the Decision Makers that:
- 4.1 Expatriate is a corporation incorporated under the *Company Act* (British Columbia) (the "BCCA").
- 4.2 Expatriate's principal business is the acquisition and exploration of mineral resource properties located primarily in Canada and Latin America. Expatriate is also involved in the development of mineral technologies.
- 4.3 The authorized capital of Expatriate consists of 100,000,000 common shares without par value (the "Expatriate Shares") and 100,000,000 Class "A" preferred shares with a par value of \$1.00 each, of which, as at September 3, 2003, 65,194,193 Expatriate Shares and 4,730,000 options to acquire Expatriate Shares were issued and outstanding. All Expatriate Shares rank equally as to dividends, voting rights and as to any distribution of assets on winding-up or liquidation.
- 4.4 The Expatriate Shares are listed and posted for trading on the TSX Venture Exchange (the "Exchange") under the trading symbol "EXR".
- 4.5 Expatriate is, and has been for a period of time in excess of 12 months, a reporting issuer under the Legislation of British Columbia, Alberta and Ontario. To the best of its knowledge, Expatriate is not in default of any of the requirements under the Legislation of British Columbia, Alberta and Ontario.
- 4.6 StrataGold is a corporation incorporated under the BCCA.
- 4.7 StrataGold's business is the exploration and development of a portfolio of precious metals properties located in Yukon and Ontario (the "Precious Metals Properties"), which it acquired from Expatriate in January 2003.
- 4.8 StrataGold is not a reporting issuer in any jurisdiction and no StrataGold Shares are listed and posted for trading on any stock exchange.
- 4.9 The authorized capital of StrataGold consists of 250,000,000 common shares without par value ("StrataGold Shares"), of which 12,881,404 StrataGold Shares are issued and outstanding as of October 16, 2003. All StrataGold Shares rank equally as to dividends, voting rights and as to any distribution of assets on winding-up or liquidation.
- 4.10 Newco, Expatriate and StrataGold propose to complete a plan of arrangement (the "Arrangement") pursuant to section 252 of the BCCA.
- 4.11 Prior to the completion of the Arrangement, StrataGold proposes to issue up to 1,250,000 flow-through StrataGold Shares at the effective price of \$0.40 per share under a non-brokered private placement (the "Non-Brokered Offering") made pursuant to exemptions from the registration and prospectus requirements of the Legislation in British Columbia, Alberta and Ontario and pursuant to an exemption order to be issued by the Registrar of Securities in Yukon. As at October 16, 2003, 425,000 StrataGold Shares have been issued pursuant to the Non-Brokered Offering.
- 4.12 In conjunction with the Arrangement, StrataGold also proposes to carry out a brokered private placement financing (the "Offering") involving the sale of a combination of flow-through special warrants (the "Flow Through Special Warrants") exercisable into flow-through StrataGold Shares, and unit special warrants (the "Unit Special Warrants") exercisable into non-flow-through StrataGold Shares and StrataGold share purchase warrants (the "Series E Warrants"). The Flow-Through Special Warrants and Unit Special Warrants (collectively, the "Special Warrants") are expected to be sold at \$0.40 per special warrant to the public under an amended and restated offering memorandum pursuant to the registration and prospectus exemptions of applicable securities legislation and pursuant to an exemption order to be issued by the Registrar of Securities in Yukon.
- 4.13 The Offering is anticipated to be completed immediately prior to the closing of the Arrangement on the effective date of the Arrangement. However, if the Arrangement does not proceed, the proceeds of the Offering will be returned to the subscribers. As consideration for the services to be rendered by Raymond James Ltd. and Loewen, Ondaatje, McCutcheon Limited for acting as agents for the Offering, StrataGold will pay to the agents a cash commission equal to 8% of the gross

- proceeds of the Special Warrants sold by the agents, and issue to the agents on closing of the Offering special warrants ("Agents Special Warrants") equal in number to 10% of the number of Special Warrants sold by the agents. Each Agents Special Warrant will entitle the holder to acquire upon exercise and for no additional consideration one agents warrant ("Agents Warrant"). Each Agents Warrant will entitle the holder to purchase one StrataGold Share at the price of \$0.40 per share, for a period of two years from the closing of the Offering.
- 4.14 Newco is a corporation incorporated under the BCCA for the purposes of facilitating the Arrangement.
- 4.15 As of November 3, 2003, Newco is not a reporting issuer in any jurisdiction and has not carried on any active business.
- 4.16 The authorized capital of Newco consists of 250,000,000 common shares without par value (the "Newco Shares"), of which one Newco Share is issued and outstanding and held by Expatriate. All Newco Shares rank equally as to dividends, voting rights and as to any distribution of assets on winding-up or liquidation.
- 4.17 On June 11, 2003 Expatriate obtained, under section 252 of the BCCA, an interim order from the British Columbia Supreme Court (the "Interim Order") which order specifies, among other things, certain procedures and requirements to be followed in connection with the calling and holding of an extraordinary general meeting of holders of the Expatriate Shares (the "Meeting") to consider and approve the Arrangement.
- 4.18 The Meeting was held on July 9, 2003, and at the Meeting, the shareholders of Expatriate approved the Arrangement and the transactions related thereto.
- 4.19 In connection with the Meeting, Expatriate has caused an information circular (the "Circular") to be mailed to its shareholders, including those shareholders holding Expatriate Shares through intermediaries on or about June 13, 2003, and filed the Circular on SEDAR on or about that same date. Expatriate also prepared and filed on SEDAR technical reports (the "Technical Reports") all dated April 8, 2003, in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101) pertaining to the principal properties that comprise the Precious Metals Properties.
- 4.20 The Circular contains prospectus-level disclosure of the business and affairs of StrataGold and Newco and a detailed description of the Arrangement. The Circular also contains the consolidated audited financial statements of Expatriate for the fiscal years ended December 31, 2002, 2001 and 2000, and unaudited consolidated financial statements of Expatriate for the three months ended March 31, 2003 and 2002; the audited financial statements of StrataGold for the period from incorporation to December 31, 2002 and for the three months ended March 31, 2003; and the pro-forma consolidated balance sheets of Expatriate and Newco as at March 31, 2003.
- 4.21 Pursuant to the Arrangement, on the effective date of the Arrangement, each of the following principal steps will occur and will be deemed to occur in the following sequence:
- 4.21.1 Expatriate will exchange 8,000,000 StrataGold Shares registered in the name of Expatriate for 8,000,000 Newco Shares;
- 4.21.2 The Flow-Through Special Warrants to be issued pursuant to the Offering will be automatically exercised, through no further action on the part of the holder and for no additional consideration, into flow-through StrataGold Shares, on the basis of one flow-through StrataGold Share for each Flow-Through Special Warrant exercised;
- 4.21.3 The Unit Special Warrants to be issued pursuant to the Offering will be automatically exercised, through no further action on the part of the holder and for no additional consideration, into non-flow-through StrataGold Shares and Series E Warrants, on the basis of one StrataGold Share and one-half of a Series E Warrant for each Unit Special Warrant exercised;
- 4.21.4 The Agents Special Warrants to be issued pursuant to the

- Offering will be automatically exercised, through no further action on the part of the holder and for no additional consideration, into the Agents Warrants, on the basis of one Agents Warrant for each Agents Special Warrant exercised;
- 4.21.5 The remaining holders of StrataGold Shares, except Newco, will exchange all of their StrataGold Shares for Newco Shares, on the basis of one StrataGold Share for one Newco Share, with up to 1,261,402 of the Newco Shares issued in this manner to certain management personnel and employees of Expatriate subject to escrow or seed share resale restrictions under the policies of the Exchange;
- 4.21.6 The authorized capital of Expatriate will be altered by renaming and redesignating all of the issued and unissued Expatriate Shares as Special Common shares without par value ("Expatriate Special Shares"), and by increasing the authorized capital so that Expatriate will be authorized to issue a total of 600,000,000 shares comprised of 200,000,000 Expatriate Special Shares, 200,000,000 new common shares without par value (the "New Expatriate Shares"), 100,000,000 Class "A" preferred shares having a par value of \$1.00 per share, and 100,000,000 Class "B" preferred shares without par value (the "Expatriate Preferred Shares");
- 4.21.7 Each issued and outstanding Expatriate Special Share will be exchanged for one New Expatriate Share and one Expatriate Preferred Share;
- 4.21.8 Expatriate will redeem those Expatriate Preferred Shares held by Expatriate shareholders as at the share distribution record date, for consideration consisting solely of the transfer by Expatriate to each such shareholder of his or her pro rata share of the 8,000,000 Newco Shares received by Expatriate under step 4.21.1 above, based on the number of Expatriate Preferred Shares held by each Expatriate shareholder on the share distribution record date;
- 4.21.9 The Expatriate Special Shares and the Expatriate Preferred Shares will be cancelled and the authorized capital of Expatriate will be diminished accordingly;
- 4.21.10 The name of StrataGold will be changed from "StrataGold Corporation" to "StrataGold Exploration Inc.";
- 4.21.11 The name of Newco will be changed from "668025 B.C. Ltd." to "StrataGold Corporation"; and
- 4.21.12 The StrataGold Warrants, the Series E Warrants and the Agents Warrants will be exchanged for warrants of Newco having equivalent terms.
- 4.22 The New Expatriate Shares and the Newco Shares will then be listed on the Exchange on the effective date of the Arrangement at the conclusion of the steps set out above.
- 4.23 Prior to the Arrangement, the securityholders of StrataGold other than Expatriate (the "Pre-Arrangement StrataGold Securityholders") will enter into agreements with Newco to have their StrataGold Shares and StrataGold Warrants exchanged under the Arrangement for Newco Shares and Newco warrants having equivalent terms.
- 4.24 The subscribers (the "Placees") for the Special Warrants will, under the terms of their subscription and securities exchange agreements, agree to have the StrataGold Shares and Series E Warrants issuable on exercise of the Special Warrants exchanged under the Arrangement for equivalent securities of Newco.
- 4.25 Upon completion of the Arrangement, Newco will be the holder of all StrataGold Shares and StrataGold Warrants, and the shareholders of Expatriate, the Pre-Arrangement StrataGold Securityholders and the Placees will be the holders of Newco Shares and warrants.

4.26 The Precious Metals Properties have been the subject of continuous disclosure on an ongoing basis for more than 12 months, in accordance with Expatriate's responsibilities as a reporting issuer.

4.27 Holders of Expatriate Shares had the right to dissent from the Arrangement under the terms of the Interim Order and as set out in the arrangement agreement relating to the Arrangement, and the Circular disclosed full particulars of this right in accordance with applicable law. No holders of Expatriate Shares have exercised their dissent rights.

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

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

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

7.1 in the Jurisdictions, upon the effective date of the Arrangement, 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 Newco provided that:

7.1.1 Newco files a notice on SEDAR advising that the Circular has been filed as an alternate form of annual information form and identifying the SEDAR Project Number under which the Circular was filed; and

7.1.2 Newco files a Form 45-102F2 on or before the tenth day after the distribution day of any of its securities certifying that it is a qualifying issuer but stating expressly that, in reliance on this order, it does not have a current AIF; and

7.2 this order expires 140 days after Newco's financial year ended December 31, 2003.

November 12, 2003.

"Glenda A. Campbell"

"Stephen R. Murison"

2.1.3 INDEXPLUS INCOME FUND - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – closed-ended investment trust exempt from prospectus requirements in connection with the sale of units repurchased from existing unit holders pursuant to market purchase program - first trade in repurchased units deemed a distribution unless made in compliance with MI 45-102.

Applicable Ontario Statutory Provisions

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

Multilateral Instrument Cited

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

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

AND

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

AND

IN THE MATTER OF INDEXPLUS INCOME FUND

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador and Yukon (the "Jurisdictions") has received an application from INDEXPLUS INCOME FUND (the "Trust") for a decision, pursuant to the securities legislation of the Jurisdictions (the "Legislation"), that the requirement contained in the Legislation to file and obtain a receipt for a preliminary prospectus and a final prospectus (the "Prospectus Requirements") shall not apply to the distribution of units of the Trust (the "Units") which have been repurchased by the Trust pursuant to the mandatory market purchase program, the discretionary market purchase program, or by way of redemption of Units at the request of holders thereof, nor to the first trade or resale of such repurchased Units (the "Repurchased Units") which have been distributed by the Trust;

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 TRUST has represented to the Decision Makers that:

1. The Trust is an unincorporated closed-end investment trust established under the laws of the Province of Ontario by a declaration of trust dated as of July 29, 2003 (the "Declaration of Trust").
2. The Trust is not considered to be a "mutual fund" as defined in the Legislation because the holders of Units ("Unitholders") are not entitled to receive on demand an amount computed by reference to the value of a proportionate interest in the whole or in part of the net assets of the Trust as contemplated in the definition of "mutual fund" in the Legislation.
3. The Trust became a reporting issuer or the equivalent thereof in the Jurisdictions on July 30, 2003 upon obtaining a receipt for its final prospectus dated July 29, 2003 (the "Prospectus"). As of the date hereof, the Trust is not in default of any requirements under the Legislation.
4. Each Unit represents an equal, undivided beneficial interest in the net assets of the Trust and is redeemable at the net asset value of the Trust ("Net Asset Value") per Unit on November 30th of each calendar year beginning in 2004.
5. Each whole Unit is entitled to one vote at all meetings of Unitholders and is entitled to participate equally with all other Units with respect to any and all distributions made by the Trust.
6. Middlefield INDEXPLUS Management Limited (the "Manager"), which was incorporated pursuant to the *Business Corporations Act* (Ontario), is the manager and the trustee of the Trust.
7. The Units are listed and posted for trading on the Toronto Stock Exchange (the "TSX") under the trading symbol "IDX.UN". As at September 22, 2003, 34,500,000 Units were issued and outstanding.
8. In order to enhance liquidity and to provide market support for the Units, pursuant to the Declaration of Trust and the terms and conditions that attach to the Units, the Trust shall, subject to compliance with any applicable regulatory requirements, be obligated to purchase (the "Mandatory Purchase

Program") any Units offered in the market on a business day at the then prevailing market price if, at any time after the closing of the Trust's initial public offering pursuant to the Prospectus, the price at which Units are then offered for sale is less than 95% of the Net Asset Value per Unit determined as at the close of business in Toronto, Ontario on the immediately preceding business day, provided that:

- (a) the maximum number of Units that the Trust shall purchase in any three month period (commencing with the three month period that begins on the first day of the month following the month in which the closing of the Trust's initial public offering occurs) will be 2.50% of the number of Units outstanding at the beginning of each such three month period; and
- (b) the Trust shall not be required to purchase Units pursuant to the Mandatory Purchase Program if:
 - (i) the Manager reasonably believes that the Trust would be required to make an additional distribution in respect of the year to Unitholders of record on December 31 of such year in order that the Trust will generally not be liable to pay income tax after the making of such purchase;
 - (ii) in the opinion of the Manager, the Trust lacks the cash, debt capacity or resources in general to make such purchases; or
 - (iii) in the opinion of the Manager, the making of any such purchases by the Trust would adversely affect the ongoing activities of the Trust or the remaining Unitholders.

9. In addition, the Declaration of Trust provides that the Trust, subject to applicable regulatory requirements and limitations, shall have the right, but not the obligation, exercisable in its sole discretion, at any time, to purchase outstanding Units in the market at prevailing market prices (the "**Discretionary Purchase Program**"). Such discretionary purchases may be made through the facilities and under the rules of any exchange or market on which the Trust Units are listed (including the TSX) or as otherwise permitted by applicable securities laws.

10. Pursuant to the Declaration of Trust and subject to the Trust's right to suspend redemptions, Units may be surrendered for redemption (the

- “Redemption Program”** and, together with the Mandatory Purchase Program and Discretionary Purchase Program, the **“Programs”**) by a Unitholder at any time in the month of November of each year commencing in 2004 to the Trust’s registrar and transfer agent, and each Unit properly surrendered for redemption by a Unitholder not later than 5:00 p.m. (Toronto time) on the fifth business day prior to November 30th of such year (the **“Redemption Valuation Date”**) will, subject to an investment dealer finding purchasers for Units properly surrendered for redemption upon the authorization of the Unitholder and at the direction of the Trust, be redeemed by the Trust pursuant to the Redemption Program for a price (the **“Redemption Price”**) equal to the Net Asset Value of the Trust divided by the number of Units then outstanding determined as of the applicable Redemption Valuation Date.
11. A Unitholder who has surrendered Units for redemption will be paid the Redemption Price for such Units by the tenth business day following the Redemption Valuation Date.
 12. Purchases of Units made by the Trust under the Programs are exempt from the issuer bid requirements of the Legislation pursuant to exemptions contained therein.
 13. The Trust desires to, and the Declaration of Trust provides that the Trust shall, have the ability to sell through one or more securities dealers Repurchased Units, in lieu of cancelling such Repurchased Units and subject to obtaining all necessary regulatory approvals.
 14. In order to effect sales of Repurchased Units by the Trust, the Trust intends to sell, in its sole discretion and at its option, any Repurchased Units purchased by it under the Programs primarily through one or more securities dealers and through the facilities of the TSX (or such other exchange on which the Units are then listed).
 15. Repurchased Units which the Trust does not sell within ten months of the purchase of such Repurchased Units will be cancelled by the Trust.
 16. Prospective Purchasers who subsequently acquire Repurchased Units will have equal access to all of the continuous disclosure documents of the Trust, which will be filed on SEDAR, commencing with the Prospectus.
 17. Legislation in some of the Jurisdictions provides that a trade by or on behalf of an issuer in previously issued securities of that issuer that have been purchased by that issuer is a distribution subject to the Prospectus Requirements.
 18. Legislation in some of the Jurisdictions provides that the first trade or resale of Repurchased Units acquired by a purchaser will be a distribution subject to the Prospectus Requirements unless such first trade is made in reliance on an exemption therefrom.
 19. The Prospectus disclosed that the Trust may repurchase Units under the Mandatory Purchase Program, the Discretionary Purchase Program and the Redemption Program and, subject to receiving all necessary regulatory approvals, the Trust may arrange for one or more dealers to find purchasers for any Repurchased Units.
- AND WHEREAS** under the System, this MRRS Decision Document evidences the decision of each of the Decision Makers (collectively, the **“Decision”**);
- AND WHEREAS** each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Makers with the jurisdiction to make the Decision has been met;
- THE DECISION** of the Decision Makers pursuant to the Legislation is that the trades of Repurchased Units pursuant to the Programs shall not be subject to the Prospectus Requirements of the Legislation provided that:
- (a) the Repurchased Units are sold by the Trust through the facilities of and in accordance with the regulations and policies of the TSX or the market on which the Units are then listed;
 - (b) the Trust complies with the insider trading restrictions imposed by securities legislation with respect to the trades of Repurchased Units;
 - (c) the Trust complies with the conditions of paragraphs 1 through 5 of subsection 2.8(2) of Multilateral Instrument 45-102 with respect to the sale of the Repurchased Units; and
 - (d) the first trade or resale of Repurchased Units acquired by a purchaser from the Trust in a Jurisdiction shall be deemed a distribution or primary distribution to the public under the Legislation unless the conditions of paragraphs 2 through 5 of subsection 2.6(3) of Multilateral Instrument 45-102 are satisfied.
- November 13, 2003.
- Paul M. Moore “Paul K. Bates”

2.1.4 INDEXPLUS INCOME FUND - MRRS Decision

Headnote

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

Applicable Ontario Statutory Provisions

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

Multilateral Instrument Cited

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

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

AND

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

AND

**IN THE MATTER OF
INDEXPLUS INCOME FUND**

MRRS DECISION DOCUMENT

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

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

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

AND WHEREAS THE TRUST has represented to the Decision Makers that:

1. The Trust is an unincorporated closed-end investment trust established under the laws of the Province of Ontario by a declaration of trust dated as of July 29, 2003.
2. The Trust is not considered to be a "mutual fund" as defined in the Legislation because the holders of Units ("Unitholders") are not entitled to receive on demand an amount computed by reference to the value of a proportionate interest in the whole or in part of the net assets of the Trust as contemplated in the definition of "mutual fund" in the Legislation.
3. The Trust became a reporting issuer or the equivalent thereof in the Jurisdictions on July 30, 2003 upon obtaining a receipt for its final prospectus dated July 29, 2003 (the "Prospectus"). As of the date hereof, the Trust is not in default of any requirements under the Legislation.
4. The beneficial interests in the Trust are divided into a single class of voting units ("Units"). The Trust is authorized to issue an unlimited number of Units. Each Unit represents a Unitholder's proportionate undivided beneficial interest in the Trust.
5. The Units are listed and posted for trading on the Toronto Stock Exchange (the "TSX") under the symbol "IDX.UN". As of September 4, 2003, 34,500,000 Units were issued and outstanding.
6. The Trust currently intends to make cash distributions ("distributions") of distributable income to Unitholders of record on the day on which the Trust declares a distribution to be payable (each a "Declaration Date"), and such distributions will be payable on a day which is on or before the last business day of the month following a Declaration Date (each a "Distribution Date").
7. The Trust has adopted the Plan which, subject to obtaining all necessary regulatory approvals, will permit distributions to be automatically reinvested, at the election of each Unitholder, to purchase additional Units ("Plan Units") pursuant to the Plan and in accordance with a distribution reinvestment plan agency agreement (the "Plan Agreement") entered into by the Trust, Middlefield INDEXPLUS Management Limited in its capacity as manager of the Trust (in such capacity, the "Manager") and MFL Management Limited in its capacity as agent

- under the Plan (in such capacity, the "Plan Agent").
8. Pursuant to the terms of the Plan, a Unitholder will be able to elect to become a participant in the Plan by notifying the Manager, or by causing the Manager to be notified, in writing, of the Unitholder's decision to participate in the Plan. Participation in the Plan will not be available to Unitholders who are not residents of Canada for the purposes of the *Income Tax Act* (Canada).
 9. Distributions due to participants in the Plan ("Plan Participants") will be paid to the Plan Agent and applied to purchase Plan Units. Plan Units purchased under the Plan will be purchased by the Plan Agent in the market or directly from the Trust in the following manner:
 - (a) if the weighted average trading price of the Units on the TSX (or such other exchange or market on which the Units are then listed) for the 10 trading days immediately preceding the relevant Distribution Date (the "Market Price") plus estimated brokerage fees and commissions is greater than or equal to the net asset value of the Trust ("Net Asset Value") per Unit on the applicable Distribution Date, the Plan Agent will, after such Distribution Date, apply distributions to the purchase of Plan Units from the Trust at a price equal to Net Asset Value per Unit as at the Distribution Date, provided that if the Net Asset Value per Unit as at the Distribution Date is less than 95% of the Market Price per Unit on the Distribution Date, then Plan Units will be purchased from the Trust at a price equal to 95% of the Market Price as at the Distribution Date;
 - (b) if the Market Price plus estimated brokerage fees and commissions is less than the Net Asset Value per Unit on the Distribution Date, purchases of Plan Units will be made in the market during the 10 business days next following the relevant Distribution Date, on any business day when the Market Price plus estimated brokerage fees and commissions is less than the Net Asset Value per Unit determined as at such Distribution Date, and on the 11th business day after the Distribution Date the unused part (if any) of the distributions paid to the Plan Agent for the benefit of Plan Participants will be applied to a purchase of Plan Units from the Trust in accordance with paragraph (a) above;
 - (c) the Plan Units purchased in the market or from the Trust shall be allocated by the Plan Agent on a *pro rata* basis to the Plan Participants; and
 - (d) any applicable brokerage fees and commissions incurred in connection with purchases of Plan Units made in the market as contemplated by paragraph (b) above shall be borne on a *pro rata* basis by and from each Plan Participant's account.
 10. The Plan also allows Plan Participants to make optional cash payments ("Optional Cash Payments") which will be used by the Plan Agent to purchase Plan Units. A Plan Participant must invest a minimum of \$100 per Optional Cash Payment. Optional Cash Payments will be used by the Plan Agent to purchase Plan Units on the same basis as distributions as described above. The aggregate number of Plan Units that may be purchased with Optional Cash Payments in a calendar year will be limited to 2% of the outstanding Units at the commencement of that calendar year, provided that for the 2003 calendar year, the number of Plan Units that may be purchased with Optional Cash Payments will be limited to 2% of the outstanding Units immediately following the closing of the initial public offering of Units pursuant to the Prospectus (including any Units outstanding following the closing of the exercise of the over-allotment option granted to the agents under the initial public offering). The Plan Agent may limit the maximum amount of Optional Cash Payments in any calendar year to ensure that the 2% limit is not exceeded.
 11. Optional Cash Payments, along with a Plan Participant's notice of his or her intention to make an Optional Cash Payment, must be received by the Plan Agent on or before 5:00 p.m. (Toronto time) on the day which is at least five business days prior to a Distribution Date, in order to be invested in Plan Units immediately following such Distribution Date. Optional Cash Payments and/or notices received less than five business days prior to a Distribution Date will result in the Plan Agent holding (without interest) the Optional Cash Payment and using the same to purchase Plan Units after the second Distribution Date following the date of receipt of the Optional Cash Payment.
 12. The Plan Agent will purchase Plan Units only in accordance with mechanics described in the Plan and Plan Agreement and, accordingly, there is no opportunity for a Plan Participant or the Plan Agent to speculate on Net Asset Value per Unit.
 13. The Plan is open for participation by all Unitholders (other than non-residents of Canada), so that such Unitholders can ensure protection

against potential dilution, albeit insignificant, by electing to participate in the Plan.

14. The Trust will invest in securities with an objective, among others, of providing Unitholders with high levels of monthly cash distributions (as described in the Prospectus). In addition, the Net Asset Value per Unit should be less volatile than that of a typical equity fund based on historical data. As a result, the potential for significant changes in the Net Asset Value per Unit over short periods of time is moderate.
15. The amount of distributions that may be reinvested in the Plan Units issued from treasury is small relative to the Unitholders' equity in the Trust. The potential for dilution arising from the issuance of Plan Units by the Trust is not significant.
16. Plan Units purchased under the Plan will be registered in the name of the Plan Agent, as agent for the Plan Participants.
17. A Plan Participant may terminate his or her participation in the Plan by providing, or by causing to be provided, at least ten business days' prior written notice to the Manager and, such notice, if actually received no later than ten business days prior to the next Declaration Date, will have effect beginning with the distribution to be made with respect to such Declaration Date. Thereafter, distributions payable to such Unitholder will be in cash.
18. The Manager reserves the right to suspend or terminate the Plan at any time in its sole discretion, in which case Plan Participants and the Plan Agent will be sent written notice thereof. In particular, the Manager may, on behalf of the Trust, terminate the Plan in its sole discretion, upon not less than 30 days' prior written notice to the Plan Participants and the Plan Agent.
19. The Manager may amend or modify the Plan at any time in its sole discretion, provided that it obtains the prior approval of the TSX (if Units are then listed thereon) and provided further that if, in the Manager's reasonable opinion: (i) the amendment or notification is material to Plan Participants, then at least 30 days' prior written notice thereof is given to Plan Participants and the Plan Agent; or (ii) the amendment or modification is not material to Plan Participants, then notice thereof may be given to Plan Participants and the Plan Agent after effecting the amendment or modification. The Manager may also, in consultation with the Plan Agent, adopt additional rules and regulations to facilitate the administration of the Plan.
20. The distribution of the Plan Units by the Trust pursuant to the Plan cannot be made in reliance

on certain registration and prospectus exemptions contained in the Legislation as the Plan involves the reinvestment of distributable income distributed by the Trust and not the reinvestment of dividends or interest of the Trust.

21. The distribution of the Plan Units by the Trust pursuant to the Plan cannot be made in reliance on registration and prospectus exemptions contained in the Legislation for distribution reinvestment plans of mutual funds, as the Trust is not considered to be a "mutual fund" as defined in the Legislation because the Unitholders are not entitled to receive on demand an amount computed by reference to the value of a proportionate interest in the whole or in a portion of the net assets of the Trust.

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

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

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

- (a) at the time of the trade the Trust is a reporting issuer or the equivalent under the Legislation and is not in default of any requirements of the Legislation;
- (b) no sales charge is payable in respect of the distributions of Plan Units from treasury;
- (c) the Trust has caused to be sent to the person or company to whom the Plan Units are traded, not more than 12 months before the trade, a statement describing:
 - (i) their right to withdraw from the Plan and to make an election to receive cash instead of Plan Units on the making of a distribution by the Trust; and
 - (ii) instructions on how to exercise the right referred to in (i);
- (d) in the calendar year during which the trade takes place, the aggregate number of Plan Units issued pursuant to the Optional Cash Payments shall not exceed 2% of the aggregate number of Units outstanding at the commencement

of that calendar year (or for the 2003 calendar year, outstanding at the closing of the Trust's initial public offering of Units pursuant to the Prospectus including any Units outstanding following the closing of the exercise of the over-allotment option granted to the agents under the initial public offering);

- (e) except in Québec, the first trade or resale of Plan Units acquired pursuant to the Plan in a Jurisdiction shall be deemed a distribution or primary distribution to the public under the Legislation unless the conditions of paragraphs 2 through 5 of subsection 2.6(3) of Multilateral Instrument 45-102 are satisfied; and
- (f) in Québec, the first trade (alienation) of Plan Units acquired pursuant to the Plan in a Jurisdiction shall be deemed to be a distribution or primary distribution to the public unless:
 - (i) at the time of the first trade, the Trust is a reporting issuer in Québec and is not in default of any of the requirements of securities legislation in Québec;
 - (ii) no unusual effort is made to prepare the market or to create a demand for the Plan Units;
 - (ii) no extraordinary commission or consideration is paid to a person or company other than the vendor of the Plan Units in respect of the first trade; and
 - (iv) the vendor of the Plan Units, if in a special relationship with the Trust, has no reasonable grounds to believe that the Trust is in default of any requirement of the Legislation of Québec;

November 18, 2003.

"Paul M. Moore"

"Suresh Thakrar"

2.1.5 Legg Mason Liquidity Plus Pool - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – A mutual fund is deemed to have ceased being a reporting issuer, provided it meets the requirements set out in CAS Notice 12-307 and subject to additional representations.

Applicable Ontario Statutory Provisions, Rules and Notices

Securities Act R.S.O. 1990, c. S.5, as am., s. 83.
CSA Staff Notice 12-307 - Ceasing to be a Reporting Issuer under the Mutual Reliance Review System for Exemptive Relief Applications. (2003) 26 OSCB 6348.

November 26, 2003

Borden Ladner Gervais LLP

Attention: C. Graham W. King

Re: Legg Mason Liquidity Plus Pool (formerly, Perigee Axis Cash Fund) (the Applicant) - application to cease to be a reporting issuer under the securities legislation of the provinces of Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and Newfoundland and Labrador (collectively, the Jurisdictions)

The Applicant has applied to the local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions for a decision under the securities legislation (the Legislation) of the Jurisdictions to be deemed to have ceased to be a reporting issuer in the Jurisdictions.

As the Applicant has represented to the Decision Makers that,

- the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada;
- no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;
- the Applicant is applying for relief to cease to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer;
- the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,
- all of the existing security holders of the Applicant are institutional investors who are eligible to

purchase the securities of the Applicant pursuant to exemptions from the registration and prospectus delivery requirements of the Jurisdictions, and

- all of the existing security holders of the Applicant have been given notice of the Applicant's request to cease to be a reporting issuer,

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 and orders that the Applicant is deemed to have ceased to be a reporting issuer.

"Leslie Byberg"

2.1.6 Citadel Income & Growth Fund - MRRS Decision

Headnote

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

Applicable Ontario Statutory Provisions

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

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

AND

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

AND

**IN THE MATTER OF
CITADEL INCOME & GROWTH FUND**

MRRS DECISION DOCUMENT

1. WHEREAS the local securities regulatory authority or regulator (the "**Decision Maker**") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Newfoundland and Labrador, Nova Scotia and Prince Edward Island (the "**Jurisdictions**") has received an application from Citadel Income & Growth Fund (the "**Fund**"), for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") that the requirement contained in the Legislation to be registered to trade in a security (the "**Registration Requirement**") and to file a preliminary prospectus and a final prospectus and obtain receipts therefor (the "**Prospectus Requirement**") shall not apply to certain trades in trust units of the Fund ("**Trust Units**") under a distribution reinvestment plan (the "**DRIP**");
2. 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;

3. AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 - *Definitions* or in Quebec Securities Commission Notice 14-101;
4. AND WHEREAS the Fund has represented to the Decision Makers that:
 - 4.1 the Fund is a closed-end investment trust established under the laws of Alberta under a declaration of trust dated August 21, 2003 as amended and restated September 29, 2003 (the "**Declaration of Trust**");
 - 4.2 Computershare Trust Company of Canada is the trustee of the Fund (in such capacity, the "**Trustee**");
 - 4.3 under the Declaration of Trust, the Fund is authorized to issue an unlimited number of transferable, non-redeemable Trust Units, of which there will be 14,000,000 issued and outstanding on October 16, 2003;
 - 4.4 the Fund is not a "mutual fund" as defined in the Legislation because the holders of Trust Units ("**Unitholders**") are not entitled to receive on demand an amount computed by reference to the value of a proportionate interest in the whole or in part of the net assets of the Fund as contemplated in the definition of "mutual fund" contained in the Legislation;
 - 4.5 the assets of the Fund consist of a portfolio of securities including Canadian income funds, other income securities, common shares and instalment receipts or other rights to acquire such securities in respect thereof ("**Portfolio Securities**"), as well as cash and cash equivalents (collectively, the "**Portfolio**");
 - 4.6 the investment objective of the Fund is providing holders of Trust Units with income from distributions while attempting to maximize total return through capital appreciation within the Portfolio by investing in Portfolio Securities;
 - 4.7 each Trust Unit represents an equal, fractional undivided beneficial interest in the net assets of the Fund, and entitles its holder to one vote at meetings of Unitholders and to participate equally with respect to any and all distributions made by the Fund, including distributions of net income and net realized capital gains, if any;
- 4.8 the Fund became a reporting issuer in each of the Jurisdictions on September 30, 2003 when it obtained a final decision document for its prospectus dated September 29, 2003 (the "**Prospectus**"). As of the date hereof, the Fund is not in default of any requirements under the Legislation;
- 4.9 the Fund is not a "qualifying issuer" as defined in Multilateral Instrument 45-102 - *Resale of Securities*;
- 4.10 Citadel IG Management Ltd. (the "**Administrator**") is the authorized attorney of the Fund;
- 4.11 the Trust Units are listed on the Toronto Stock Exchange under the symbol "CIF.UN";
- 4.12 the Trust Units are available only in book-entry form whereby CDS & Co., a nominee of The Canadian Depository for Securities Limited, is the only registered holder of Trust Units;
- 4.13 the Fund has established the DRIP to permit Unitholders, at their discretion, to automatically reinvest the Distributable Income paid on their Trust Units in additional Trust Units ("**DRIP Units**") as an alternative to receiving cash distributions;
- 4.14 distributions due to participants in the DRIP ("**DRIP Participants**") will be paid to Computershare Trust Company of Canada in its capacity as agent under the DRIP (in such capacity, the "**DRIP Agent**") and applied to the purchase of DRIP Units;
- 4.15 no commissions, service charges or brokerage fees will be payable by DRIP Participants in connection with the DRIP;
- 4.16 the DRIP Agent will purchase DRIP Units from the Fund at the net asset value per Trust Unit as at the applicable distribution date;
- 4.17 DRIP Participants may terminate their participation in the DRIP by providing 10 days' written notice to the DRIP Agent prior to the applicable record date;
- 4.18 DRIP Participants do not have the option of making cash payments to purchase additional DRIP Units under the DRIP;
- 4.19 except in Alberta, the distribution of the DRIP Units by the Fund pursuant to the

- DRIP cannot be made in reliance on certain registration and prospectus exemptions contained in the Legislation as the DRIP involves the reinvestment of distributable income including net realized capital gains distributed by the Fund and not the reinvestment of dividends, interest earnings or surplus of the Fund; and
- 4.20 the distribution of the DRIP Units by the Fund pursuant to the DRIP cannot be made in reliance on registration and prospectus exemptions contained in the Legislation for distribution reinvestment plans for mutual funds, as the Fund is not considered to be a "mutual fund" as defined in the Legislation;
5. AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each of the Decision Makers (collectively, the "Decision");
6. AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Makers with the jurisdiction to make the Decision has been met;
7. THE DECISION of the Decision Makers under the Legislation is that:
- 7.1 the Registration Requirement and Prospectus Requirement contained in the Legislation shall not apply to trades or distributions by the Fund of DRIP Units for the account of DRIP Participants pursuant to the DRIP, provided that:
- 7.1.1 at the time of the trade or distribution the Fund is a reporting issuer or the equivalent under the Legislation and is not in default of any requirements of the Legislation;
- 7.1.2 no sales charge is payable in respect of the trade;
- 7.1.3 the Fund has caused to be sent to the person or company to whom the DRIP Units are traded, not more than 12 months before the trade, a statement describing:
- 7.1.3.1 their right to withdraw from the DRIP and to make an election to receive cash instead of DRIP Units on the making of a distribution of income by the Fund
- (the "Withdrawal Right"); and
- 7.1.3.2 instructions on how to exercise the Withdrawal Right;
- 7.1.4 the first trade of the DRIP Units acquired under this Decision shall be deemed to be a distribution or a primary distribution to the public; and
- 7.2 the Prospectus Requirement contained in the Legislation shall not apply to the first trade of DRIP Units acquired by DRIP Participants pursuant to the DRIP, provided that:
- 7.2.1 except in Quebec, the conditions in paragraphs 2 through 5 of subsection 2.6(4) of Multilateral Instrument 45-102 – *Resale of Securities* are satisfied; and
- 7.2.2 in Quebec:
- 7.2.2.1 at the time of the first trade the Fund is a reporting issuer in Quebec and is not in default of any of the requirements of the Legislation in Quebec;
- 7.2.2.2 no unusual effort is made to prepare the market or to create a demand for the DRIP Units;
- 7.2.2.3 no extraordinary commission or consideration is paid to a person or company other than the vendor of the DRIP Units in respect of the trade; and

7.2.2.4 the vendor of the DRIP Units, if in a special relationship with the Fund, has no reasonable grounds to believe that the Fund is in default of any requirement of the Legislation.

November 26, 2003.

“Suresh Thakrar”

“Paul K. Bates”

2.1.7 BMO Nesbitt Burns Inc. and Cyclical Split NT Corp. - MRRS Decision

Headnote

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

Market making trades by promoter/agent shall not be subject to requirements to file and obtain a receipt for a preliminary and final prospectus provided that the promoter/agent and its affiliates do not beneficially own or have the power to exercise control of a sufficient number of voting securities of an issuer of the securities comprising the issuer's portfolio to permit the promoter/agent to affect materially the control of such issuer.

Applicable Ontario Statutes

Securities Act R.S.O. 1990, c. S.5, as amended, ss. 53(1), 74(1), 119, 121(2)(a)(ii).

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

AND

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

AND

IN THE MATTER OF BMO NESBITT BURNS INC. AND CYCLICAL SPLIT NT CORP.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Newfoundland and Labrador and Prince Edward Island (the “Jurisdictions”) has received an application from Cyclical Split NT Corp. (the “Issuer”) and BMO Nesbitt Burns Inc. (“BMO Nesbitt Burns”) in connection with the distribution (the “Offering”) of capital shares (the “Capital Shares”) and preferred shares (the “Preferred Shares”) of the Issuer by BMO Nesbitt Burns and such other agents as may be appointed (collectively, the “Agents”), pursuant to a prospectus, for a decision under to the securities legislation of the Jurisdictions (the “Legislation”) that:

- (A) the requirement contained in the Legislation of each of the Jurisdictions to file and obtain a receipt for a preliminary prospectus and final prospectus shall not apply to Market Making Trades (as hereinafter defined) by BMO Nesbitt Burns in Capital Shares and Preferred Shares; and
- (B) in the case of the Legislation of each of the Jurisdictions other than Manitoba and Prince Edward Island, the prohibitions contained therein prohibiting trading in portfolio shares by persons or companies having information concerning the trading programs of mutual funds (the "Principal Trading Prohibitions") shall not apply to BMO Nesbitt Burns in connection with the Principal Purchases (as hereinafter defined);

subject to certain conditions;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "MRRS"), 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 Issuer and BMO Nesbitt Burns have represented to the Decision Makers as follows:

1. BMO Nesbitt Burns was incorporated under the laws of Canada, is an indirect, majority-owned subsidiary of Bank of Montreal, is registered under the Legislation as a dealer in the categories of "broker" and "investment dealer" and is a member of the Investment Dealers Association of Canada and is a shareholder of TSX Group Inc. (the "TSX").
2. BMO Nesbitt Burns is the promoter of the Issuer and will be establishing a credit facility in favour of the Issuer in order to facilitate the acquisition of the Portfolio Investments (as defined below) by the Issuer.
3. The Issuer was incorporated on October 24, 2003 under the laws of the Province of Ontario and is authorized to issue an unlimited number of Class A Shares.
4. The Issuer has filed with the Decision Maker of each province of Canada a preliminary prospectus dated October 27, 2003 and an amended and restated preliminary prospectus dated October 31, 2003 (collectively, the "Preliminary Prospectus") in respect of the Offering of Capital Shares and Preferred Shares to the public in such provinces.
5. The Issuer intends to become a reporting issuer under the Legislation by filing a final prospectus (the "Final Prospectus") relating to the Offering. Prior to the filing of the Final Prospectus, the Articles of Incorporation of the Issuer will be amended so that the authorized capital of the Issuer will consist of an unlimited number of Capital Shares, an unlimited number of Preferred Shares, an unlimited number of Non-Voting Shares and an unlimited number of Class A Shares, having the attributes described in the Preliminary Prospectus.
6. Application will be made to list the Capital Shares and Preferred Shares on the TSX.
7. The Class A Shares will be the only voting shares in the capital of the Issuer. At the time of filing the Final Prospectus, there will be 100 Class A Shares issued and outstanding. All of the issued and outstanding Class A Shares of the Issuer will be owned by 1066918 Ontario Inc., the voting shares of which are owned equally by The CBF Corporation (all of the common shares of which are owned by Bo Pelech, who will be appointed a director of the Issuer) and BMO Nesbitt Burns. All of the issued and outstanding Non-Voting Shares of the Issuer will be owned by BMO Nesbitt Burns.
8. The Issuer has a board of directors which currently consists of three directors, all of whom are employees of BMO Nesbitt Burns. The offices of President/Chief Executive Officer and Chief Financial Officer and Secretary of the Issuer are held by employees of BMO Nesbitt Burns. Prior to the filing of the final prospectus, two additional directors, each of whom will be independent, will be appointed to the Board of Directors.
9. Pursuant to an agency agreement (the "Agency Agreement") to be made between the Issuer and BMO Nesbitt Burns and such other agents as may be appointed after the date of this application (collectively, the "Agents" and individually, an "Agent"), the Issuer will appoint the Agent(s), as its agent(s), to offer the Capital Shares and Preferred Shares of the Issuer on a best efforts basis.
10. The Issuer is considered to be a mutual fund as defined in the Legislation. Since the Issuer does not operate as a conventional mutual fund, it has concurrently herewith made an application for a waiver from certain requirements of National Instrument 81-102 – Mutual Funds.
11. The Issuer is a passive investment company whose principal undertaking will be to invest the net proceeds of the Offering in a portfolio of common shares of Dofasco Inc., Brascan Corporation, Alcan Inc., Noranda Inc., Canadian Pacific Railway Ltd., Potash Corp of Saskatchewan Inc. and Domtar Inc. and income fund units of Fording Canadian Coal Trust

- (collectively, the "Portfolio Investments") in order to generate fixed cumulative preferential dividends for holders of the Preferred Shares and to enable holders of the Capital Shares to participate in any capital appreciation in the Portfolio Investments and to benefit from any increase in the dividends and distributions paid on the Portfolio Investments. The purpose of the Issuer is to provide a vehicle through which different investment objectives with respect to participation in Portfolio Investments may be satisfied.
12. The Final Prospectus will disclose the acquisition cost to the Issuer of the Portfolio Investments and dividend, income fund distributions, and trading history of the Portfolio Investments.
 13. The Portfolio Investments are listed and traded on the TSX.
 14. The Issuer is not, and will not upon the completion of the Offering be, an insider of any of the issuers of the Portfolio Investments within the meaning of the Legislation.
 15. BMO Nesbitt Burns does not have knowledge of a material fact or material change with respect to any of the Portfolio Investments that has not been generally disclosed.
 16. BMO Nesbitt Burns' economic interest in the Issuer and in the material transactions involving the Issuer are disclosed in the Preliminary Prospectus and will be disclosed in the Final Prospectus under the heading "Interest of Management and Others in Material Transactions" and include the following:
 - (a) agency fees with respect to the Offering;
 - (b) an administration fee under the Administration Agreement (as defined below);
 - (c) commissions in respect of the acquisition of Portfolio Investments, the disposition of Portfolio Investments to fund a redemption or retraction, or the purchase for cancellation, of the Capital Shares and Preferred Shares or if necessary, to fund a portion of the fixed dividends on the Preferred Shares;
 - (d) interest and reimbursement of expenses, in connection with the acquisition of Portfolio Investments; and
 - (e) amounts in connection with Principal Purchases (as described in paragraph 23 below).
 17. The net proceeds from the sale of the Capital Shares and the Preferred Shares under the Final Prospectus, (after deducting the Agent(s)' fees, expenses of the issue and the Issuer's interest and other expenses relating to the acquisition of the Portfolio Investments) will be used by the Issuer to:
 - (a) pay the acquisition cost (including any related costs or expenses) of the Portfolio Investments; and
 - (b) pay the initial fee payable to BMO Nesbitt Burns for its services under the Administration Agreement (as defined below).
 18. All Capital Shares and Preferred Shares outstanding on a date approximately five years from the closing of the Offering will be redeemed by the Issuer on such date (the "Redemption Date"). The Capital Shares and the Preferred Shares will be retractable at the option of the holder and redeemable at the option of the Issuer as described in the Preliminary Prospectus.
 19. Pursuant to an agreement (the "Securities Purchase Agreement") to be entered into between the Issuer and BMO Nesbitt Burns, BMO Nesbitt Burns will purchase, as agent for the benefit of the Issuer, Portfolio Investments in the market on commercial terms or from non-related parties with whom BMO Nesbitt Burns and the Issuer deal at arm's length.
 20. Under the Securities Purchase Agreement, BMO Nesbitt Burns may receive commissions at normal rates in respect of its purchase of Portfolio Investments, as agent on behalf of the Issuer, and the Issuer will pay any carrying costs or other expenses incurred by BMO Nesbitt Burns, on behalf of the Issuer, in connection with its purchase of Portfolio Investments as agent on behalf of the Issuer.
 21. It will be the policy of the Issuer to hold the Portfolio Investments and to not engage in any trading of the Portfolio Investments, except:
 - (a) to fund retractions or redemptions of Capital Shares and Preferred Shares;
 - (b) to fund the payment of the fixed dividends on the Preferred Shares; or
 - (c) in certain other limited circumstances as described in the Preliminary Prospectus.
 22. Pursuant to an administration agreement (the "Administration Agreement") to be entered into, the Issuer will retain BMO Nesbitt Burns to administer the ongoing operations of the Issuer and will pay BMO Nesbitt Burns an administration fee equal to:

- (a) a monthly fee of 1/12 of 0.15% of the market value of the Portfolio Investments; and
 - (b) any interest income earned by the Issuer from time to time excluding interest earned on any investment of surplus dividends or distributions received on the Portfolio Investments.
23. In connection with the services to be provided by BMO Nesbitt Burns to the Issuer pursuant to the Administration Agreement, BMO Nesbitt Burns may sell Portfolio Investments to fund retractions of Capital Shares and Preferred Shares prior to the Redemption Date, to fund the fixed dividends on Preferred Shares, and upon liquidation of the Portfolio Investments in connection with the final redemption of Capital Shares and Preferred Shares on the Redemption Date. These sales will be made by BMO Nesbitt Burns as agent on behalf of the Issuer. Subject to the receipt of the relief requested hereby, in certain circumstances such as where a small number of Capital Shares and Preferred Shares have been surrendered for retraction, BMO Nesbitt Burns may also purchase Portfolio Investments as principal (the "Principal Purchases").
24. In connection with any Principal Purchases, BMO Nesbitt Burns will comply with the rules, procedures and policies of the applicable stock exchange of which it is a member and in accordance with orders obtained from all applicable securities regulatory authorities.
25. The Administration Agreement will provide that BMO Nesbitt Burns must take reasonable steps, such as soliciting bids from other market participants or such other steps as BMO Nesbitt Burns, in its discretion, considers appropriate after taking into account prevailing market conditions and other relevant factors, to enable the Issuer to obtain the best price reasonably available for the Portfolio Investments so long as the price obtained (net of all transaction costs, if any) by the Issuer from BMO Nesbitt Burns is more or at least as advantageous to the Issuer as the price which is available (net of all transaction costs, if any) through the facilities of the applicable stock exchange at the time of the trade.
26. BMO Nesbitt Burns will not receive any commissions from the Issuer in connection with Principal Purchases and, in carrying out the Principal Purchases, BMO Nesbitt Burns shall deal fairly, honestly and in good faith with the Issuer.
27. BMO Nesbitt Burns will be a significant maker of markets for Capital Shares and Preferred Shares, although it is not anticipated that BMO Nesbitt Burns will be appointed the registered pro-trader

by the TSX with respect to the Issuer. As a result, BMO Nesbitt Burns will, from time to time, purchase and sell Capital Shares and Preferred Shares as principal and trade in such securities as agent on behalf of its clients, the primary purpose of such trades (the "Market Making Trades") being to provide liquidity to the holders of Capital Shares and Preferred Shares. All trades made by BMO Nesbitt Burns as principal will be recorded daily by the TSX.

28. As BMO Nesbitt Burns indirectly owns 50% of the Class A Shares of the Issuer, BMO Nesbitt Burns controls the Issuer and consequently, each Market Making Trade will be a "distribution" or "distribution to the public" within the meaning of the Legislation.
29. By virtue of BMO Nesbitt Burns' relationship with the Issuer, including the fact that three of the directors and officers of the Issuer are employees of BMO Nesbitt Burns and BMO Nesbitt Burns is the promoter of the Issuer, the Issuer is a connected issuer (or equivalent) and/or related issuer (or equivalent) of BMO Nesbitt Burns under the Legislation.

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

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

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

- A. The Prospectus Requirements shall not apply to the Market Making Trades by BMO Nesbitt Burns in the Capital Shares and Preferred Shares provided that at the time of each Market Making Trade, BMO Nesbitt Burns and its affiliates do not beneficially own or have the power to exercise control or direction over a sufficient number of voting securities of the issuers of the Portfolio Investments, securities convertible into voting securities of the issuers of the Portfolio Investments, options to acquire voting securities of the issuers of the Portfolio Investments, or any other securities which provide the holder with the right to exercise control or direction over voting securities of the issuers of the Portfolio Investments which in the aggregate, permit BMO Nesbitt Burns to affect materially the control of the issuers of the Portfolio Investments and without limiting the generality of the foregoing, the beneficial ownership of or the power to exercise control or direction over securities representing in the aggregate 20% or more of the votes attaching to all the then issued and outstanding voting securities of the issuers of the Portfolio

Investments shall, in the absence of evidence to the contrary, be deemed to affect materially the control of the issuers of the Portfolio Investments; and

- B. In each of the Jurisdictions other than Manitoba and Prince Edward Island, the Principal Trading Prohibitions shall not apply to BMO Nesbitt Burns in connection with the Principal Purchases.

November 24, 2003.

“H. Lorne Morphy”

Robert W. Korthals”

2.1.8 Mackenzie Financial Corporation - MRRS Decision

Headnote

Investment by Top Funds in securities of Underlying Funds under an actively managed fund-of-fund structure exempted from the self-dealing prohibitions, reporting requirements and the responsible person prohibitions of clauses 111(2)(b), 111(3), clauses 117(1)(a), 117(1)(d) and of clause 118(2)(a).

Statutes Cited

Securities Act (Ontario), R.S.O. c. S.5, as am., 111(2)(b), 111(3), 117(1)(a), 117(1)(d) and 118(2)(a).

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

AND

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

AND

IN THE MATTER OF MACKENZIE FINANCIAL CORPORATION (THE “MANAGER”)

AND

IN THE MATTER OF KEYSTONE REGISTERED CONSERVATIVE INCOME & GROWTH FUND, KEYSTONE REGISTERED BALANCED GROWTH & INCOME FUND, KEYSTONE REGISTERED LONG-TERM GROWTH FUND AND KEYSTONE REGISTERED MAXIMUM LONG-TERM GROWTH FUND (THE “FUNDS”)

MRRS DECISION DOCUMENT

WHEREAS the securities regulatory authority or regulator (the “Decision Maker”) in each of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia, and Newfoundland and Labrador, (the “Jurisdictions”) has received an application from the Manager of the Funds and any other funds managed by the Manager in the future (collectively, the “Top Funds”) for a decision by each Decision Maker under the securities legislation of the Jurisdictions (the “Legislation”) that the following provisions of the Legislation (the “Applicable Requirements”) shall not apply to the Top Funds or the Manager in respect of the Top Funds’ investments of a portion or primarily all of their assets in one or more open-end mutual funds which are

subject to the provisions of National Instrument 81-101 ("NI 81-101") and National Instrument 81-102 ("NI 81-102") (individually an "Underlying Fund" and collectively, the "Underlying Funds"):

1. the restrictions contained in the Legislation that prohibit a mutual fund from knowingly making or holding an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial securityholder;
2. the restrictions contained in the Legislation prohibiting a portfolio manager, or in British Columbia, a mutual fund or responsible person, from knowingly causing a mutual fund managed by it to invest in any issuer in which a responsible person or an associate of a responsible person is an officer or director unless the specific fact is disclosed to the client and, if applicable, the written consent of the client to the investment is obtained before the purchase; and
3. the requirements contained in the Legislation that a management company or, in British Columbia, a mutual fund manager, file a report of every transaction of purchase or sale of securities between a mutual fund it manages and any related person or company and any transaction in which, by arrangement other than an arrangement relating to insider trading in portfolio securities, a mutual fund is a joint participant with one or more of its related persons or companies.

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the 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 Manager has represented to the Decision Makers that:

1. Each of the Top Funds will be an open-end mutual fund and will be a reporting issuer in each of the Jurisdictions. Securities of the Top Funds will be qualified for distribution under a simplified prospectus and annual information form filed in each of the Jurisdictions. A preliminary simplified prospectus in respect of certain Top Funds has been filed under SEDAR Project No. 581504.
2. Each of the Underlying Funds is, or will be, an open-end mutual fund and will be a reporting issuer in each of the Jurisdictions. Securities of the Underlying Funds are, or will be, qualified for distribution under a simplified prospectus and annual information form filed in each of the Jurisdictions.

3. The Manager is a corporation incorporated under the laws of the Province of Ontario. The Manager's head office is located in Toronto, Ontario. The Manager is, or will be, the manager of the Top Funds and the Manager, or an affiliate or associate of the Manager, may be the manager of the Underlying Funds.
4. The Top Funds will be actively managed, and may seek to achieve their respective investment objectives by investing a portion or substantially all of their assets in securities of one or more of the Underlying Funds and may also from time to time make direct investments in equity and fixed income securities. The portfolio manager of each Top Fund will also have the discretion to buy and sell securities of other Underlying Funds to achieve each Top Fund's investment objective as well as alter the percentage holdings in any of the Underlying Funds in which it invests.
5. Except to the extent evidenced by this Decision and specific approvals granted by the Decision Makers pursuant to NI 81-102, the investments by the Top Funds in the Underlying Funds will comply with the investment restrictions of the Legislation and NI 81-102.
6. In the absence of this Decision, the Top Funds would be prohibited from knowingly making or holding an investment in Underlying Funds in which each Top Fund, alone or together with one or more related mutual funds, is a substantial securityholder.
7. In the absence of this Decision, the Manager would be required to file a report of every transaction of purchase or sale by the Top Funds of the securities of the Underlying Funds.
8. In the absence of this Decision, the Top Funds would be prohibited from investing in an issuer in which a responsible person is an officer or director.
9. The Top Funds' investment in securities of the Underlying Funds will represent the business judgement of responsible persons uninfluenced by considerations other than the best interests of the Top Funds.

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

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

THE DECISION of the Decision Makers under the Legislation is that the Applicable Requirements shall not apply so as to prevent the Top Funds from making and

holding investments in securities of the Underlying Funds, or require the Manager to file reports relating to the purchase or sale of such securities or investing in an issuer in which a responsible person is an officer or director;

PROVIDED IN EACH CASE THAT:

1. The Decision, as it relates to the jurisdiction of a Decision Maker, will terminate one year after the publication in final form of any legislation or rule of that Decision Maker dealing with matters in section 2.5 of NI 81-102.
2. The Decision shall only apply if, at the time each Top Fund makes or holds an investment in the Underlying Funds, the following conditions are satisfied:
 - (a) The Underlying Funds are subject to NI 81-102 and NI 81-101;
 - (b) The securities of the Top Funds and the securities of the Underlying Funds are qualified for distribution in the local jurisdiction;
 - (c) At the time a Top Fund purchases securities of an Underlying Fund, the Underlying Fund does not hold more than 10% of the market value of its net assets in securities of other mutual funds. An Underlying Fund may however, hold more than 10% of the market value of its net assets in securities of other mutual funds where the Underlying Fund (i) is an RSP clone fund, or (ii) purchases or holds securities of a money market fund or securities that are index participation units issued by a mutual fund;
 - (d) Each Top Fund shall disclose in its simplified prospectus under the "Fees and Expenses" section, that there are fees and expenses payable by the Underlying Funds in addition to the fees and expenses payable by the Top Fund;
 - (e) No management fees or incentive fees are payable by a Top Fund that, to a reasonable person, would duplicate a fee payable by the Underlying Funds for the same service and this information is disclosed in the simplified prospectus of the Top Fund under the "Fees and Expenses" section;
 - (f) No sales fees or redemption fees are payable by a Top Fund in relation to its purchase or redemption of securities of an Underlying Fund if the Underlying Fund is managed by the Manager or an affiliate or associate of the Manager and this information is disclosed in the

simplified prospectus of the Top Fund under the "Fees and Expenses" section;

- (g) No sales fees or redemption fees are payable by a Top Fund in relation to its purchase or redemption of securities of the Underlying Funds that, to a reasonable person, would duplicate a fee payable by an investor in the Top Fund and this information is disclosed in the simplified prospectus of the Top Fund under the "Fees and Expenses" section;
- (h) If a Top Fund holds securities of Underlying Funds that are managed by the Manager or an affiliate or associate of the Manager, the Top Fund,
 1. shall not vote any of those securities;
 2. may, if the Manager so chooses, arrange for all of the securities it holds of the Underlying Funds to be voted by the beneficial holders of securities of the Top Fund; and
 3. shall disclose the above information in the simplified prospectus of the Top Fund under the "Organization and Management Details" section;
- (i) Each Top Fund and its Underlying Funds must have dates for the calculation of net asset value that are compatible;
- (j) Each Top Fund shall disclose in its simplified prospectus under the "Investment Strategies" section:
 1. whether the Top Fund intends to purchase securities of, or enter into specified derivative transactions for which the underlying interest is based on securities of, one or more Underlying Funds;
 2. whether or not the Underlying Funds may be managed by the Manager or an affiliate or associate of the Manager of the Top Fund;
 3. what percentage of net assets of the Top Fund is dedicated to the investment in the securities of, or the entering into of specified derivative transactions for which the underlying interest

- is based on the securities of, Underlying Funds; and
4. the process or criteria used to select the Underlying Funds;
- (k) Each Top Fund shall disclose in its simplified prospectus under the "Top Ten Holdings" section, a statement to the effect that the simplified prospectus and other information about the Underlying Funds are available on the internet at www.sedar.com;
- (l) If more than 10% of the securities of the Underlying Funds are held by a Top Fund, the Underlying Funds must disclose under the "Risks" section of their simplified prospectus, the percentage of securities held by the Top Fund as at a date within 30 days of the date of the simplified prospectus of the Top Fund. The Underlying Funds must also disclose the risks associated with a possible redemption requested by the Top Fund;
- (m) If during the year a Top Fund held securities of Underlying Funds that are not managed by the Manager or an affiliate or associate of the Manager, the Top Fund shall provide details in its Annual Information Form under the "Fund Governance" section, on how the Manager exercised its discretion with regard to the voting rights attached to the securities of the Underlying Funds when the securityholders of the Underlying Funds were called upon to vote.

November 26, 2003.

"Suresh Thakrar"

"Paul K. Bates"

2.1.9 Enterra Energy Corp. et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – application for relief from certain continuous disclosure requirements applicable to corporate reporting issuer following corporate issuer's conversion into a subsidiary of an income trust – relief granted subject to certain conditions.

Applicable Statutory Provisions

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

Applicable Rules

OSC Rule 51-501 AIF and MD&A.

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

AND

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

AND

IN THE MATTER OF ENTERRA ENERGY CORP., ENTERRA ACQUISITION CORP., BIG HORN RESOURCES LTD., ENTERRA SASK LTD., ENTERRA ENERGY TRUST, ENTERRA ENERGY COMMERCIAL TRUST, ENTERRA EXCHANGE CO LTD. AND ENTERRA ENERGY PARTNER CORP.

MRRS DECISION DOCUMENT

- WHEREAS the local securities regulatory authority or regulator (collectively, Decision Makers) in each of Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, Québec and Nova Scotia (Jurisdictions) has received an application made on behalf of Enterra Energy Corp. (Enterra) in connection with a proposed plan of arrangement (Arrangement) involving Enterra, Enterra Acquisition Corp. (AcquisitionCo), Big Horn Resources Ltd. (Big Horn), Enterra Sask Ltd. (Enterra Sask), Enterra Energy Trust (Trust), Enterra Energy Commercial Trust (Commercial Trust), Enterra ExchangeCo Ltd. (ExchangeCo), Enterra Energy Partner Corp. (PartnerCo) and the shareholders of Enterra (Shareholders) for a decision under the securities legislation of the Jurisdictions (Legislation) that certain disclosure requirements contained in the Legislation, as they apply to the successor to AcquisitionCo upon its

	amalgamation with Enterra, Big Horn and Enterra Sask. (New Enterra) will not apply to New Enterra;		notes, as required to implement the Arrangement;
2.	AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (System) the Alberta Securities Commission is the principal regulator for this application;	4.9	AcquisitionCo will be a wholly-owned subsidiary of the Commercial Trust and, following completion of the Arrangement, will be an indirect wholly-owned subsidiary of the Trust;
3.	AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 <i>Definitions</i> or in Québec Securities Commission Notice 14-101;	4.10	the head office of AcquisitionCo will be located at Calgary, Alberta;
4.	AND WHEREAS Enterra has represented to the Decision Makers that:	4.11	the Arrangement, which is described in detail in the information circular dated October 24, 2003 (Information Circular) which has been mailed to the Shareholders in connection with the special meeting of Shareholders to be held for purposes of approving the Arrangement (Meeting), will be effected by way of a plan of arrangement pursuant to section 193 of the ABCA, which will require:
4.1	Enterra (formerly Westlinks Resources Ltd.) was organized on June 30, 1998 by the statutory amalgamation of Temba Resources Ltd and PTR Resources Ltd. under the provisions of the <i>Business Corporations Act</i> (Alberta) (ABCA);	4.11.1	approval by not less than two-thirds of the votes cast by the holders of Enterra Shares (present in person or represented by proxy) at the Meeting, and
4.2	the head office of Enterra is located at Calgary, Alberta;	4.11.2	approval of the Court of Queen's Bench of Alberta;
4.3	the common shares of Enterra (Enterra Shares) are listed and posted for trading on the Toronto Stock Exchange (TSX) and The Nasdaq Stock Market, Inc. (Nasdaq);	4.12	the purpose of the Arrangement, in essence, is to convert Enterra from a corporate entity to a trust, being Enterra Energy Trust, which will distribute a portion of its cash flow to holders of the Trust Units;
4.4	Enterra is a reporting issuer or the equivalent in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, Ontario and Nova Scotia, and has filed, in each such province, all the information that it has been required to file as a reporting issuer and is not in default of the securities legislation in any of these jurisdictions;	4.13	the Arrangement will result, through a series of transactions, in Shareholders (other than non-resident Shareholders, certain financial institutions, certain tax-exempt Shareholders, and dissenting Shareholders), at their election, ultimately receiving for their Enterra Shares, as of the effective date of the Arrangement, either Trust Units, Exchangeable Shares (together with all ancillary rights relating to such shares), or a combination of both;
4.5	the Trust is an open-end, unincorporated trust governed by the laws of Alberta and created pursuant to a trust indenture dated October 24, 2003 between Enterra and Olympia Trust Company, as trustee;	4.14	the Arrangement will also result in Enterra, Big Horn, Enterra Sask and AcquisitionCo being amalgamated to form New Enterra;
4.6	the head office of the Trust is located at Calgary, Alberta;	4.15	the Exchangeable Shares issued in connection with the Arrangement will provide holders of Exchangeable Shares with a security having economic rights and voting attributes which are, as nearly
4.7	the Trust intends to make application to list the trust units of the Trust (Trust Units) on each of the TSX and Nasdaq;		
4.8	AcquisitionCo, prior to completion of the Arrangement, will be incorporated under the ABCA and is being established for the purpose of participating in the Arrangement, including creating and issuing common and preferred shares, series A exchangeable shares (Exchangeable Shares), and series A		

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|--------|--|------|---|
| | as practicable, equivalent to those of the Trust Units into which the Exchangeable Shares are exchangeable from time to time; | | relating to the Trust rather than information relating to New Enterra; |
| 4.16 | except as required by applicable law and in connection with proposed changes to the rights, privileges, restrictions and conditions attaching to the Exchangeable Shares, the Exchangeable Shares will not have voting rights with respect to New Enterra; | 4.21 | the Trust will concurrently send to holders of Exchangeable Shares resident in the Jurisdictions all disclosure material it sends to holders of Trust Units pursuant to the Legislation; and |
| 4.17 | upon completion of the Arrangement, and as a result of the operation of certain applicable provisions of the Legislation, New Enterra will become a reporting issuer or equivalent in the Jurisdictions; | 4.22 | the Information Circular discloses that application will be made to relieve New Enterra from the Continuous Disclosure Requirements; |
| 4.18 | a reporting issuer or equivalent in the Jurisdictions is required to: | 5. | AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the Decision); |
| 4.18.1 | issue a news release and file a report upon the occurrence of a material change; | 6. | AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met; |
| 4.18.2 | where applicable, file an annual report; | 7. | THE DECISION of the Decision Makers under the Legislation is that the Continuous Disclosure Requirements shall not apply to New Enterra for so long as: |
| 4.18.3 | where applicable, file interim financial statements and audited annual financial statements and deliver such statements to the security holders of New Enterra; | 7.1 | the Trust is a reporting issuer in Québec and at least one of the other jurisdictions listed in Appendix B of Multilateral Instrument 45-102 <i>Resale of Securities</i> and is an electronic filer under National Instrument 13-101 SEDAR; |
| 4.18.4 | where applicable, file and deliver an information circular (together with other required proxy solicitation materials) or make an annual filing in lieu of filing an information circular; | 7.2 | the Trust sends to all holders of Exchangeable Shares resident in the Jurisdictions all disclosure material furnished to holders of Trust Units in accordance with the Continuous Disclosure Requirements; |
| 4.18.5 | where applicable, file an annual information form and provide management's discussion and analysis of financial condition and results of operations; | 7.3 | the Trust complies with the applicable requirements of the TSX, or such other market or exchange on which the Trust Units may be quoted or listed, in respect of making public disclosure of material information on a timely basis; |
| | (collectively, the Continuous Disclosure Requirements); | 7.4 | New Enterra issues a news release and files a report with the Decision Makers upon the occurrence of a material change in respect of the affairs of New Enterra that is not also a material change in the affairs of the Trust; |
| 4.19 | upon becoming a reporting issuer or equivalent in the Jurisdictions New Enterra will be subject to the Continuous Disclosure Requirements; | 7.5 | the Trust includes in all future mailings of proxy solicitation materials to holders of Exchangeable Shares a clear and concise insert explaining the reason for the mailed material being solely in relation to the Trust and not in relation to New Enterra, such insert to include a |
| 4.20 | the value of both the Exchangeable Shares and the Trust Units is entirely dependent on the assets and operation of the Trust and accordingly the information relevant to a holder of Exchangeable Shares is information | | |

reference to the economic equivalency between the Exchangeable Shares and Trust Units and a reference to the right of a holder of Exchangeable Shares to direct the exercise, at meetings of holders of Trust Units, of voting rights attributable to such Exchangeable Shares;

7.6 the Trust remains the direct or indirect beneficial owner of all of the issued and outstanding voting securities of New Enterra; and

7.7 New Enterra does not issue any preferred shares or debt obligations other than to its affiliates or to banks, loan corporations, trust corporations, treasury branches, credit unions, insurance companies or other financial institutions.

November 26, 2003.

"Glenda A. Campbell"

"Stephen R. Murison"

2.1.10 Echo Bay Mines Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - issuer meets the requirements set out in CSA Staff Notice 12-307 - issuer deemed to have ceased to be a reporting issuer.

Applicable Ontario Statutory Provisions

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

November 26, 2003

Cassels Brock & Blackwell LLP

2100 Scotia Plaza, 40 King St. West
Toronto, Ontario – M5H 3C2

Attention: Mr. Patrick Gleeson

Dear Mr. Gleeson:

Re: Echo Bay Mines Ltd. (the Applicant) - application to cease to be a reporting issuer under the securities legislation of the provinces of Alberta, Saskatchewan, Ontario, Quebec, Nova Scotia and Newfoundland and Labrador (collectively, the Jurisdictions)

The Applicant has applied to the local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions for a decision under the securities legislation (the Legislation) of the Jurisdictions to be deemed to have ceased to be a reporting issuer in the Jurisdictions.

As the Applicant has represented to the Decision Makers that,

- the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada;
- no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;
- the Applicant is applying for relief to cease to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and
- the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

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 and orders that the Applicant is deemed to have ceased to be a reporting issuer.

"Iva Vranic"

2.1.11 1073691 Alberta Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications. Relief from prospectus requirements for trades made in connection with a statutory arrangement; relief from the requirement to have current AIF filed on SEDAR in order to be a qualifying issuer for the purposes of MI 45-102; deeming Newco to be a reporting issuer at the time of the arrangement.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53, 74(1), and 83.1(1).

Applicable Instruments

Multilateral Instrument 45-102 Resale of Securities.

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
ONTARIO, QUÉBEC, NOVA SCOTIA,
NEW BRUNSWICK, 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
CELL-LOC INC., 1073691 ALBERTA LTD. AND
CAPITOL ENERGY RESOURCES INVESTMENT
PARTNERSHIP**

MRRS DECISION DOCUMENT

1. **WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Ontario, Québec, Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador (the "Jurisdictions") has received an application (the "Application") from 1073691 Alberta Ltd. ("Newco") for a decision under the securities legislation of the Jurisdictions (the "Legislation"), in connection with a proposed plan of arrangement (the "Arrangement") under the *Business Corporations Act* (Alberta) (the "ABCA") involving Newco, Cell-Loc Inc. ("Cell-Loc"), Capitol Energy Investment Partnership (the "Partnership"), and the holders ("Cell-Loc Shareholders") of common shares of Cell-Loc ("Common Shares"), the holders ("Cell-Loc Warrantholders") of warrants ("Warrants") and holders ("Cell-Loc Optionholders") of options ("Options") to purchase Common Shares (the

Cell-Loc Shareholders, Cell-Loc Warrantholders and Cell-Loc Optionholders collectively known as the "Cell-Loc Securityholders"), that:

- 1.1 the requirements contained in the Legislation of Alberta, Saskatchewan, Ontario, New Brunswick, Prince Edward Island and Newfoundland and Labrador to file a preliminary prospectus and a prospectus, and to receive receipts therefore (the "Prospectus Requirement"), in certain of the Jurisdictions, shall not apply to first trades of securities to be made in connection with the Arrangement;
- 1.2 would deem or declare Newco to be a reporting issuer at the time of the Arrangement becoming effective for the purposes of the Legislation in the Jurisdictions, other than British Columbia and Québec; and
- 1.3 the requirement of Newco to have a "current AIF" filed on SEDAR in order to be considered a "qualifying issuer" under Multilateral Instrument 45-102 ("MI 45-102"), and in order to qualify for the shortened hold period contemplated by the decision no. 2003-C-0377 (the "CVMQ Resale Decision") of the Commission de valeurs mobilières du Québec ("CVMQ"), would not apply.

2. **AND WHEREAS** under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Alberta Securities Commission is the Principal Regulator for the Application;
3. **AND WHEREAS** unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions or Québec Commission Notice 14-101;
4. **AND WHEREAS** Newco and Cell-Loc have represented to the Decision Makers that:

Background

- 4.1 On September 25, 2003, Cell-Loc announced that it had entered into an agreement in respect of the Arrangement to be effected pursuant to a statutory plan of arrangement under Section 193 of the ABCA. The Arrangement will be carried out pursuant to an arrangement agreement (the "Arrangement Agreement") dated November 3, 2003 among the Partnership, Newco and Cell-Loc. While the mechanics of the Arrangement are more precisely described below under the heading "The Arrangement Steps", the effect of the

Arrangement will be to transfer Cell-Loc's existing technology assets to a new subsidiary company, Newco, to distribute all the common shares of Newco (the "Newco Shares") to the existing Cell-Loc Shareholders as a return of capital, by providing Cell-Loc Shareholders (other than dissenting Cell-Loc Shareholders) with one Newco Share for each Common Share held, and to convert Cell-Loc into an oil and gas exploration and production company, to be known as Capitol Energy Resources Ltd., all concurrent with an investment by third parties by way of private placement that would result in an infusion of cash to both Newco and Cell-Loc.

- 4.2 The information circular (the "Information Circular") describing the Arrangement, which is dated November 3, 2003, has been printed and mailed to the Cell-Loc Securityholders.

Cell-Loc

- 4.3 Cell-Loc was incorporated under the ABCA on June 30, 1995 under the name "Cell-Loc Inc.". Cell-Loc's name was changed to "Cell-Loc Inc." on September 12, 1996. On July 1, 2000, Cell-Loc amalgamated with its wholly-owned subsidiary, Intelligent Databases International Ltd., continuing as "Cell-Loc Inc.". The head office of Cell-Loc is located at Suite #220, Franklin Atrium, 3015 - 5th Avenue N.E., Calgary, Alberta T2A 6T8 and the registered office of Cell-Loc is located at 3700, 400 - 3rd Avenue S.W., Calgary, Alberta, T2P 4H2.
- 4.4 Cell-Loc's business involves the development and marketing of patented and patent-pending network-based wireless location technology that forms the basis of its Collocate^d family of products which enable location-based services, as well as the construction of wireless location networks within cities.
- 4.5 The authorized capital of Cell-Loc consists of an unlimited number of Common Shares, of which, as at October 31, 2003, 33,395,958 Common Shares were issued and outstanding. Also, as of October 31, 2003, 2,103,868 Common Shares were issuable in connection with the exercise of outstanding Options, and 3,887,324 Common Shares were issuable in connection with the exercise of outstanding Warrants.

4.6 Cell-Loc is, and has been for a period of time in excess of 12 months, a reporting issuer under the securities legislation of Alberta, British Columbia, Manitoba, Saskatchewan, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador and, to the best of its knowledge, is not in default of any requirement under the Legislation.

4.7 The Common Shares are listed and posted for trading on the Toronto Stock Exchange (the "TSX") under the trading symbol "CLQ".

Newco

4.8 Newco was incorporated under the ABCA as 1073691 Alberta Ltd. on October 29, 2003. Newco's head office is located at Suite #220, Franklin Atrium, 3015 – 5th Avenue N.E., Calgary, Alberta, T2A 6T8, and its registered office is located at #3500, 855 – 2nd Street S.W., Calgary, Alberta, T2P 4J8.

4.9 Newco has not conducted any business to date, but has executed the Arrangement Agreement.

4.10 The authorized capital of Newco consists of an unlimited number of Newco Shares. As of the date hereof, there is one Newco Share issued and outstanding, which Newco Share is owned by Cell-Loc.

4.11 Newco is not a reporting issuer in any Jurisdiction.

4.12 Upon completion of the Arrangement, all of Cell-Loc's assets relating to its existing wireless location intellectual property business, including Cell-Loc's interest in its subsidiaries, TimesThree Inc., TimesThree (Barbados) Inc. and Cellocate Technologies (Barbados) Inc. (collectively, the "Technology Assets"), will have been acquired by Newco pursuant to a purchase and sale agreement between Cell-Loc and Newco effective December 1, 2003 (the "Purchase and Sale Agreement").

4.13 Newco intends to apply to the TSX Venture Exchange (the "TSXV") to have the Newco Shares listed on the TSXV upon the completion of the Arrangement.

The Arrangement

4.14 On November 3, 2003, Cell-Loc obtained an interim order (the "Interim Order") of the Court of Queen's Bench of Alberta

(the "Court") under section 193 of the ABCA providing for the calling and holding of the annual and special meeting (the "Meeting") of Cell-Loc Securityholders, and other procedural matters. The Meeting is anticipated to be held on or about December 1, 2003.

4.15 The Interim Order provides that the resolution of the Cell-Loc Securityholders approving the Arrangement (the "Arrangement Resolution") is required to be approved by at least 66 2/3% of the aggregate votes cast by the Disinterested Securityholders, voting together as a single class, present in person or by proxy at the Meeting. Each Cell-Loc Shareholder is entitled to one vote for each Common Share held, and each Cell-Loc Optionholder and each Cell-Loc Warrantholder is entitled to one vote for each Common Share such holder would be entitled to receive upon the valid exercise of the Options or Warrants, as applicable. Where used herein, "Disinterested Securityholders" means all Cell-Loc Securityholders other than those Cell-Loc Securityholders who are members of the Investor Group or are the nominees for election as directors of Cell-Loc as outlined in the Information Circular, and "Investor Group" means a group of investors, acting directly and through the Partnership, which will contribute \$4.9 million to Cell-Loc by way of a private placement financing pursuant to the Arrangement.

4.16 In connection with the Meeting and pursuant to the Interim Order, Cell-Loc mailed, on November 3, 2003 to each Cell-Loc Securityholder: (i) a notice of annual and special meeting; (ii) a form of proxy; (iii) the Information Circular; and (iv) a letter of transmittal. The Information Circular has been prepared substantially in accordance with OSC Rule 54-501, Prospectus Disclosure in Certain Information Circulars, except with respect to any relief granted therefrom, and contains disclosure of the Arrangement and the business and affairs of each of Cell-Loc, the Partnership and Newco.

4.17 For the Arrangement to become effective, a number of transactions and trades, which are outlined in section 4.20, must take place. Such transactions and trades are set out in the Plan of Arrangement the details of which are disclosed in the Information Circular. No

- one transaction or trade will be effective unless all are effective.
- 4.18 In connection with the Arrangement, the Independent Committee of the Board of Directors of Cell-Loc asked Peters & Co. Limited to address the fairness, from a financial point of view, of the consideration to be received by Cell-Loc Shareholders pursuant to the Arrangement. In connection with this mandate, Peters & Co. Limited has prepared an opinion which states that, as of the date of the opinion, the consideration under the Arrangement is fair, from a financial point of view, to the Cell-Loc Shareholders.
- 4.19 The Arrangement also provides that Cell-Loc Securityholders will have the ability to exercise dissent rights and to be paid the fair value of their Common Shares, Options and/or Warrants, as applicable, as set forth under the ABCA, subject to modifications set out by the Interim Order.
- The Arrangement Steps**
- 4.20 The Arrangement Agreement provides for the implementation of the Plan of Arrangement which provides for the following transactions to occur on the effective date of the Arrangement:
- 4.20.1.1. the Articles of Incorporation of Cell-Loc will be amended to create a new class of non-voting common shares (the "Non-Voting Common Shares") in the capital of Cell-Loc and a new class of voting common shares designated as "new common shares" (the "New Common Shares") in the capital of Cell-Loc;
- 4.20.2 the Articles of Incorporation of Cell-Loc will also be amended to change its name from "Cell-Loc Inc." to "Capitol Energy Resources Ltd.";
- 4.20.3 \$2.5 million will be invested in Cell-Loc by the Partnership and the Investor Group, at the price of \$0.829373 per share (the "Subscription Price"), in consideration for the issuance of an aggregate of 30,143,252 Non-Voting Common Shares;
- 4.20.4 the Technology Assets, together with the associated contractual obligations and liabilities and the amount of \$2.5 million in cash (invested as per paragraph (c) above) will be transferred by Cell-Loc to Newco in consideration for: (i) that number of Newco Shares equal to the number of Common Shares outstanding immediately prior to the Arrangement (being, as at October 31, 2003, 33,395,958 Newco Shares) less one; and (ii) an indemnification given by Newco to Cell-Loc and its directors, officers and employees;
- 4.20.5 each Option held by a Cell-Loc Optionholder (other than Options held by dissenting Cell-Loc Optionholders) will be exchanged for a New Options ("New Options" means one option to acquire a Newco Share for each Option held and one option to acquire a New Common Share for each two Options held);
- 4.20.6 Cell-Loc will acquire all outstanding Common Shares from the holders thereof (other than holders that are dissenting Cell-Loc Shareholders) and shall deliver in exchange for each Common Share held one-half (1/2) of one New Common Share and one Newco Common Share, in each case free of any claims. The Common Shares acquired by Cell-Loc will be cancelled and returned to the status of authorized but unissued shares;
- 4.20.7 the stated capital of the New Common Shares issued pursuant to the exchange set forth in paragraph (f) above shall be reduced to the amount of \$1.00;
- 4.20.8 each Warrant held by a Cell-Loc Warrantholder (other than Warrants held by dissenting Cell-Loc Warrantholders) will be exchanged for New Warrants ("New Warrants" means, for every two Warrants held, one warrant in Cell-Loc and two warrants in Newco);

- 4.20.9 the Warrants and Options shall be cancelled and terminated and cease to represent any right or claim whatsoever;
- 4.20.10 an additional \$2.2 million will be invested in Cell-Loc by the Partnership and the Investor Group, at the Subscription Price, in consideration for the issuance of an aggregate of 15,275,490 Non-Voting Common Shares and 11,250,523 New Common Shares;
- 4.20.11 of the total investment in Cell-Loc by the Partnership and the Investor Group of \$4.9 million (being comprised of the investments described in paragraphs (c) and (j) above and the purchase from Cell-Loc by certain members of the Investor Group prior to the date hereof of \$200,000 aggregate principal amount of non-interest bearing, unsecured, redeemable, convertible debentures): (i) \$2.5 million shall be funded to Newco as per paragraph (d) above; (ii) \$1.2 million will be retained by Cell-Loc for the purpose of meeting trades payable and other liabilities of Cell-Loc relating to the period up to the completion of the Arrangement (with Cell-Loc providing Newco, on or before the effective time of the Arrangement, with executed unconditional releases from all creditors receiving such payments, together with a full and complete accounting to Newco respecting all such payments); (iii) \$1 million will be retained by Cell-Loc for ongoing working capital; and (iv) the remaining \$200,000 will be applied by Cell-Loc towards working capital required during the period up to the effective time of the Arrangement;
- 4.20.12 the articles of Cell-Loc will be amended by deleting the Common Shares and the rights privileges, restrictions and conditions attaching thereto and by re-designating the New Common Shares as the "common shares" of Cell-Loc; and
- 4.20.13 Cell-Loc will make an application to list the New Common Shares on the TSXV.
- 4.21 No fractional New Common Shares will be issued pursuant to the Arrangement. In the event the Arrangement results in a registered Cell-Loc Shareholder becoming entitled to a fractional New Common Share, in lieu of any fractional New Common Share, such registered Cell-Loc Shareholder will receive the next lowest number of New Common Shares. Additionally, no fractional New Options or New Warrants will be issued pursuant to the Arrangement and, in lieu of any such fractional New Options or New Warrants, such Securityholder shall receive the next lowest number of New Options or New Warrants, as applicable.
- 4.22 The end result of the trades described above is that: (a) each holder of a Common Share will receive one Newco Share; (b) the Technology Assets will be transferred to Newco and Newco will be owned by the existing Cell-Loc Shareholders; and (c) Cell-Loc will change its name to Capitol Energy Resources Ltd. and be converted into an oil and gas exploration and production company.
- General**
- 4.23 The Information Circular in connection with the Arrangement provided to all Securityholders, and filed in all of the Jurisdictions contains (or, to the extent permitted, incorporates by reference) prospectus-level disclosure regarding the business of Cell-Loc, Newco and Capitol Energy Resources Ltd., including pro forma financial statements for the portions of the business to be acquired by Newco pursuant to the Purchase and Sale Agreement, and complete descriptions of Cell-Loc's Technology Assets and technology business, directors and officers, share capital and all other items required to be included in prospectuses under National Instrument 41-501 General Prospectus Requirements. Audited financial statements for Cell-Loc, which essentially represent the business to be acquired by Newco, are available on SEDAR.
- 4.24 The Technology Assets that will be transferred to Newco from Cell-Loc

pursuant to the Arrangement have been the subject of continuous disclosure on an ongoing basis for more than 12 months, in accordance with Cell-Loc's responsibilities as a reporting issuer.

4.25 The Arrangement will require the approval of the Cell-Loc Securityholders, voting as ordered in the Interim Order of the Court, and of the Court. In considering whether to approve the arrangement, the Court will consider whether the Arrangement is fair to such Cell-Loc Securityholders.

4.26 The Board of Directors of Cell-Loc has (i) received a fairness opinion from Peters & Co. Limited to the effect that the consideration received by the Cell-Loc Shareholders under the Arrangement is fair, from a financial point of view, to Cell-Loc Shareholders, (ii) approved the Arrangement and (iii) recommended that Cell-Loc Securityholders vote in favour of the Arrangement.

4.27 Holders of Common Shares, Warrants and Options will have the right to dissent from the Arrangement under Section 191 of the ABCA, and the Information Circular discloses full particulars of this right in accordance with applicable law.

4.28 Exemptions from registration and prospectus requirements of the legislation of Québec in respect of trades made in securities of Newco in connection with the Arrangement and exemptions from prospectus requirements of the Legislation in respect of first trades in Newco Shares following the Arrangement may not be otherwise available in certain Jurisdictions.

4.29 under securities legislation, Newco would not become a reporting issuer upon completion of the Arrangement but would be deemed to be a reporting issuer upon the listing of the Newco Shares on the TSXV which might occur after completion of the Arrangement.

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

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

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

7.1 the Prospectus Requirement contained in the Legislation of Alberta, Saskatchewan, Ontario, New Brunswick, Prince Edward Island and Newfoundland and Labrador shall not apply to the first trade in Newco Shares acquired by Cell-Loc Shareholders in connection with the Arrangement and the first trade of Newco Shares acquired by Cell-Loc Securityholders on the exercise of all rights, automatic or otherwise, under warrants and options to purchase Newco Shares, provided that the conditions in subsections (3) or (4) of section 2.6 of MI 45-102 are satisfied and, for the purposes of determining the period of time that Newco has been a reporting issuer under section 2.6 of MI 45-102, the period of time that Cell-Loc was a reporting issuer in at least one of the jurisdictions listed in Appendix B of MI 45-102 immediately before the Arrangement may be included;

7.2 upon completion of the Arrangement:

7.2.1 in British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia and Newfoundland and Labrador, the requirement contained in the Legislation to have a "current AIF" filed on SEDAR in order to be a "qualifying issuer" for the purposes of MI 45-102 shall not apply to Newco provided that:

7.2.1.1 Newco files a notice on SEDAR advising that the Information Circular has been filed as an alternate form of annual information form and identifying the SEDAR Project Number under which the Information Circular was filed; and

7.2.1.2 Newco files a Form 45-102F2 on or before the tenth day after the distribution day of any securities certifying that it is a "qualifying issuer" except for the requirement to have a "current AIF"; with

such order to expire 140 days after Newco's financial year ended June 30, 2004; and

7.2.2 in Québec, the Information Circular shall be deemed to be the annual information form required in accordance with National Instrument 44-101, Short Form Prospectus Distributions, for the purposes of Newco qualifying for the shortened hold period contemplated by the CVMQ Resale Decision of the CVMQ, with such order to expire 140 days after Newco's financial year ended June 30, 2004;

7.3 Newco shall upon completion of the Arrangement be deemed or declared to be a reporting issuer for the purposes of the Legislation of the Jurisdictions, other than British Columbia and Québec.

December 1, 2003.

"Glenda A. Campbell"

"Stephen R. Murison"

2.2 Orders

2.2.1 Brian Anderson et al. - ss. 127(1) and 127(5)

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

AND

**IN THE MATTER OF
BRIAN ANDERSON, LESLIE BROWN,
DOUGLAS BROWN, DAVID SLOAN AND
FLAT ELECTRONIC DATA INTERCHANGE
(a.k.a. F.E.D.I.)**

**ORDER
(Subsection 127(1) & 127(5))**

WHEREAS on June 5, 2003, the Commission ordered pursuant to section 127(5) of the *Securities Act* that trading in a seat on the Flat Electronic Data Interchange ("FEDI") by the Respondents cease and that the Respondents not provide to a person or company copies of documents affixed to the order as Schedules "A" to "H";

AND WHEREAS on June 11, 2003, the Ontario Securities Commission issued a Notice of Hearing pursuant to section 127 of the *Securities Act* wherein Staff of the Commission sought, among other relief, a continuation of the Temporary Order;

AND WHEREAS on June 18, 2003, the Commission heard submissions from Staff and submissions for Counsel for Brian Anderson, Leslie Brown, Douglas Brown and David Sloan (the "Individual Respondents");

AND WHEREAS on June 18, 2003, Staff of the Commission advised that the Respondent FEDI had not been served with the Temporary Order, Notice of Hearing or Statement of Allegations, and were therefore not seeking to extend the temporary order against FEDI;

AND WHEREAS the Individual Respondents and Staff each consented to continue the hearing on July 11, 2003;

AND WHEREAS on July 11, 2003, the Individual Respondents and Staff each consented to continue the hearing on September 15, 2003, or as soon thereafter as a panel could be constituted;

AND WHEREAS thereafter the Secretary notified all parties of a hearing date of September 18, 2003;

AND WHEREAS on August 8, 2003 FEDI was served in New York, New York, with the Notice of Hearing and Statement of Allegations, and was provided with notice of the hearing date of September 18, 2003;

AND WHEREAS no one appeared on September 18, 2003 on behalf of FEDI, although properly served;

AND WHEREAS on September 18, 2003 the Commission ordered that the Temporary Order be continued until further order of the Commission, following the hearing to commence on or about December 1, 2003;

AND WHEREAS thereafter Staff of the Commission notified the Individual Respondents of a hearing date of November 25, 2003;

AND WHEREAS the Individual Respondents and Staff each consent to Staff's request, for the purpose of allowing Staff to continue its investigation in this matter, to adjourn the hearing date scheduled for November 25, 2003 and to further continue this Order pending a hearing on the merits of the issue of continuing the Temporary Order;

IT IS THEREFORE ORDERED that the Temporary Order issued June 5, 2003, continued as against the Individual Respondents on June 18, 2003, continued further on July 11, 2003, and continued further September 18, 2003, be continued until further order of the Commission, following the hearing to commence on or about April 19, 2004, or as soon thereafter as a panel may be constituted.

November 25, 2003.

"Lorne Morphy"

"Robert Shirriff"

"Wendell Wigle"

2.2.2 Loring Ward International Ltd. - ss. 83.1(1)

Headnote

Issuer spun off from a reporting issuer in connection with a plan of arrangement deemed to be a reporting issuer where parent company has been a reporting issuer for more than 12 months and the assets that will make up the business of the spun off issuer have been subject to reporting in the continuous disclosure filings of the parent company. Prospectus level disclosure of the spun off entity to be provided in the information circular.

Ontario Statutes

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 83.1(1).

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

AND

**IN THE MATTER OF
LORING WARD INTERNATIONAL LTD.**

**ORDER
(Subsection 83.1(1))**

UPON the application of Loring Ward International Ltd. (formerly LM Solutions Ltd. and formerly Assante Newco III Ltd.) (US Co) to the Ontario Securities Commission (the Commission) for an order pursuant to subsection 83.1(1) of the Act deeming US Co to be a reporting issuer for the purposes of Ontario securities laws upon completion of the proposed plan of arrangement (the Arrangement) involving Assante Corporation (Assante), US Co and CI Fund Management Inc. (CI);

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

AND UPON US Co representing to the Commission as follows:

1. Assante is a corporation amalgamated under the laws of Canada. The Assante Common Shares are listed and posted for trading on the Toronto Stock Exchange (the TSX) under the symbol "LMS".
2. Assante is, and has been for a period of time in excess of twelve months, a reporting issuer, or the equivalent, under the securities laws of each of the provinces and territories of Canada and is not on the list of defaulting reporting issuers maintained by the applicable securities regulatory authorities therein.
3. Assante's head office is located at the Commodity Exchange Tower, 15th Floor, 360 Main Street, Winnipeg, Manitoba, Canada.

4. Assante offers its clients in Canada and the United States a large range of products and services which encompass a multidisciplinary approach to financial planning, investment advice, wealth management, estate and succession planning, insurance, business management services, and sports and marketing representation services. Collectively, these products and services form the basis of personalized "Life Management Solutions™".
5. Assante's principal business is the provision of Life Management Solutions™ tailored to meet the specific objectives of Assante's clients. Life Management Solutions™ are a range of products and services that encompass the financial planning and financial management needs of the client. These products and services are developed and/or distributed through Assante's wholly-owned subsidiaries, which include investment counselling firms, portfolio managers, mutual fund managers, securities dealers, mutual fund dealers, life insurance agents, business managers and sports agents. Commencing with 2002, these subsidiaries were organized into two strategic business units on geographical lines: Canada and the United States, which for financial reporting purposes, form Assante's two reportable operating segments.
6. Assante's Canadian subsidiaries provide a wide range of products and services, including the manufacture of investment products such as mutual funds, portfolio management, investment advisory services, distribution of securities (including mutual funds), insurance products, banking and mortgage services and wealth management, including financial, tax and estate planning services.
7. Primarily in the United States, Assante provides business management services, sports representation services, consulting, endorsement and marketing services and tax and estate planning services. Limited sports representation services are also provided in Canada. The term "US operations" refers to this business, even if partly carried on in Canada.
8. As at September 25, 2003, (a) there were 86,709,800 Assante Common Shares issued and outstanding; and (b) up to a maximum of 4,362,726 Assante Common Shares were issuable in connection with the exercise of Assante options (Assante Options).
9. US Co is a corporation incorporated under the laws of Canada and is a wholly-owned direct subsidiary of Assante. US Co is not currently a reporting issuer, or the equivalent, in any jurisdiction in Canada.

10. US Co's head office is expected to be located at the Commodity Exchange Tower, 15th Floor, 360 Main Street, Winnipeg, Manitoba, Canada following the effective time of the Arrangement (the Effective Time).
11. US Co is a holding company that will, prior to the Effective Time, own Assante's US operations.
12. The authorized share capital of US Co consists of an unlimited number of common shares of US Co (the US Co Common Shares), of which there will be outstanding at the Effective Time that number of US Co Common Shares as there are outstanding Assante Common Shares immediately prior to the Effective Time. Assante owns all of the issued and outstanding US Co Common Shares.
13. It is not expected that the US Co Common Shares will be listed or quoted on any stock exchange or other marketplace at the Effective Time, although they are expected to be qualified to trade in the Canadian over-the-counter market. Each year, US Co shareholders are expected to be asked to decide whether US Co should seek a stock exchange listing or other quotation and, if a majority of those voting vote in favour of seeking a stock exchange listing or other quotation, US Co intends to do so. Management of Assante considers that a listing would be premature and that US Co would likely be better able to enhance shareholder value by deferring a listing at this time.
14. CI is a corporation incorporated under the laws of Ontario. The common shares of CI (the CI Common Shares) are listed and posted for trading on the TSX under the symbol "CIX". CI is a reporting issuer, or the equivalent, in each of the provinces in Canada and is not on the list of defaulting reporting issuers maintained by the applicable securities regulatory authorities therein.
15. CI's head office is located at CI Place, 151 Yonge Street, Eleventh Floor, Toronto, Canada M5C 2W7.
16. The principal business of CI is the management, marketing, distribution and administration of mutual funds, segregated funds and other fee-earning investment products for Canadian investors through its wholly-owned subsidiary, CI Mutual Funds Inc. In addition, through its money management subsidiaries, CI manages institutional assets for clients on a global basis.
17. At August 31, 2003, CI's fee-earning assets totalled \$35.4 billion, represented by \$30.3 billion in mutual and segregated funds, \$710 million in labour-sponsored funds, \$193 million in closed-end and other funds and \$4.2 billion in institutional assets. CI markets its funds to Canadian retail investors through over 43,000 financial advisers representing over 2 million retail investment accounts owning CI's funds. CI's share of total Canadian mutual fund assets as reported by the Investment Funds Institute of Canada was 7.1% at May 31, 2003, compared with 4.7% at May 31, 2002.
18. As of September 15, 2003, the authorized and issued capital of CI consisted of the following: an unlimited number of CI Common Shares and an unlimited number of preferred shares, of which 234,573,418 CI Common Shares and no preferred shares were issued and outstanding.
19. As the first step under the Arrangement, persons who hold Assante Common Shares indirectly through a holding company may choose to have such holding company (and if desired a wholly-owned subsidiary of such holding company) amalgamate with Assante in accordance with the terms of a holdco amalgamation agreement and the Arrangement and thereby be issued by Assante the same number of Assante Common Shares that was formerly held by the holding company.
20. Under the terms of the Arrangement, unexercised outstanding Assante Options will be terminated at the Effective Time in exchange for the following and then subsequently cancelled: (a) an option of US Co (US Co Replacement Option); and (b) a new option of Assante (New Assante Option), in each case with exercise prices such that each such new option has an "in-the-money" value proportionate to the values ascribed to US Co and Assante Canada by Assante as at the date of the arrangement agreement (the Arrangement Agreement).
21. Immediately prior to CI's acquisition of the Assante Common Shares, Assante will, subject to the terms and conditions of the Arrangement Agreement, spin-off US Co by distributing the US Co Common Shares to shareholders of Assante (Assante Shareholders) by way of a return of capital. The US Co Common Shares will be issued to each Assante Shareholder, with no necessity to make any election in respect thereof.
22. In respect of the spin-off of US Co, Assante Shareholders are entitled, upon completion of the Arrangement, to receive one US Co Common Share for each Assante Common Share. While uncertain, the board of directors of Assante has estimated, based on a number of factors, and after consultation with its investment bankers, that when spun off as a stand-alone entity without the financial and other support of Assante Canada, the enterprise value of US Co, as at the date of entering into of the Arrangement Agreement, to be within a range of \$118 million to \$136 million, and

- the equity value to be within a range of \$1.20 to \$1.40 per US Co Common Share.
23. The New Assante Options will, depending on their exercise prices, subsequently be treated under the Arrangement as follows: (x) those that were more than \$0.05 "in-the-money" at the date of the Arrangement Agreement (based on a \$9.55 Assante Common Share value), will be exchanged for Assante Common Shares equal to the net value of each New Assante Option based on the agreed transaction price of \$8.25 per Assante Common Share (after deducting the \$1.30 per share value attributed to US Co, based on the mid-point of the range of the estimated values of a US Co Common Share); and (y) those that were "in-the-money" by \$0.05 or less or that were "out-of-the-money" as at the date of the Arrangement Agreement (based on a \$9.55 Assante Common Share value), for cash settled share appreciation rights in respect of CI. All US Co Replacement Options and CI share appreciation rights will be fully vested when issued on the exchange.
 24. After the spin-off of US Co, pursuant to the terms of the Arrangement, for every Assante Common Share, Assante Shareholders will be able to elect to receive all cash (based on \$8.25 per Assante Common Share) or all CI Common Shares (based on an exchange ratio of 0.61543 of a CI Common Share per Assante Common Share), or a combination of the two, in each case subject to pro-rata. If all Assante Shareholders elected to receive only cash or if all Assante Shareholders elected to receive only CI Common Shares, all Assante Shareholders would receive \$1.87 in cash and approximately 0.47574 CI Common Shares per Assante Common Share.
 25. The transaction, including the US Co spin-off, is proposed to be accomplished through the Arrangement under section 192 of the *Canada Business Corporations Act*, as amended (the CBCA), and is subject to a number of conditions, including, among others, approval by applicable regulators, the Superior Court of Justice (Ontario) (the Court) and the holders of Assante Common Shares and Assante Options (collectively, the Assante Securityholders).
 26. The management information circular to be prepared and mailed to Assante Securityholders in connection with a special meeting of Assante Securityholders (currently anticipated to be held on or about November 7, 2003) for the purpose of approving the Arrangement (the Meeting), and filed with the Canadian securities regulatory authorities, will contain prospectus-level disclosure of US Co and CI (incorporated by reference in the case of CI).
 27. An interim order (the Interim Order) of the Court pursuant to the CBCA will be sought to set out certain requirements relating to the approval of the Arrangement by Assante Securityholders. The Interim Order is expected to provide, among other things, that:
 - (a) the approval of not less than 66 2/3% of Assante Securityholders present or voting by proxy (with holders of Assante Common Shares and Assante Options voting together) at the Meeting; and
 - (b) the final approval of the Court;
 must be obtained in order for the Arrangement to be completed.
 28. Upon the completion of the Arrangement, (a) all of the issued and outstanding Assante Common Shares will be held, directly or indirectly, by CI, (b) all Assante Options will have been cancelled and replaced by US Co Replacement Options, and either CI Common Shares and/or cash or CI share appreciation rights; and (c) each Assante Shareholder (other than Assante Shareholders exercising their dissent rights pursuant to the Interim Order) will hold one US Co Common Share for each Assante Common Share held by them at the Effective time.
- AND UPON** the Commission being satisfied that to do so would not be prejudicial to the public interest;
- IT IS ORDERED** pursuant to subsection 83.1(1) of the Act that US Co be deemed to be a reporting issuer for the purposes of Ontario securities law upon the Arrangement becoming effective.
- October 31, 2003.
- "P. M. Moore" "Suresh Thakrar"

**2.2.3 Barclays Global Investors Canada Limited
- s. 147**

Headnote

Exemption for pooled funds from the requirement to file with the Commission interim financial statements under section 77(2) of the Act and comparative financial statements under section 78(1) of the Act, subject to conditions.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5 as am., ss. 74(1).
Ontario Securities Commission Rule 45-501 – Exempt Distributions, s. 1.1 and s. 2.12.
National Instrument 13-101 – System for Electronic Document Analysis and Retrieval (SEDAR), s. 2.1(1)1.

Regulations Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am.

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

AND

**IN THE MATTER OF
BARCLAYS GLOBAL INVESTORS CANADA LIMITED**

AND

**THE POOLED FUNDS LISTED IN SCHEDULE “A”
(the “Existing Pooled Funds”)**

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

UPON the application (the “Application”) of Barclays Global Investors Canada Limited (“BGICL”), the manager of the Existing Pooled Funds and other pooled funds established and managed by BGICL from time to time (collectively, the “Pooled Funds”), to the Ontario Securities Commission (the “Commission”) for an order pursuant to subsection 147 of the Act exempting the Pooled Funds from filing with the Commission the interim and comparative financial statements prescribed by sections 77(2) and 78(1), respectively, of the Act (the Requirements);

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

AND UPON BGICL having represented to the Commission that:

1. BGICL is a corporation existing under the laws of Ontario with its head office in Toronto, Ontario. BGICL is, or will be, the manager of the Pooled Funds. BGICL is registered with the Commission

as a limited market dealer and adviser in the categories of investment counsel and portfolio manager and commodity trading manager.

2. The Pooled Funds are, or will be, open-end mutual fund trusts established under the laws of the Province of Ontario. The Pooled Funds will not be reporting issuers in any province or territory of Canada. Units of the Pooled Funds are, or will be, distributed in each of the provinces and territories of Canada without a prospectus pursuant to exemptions from the registration and prospectus delivery requirements of applicable securities legislation.
3. The Pooled Funds are an administratively efficient construction that is designed to permit BGICL to build larger investment models rather than reproduce those same models in individual segregated accounts.
4. The Pooled Funds fit within the definition of “mutual fund in Ontario” in section 1(1) of the Act and are thus required to file with the Commission interim financial statements under section 77(2) of the Act and comparative financial statements under section 78(1) of the Act (collectively, the “Financial Statements”).
5. Unitholders of the Pooled Funds receive the Financial Statements for the Pooled Funds they hold. The Financial Statements are prepared and delivered to unitholders in the form and for the periods required under the Act and the regulation or rules made thereunder (the “Regulation”). BGICL and the Pooled Funds will continue to rely on subsection 94(1) of the Regulation and will omit statements of portfolio transactions from the Financial Statements (such statements from which the statement of portfolio transactions have been omitted, the “Permitted Financial Statements”).
6. As required by subsection 94(1) of the Regulation, the Permitted Financial Statements will contain a statement indicating that additional information as to portfolio transactions will be provided to a Unitholder without charge on request to a specified address and,
 - (a) the omitted information shall be sent promptly and without charge to each Unitholder that requests it in compliance with the indication; and
 - (b) where a person or company requests that such omitted information be sent routinely to that Unitholder, the request shall be carried out while the information continues to be omitted from the subsequent Financial Statements unit the Unitholder requests, or agrees to, termination of the arrangement or is no longer a Unitholder.

7. Section 2.1(1)1 of National Instrument 13-101 — System for Electronic Document Analysis and Retrieval (SEDAR) (“Rule 13-101”) requires that every issuer required to file a document under securities legislation make its filing through SEDAR. The Financial Statements filed with the Commission thus become publicly available.

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

IT IS ORDERED by the Commission pursuant to subsection 147 of the Act that the Pooled Funds be exempt from the Requirements provided:

- (a) The Pooled Funds will prepare and deliver to the unitholders of the Pooled Funds the Permitted Financial Statements, in the form and for the periods required under the Act and the Regulation;
- (b) The Pooled Funds will retain the Financial Statements indefinitely;
- (c) The Pooled Funds will provide the Financial Statements to the Commission or any member, employee or agent of the Commission immediately upon request of the Commission or any member, employee or agent of the Commission;
- (d) The Pooled Funds will provide a list of the Pooled Funds relying on this Order to the Investment Funds Branch of the Commission on an annual basis;
- (e) Unitholders of the Pooled Funds will be notified that the Pooled Funds are exempted from the requirements in sections 77(2) and 78(1) of the Act to file the Financial Statements with the Commission;
- (f) In all other aspects, the Pooled Funds will comply with the requirements in Ontario securities law for financial statements.

December 2, 2003.

“Paul M. Moore”

“Theresa McLeod

Schedule A

BGICL Active Canadian Equity Fund
 BGICL Asset Allocation Overlay Fund
 BGICL Balanced Fund
 BGICL Canada Market Neutral Fund
 BGICL Canadian Alpha Bond Fund
 BGICL Capped Active Canadian Equity Fund
 BGICL Capped S&P/TSX Composite Index Fund
 BGICL Commodity Fund
 BGICL Daily Active Canadian Equity Fund
 BGICL Daily Aggressive Balanced Index Fund
 BGICL Daily Conservative Balanced Index Fund
 BGICL Daily EAFE Equity Index Fund
 BGICL Daily Moderate Balanced Index Fund
 BGICL Daily S&P/TSX Composite Index Fund
 BGICL Daily Synthetic U.S. Equity Index Fund
 BGICL Daily U.S. Equity Index Fund
 BGICL Daily Universe Bond Index Fund
 BGICL EAFE Currency Overlay Fund
 BGICL EX BB Universe Bond Index Fund
 BGICL Global Market Selection Fund
 BGICL Hedged Synthetic EAFE Index Fund
 BGICL Hedged Synthetic U.S. Equity Index Fund
 BGICL Hedged Synthetic U.S. Mid-Cap Equity Index Fund
 BGICL Large Cap Active Canadian Equity Fund
 BGICL Long Bond Index Fund
 BGICL Real Return Bond Index Fund
 BGICL S&P/TSX Composite Index Fund
 BGICL Short Term Investment Fund
 BGICL Small Cap Active Canadian Equity Fund
 BGICL U.S. Alpha Tilts Fund
 BGICL U.S. Equity Index Fund (Canada)
 BGICL Unhedged Synthetic EAFE Equity Index Fund
 BGICL Unhedged Synthetic Russell 3000 Index Fund
 BGICL Unhedged Synthetic U.S. Equity Index Fund
 BGICL Universe Bond Index Fund
 BGICL US Currency Overlay Fund

2.3 Rulings

2.3.1 Financial 15 Split Corp. - ss. 74(1)

Headnote

Subsection 74(1) - Exemption from sections 25 and 53 of the Act in connection with the writing of over-the-counter covered call options by the issuer, subject to certain conditions.

Statutes Cited

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

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

AND

**IN THE MATTER OF
FINANCIAL 15 SPLIT CORP.**

**RULING
(Subsection 74(1) of the Act)**

UPON the application (the "Application") of Financial 15 Split Corp. (the "Company") to the Ontario Securities Commission (the "Commission") for a ruling, pursuant to subsection 74(1) of the Act, that the writing of certain over-the-counter covered call options ("OTC Options") by the Company shall not be subject to section 25 or 53 of the Act;

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

AND UPON the Company having represented to the Commission that:

1. The Company is a mutual fund Company, incorporated under the laws of Ontario. Quadravest Inc. (the "Manager") is the manager of the Company.
2. The Company is a mutual fund within the meaning of that term in subsection 1(1) of the Act.
3. In connection with an offering of Preferred Shares ("Preferred Shares") and Class A Shares ("Class A Shares") of the Company (the "Offering"), the Company filed a preliminary prospectus (the "Preliminary Prospectus") dated September 30, 2003 with the Commission and with the securities regulatory authority in each of the other provinces of Canada under SEDAR Project No. 577284.
4. Quadravest Capital Management Inc. ("Quadravest") will act as the portfolio adviser of the Company.

5. Quadravest is registered under the Act as an adviser in the categories of "investment counsel" and "portfolio manager" and as a dealer in the category of "mutual fund dealer".

6. The Company's objectives are (i) in respect of its Preferred Shares, to provide holders of the Preferred Shares with fixed, cumulative preferential monthly cash dividends in the amount of \$0.04375 per Preferred Share to yield 5.25% per annum; and on or about December 1, 2008 (the "Termination Date"), to pay such holders of such shares the original issue price of those shares pursuant to their redemption on the Termination Date; and (ii) in respect of the Class A Shares, to provide holders of Class A Shares with regular monthly cash dividends initially targeted to be \$0.10 per Class A Share to yield 8.0% per annum; and on or about the Termination Date, to pay holders of Class A Shares the original issue price of those shares pursuant to their redemption on the Termination Date. Holders of the Class A Shares will also be entitled to receive, on the Termination Date, the balance, if any, of the remaining assets of the Company after returning the original issue price to the holders of the Preferred Shares and Class A Shares.

7. The net proceeds of the Offering, net of expenses, will be invested primarily in a portfolio of common shares (the "Portfolio") which will include each of 15 financial services companies listed below:

No.	Issuers
Canadian Issuers	
1.	Bank of Montreal
2.	The Bank of Nova Scotia
3.	Canadian Imperial Bank of Commerce
4.	Royal Bank of Canada
5.	The Toronto-Dominion Bank
6.	National Bank of Canada
7.	Manulife Financial Corporation
8.	Sun Life Financial Services of Canada Inc.
9.	Great-West Lifeco Inc.
10.	CI Fund Management Inc.
U.S. Issuers	
11.	Bank of America Corp.
12.	Citigroup Inc.
13.	JP Morgan Chase & Co.
14.	Bank One Corp.
15.	Wells Fargo & Co.

8. To generate additional returns above the net capital gains, dividends and interest income earned on the Portfolio and to reduce risk, the Company will from time to time write covered call options in respect of all or part of the securities in the Portfolio. Such call options may be either exchange traded options or OTC Options. OTC Options will be written by the Company only in

respect of securities that are in the Portfolio and the investment restrictions of the Company prohibit the sale of securities that are subject to an outstanding option.

9. The writing of covered call options by the Company will be managed by QuadraVest in a manner consistent with the investment objectives of the Company.
10. The individual securities in the Portfolio which are subject to call options and the terms of such call options will vary from time to time based on QuadraVest's assessment of market conditions.
11. The purchasers of OTC Options written by the Company will generally be major Canadian financial institutions and all purchasers of OTC Options will be persons or entities described in Appendix A attached hereto.
12. The writing of OTC options by the Company will not be used as a means for the Company to raise new capital.

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

IT IS RULED, pursuant to subsection 74(l) of the Act, that the writing of OTC Options by the Company, as contemplated by this ruling, shall not be subject to section 25 or 53 of the Act provided that:

- a) the portfolio adviser advising the Company with respect to such activities is registered as an adviser under the Act and meets the proficiency requirements for advising with respect to options;
- b) each purchaser of an OTC Option written by the Company is a person or entity described in Appendix A to this ruling; and
- c) a receipt for the (final) prospectus has been issued by the Director under the Act.

October 21, 2003.

"Paul M. Moore"

"H. Lorne Morphy"

APPENDIX A

QUALIFIED PARTIES

Interpretation

- (1) The terms "subsidiary" and "holding body corporate" used in paragraphs (w), (x) and (y) of subsection (3) of this Appendix have the same meaning as they have in the Business Corporations Act.
- (2) All requirements contained in this Appendix that are based on the amounts shown on the balance sheet of an entity apply to the consolidated balance sheet of the entity.

Qualified Parties Acting as Principal

- (3) The following are qualified parties for all OTC derivatives transactions, if acting as principal:

Banks

- (a) a bank listed in Schedule I, II or III to the Bank Act (Canada);
- (b) the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada);
- (c) a bank subject to the regulatory regime of a country that is a member of the Basel Accord, or that has adopted the banking and supervisory rules set out in the Basel Accord, if the bank has a minimum paid up capital and surplus, as shown on its last audited balance sheet, in excess of \$25 million or its equivalent in another currency;

Credit Unions and Caisses Populaires

- (d) a credit union central, federation of caisses populaires, credit union or regional caisse populaire, located, in each case, in Canada;

Loan and Trust Companies

- (e) a loan corporation or trust corporation registered under the Loan and Trust Corporations Act or under the Trust and Loan Companies Act (Canada), or under comparable legislation in any other province or territory of Canada;
- (f) a loan company or trust company subject to the regulatory regime of a country that is a member of the Basel Accord, or that has adopted the banking and supervisory rules set out in the Basel Accord, if the loan company or trust company has a minimum paid up capital and surplus, as shown on its last audited balance sheet, in excess of \$25 million or its equivalent in another currency;

Insurance Companies

- (g) an insurance company licensed to do business in Canada or a province or territory of Canada;
- (h) an insurance company subject to the regulatory regime of a country that is a member of the Basel Accord, or that has adopted the banking and supervisory rules set out in the Basel Accord, if the insurance company has a minimum paid up capital and surplus, as shown on its last audited balance sheet, in excess of \$25 million or its equivalent in another currency;

Sophisticated Entities

- (i) a person or company that, together with its affiliates,
 - (i) has entered into one or more transactions involving OTC derivatives with counterparties that are not its affiliates, if
 - (A) the transactions had a total gross dollar value of or equivalent to at least \$1 billion in notional principal amount; and
 - (B) any of the contracts relating to one of these transactions was outstanding on any day during the previous 15-month period, or
 - (ii) had total gross marked-to-market positions of or equivalent to at least \$100 million aggregated across counterparties, with counterparties that are not its affiliates in one or more transactions involving OTC derivatives on any day during the previous 15-month period;

Individuals

- (j) an individual who, either alone or jointly with the individual's spouse, has a net worth of at least \$5 million, or its equivalent in another currency, excluding the value of his or her principal residence;

Governments/Agencies

- (k) Her Majesty in right of Canada or any province or territory of Canada and each crown corporation, instrumentality and agency of a Canadian federal, provincial or territorial government;
- (l) a national government of a country that is a member of the Basel Accord, or that has adopted the banking and supervisory rules of the Basel Accord, and each instrumentality and agency of

that government or corporation wholly-owned by that government;

Municipalities

- (m) any Canadian municipality with a population in excess of 50,000 and any Canadian provincial or territorial capital city;

Corporations and other Entities

- (n) a company, partnership, unincorporated association or organization or trust, other than an entity referred to in paragraph (a), (b), (c), (d), (e), (f), (g) or (h), with total revenue or assets in excess of \$25 million or its equivalent in another currency, as shown on its last financial statement, to be audited only if otherwise required;

Pension Plan or Fund

- (o) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a provincial pension commission, if the pension fund has total net assets, as shown on its last audited balance sheet, in excess of \$25 million, provided that, in determining net assets, the liability of a fund for future pension payments shall not be included;

Mutual Funds and Investment Funds

- (p) a mutual fund or non-redeemable investment fund if each investor in the fund is a qualified party;
- (q) a mutual fund that distributes its securities in Ontario, if the portfolio manager of the fund is registered as an adviser, other than a securities adviser, under the Act or securities legislation elsewhere in Canada;
- (r) a non-redeemable investment fund that distributes its securities in Ontario, if the portfolio manager of the fund is registered as an adviser, other than a securities adviser, under the Act or securities legislation elsewhere in Canada;

Brokers/Investment Dealers

- (s) a person or company registered under the Act or securities legislation elsewhere in Canada as a broker or an investment dealer or both;
- (t) a person or company registered under the Act as an international dealer if the person or company has total assets, as shown on its last audited balance sheet, in excess of \$25 million or its equivalent in another currency;

Futures Commission Merchants

- (u) a person or company registered under the CFA as a dealer in the category of futures commission

merchant, or in an equivalent capacity elsewhere in Canada;

Charities

- (v) a registered charity under the Income Tax Act (Canada) with assets not used directly in charitable activities or administration, as shown on its last audited balance sheet, of at least \$5 million or its equivalent in another currency;

Affiliates

- (w) a wholly-owned subsidiary of any of the organizations described in paragraph (a), (b), (c), (d), (e), (f), (g), (h), (j), (n), (o), (s), (t) or (u);
- (x) a holding body corporate of which any of the organizations described in paragraph (w) is a wholly-owned subsidiary;
- (y) a wholly-owned subsidiary of a holding body corporate described in paragraph (x);
- (z) a firm, partnership, joint venture or other form of unincorporated association in which one or more of the organizations described in paragraph (w), (x) or (y) have a direct or indirect controlling interest; and

Guaranteed Party

- (aa) a party whose obligations in respect of the OTC derivatives transaction for which the determination is made is fully guaranteed by another qualified party.

Qualified Party Not Acting as Principa

- (4) The following are qualified parties, in respect of all OTC derivative transactions:

Managed Accounts

- 1. Accounts of a person, company, pension fund or pooled fund trust that are fully managed by a portfolio manager or financial intermediary referred to in paragraphs (a), (d), (e), (g), (s), (t), (u) or (w) of subsection (3) or a broker or investment dealer acting as a trustee or agent for the person, company, pension fund or pooled fund trust under section 148 of the Regulation.

Subsequent Failure to Qualify

- (5) A party is a qualified party for the purpose of any OTC derivatives transaction if it, he or she is a qualified party at the time it, he or she enters into the transaction.

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 Reasons for Decisions

3.1.1 Highbridge Financial Advisors, Inc.

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

AND

**IN THE MATTER OF
HIGHBRIDGE FINANCIAL ADVISORS, INC.**

**WRITTEN SUBMISSIONS TO
THE DIRECTOR PURSUANT
TO SUBSECTION 26(3) OF THE ACT**

DATE: November 13, 2003

DIRECTOR: Marianne Bridge
Manager, Compliance
Capital Markets

DIRECTOR'S DECISION

By letter dated October 30, 2003, I, as Manager, Compliance, advised the registrant, Highbridge Financial Advisors, Inc. (Highbridge) that it was deficient in meeting its minimum capital requirements by \$7,237 based on its audited financial statements as at July 31, 2003. Highbridge rectified its capital deficiency by subordinating its shareholder's loan. Highbridge was advised that staff was of the view that its registration as an investment counsel and portfolio manager should be restricted by the imposition of terms and conditions (as attached to the letter). In the October 30, 2003 letter, Highbridge was asked to advise staff whether it accepted the terms and conditions outlined in the letter. If not, the registrant was advised that it could avail itself of the opportunity to be heard by a Director pursuant to section 26(3) of the Act. If the registrant intended to exercise this opportunity, it was asked to provide written notice to the Manager, Compliance.

By letter dated November 10, 2003, Highbridge provided written notice that it intended to exercise its right to be heard before the Director.

The facts in this case are simple. Highbridge's annual audited financial statements showed a capital deficiency of \$7,237 due to an increase in related party debt which was not subordinated. Highbridge's balance sheet shows related party debt of \$70,800, only \$39,900 of which was subordinated. The remainder of the related party debt was

subordinated on October 29, 2003 after staff advised Highbridge that it was capital deficient.

Regulation 107(3) generally requires every adviser to maintain minimum free capital of \$5,000 of working capital (calculated in accordance with generally accepted accounting principles) plus the amount of any deductible under the bonding or insurance policy required under Regulation 108. Working capital (current assets less current liabilities) is a well understood accounting concept.

In its November 10, 2003 letter, Highbridge argues that it should be permitted to calculate its capital using Form 9 of the Regulation – Financial Questionnaire and Report – and that by using that form it had excess free capital of \$23,663. It further argues that staff's working capital definition is prejudicial to all registrants who conservatively classify as a current liability their subordination agreements (as requested by Regulation 111). Further, Highbridge argues that staff has rejected its assertion that its shareholder's loan is stated correctly in its audited financial statements as \$70,800, and instead has chosen to use \$39,900 as its working capital adjustment to its detriment.

Highbridge also questions staff's views regarding the validity of the shareholder's loan. The validity of the loan is not in question here. What is in question is whether Highbridge met its ongoing capital requirements as a registered adviser. In my view, it did not. As a result, based upon my review of the submissions provided by Highbridge, it is my decision that the registration of Highbridge Financial Advisors, Inc. should be restricted by the terms and conditions outlined in the October 30, 2003 letter.

"Marianne Bridge"

SCHEDULE "A"

**TERMS AND CONDITIONS OF REGISTRATION ON
Highbridge Financial Advisors, Inc. (the "Registrant")**

The Registrant shall deliver on a monthly basis with the Compliance section of the Ontario Securities Commission ("the Commission"), attention Financial Analyst, effective with the month ending November 30, 2003, the following information:

- (1) year-to-date unaudited financial statements, which includes a balance sheet and income statement prepared in accordance with generally accepted accounting principles; and
- (2) month end calculation of minimum required capital;

no later than three weeks after each month end.

The above terms and conditions of registration are agreed to by:

Mr. Grant Y. Jung
President

Date

3.1.2 Zdenko Milos

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

AND

**IN THE MATTER OF
ZDENKO MILOS**

**WRITTEN SUBMISSIONS TO
THE DIRECTOR PURSUANT
TO SUBSECTION 26(3) OF THE ACT**

DATE: November 26, 2003

DIRECTOR: Marrianne Bridge
Manager, Compliance
Capital Markets

SUBMISSIONS: Dianna Daley, Registration
Officer
Zdenko Milos (Applicant)

DIRECTOR'S DECISION

Decision

The decision of the Director is to impose terms and conditions on the registration of Zdenko Milos as a salesperson. These are the reasons for the decision.

Background

On September 19, 2003, PFSL Investments Canada Ltd. filed a Financial Disclosure Change Submission on behalf of Zdenko Milos (Applicant). The submission indicated that the Applicant had filed an assignment in bankruptcy on May 6, 2003. The submission also indicated that the Applicant would be given an automatic discharge on February 7, 2004 unless certain defined events occurred.

On October 8, 2003, staff of the Ontario Securities Commission (Commission) sent a letter to the Applicant advising that it had recommended to the Director that the Applicant's registration be subject to terms and conditions. The terms and conditions required written quarterly supervision reports (in a defined format) to be filed. The first quarterly report is to cover the period from October 8, 2003 to January 8, 2004 and is due January 23, 2004.

The October 8, 2003 letter also indicated that, pursuant to subsection 26(3) of the Act, before a decision is made by the Director, the Applicant has an opportunity to be heard. The Applicant may take the opportunity to be heard either by making written submissions to the Director or by appearing in person before the Director. In either case, written notice was required to be delivered by October 22, 2003.

Applicant's submissions

By letter dated October 14, 2003, the Applicant advised that he wanted to exercise his opportunity to be heard before the Director. Further, more substantive submissions were made by letter dated November 5, 2003. In his letters, the Applicant advises that he doesn't think his registration should be subject to terms and conditions for the following reasons:

- "my bankruptcy was not caused by my money mismanagement or careless spending, but because of lack of enough income"
- he "entered the financial business without any previous knowledge of how such business works, what it takes to be self-employed, and the most important, how to find a market with the need for financial products".

He also indicates in his letters that all of his "clients were served in the best possible manner", that his "clients were always properly and professionally served and taken care of", and that he attended every major seminar organized by his company or other financial companies. He also indicates that no client has ever filed a complaint against him. He further argues that keeping him out of business for the period of time contemplated by the terms and conditions would not benefit anyone and would cause confusion to his clients.

Staff's submissions

Staff of the OSC recommended that the standard terms and conditions for quarterly reporting to the OSC be imposed on the Applicant's registration. Suitability for registration has 3 components – proficiency (education and experience), integrity and financial soundness. Filing for personal bankruptcy gave staff concerns regarding the Applicant's continued suitability for registration under the third component.

It is staff's standard practice that terms and conditions for quarterly reporting be imposed on an individual's registration if they file for personal bankruptcy, have a garnishment or receive a Requirement to Pay notice. In isolation, the imposition of these terms and conditions, should not, in staff's view, keep an individual from continuing to conduct registerable activities.

Director's findings

My decision is that the Applicant's registration should be subject to the terms and conditions proposed by staff in their letter dated October 8, 2003 and as attached to these reasons.

Staff have consistently imposed terms and conditions on the registration of an individual that has filed for bankruptcy as it affects the financial soundness and suitability of a registrant. Staff's position is, in my view, consistent with the Commission's mandate of investor protection. As a result, I see no reason why staff's standard practice should

not prevail in these circumstances and I find that terms and conditions (as set out in Schedule A to these reasons) should be imposed on the registration of Mr. Milos.

"Marrianne Bridge"

Exhibit "A"
Proposed Conditions For Registration
Of Zdenko Milos (Registrant)

Written Quarterly Supervision Reports (copy attached) are to be submitted to the Ontario Securities Commission (Attention: Manager, Registrant Regulation) reporting on the details of the Registrant's sales activities and his dealings with clients. The first quarterly report covering the period from October 8, 2003 to January 8, 2004 is due by January 23, 2004. Subsequent reports are due 15 calendar days after the end of each relevant quarterly reporting. These conditions are to continue until the Registrant has satisfied his obligation and presents to the Manager, Registrant Regulation, acceptable evidence that such obligation has been complied with.

Approved Officer for
(Registrant Firm)

Print Name of Signatory Above

Date

Registrant

Date

QUARTERLY SUPERVISION REPORT

I hereby certify that strict supervision has been conducted for the quarter ending _____, 200__ of the trading activities of _____ by the undersigned. I further certify the following:

1. All orders, both buy and sell, and sales contracts have been initialled and reviewed by a senior officer before entry;
2. All client accounts have been reviewed for:
 - a. suitability of investments;
 - b. excess trading or switching and
 - c. client addresses and any amendments thereto;
3. A review of trading activity on a daily basis has been conducted of the salesperson's client accounts.
4. No transactions have been made in any new account until the full and correct documentation is in place.
5. No client complaints have been received during the period covered. (If there have been, please attach a copy of the complaint documentation and the follow-up action initiated by the company).
6. There has been no handling of clients' funds or securities or issuance of cheques to clients without management approval.
7. Any transfer of funds or securities between clients' accounts has been authorized in writing, reviewed and approved by the supervising officer.
8. Spot audits of the salesperson's client accounts have been conducted during the preceding quarter to ensure compliance with these procedures and that no violation of these procedures were discovered.

Date

Approved Officer
(Registrant Firm)

3.1.3 Ahmad Mansur Khan

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

AND

**IN THE MATTER OF
THE REGISTRATION OF
AHMAD MANSUR KHAN**

**OPPORTUNITY TO BE HEARD BY THE DIRECTOR
PURSUANT TO SUBSECTION 26(3) OF THE
SECURITIES ACT**

Date: November 28, 2003

Director: David M. Gilkes
Manager
Registrant Regulation

Submissions: Dianna Daley
Registration Officer

Ahmad Mansur Khan
Registrant

DECISION AND REASONS FOR DECISION

The decision of the Director is to impose terms and conditions upon the registration of Ahmad Mansur Khan (the Registrant). These are the reasons for the decision.

Background

The Ontario Securities Commission (OSC) granted Mr. Khan registration as a salesperson with PFSL Investments Canada Ltd. (PFSL) in January 1998. On September 24, 2003, the OSC was informed by the Registrant's employer, PFSL, that the Registrant had a garnishment placed on his earnings.

On October 8, 2003, Staff sent a letter to the Registrant and PFSL proposing terms and conditions requiring quarterly reporting to the OSC, be imposed on the registration of Ahmad Mansur Khan. The Registrant did not accept the proposal and requested the opportunity to be heard by the Director pursuant to subsection 26(3) of the Act which states:

(3) Refusal – The Director shall not refuse to grant, renew, reinstate or amend registration or impose terms and conditions thereon without giving the applicant an opportunity to be heard.

The other provision relevant to this decision is subsection 26(2) of the Act which states:

(2) Terms and conditions – The Director may in his or her discretion restrict a registration by imposing terms and conditions thereon and, without limiting the generality of the foregoing,

may restrict the duration of registration and may restrict the registration to trades in certain securities or a certain class of securities.

The Registrant requested to be heard through a written submission, which was dated October 17, 2003 and received by the OSC on October 24, 2003.

Summary of the Registrant's Submission

The Registrant asked that his registration be allowed to continue without terms and conditions. Mr. Khan noted that his mutual fund license was suspended by PFSL and as a result his earnings will be reduced until this suspension is finished. He said that PFSL does not provide supervision as required by the terms and conditions.

Summary of Staff's Submission

Staff of the OSC recommended that standard terms and conditions for quarterly reporting to the OSC be imposed on the registration of Ahmad Mansur Khan. The garnishment on his earnings led Staff to have concerns regarding the Registrant's continued suitability for registration.

Suitability for registration has three broad components: proficiency (education and experience), integrity, and financial soundness. The garnishment has a bearing upon the last component. It is Staff's standard practice to impose terms and conditions for quarterly reporting on an individual's registration should that person file for bankruptcy, have a garnishment or receive a Requirement to Pay Notice. In these cases a registrant may make decisions that may not be in the best interest of the investor and as a result mandatory supervision is imposed. In this case Mr. Khan has not provided any reasons why he should not be supervised.

Director's Findings

I find that terms and conditions as set out in Exhibit "A" should be imposed upon the registration of Ahmad Mansur Khan.

Staff have consistently imposed terms and conditions on the registration of an individual who files for bankruptcy, has a garnishment or receives a Requirement to Pay Notice, as it affects the financial soundness and consequently the suitability of a registrant.

The position of Staff is consistent with the OSC mandate of investor protection and for these reasons, I find that terms and conditions should be imposed on the registration of Ahmad Mansur Khan.

November 28, 2003.

"David M. Gilkes"

Exhibit "A"
Terms & Conditions for Registration
of
Ahmad Mansur Khan

1. Written **quarterly** supervision reports (copy attached) are to be submitted to the Ontario Securities Commission (Attention: Manager, Registrant Regulation) reporting on the details of Ahmad Khan's sales activities and his dealings with clients. The first quarterly report covering the period from the date of this letter up to December 31, 2003 is due by January 15, 2004. Subsequent reports are due 15 calendar days after the end of each relevant quarterly reporting period.
2. All handling of clients funds will be strictly supervised by Ahmad Khan's supervising officer.
3. This condition is to continue until Ahmad Khan has fully satisfied his obligation and presents to the Manager, Registrant Regulation, acceptable evidence that same has been complied with.

Approved Officer for
PFSL Investments Canada Ltd.

Print Name of Signatory Above

Date

Ahmad Mansur Khan
Registrant

Date

QUARTERLY SUPERVISION REPORT

I hereby certify that strict supervision has been conducted for the quarter ending _____, 200__, of the trading activities of _____, by the undersigned. I further certify the following:

1. All orders, both buy and sell, and sales contracts have been initialled and reviewed by a senior officer before entry.
2. All client accounts have been reviewed for:
 - suitability of investments
 - excess trading or switching, and
 - client addresses and any amendments thereto
3. A review of trading activity on a daily basis has been conducted of the salesperson's client accounts.
4. No transactions have been made in any new account until the full and correct documentation is in place.
5. No client complaints have been received during the period covered. (If there have been, please attach a copy of the complaint documentation and the follow-up action initiated by the company).
6. There has been no handling of clients' funds or securities or issuance of cheques to clients without management approval.
7. Any transfer of funds or securities between clients' accounts has been authorized in writing and reviewed by the supervising officer.
8. Spot audits of the salesperson's client accounts have been conducted during the preceding month to ensure compliance with these procedures and no violation of these procedures were discovered.

Supervising Officer

Date

3.1.4 Nicholette Stuart-Russell

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

AND

**IN THE MATTER OF
THE REGISTRATION OF
NICHOLETTE STUART-RUSSELL**

**OPPORTUNITY TO BE HEARD BY THE DIRECTOR
PURSUANT TO SUBSECTION 26(3) OF THE
SECURITIES ACT**

Date: November 28, 2003

Director: David M. Gilkes
Manager
Registrant Regulation

Submissions: Jessica Di Renzo
Registration Officer

Nicholette Stuart-Russell
Applicant

DECISION AND REASONS FOR DECISION

The decision of the Director is to grant the application subject to terms and conditions upon the registration of Nicholette Stuart-Russell (**the Applicant**). These are the reasons for the decision.

Background

The Ontario Securities Commission (**OSC**) granted Ms. Stuart-Russell registration as a salesperson with CIBC Securities Inc. (**CIBC**) in September 1993. She left the securities industry in August 1999 to work in the travel industry. Ms. Stuart-Russell returned to the financial sector in May 2001 accepting a position with Royal Bank as an Account Manager/Credit Specialist. On April 29, 2003 the OSC received an application for registration of Ms. Stuart-Russell sponsored by Royal Mutual Fund Inc. (**RMF**).

On April 23, 2003, Staff sent an e-mail to RMF noting that the Applicant had not been registered over the past three years and as a result, her proficiencies had expired. The RMF applied to the OSC for exemption from the proficiencies of a mutual fund salesperson for Ms. Stuart-Russell. RMF noted in the exemption that the Applicant's experience and use of her skills remained current. Further information was requested on how the Applicant's skills were used and remained current.

The exemption was denied and staff recommended that Ms. Stuart-Russell not be granted registration as a mutual fund salesperson. A letter notifying Ms. Stuart-Russell and RMF of Staff's recommendation was sent on July 22, 2003. After receiving Staff's letter, the Applicant requested the

opportunity to be heard by the Director pursuant to subsection 26(3) of the Act which states:

(3) Refusal – The Director shall not refuse to grant, renew, reinstate or amend registration or impose terms and conditions thereon without giving the applicant an opportunity to be heard.

The Applicant requested to be heard through a written submission, which was dated August 22, 2003 and received by the OSC on September 8, 2003.

Summary of the Applicant's Submission

The Applicant noted that she had been under the impression that RMF had applied to have her registered on May 1, 2002. There is no record of this application on the OSC's legacy database or in the OSC files. The last date of registration was August 1999 with CIBC Securities Inc. Ms. Stuart-Russell also reiterated the exemption application in saying that her current position and daily reading has kept her knowledge and proficiency current. She further noted that she often works closely with mutual fund salespersons.

Summary of Staff's Submission

Staff of the OSC recommended that the Applicant took the CSC in October 1998. In the almost five years that has passed, she worked less than one year in the securities industry, almost two years in the travel industry and since May 2001 has worked as an Account Manager/Credit Specialist with Royal Bank. Her recent experience has not kept her proficiency current.

Director's Findings

Suitability for registration has three broad components: proficiency (education and experience), integrity, and financial soundness. The proficiency requirements for a mutual fund salesperson are specified in OSC rule 31-502. The rule clearly states that an applicant for registration must have completed a specified course or examination within three years before the date of the application for registration, or have been registered in the relevant category at any time during the three year period immediately before the application for registration. This condition was not met by the application for Ms. Stuart-Russell. If RMF had applied for registration for Ms. Stuart-Russell in May 2002, her proficiency would have still been stale-dated.

Ms. Stuart-Russell's course requirements need to be updated, however, she gained relevant experience in the mutual fund industry while sponsored by CIBC and more recently with Royal Bank. It appears to me that the Applicant, Nicholette Stuart-Russell is suitable for registration as a mutual fund salesperson on behalf of Royal Mutual Fund Inc., subject to her completing any of the 1. Canadian Securities Course, 2. Canadian Investment Funds Course, or 3. Investment Funds in Canada Course, within 180 days of the date of this decision.

I therefore grant the application subject to the terms and conditions attached as Exhibit "A" to this order.

November 28, 2003.

"David M. Gilkes"

Exhibit "A"

**Terms and Conditions for registration of
Nicholette Stuart-Russell**

Within 180 days from the date of this decision, the Applicant shall have successfully completed one of The Canadian Investment Funds Course offered by the Investment Funds Institute of Canada, The Canadian Securities Course offered by the Canadian Securities Institute, or the Investment Funds in Canada course offered by the Institute of Canadian Bankers, notwithstanding that the Applicant may have successfully completed any or all of these courses prior to this decision.

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
Airline Training International Ltd.	20 Nov 03	02 Dec 03	02 Dec 03	
Algonquin Oil & Gas Limited	20 Nov 03	02 Dec 03	02 Dec 03	
Arlington Resources Inc.	20 Nov 03	02 Dec 03	02 Dec 03	
Azco Mining Inc.	20 Nov 03	02 Dec 03	02 Dec 03	
Canadian Spooner Resources Inc.	20 Nov 03	02 Dec 03	02 Dec 03	
Funtime Hospitality Corp.	21 Nov 03	03 Dec 03	03 Dec 03	
Medical Services International Inc.	25 Nov 03	05 Dec 03		
SimEx Inc.	20 Nov 03	02 Dec 03	02 Dec 03	
Star Navigation Systems Group Ltd.	20 Nov 03	02 Dec 03		02 Dec 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
Atlas Cold Storage Income Trust	02 Dec 03	15 Dec 03			
National Construction Inc.	25 Jul 03	07 Aug 03	07 Aug 03		
RTICA Corporation	21 Oct 03	03 Nov 03	03 Nov 03		
Saturn (Solutions) Inc.	21 Oct 03	03 Nov 03	03 Nov 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>
24-Sep-2003	6 Purchasers	701 Media Group Inc. - Common Shares	39,500.00	790,000.00
12-Nov-2003	Bonita Quinn	Acuity Pooled High Income Fund - Trust Units	208,200.00	12,814.00
12-Nov-2003 19-Nov-2003	14 Purchasers	Admiral Bay Resources Inc. - Common Shares	2,992,700.00	2,115,000.00
18-Nov-2003	Gian DelZotto	Adrian Resources Ltd. - Units	15,000.00	100,000.00
24-Nov-2003	James W. Welch; Harry A. Welch	Arino Software Corporation - Common Shares	500,000.00	250,000.00
26-Nov-2003	TAL Global Asset Management	Asyst Technologies, Inc. - Shares	494,656.00	25,000.00
14-Nov-2003 20-Nov-2003	46 Purchasers	Augen Limited Partnership - Units	1,530,000.00	15,300.00
14-Nov-2003	NCE Flow-Through (2003-2) Limited Partnership; Shai Berger	Banks Ventures Ltd. - Flow-Through Shares	505,000.00	1,262,500.00
30-Oct-2003	4 Purchasers	Barclay Equal Weighted Income Fund - Units	6,395,374.68	668,851.00
16-Oct-2003	4 Purchasers	Barclays Equal Weighted Income Fund - Units	160,374,930.90	17,000,000.00
24-Nov-2003	Lynne Stockfish	Bariview Investment Corporation - Common Shares	100,000.00	1,000.00
13-Nov-2003	Mosaic Titan Fund Ltd.	BCS Global Networks Inc. - Units	1,300,000.00	2,888,889.00
21-Nov-2003	6 Purchasers	Belair Networks Inc. - Units	9,200,465.00	8,504,609.00
10-Nov-2003	Cimba Land Ltd.	Bulldog Technologies Inc. - Common Shares	1,000.00	20,000.00

Notice of Exempt Financings

25-Nov-2003	MFC Global Investment Management	Callidus Software Inc. - Shares	367,668.00	20,000.00
12-Nov-2003 20-Nov-2003	6 Purchasers	Canadian Superior Energy Inc. - Common Shares	12,020,001.50	3,698,462.00
19-Nov-2003	Gail & Wayne Goreski	CareVest Blended Mortgage Investment Corporation - Preferred Shares	18,625.00	18,625.00
30-Sep-2003	LEAF Trust	CIT Canadian VFN Trust - Notes	211,173,967.63	1.00
25-Nov-2003	Plaza Trust	CIT Canadian VFN Trust - Notes	71,753,735.71	1.00
25-Nov-2003	STARS Trust	CIT Canadian VFN Trust - Notes	143,507,471.41	1.00
25-Nov-2003	4 Purchasers	Coast Mountain Power Corp. - Common Shares	50,000.00	27,778.00
31-Oct-2003 18-Nov-2003	Rolf Schmachtenberg;Kaffee Partner Leasing Ost	Coffee Systems Inc. - Common Shares	1,000,000.00	3,900.00
30-Nov-2003	Bev Jones;Doreen Jones	Contemporary Investment Corp. - Common Shares	17,000.00	17,000.00
17-Nov-2003	Ventures West 7 Limited Partnership and Venutre West 7 U.S. Limited Partnership	Convedia Corporation - Common Shares	1,665.00	166,600.00
17-Nov-2003	Ventures West 7 Limited Partnership	Convedia Corporation - Common Shares	2,500.00	250,000.00
17-Nov-2003	Ventures West 7 Limited Partnership and Venutre West 7 U.S. Limited Partnership	Convedia Corporation - Common Shares	64,004.00	256,016.00
18-Nov-2003	3 Purchasers	Corridor Resources Inc. - Common Shares	180,000.00	200,000.00
21-Nov-2003	First Associates Investments Inc.	Crystallex International Corporation - Common Shares	390,278.00	96,800.00
14-Nov-2003	9 Purchaser	Dia Bras Exploration Inc. - Units	2,000,000.00	2,777,082.00
20-Nov-2003	4 Purchasers	Drilcorp Energy Ltd. - Flow-Through Shares	1,800,034.65	4,000,077.00
13-Nov-2003	Libby Eydelman	DynaMotive Energy Systems Corporation - Common Shares	40,170.00	100,000.00
21-Nov-2003	4 Purchasers	Energy Exploration Technologies - Special Warrants	1,150,750.00	1,565,000.00
24-Nov-2003	14 Purchasers	Equigenesis 2003 Preferred Investment LP - Units	3,178,600.00	184,000.00
21-Nov-2003	4 Purchasers	Equinox Resources Limited - Shares	1,485,848.00	5,750,000.00
21-Nov-2003	572443 B.C. Ltd.	Esperanza Silver Corporation - Shares	8,500.00	10,000.00

Notice of Exempt Financings

24-Nov-2003	7 Purchasers	Euston Capital Corp. - Common Shares	9,950.00	3,316.00
25-Nov-2003	FactorCorp Financial Inc.	Express Commercial Services Inc. - Shares	386,000.00	386,000.00
27-Oct-2003	35 Purchasers	Fisgard Capital Corporation - Shares	449,658.00	449,658.00
21-Nov-2003	3 Purchasers	Freegold Ventures Limited - Units	60,750.00	135,000.00
21-Nov-2003	Norm Armstrong;Graham Edwards Sunders	Freegold Ventures Limited - Units	42,999.75	95,555.00
21-Nov-2003	3 Purchasers	Gammon Lake Resources Inc. - Common Shares	762,747.60	124,024.00
14-Nov-2003	Scepter Holdings Inc.	Globalive Communications Inc. - Common Shares	4,224,249.00	1,213,029.00
04-Sep-2003	Constellation Certificate Trust;Newcov Trust	GMAC Commercial Mortgage Asset Corp. - Certificate	73,838,700.00	2.00
30-Sep-2003	Newcov Trust (CMAC) Series	GMAC Commercial Mortgage Asset Corp. - Certificate	84,970,573.00	1.00
17-Nov-2003	29 Purchasers	Gold Summit Corporation - Units	1,668,600.00	3,320,000.00
31-Oct-2003	3 Purchasers	Goldman Sachs Mutual Funds - Bonds	1,322,810.00	189,894.00
18-Nov-2003	31 Purchasers	Hornby Bay Exploration Limited - Special Warrants	2,097,000.00	2,097,000.00
14-Nov-2003	Cinram International Inc.	HSBC US Dollar Liquidity Fund - Units	2,607,600.00	2,000,000.00
13-Nov-2003	Guang Luan	International Wex Technologies Inc. - Shares	240,000.00	150,000.00
26-Nov-2003	William G. Magee;Douglas M Lane	InterUnion Financial Corporation - Common Shares	50,310.00	23,400.00
13-Nov-2003	86 Purchasers	Jaguar Nickel Inc. - Special Warrants	13,700,000.00	10,960,000.00
25-Nov-2003	Credit Risk Advisors and T.A.L. Investment Counsel;Ltd.	Jostens Holdings Corp. - Notes	636,092.00	2.00
12-Nov-2003	Trilon Bancorp Inc.	Jovian Capital Corporation - Warrants	0.00	500,000.00
21-Nov-2003	Rita Baron	KBSH Private - Private Global Leading Companies Fund - Units	7,726.00	18,768.00
20-Nov-2003	Carol Lacey	KBSH Private - International Fund - Units	8,528.00	7,091.00
19-Nov-2003	11 Purchasers	Kensington Energy Ltd. - Common Shares	5,595,000.00	4,476,000.00

Notice of Exempt Financings

19-Nov-2003	11 Purshaser	Kensington Energy Ltd. - Flow-Through Shares	1,359,850.65	877,323.00
20-Nov-2003	8 Purchasers	Ketch Resources Ltd. - Common Shares	7,201,125.00	778,500.00
14-Nov-2003	3 Purchasers	Kingwest Avenue Portfolio - Units	92,000.00	4,576.00
21-Nov-2003	Laketon Investment Management Ltd.	Laketon Premium Growth Canadian Equity Fund - Units	3,000,000.00	436,618.00
21-Nov-2003	Laketon Investment Management Ltd.	Laketon Premium Growth Canadian Equity Fund - Units	3,000,000.00	30,198.00
31-Oct-2003	Lancaster Balanced Fund II	Lancaster Canadian Equity Fund - Trust Units	1,476,283.00	101,589.00
31-Oct-2003	Lancaster Balanced Fund II	Lancaster Fixed Income Fund II - Trust Units	3,515,981.00	279,070.00
31-Oct-2003	Lancaster Balanced Fund II	Lancaster Global Ex-Canada Fund - Trust Units	3,549,770.00	410,620.00
31-Oct-2003	Lancaster Balanced Fund II	Lancaster Money Market Fund - Trust Units	525,289.00	52,528.00
27-Nov-2003	6 Purchasers	Maxy Gold Corp. - Units	84,000.00	280,000.00
20-Nov-2003	Ken Frost	Microsource Online, Inc. - Common Shares	6,000.00	1,000.00
20-Nov-2003	Kevin Drensek	Microsource Online, Inc. - Common Shares	12,000.00	2,000.00
20-Nov-2003	Six and Eight Trading Co/Ltd. Fred Ng	Microsource Online, Inc. - Common Shares	60,000.00	1,000.00
13-Nov-2003	22 Purchasers	Minera Andes Inc. - Units	1,283,100.00	4,277,000.00
01-Oct-2003	Mirabaud Canada Inc	Moore Global Fixed Income Fund - Common Shares	202,237.41	28.00
14-Nov-2003	Creststreet Power & Income Fund LP	Mount Copper Wind Power Energy Inc. - Shares	1.00	0.00
16-Jun-2003	HJG Parntership	Mundoro Mining Inc. - Notes	140,000.00	1.00
24-Nov-2003	8 Purchasers	Murgor Resources Inc. - Units	100,000.00	100.00
01-Oct-2003	Mirabaud Canada Inc.	M. Kingdon Offshore N.V - Common Shares	202,237.50	2,274.00
19-Nov-2003	Walter Kindiak	N-able Technologies Inc. - Shares	75,005.00	100,000.00
21-Nov-2003	MWI Nominee Company Ltd.	Navaho Networks Inc. - Convertible Debentures	2,000,000.00	2,000,000.00
25-Nov-2003	Stone 2003 Flow-Through Limited Partnership	Nordic Oil and Gas Ltd. - Common Shares	400,000.00	1,000,000.00

Notice of Exempt Financings

28-Nov-2003	HK Canada Real Estate Limited Partnership	Northam Real Estate Investment Fund VI, L.P. - Limited Partnership Units	3,000,000.00	3,000.00
24-Nov-2003	Ivan Joseph	Online Hearing.com Inc. - Convertible Debentures	1,000.00	1,000.00
30-Oct-2003	Mirabaud Canada Inc.	Orbis Global Equity Fund - Common Shares	295,788.79	3,687.00
12-Nov-2003	17 Purchasers	Orbus Pharma Inc. - Common Shares	2,459,319.50	2,235,745.00
12-Nov-2003	Canada Dominion Resources LP XI;Paul Beeston	Pacific Rodera Ventures Inc. - Common Shares	115,000.00	575,000.00
29-Oct-2003	AGF Management Limited	PT Bank Rakyat Indonesia - Common Shares	68,490.65	500,000.00
16-Oct-2003	22 Purchasers	QI Systems Inc. - Units	352,900.00	1,666,665.00
21-Nov-2003	22 Purchasers	Railpower Technologies Corp. - Common Shares	12,449,814.00	7,323,420.00
17-Nov-2003	Manulife Financial	Renaissance Canadian Balanced Fund - Units	42,381,778.40	4,238,178.00
17-Nov-2003	Manulife Financial	Renaissance Canadian Core Value Fund - Units	2,024,397.88	202,440.00
17-Nov-2003	Manulife Financial	Renaissance U.S. Basic Value Fund - Units	36,426,150.21	3,642,615.00
18-Nov-2003 20-Nov-2003	5 Purchasers	Rosetta Exploration Inc. - Common Shares	280,500.00	330,000.00
19-Nov-2003	10 Purchasers	Ross River Minerals Inc. - Units	600,000.00	1,500,000.00
17-Nov-2003	EdgeStone Venture Capital Fund Nominee;Inc.	RSS Solutions Inc. - Convertible Debentures	750,000.00	1.00
20-Nov-2003 27-Nov-2003	10 Purchasers	Solutioninc Technologies Limited - Units	261,532.00	2,690,780.00
03-Nov-2003	17 Purchasers	Sonic Environmental Solutions Inc. - Units	1,387,800.00	771,000.00
18-Nov-2003	VentureLink Financial Services Innovation Fund Inc.	Stone & Co. Limited - Debentures	900,000.00	13.00
11-Sep-2003	4 Purchasers	Stonestreet Limited Partnership - Limited Partnership Units	619,043.13	71,079.00
10-Oct-2003	H. Kim Christensen	Stonestreet Limited Partnership - Limited Partnership Units	120,000.00	11,608.00
06-Jun-2003	1270736 Ontario Inc.	Stonestreet Limited Partnership - Limited Partnership Units	111,931.95	15,176.00
08-Aug-2003	1279265 Ontario Limited	Stonestreet Limited Partnership - Limited Partnership Units	97,243.11	12,356.00

Notice of Exempt Financings

01-Apr-2003	6 Purchasers	Stonestreet Limited Partnership - Limited Partnership Units	1,028,396.53	127,722.00
26-Nov-2003	Bargain Shop Equity Partners;LLLP	The Bargain! Shop Holdings Inc. - Shares	6,950,000.00	11,328.00
31-Oct-2003	Covington Fund II Inc.	TNR Industrial Doors Inc. - Common Shares	250,000.00	250,000.00
01-Apr-2003 30-Sep-2003	28 Purchasers	UBS (Canada) American Equity Fund - Units	905,468.00	73,112.00
01-Jan-2003 31-Mar-2003	7 Purchasers	UBS (Canada) American Equity Fund Series B - Units	2,322,000.00	313,083.00
01-Apr-2003 30-Sep-2003	41 Purchasers	UBS (Canada) Canadian Equity Fund Series B - Units	694,802.00	78,854.00
01-Jan-2003 31-Mar-2003	3 Purchasers	UBS (Canada) Canadian Equity Fund Series B - Units	1,238,000.00	145,552.00
01-Jan-2003 31-Mar-2003	4 Purchasers	UBS (Canada) Global Equity Fund - Units	1,014,833.00	103,890.00
01-Apr-2003 30-Jun-2003	5 Purchasers	UBS (Canada) Global Equity Fund - Units	3,687,676.00	365,378.00
01-Jul-2003 30-Sep-2003	4 Purchasers	UBS (Canada) Global Equity Fund - Units	1,122,587.00	106,603.00
01-Apr-2003 30-Sep-2003	160 Purchasers	UBS (Canada) Government of Canada Money Market Fund - Units	170,467,579.00	17,046,758.00
01-Jan-2003 31-Mar-2003	3 Purchasers	UBS (Canada) Government of Canada Money Market Fund - Units	1,506,336.00	150,634.00
01-Jan-2003 31-Mar-2003	14 Purchasers	UBS (Canada) International Equity Fund - Units	8,854,086.00	240,484.00
01-Apr-2003 30-Jun-2003	19 Purchasers	UBS (Canada) International Equity Fund - Units	26,462,934.00	717,475.00
01-Jul-2003 30-Sep-2003	14 Purchasers	UBS (Canada) International Equity Fund - Units	13,391,737.00	349,460.00
01-Apr-2003 30-Sep-2003	5 Purchasers	UBS (Canada) International Equity Fund - Units	57,479.00	6,173.00
01-Jan-2003 31-Mar-2003	5 Purchasers	UBS (Canada) International Equity Fund Series B - Units	1,021,000.00	133,051.00
01-Jan-2003 31-Mar-2003	Standard Life-CCH	UBS (Canada) Long Term Bond Fund - Units	18,688.00	1,931.00
01-Jan-2003 31-Mar-2003	UBS (Canada) Global Asset Management Co.	UBS (Canada) Money Market Fund - Units	31,266,033.10	3,126,603.00
01-Apr-2003 30-Sep-2003	UBS (Canada) Global Asset Management Co.	UBS (Canada) Money Market Fund - Units	17,886,512.93	17,880,651.00

Notice of Exempt Financings

01-Jan-2003 31-Mar-2003	Clarica Non-Taxable and Sun Life Alliance	UBS (Canada) Small Cap Fund - Units	2,271,982.38	164,644.00
01-Apr-2003 30-Jun-2003	9 Purchasers	UBS (Canada) Small Cap Fund - Units	16,547,681.00	1,185,134.00
01-Jul-2003 30-Jun-2003	4 Purchasers	UBS (Canada) Small Cap Fund - Units	3,207,216.00	190,349.00
01-Jul-2003 30-Sep-2003	UBS (Canada) Global Asset Management Co.	UBS (Canada) U.S. Equity Fund - Pooled Fund Units - Units	2,036,373.51	47,216.00
01-Apr-2003 30-Jun-2003	UBS (Canada) Global Asset Management Co.	UBS (Canada) U.S. Equity Fund - Pooled Fund Units - Units	7,817,279.13	186,195.00
01-Jan-2003 31-Mar-2003	UBS (Canada) Global asset Management Co.	UBS (Canada) U.S. Equity Fund - Pooled Fund Units - Units	4,521,974.00	111,179.00
18-Nov-2003	Eric Cunningham;Jon A. Woolstencroft	Viceroy Exploration Ltd. - Units	45,000.00	90,000.00
14-Nov-2003	4 Purchasers	Welton Energy Limited - Common Shares	282,000.00	7,050,000.00
31-Oct-2003	3 Purchasers	WNI Holdings Inc. - Common Shares	81,000.00	3,240.00

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>
Epic Holdings Corporation	CCS Income Trust - Trust Units	60,000.00
Taronga Holdings Limited	Extendicare Inc. - Shares	12,000.00
Jay S. Hennick	FirstService Corporation - Shares	6,000.00
Madalena Ventures Inc.	Planet Exploration Inc. - Common Shares	100,000.00
Twin Star Holdings Ltd.	Sterlite Gold Ltd. - Common Shares	146,039,658.00
Sabre Energy Ltd.	Sustainable Energy Technologies Ltd. - Common Shares	4,277,466.00
Russell H. Gahan	Tele-FIND Technologies Corp - Common Shares	500,000.00
PJT Family Corp.	The Thomson Corporation - Common Shares	220,000.00
Thomas V. Hinke	Thermal Energy International Inc. - Common Shares	700,000.00

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

<u>Issuer</u>	<u>Date the Company Ceased to be a Private Company or Private Issuer</u>
JJR Capital Ventures Inc.	11/10/03
StrataGold Corporation	11/4/03
StrataGold Corporation	11/13/03

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

Baytex Energy Trust
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated November 27, 2003
Mutual Reliance Review System Receipt dated November 27, 2003

Offering Price and Description:

\$55,000,000.00 - 5,500,000 Trust Units - Price: \$ 10.00 per Trust Unit

Underwriter(s) or Distributor(s):

TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Peter & Co. Limited
Raymond James Ltd.

Promoter(s):

-

Project #593751

Issuer Name:

Desjardins Enhanced Bond Fund
Desjardins CI Canadian Investment Fund
Desjardins Fidelity True North (R) Fund
Desjardins Fidelity Canadian Growth Company Fund
Desjardins American Equity Value Fund
Desjardins CI Value Trust Sector Fund
Desjardins CI Value Trust RSP Fund
Desjardins Fidelity Small Cap America Fund
Desjardins Fidelity Small Cap America RSP Fund
Desjardins Overseas Equity Value RSP Fund
Desjardins Fidelity International Portfolio Fund
Desjardins Fidelity International Portfolio RSP Fund
Desjardins Alternative Investments Fund
Principal Regulator - Quebec

Type and Date:

Preliminary Simplified Prospectuses dated November 20, 2003
Mutual Reliance Review System Receipt dated November 28, 2003

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Desjardins Trust Investment Services Inc.
Desjardins Trust Inc.
Desjardins Trust Investments Services Inc.

Promoter(s):

-

Project #590981

Issuer Name:

ENBRIDGE GAS DISTRIBUTION INC.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Shelf Prospectus dated November 24, 2003
Mutual Reliance Review System Receipt dated November 26, 2003

Offering Price and Description:

\$600,000,000.00 - MEDIUM TERM NOTES (UNSECURED)

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #592381

Issuer Name:

Explorer Flow-Through Limited Partnership
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated December 2, 2003
Mutual Reliance Review System Receipt dated December 2, 2003

Offering Price and Description:

\$15,000,000 (maximum) - (maximum - 600,000 Units)
\$3,000,000 (minimum) - (minimum - 120,000 Units)

Underwriter(s) or Distributor(s):

-

Promoter(s):

Explorer Management Limited
Project #595869

Issuer Name:

Guyana Goldfields Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated November 27, 2003
Mutual Reliance Review System Receipt dated November 28, 2003

Offering Price and Description:

7,333,333 Special Warrant Shares and 3,666,669 Share Purchase Warrants
issuable upon the exercise of 7,333,333 previously issued Special Warrants

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

-

Project #593611

Issuer Name:

Intrawest Corporation
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated December 1, 2003
Mutual Reliance Review System Receipt dated December 1, 2003

Offering Price and Description:

US\$350,000,000.00 - 7.50% Senior Exchange Notes due to October 15, 2013

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #595515

Issuer Name:

Minefinders Corporation Ltd
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated November 26, 2003
Mutual Reliance Review System Receipt dated November 26, 2003

Offering Price and Description:

\$33,000,000.00 - 3,000,000 Common Shares Price:
\$11.00 per Common Share

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
Griffiths McBurney & Partners
Salman Partners Inc.
Orion Securities Inc.

Promoter(s):

-

Project #592899

Issuer Name:

Northwestern Mineral Ventures Inc.

Type and Date:

Preliminary Prospectus dated November 28, 2003
Receipted on November 28, 2003

Offering Price and Description:

Minimum of 8,000,000 Common Shares and
Maximum of 15,000,000 Common Shares
and
2,000,000 Common Shares issuable upon the exercise of
2,000,000 previously issued Special Warrants

Underwriter(s) or Distributor(s):

Dominick & Dominick Securities Inc.

Promoter(s):

-

Project #594110

Issuer Name:

Ore-Leave Capital Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated November 26, 2003
Mutual Reliance Review System Receipt dated November 28, 2003

Offering Price and Description:

* Units Price: \$ * per Unit and 13,740,000 Common
Shares and 13,740,000 Common Share Purchase
Warrants Issuable Upon the Exercise of previously issued
Special Warrants

Underwriter(s) or Distributor(s):

CTI Capital Inc.

Promoter(s):

Dino Titaro

Project #593647

Issuer Name:

RBC Canadian Short-Term Income Fund
RBC Canadian Money Market Fund
RBC Bond Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectuses and Annual
Information Forms dated November 28, 2003
Mutual Reliance Review System Receipt dated December 2, 2003

Offering Price and Description:

Offering Advisor Series units

Underwriter(s) or Distributor(s):

RBC Asset Management Inc.

Promoter(s):

The Royal Trust Company

Project #595885

Issuer Name:

TERASEN GAS INC.
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Shelf Prospectus dated December 1, 2003
Mutual Reliance Review System Receipt dated December 1, 2003

Offering Price and Description:

\$700,000,000.00 - Medium Term Note Debentures

Underwriter(s) or Distributor(s):

-

Promoter(s):

BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Edward Jones
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.

Project #595728

Issuer Name:

TERASEN INC.
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Shelf Prospectus dated December 1, 2003
Mutual Reliance Review System Receipt dated December 1, 2003

Offering Price and Description:

\$800,000,000.00 - Debentures (unsecured) Subordinated Debt Securities (unsecured)

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #595696

Issuer Name:

Vitrin Corporation Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form PREP Prospectus dated November 26, 2003
Mutual Reliance Review System Receipt dated November 26, 2003

Offering Price and Description:

\$ * - 2,000,000 Class A Voting Shares Price: \$ * per Share

Underwriter(s) or Distributor(s):

Orion Securities Inc.
Paradigm Capital Inc.

Promoter(s):

-

Project #592575

Issuer Name:

Woodruff Capital Management Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary CPC Prospectus dated November 28, 2003
Mutual Reliance Review System Receipt dated November 28, 2003

Offering Price and Description:

\$300,000.00 - 2,000,000 Common Shares - Price: \$0.15 per Common Share

Underwriter(s) or Distributor(s):

Haywood Securities Inc.

Promoter(s):

Mark Goodman
Daniel Goodman
Project #594296

Issuer Name:

Acuity Growth & Income Trust
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated November 27, 2003
Mutual Reliance Review System Receipt dated November 28, 2003

Offering Price and Description:

Maximum \$150,000,000 (15,000,000 Units @ \$10 per Unit)
Minimum \$40,000,000 (4,000,000 Units @ \$10 per Unit)

Underwriter(s) or Distributor(s):

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

Promoter(s):

Acuity Funds Ltd.
Project #582841

Issuer Name:

AltaLink, L.P.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated December 2, 2003
Mutual Reliance Review System Receipt dated December 2, 2003

Offering Price and Description:

\$125,000,000.00 - 5.43% Senior Bonds, Series 03-2, due June 5, 2013 - Price: 101.049% per Series 03-2 Bond

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
TD Securities Inc.

Promoter(s):

-

Project #592155

Issuer Name:

Asia Gold Corp.

Principal Regulator - British Columbia

Type and Date:

Final Prospectus dated November 28, 2003

Mutual Reliance Review System Receipt dated December 1, 2003

Offering Price and Description:

Minimum 4,000,000 Common Shares (\$12,000,000)

Maximum 5,000,000 Common Shares (\$15,000,000)

@\$3.00 per Common Share

Underwriter(s) or Distributor(s):

Salman Partners Inc.

Dundee Securities Corporation

Promoter(s):

Ivanhoe Mines Ltd.

David C. Owens

Project #583501

Issuer Name:

Canada Dominion Resources Limited Partnership XII

Principal Regulator - Ontario

Type and Date:

Final Prospectus dated November 24, 2003

Mutual Reliance Review System Receipt dated November 26, 2003

Offering Price and Description:

\$20,000,000 Maximum Offering (800,000 Units @ \$25.00 Per Unit)

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.

CIBC World Markets Inc.

BMO Nesbitt Burns Inc.

National Bank Financial Inc.

Dundee Securities Corporation

Scotia Capital Inc.

TD Securities Inc.

Canaccord Capital Corporation

HSBC Securities (Canada) Inc.

Raymond James Ltd.

Desjardins Securities Inc.

Promoter(s):

Canada Dominion Resources XII Corporation

Project #587721

Issuer Name:

Clarington Corporation

Principal Regulator - Ontario

Type and Date:

Final Prospectus dated December 1, 2003

Mutual Reliance Review System Receipt dated December 2, 2003

Offering Price and Description:

\$67,636,647.00 - 5,010,122 Common Shares - Price:

\$13.50 per Common Share

Underwriter(s) or Distributor(s):

Scotia Capital Inc.

RBC Dominion Securities Inc.

BMO Nesbitt Burns Inc.

CIBC World Markets Inc.

National Bank Financial Inc.

TD Securities Inc.

Promoter(s):

-

Project #584254

Issuer Name:

Cyclical Split NT Corp.

Principal Regulator - Ontario

Type and Date:

Final Prospectus dated November 27, 2003

Mutual Reliance Review System Receipt dated November 28, 2003

Offering Price and Description:

945,000 Preferred Shares @\$25 per Preferred Share = \$23,625,000

945,000 Capital Shares @ \$25.95 per Capital Share = \$24,522,750

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.

Scotia Capital Inc.

CIBC World Markets Inc.

National Bank Financial Inc.

RBC Dominion Securities Inc.

TD Securities Inc.

Canaccord Capital Corporation

Desjardins Securities Inc.

Dundee Securities Corporation

HSBC Securities (Canada) Inc.

Promoter(s):

BMO Nesbitt Burns Inc.

Project #583203

Issuer Name:

Dimethaid Research Inc.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated November 26, 2003
Mutual Reliance Review System Receipt dated November 26, 2003

Offering Price and Description:

14,377,688 Common Shares Issuable Upon Exercise of
14,377,688 Special Warrants @ \$1/Special Warrant

Underwriter(s) or Distributor(s):

Paradigm Capital Inc.

Promoter(s):

-

Project #587598

Issuer Name:

Diversified Preferred Share Trust
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated November 25, 2003
Mutual Reliance Review System Receipt dated November 26, 2003

Offering Price and Description:

Maximum \$150,000,000 (6,000,000 Units @ \$25 per Unit)
Minimum \$75,000,000 (3,000,000 Units @ \$25 per Unit)

Underwriter(s) or Distributor(s):

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

Promoter(s):

RBC Dominion Securities Inc.

Project #580959

Issuer Name:

GMP Capital Corp.
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated November 26, 2003
Mutual Reliance Review System Receipt dated November 27, 2003

Offering Price and Description:

\$100,100,000.00 - 9,100,000 Common Shares @\$11.00
per Common Share

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
Griffiths McBurney & Partners
BMO Nesbitt Burns Inc.
Dundee Securities Corporation
Canaccord Capital Corporation
Haywood Securities Inc.
McFarlane Gordon Inc.
Sprott Securities Inc.

Promoter(s):

-

Project #582329

Issuer Name:

GrowthWorks WV Canadian Fund Inc. (formerly Working
Ventures Canadian Fund Inc.)
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated November 27, 2003
Mutual Reliance Review System Receipt dated November 28, 2003

Offering Price and Description:

Class A Shares

Underwriter(s) or Distributor(s):

GrowthWorks (WVIS) Ltd.

Promoter(s):

-

Project #587888

Issuer Name:

High Yield & Mortgage Plus Trust
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated November 28, 2003
Mutual Reliance Review System Receipt dated November 28, 2003

Offering Price and Description:

Maximum \$100,000,000 (4,000,000 Units @ \$25 per Unit)
Minimum \$25,000,000 (1,000,000 Units @ \$25 per Unit)

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
TD Securities Inc.

Promoter(s):

Skylon Capital Corp.

Project #585572

Issuer Name:

H&R Real Estate Investment Trust
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated November 27, 2003
Mutual Reliance Review System Receipt dated November 27, 2003

Offering Price and Description:

\$110,050,000.00 - 7,100,000 Units@\$15.50 per Unit

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Raymond James, Ltd.

Promoter(s):

-

Project #587856

Issuer Name:

IA Canadian Conservative Equity Fund
IA Canadian Core Equity Fund
IA Canadian Balanced Fund
IA Canadian Bond Fund
IA Canadian Money Market Fund
IA Credit Suisse Global Equity Fund
IA Crystal Enhanced Index America Fund
IA Crystal Enhanced Index World Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated December 1, 2003
Mutual Reliance Review System Receipt dated December 2, 2003

Offering Price and Description:

Mutual Fund Units, Class A Units and Class F Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

Industrial Alliance Mutual Funds Limited

Project #584910

Issuer Name:

MDC Corporation Inc.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus (NI 44-101) dated December 1, 2003
Mutual Reliance Review System Receipt dated December 1, 2003

Offering Price and Description:

\$29,750,000.00 - 3,400,000 Adjustable Rate Exchangeable Securities due December 31, 2028 (\$8.75 principal amount per Exchangeable Security) Exchangeable into Units of

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #589785

Issuer Name:

N-45° First CMBS Issuer Corporation
Principal Regulator - Quebec

Type and Date:

Final Short Form Prospectus (NI 44-101) dated November 28, 2003
Mutual Reliance Review System Receipt dated December 1, 2003

Offering Price and Description:

\$458,748,000 (Approximate)
\$119,755,000 principal amount of 4.463% Class A-1 Bonds, due January 15, 2008
\$228,469,000 principal amount of 5.300% Class A-2 Bonds, due December 15, 2012
\$47,632,000 principal amount of 5.641% Class B Bonds, due December 15, 2012
\$31,446,000 principal amount of 6.107% Class C Bonds, due December 15, 2012
\$31,446,000 principal amount of 6.700% Class D Bonds, due December 15, 2012
\$462,449,072 notional amount of Class IO Bonds (interest only), due December 15, 2012

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Canaccord Capital Corporation
Trilon Securities Corporation
Desjardins Securities Inc.
Laurentian Bank Securities Inc.

Promoter(s):

Hypothèques CDPQ Inc.

Project #589043

Issuer Name:

Northland Power Income Fund
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated November 25, 2003
Mutual Reliance Review System Receipt dated November 26, 2003

Offering Price and Description:

\$110,031,700.00 - 9,635,000 Subscription Receipts, each representing the right to receive one Trust Unit - Price: \$11.42 per Subscription Receipt

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #588761

Issuer Name:

Peak Energy Services Ltd.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated December 1, 2003
Mutual Reliance Review System Receipt dated December 1, 2003

Offering Price and Description:

\$9,450,000.00 - 3,500,000 Common Shares @\$2.70 per Common Share

Underwriter(s) or Distributor(s):

Orion Securities Inc.
Sprott Securities Inc.
Griffiths McBurney & Partners
National Bank Financial Inc.

Promoter(s):

-

Project #591416

Issuer Name:

Preferred Securities Income Fund
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated November 28, 2003
Mutual Reliance Review System Receipt dated November 28, 2003

Offering Price and Description:

Units

Underwriter(s) or Distributor(s):

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

Promoter(s):

First Asset Funds Inc.

Project #585618

Issuer Name:

Primerica Canadian Aggressive Growth Portfolio Fund
Primerica International Aggressive Growth Portfolio Fund
Primerica International RSP Aggressive Growth Portfolio Fund

Primerica Canadian High Growth Portfolio Fund
Primerica International High Growth Portfolio Fund
Primerica Canadian Growth Portfolio Fund
Primerica International Growth Portfolio Fund
Primerica Canadian Balanced Portfolio Fund
Primerica Canadian Conservative Portfolio Fund
Primerica Canadian Income Portfolio Fund
Primerica Canadian Money Market Portfolio Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated November 25, 2003
Mutual Reliance Review System Receipt dated November 28, 2003

Offering Price and Description:

Mutual Fund Units @ Net Asset Value

Underwriter(s) or Distributor(s):

PFSL Investments Canada Ltd.
PFSL Investments Canada Ltd.

Promoter(s):

PFSL Investments Canada Ltd.

Project #583176

Issuer Name:

Summit Real Estate Investment Trust
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated November 27, 2003
Mutual Reliance Review System Receipt dated November 28, 2003

Offering Price and Description:

\$75,000,100.00 - 4,298,000 Units @\$17.45 per Unit

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #587489

Issuer Name:

Synergy Canadian Fund Inc.
comprised of:
Synergy Canadian Growth Class
Synergy Canadian Momentum Class
Synergy Canadian Small Cap Class
Synergy Canadian Value Class
Synergy Canadian Style Management Class
Synergy Canadian Short-Term Income Class
Synergy Global Fund Inc.

comprised of:

Synergy Global Growth Class
Synergy Global Momentum Class
Synergy Global Value Class
Synergy Global Style Management Class
Synergy American Growth Class
Synergy European Momentum Class
Synergy Global Short-Term Income Class
Synergy Tactical Asset Allocation Fund
Synergy Global Momentum RSP Fund
Synergy Global Style Management RSP Fund
Synergy Extreme Canadian Equity Fund
Synergy Global Growth RSP Fund
Synergy European Momentum RSP Fund
Synergy Canadian Income Fund
Synergy Extreme Global Equity Fund
Synergy American Growth RSP Fund
Synergy Global Value RSP Fund
Synergy Extreme Global Equity RSP Fund
Principal Regulator - Ontario

Type and Date:

Amendment #2 dated November 24, 2003 to the Final
Simplified Prospectuses and Annual Information Forms
dated August 25, 2003
Mutual Reliance Review System Receipt dated December 2, 2003

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

CI Mutual Funds Inc.

Project #558906

Issuer Name:

USA REIT FUND LLC
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated November 26, 2003
Mutual Reliance Review System Receipt dated November 28, 2003

Offering Price and Description:

Common Shares

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Dundee Securities Corporation
First Associates Investments Inc.
Acadian Securities Incorporated
Newport Securities Inc.

Promoter(s):

Brompton Capital Advisors Inc.

Project #579831

Issuer Name:

Vermilion Energy Trust
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated November 28, 2003
Mutual Reliance Review System Receipt dated November 28, 2003

Offering Price and Description:

\$77,550,000.00 - 5,500,000 Trust Units @\$14.10 per Trust Unit

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #591450

Issuer Name:

Wells Fargo Financial Canada Corporation
Principal Regulator - Ontario

Type and Date:

Final Short Form Shelf Prospectus dated November 24, 2003
Mutual Reliance Review System Receipt dated November 26, 2003

Offering Price and Description:

\$1,500,000,000.00 - Medium Term Notes (unsecured)

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #584833

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Correction to Registrant Table Published in OSCB 2647, November 21, 2003:			
Suspension of Registration	<u>Independent Wealth Advantage Inc.</u> c/o Rice Financial Group Inc. Attention: Sharon Goodwin 491 Portage Ave. Winnipeg MB R3B 2E4	Mutual Fund Dealer Limited Market Dealer	Nov 17/03
Change of Name	From: Canadian Anaesthetists' Mutual Accumulating Fund Limited To: Stone & Co. Corporate Funds Limited	Securities Issuer	Sep 01/03
Change of Name	From: Pricewaterhousecoopers Securities Inc. To: Pricewaterhousecoopers Corporate Finance Inc.	Limited Market Dealer	Oct 15/03
Change in Category (Categories)	Bloom Investment Counsel, Inc. Attention: Malcolm Paul Bloom 150 York Street Suite 1710 Toronto ON M5H 3S5	From: Investment Counsel & Portfolio Manager To: Limited Market Dealer Investment Counsel & Portfolio Manager	Nov 27/03

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 IDA Settlement Hearing - Nancy Jean Lett

NEWS RELEASE
For immediate release

NOTICE TO PUBLIC: SETTLEMENT HEARING

IN THE MATTER OF NANCY JEAN LETT

November 26, 2003 (Toronto, Ontario) – The Investment Dealers Association of Canada announced today that a hearing is scheduled to commence on December 4, 2003 before a panel of the Ontario District Council of the Association in respect of matters for which Nancy Jean Lett may be disciplined by the Association.

The hearing relates to allegations that while a registered representative at the Ottawa office of BMO Nesbitt Burns Inc. On various occasions between October 10, 2002 and March 2003, the Respondent recommended trades in five client accounts that were not in the clients' best interest, thereby failing to observe high standards of ethics and conduct in the transaction of her business, in contravention of Association By-law 29.1.

The hearing is scheduled on December 4, 2003 at 10:00 a.m. or soon thereafter at the offices of Atchison & Denman Court Reporting Services located at 155 University Avenue, Suite 302, Toronto, Ontario. The hearing is open to the public except as may be required for the protection of confidential matters. Copies of the Decision of the District Council will be made available.

The Investment Dealers Association of Canada is the national self-regulatory organization and representative of the securities industry. The Association's mission is to protect investors and enhance the efficiency and competitiveness of the Canadian capital markets. The IDA enforces rules and regulations regarding the sales, business and financial practices of its Member firms. Investigating complaints and disciplining Members are part of the IDA's regulatory role.

For further information, please contact:

Alex Popovic
Vice-President, Enforcement
(416) 943-6904 or apopovic@ida.ca

Jeff Kehoe
Director, Enforcement Litigation
(416) 943-6996 or jkehoe@ida.ca

13.1.2 IDA Settlement Hearing – Robert Saltsman

NEWS RELEASE
For immediate release

NOTICE TO PUBLIC: SETTLEMENT HEARING

IN THE MATTER OF ROBERT SALTSMAN

November 26, 2003 (Toronto, Ontario) – The Investment Dealers Association of Canada announced today that a hearing date has been set for the presentation, review and consideration of a Settlement Agreement by the Ontario District Council of the Association.

The Settlement Agreement is between Staff of the Association and Robert Saltsman and relates to matters for which he may be disciplined by the Association. The conduct of Mr. Saltsman, that is the subject of the hearing, occurred during the period between November 1999 and April 2000 when Mr. Saltsman was employed at the North Toronto branch office of Scotia Capital Inc.

The proceeding is scheduled to commence at 11:00 a.m. or soon thereafter on December 4, 2003 at the offices of Atchison & Denman Court Reporting Services located at 155 University Avenue, Suite 302, Toronto, Ontario. The proceeding is open to the public except as may be required for the protection of confidential matters.

If the Ontario District Council determines that discipline penalties are to be imposed on Robert Saltsman, the Association will issue an Association Bulletin giving notice of the discipline penalties assessed, the regulatory violation(s) committed, and a summary of the facts. Copies of the Association Bulletin and Settlement Agreement will be made available.

The Investment Dealers Association of Canada is the national self-regulatory organization and representative of the securities industry. The Association's mission is to protect investors and enhance the efficiency and competitiveness of the Canadian capital markets. The IDA enforces rules and regulations regarding the sales, business and financial practices of its Member firms. Investigating complaints and disciplining Members are part of the IDA's regulatory role.

For further information, please contact:

Alex Popovic
Vice-President, Enforcement
(416) 943-6904 or apopovic@ida.ca

Jeff Kehoe
Director, Enforcement Litigation
(416) 943-6996 or jkehoe@ida.ca

**13.1.3 Summary of Public Comments Respecting
Proposed MFDA By-law 5 and 6 Amendments
and Response of the MFDA**

**SUMMARY OF PUBLIC COMMENTS
RESPECTING
PROPOSED MFDA BY-LAW 5 AND 6 AMENDMENTS
AND
RESPONSE OF THE MFDA**

On August 29, 2003, the Ontario Securities Commission published for public comment proposed amendments set out in MFDA Rules By-law 5 and 6 (the "**Proposed By-laws**"). The MFDA proposal was published in Volume 26, Issue 34/45 of the Ontario Securities Commission Bulletin, dated August 29, 2003.

The public comment period expired on September 29, 2003.

Three submissions were received during the public comment period:

1. Advocis
2. Keybase Financial Group
3. Miles Hershberg Capital Limited

Copies of the comment submissions may be viewed at the offices of the MFDA, 121 King Street West, Suite 1600, Toronto, Ontario by contacting Laurie Gillett, Corporate Secretary and Membership Services Manager, (416) 943-5827.

The following is a summary of the comments received, together with the MFDA's responses.

Participation of Mutual Fund Salespersons in MFDA Governance Structures

One commentator emphasized the importance of having Approved Persons (i.e. mutual fund salespersons who are not officers or employees of a Member) represented independently on the MFDA Board of Directors. This commentator also recommended that the composition of MFDA Regional Councils be expanded to include representation of Approved Persons, and that the election for Regional Councils be expanded to permit both Members and Approved Persons to vote in elections for representatives to Regional Councils. Finally, this commentator recommended that any MFDA Hearing Panel reviewing the conduct of an Approved Person must always include at least one Approved Person.

MFDA Response:

All of the foregoing comments and recommendations are based on the same premise that Approved Persons who are not officers or employees of Members should participate in the governance of the MFDA. The MFDA is a self-regulatory organization in respect of its Members which are restricted by its constitution to mutual fund dealers.

Draft: October 23, 2003

Approved Persons in the sense contemplated by the commentator are not mutual fund dealers or members of the MFDA and therefore, in the view of MFDA, ought not to play a primary role in the MFDA's governance. It is noted that the proposed composition of the Board of Directors of MFDA would permit one of the Industry Directors to be an Approved Person.

No Public Participation on MFDA Board

One commentator recommended that the MFDA Board of Directors should be comprised of industry representatives from IFIC, the MFDA and the OSC. This commentator was of the view that the structure and the working of the MFDA would be too involved to have the general public involved.

MFDA Response:

The Terms and Conditions of the various recognition orders of MFDA by CSA members specifically require that the role of IFIC in MFDA's governance structure be reviewed and the Corporate Governance Committee has addressed in the Proposed By-laws the role of IFIC, the IDA and other similar financial services organizations. With respect to the OSC, the OSC is the oversight authority for MFDA in Ontario and it is not considered appropriate that the OSC (or any securities commission in any province) have a direct governance role with MFDA. With respect to representatives of MFDA itself, officers and directors of MFDA Members are required to be represented on the Board and the only representative of MFDA itself would be the President and Chief Executive Officer who is an *ex officio*, fully voting member of the Board.

Expand Size of MFDA Board and Limit Public Participation Below 50%

One commentator expressed concern that the proposed 13-member MFDA Board of Directors would be insufficient to ensure that the range of MFDA Members are fairly represented on the board, particularly if Member representatives were limited to 6 directors. The commentator also expressed concern over the proposed increase in public participation on the MFDA Board and suggested that the public interest would not be compromised if the proportion of Public Directors were maintained at one-third of the board, as is the case for the Investment Dealers Association.

MFDA Response:

The issues raised by this commentator represented the core issues considered and reviewed by the MFDA Corporate Governance Committee and addressed in its Report which was adopted by the MFDA Board and published for comment. The reasons for the recommendations in the Report address the comments made and the MFDA has no basis to come to any conclusion other than those drawn in the Report, subject to some refining amendments that have been suggested as a result of the public comment period.

BY-LAW NO. 5

(Corporate Governance Report)

being a by-law amending the General By-law No. 1 of

MUTUAL FUND DEALERS ASSOCIATION OF CANADA/ ASSOCIATION CANADIENNE DES COURTIERS DE FONDS MUTUELS (hereinafter referred to as the "Corporation")

By-law No. 1 of the Corporation is hereby amended as follows:

(DRAFTING NOTE: The blacklining in Section 3 below dealing with the definition of "Public Director", which is presented as "double underline blacklining", reflects changes made to the text in response to consultations arising out of the public comment process. All other blacklining in this document is identical to the blacklining that appeared in this document when it was originally published for public comment in the Ontario Securities Commission Bulletin on August 29, 2003.)

DEFINITIONS

1. The definition of the terms "IDA" and "IFIC" are deleted.

2. A new definition of Industry Director is added as follows:

Industry Director means a director who is not a Public Director or the President and Chief Executive Officer.

3. The definition of the term "public director" is deleted and replaced with the following:

"Public Director" means a director:

(a) who is not a current director (other than a Public Director), officer or employee of, or of an associate or affiliate of;

(i) the MFDA or;

(ii) any protection or contingency fund in which Members (at the time the director holds the relevant office) are required to participate; or

(iii) the Investment Funds Institute of Canada or the Investment Dealers Association of Canada;

(b) who is not a current director, partner, significant shareholder, officer, employee

or salesperson agent of a Member, or of an associate or affiliate of a Member, of:

(i) the MFDA or:

(ii) any protection or contingency fund in which Members (at the time the director holds the relevant office) are required to participate; or

(iii) the Investment Funds Institute of Canada or the Investment Dealers Association of Canada;

(c) who is not a current employee of a federal, provincial or territorial government or a current employee of an agency of the Crown in respect of such government;

(d) who is not a current member of the federal House of Commons or member of a provincial or territorial legislative assembly;

(e) who has not, in the two years prior to election as a Public Director, held a position described in (a)-(d) above;

(f) who is not:

(i) an individual who provides goods or services to and receives direct significant compensation from, or

(ii) an individual who is a director, partner, significant shareholder, officer or employee of an entity that receives significant revenue from services the entity provides to, if such individual's compensation from that entity is significantly affected by the services such individual provides to,

the MFDA or any protection or contingency fund in which Members are required to participate, or a Member of the MFDA; and

(g) who is not a member of the immediate family of the persons listed in (a)-(f) above.

For the purposes of this definition:

(i) "significant compensation" and "significant revenue" means compensation or revenue the

loss of which would have, or appear to have, a material impact on the individual or entity;

(ii) "significant shareholder" means an individual who has an ownership interest in the voting securities of an entity, or who is a director, partner, officer, employee or salesperson agent of an entity that has an ownership interest in the voting securities of another entity, which voting securities in either case carry more than 10% of the voting rights attached to all voting securities for the time being outstanding.

DIRECTORS

1. **Section 3 is deleted in its entirety and replaced with the following:**

3. DIRECTORS

3.1 Duties and Number

The affairs of the Corporation shall be managed by a Board of Directors. The number of persons comprising the Board of Directors shall be 13.

3.2 Composition of the Board of Directors

The Board of Directors shall be composed of 6 Public Directors, 6 Industry Directors and the President and Chief Executive Officer. The members of the Board of Directors (other than the President and Chief Executive Officer) shall collectively and over time be nominated and elected on the basis that there will be timely and appropriate regional representation on the Board of Directors of Members of the Corporation across Canada, provided that at any time (subject to the occurrence of vacancies) not less than 4 of the directors shall represent regions other than the Provinces of Ontario and Quebec. In addition, at any time (subject to the occurrence of vacancies) five of the Industry Directors shall be officers or employees of a Member of the Corporation or of an affiliate or associated corporation of a Member. No Member, affiliate or associated corporation of a Member shall have more than 1 director, officer, employee or other representative on the Board of Directors and, if such event should occur, the Board of Directors in its discretion may request the resignation of or remove as a director, any director or directors in order that the requirements of this section are satisfied. Each director shall be at least 18 years of age.

3.3 Election and Term

3.3.1 Initial Election

At the Annual Meeting of the Corporation when this Section 3 of By-law No. 1 is sanctioned and becomes effective, 12 directors shall be elected from persons nominated and recommended to the Board of Directors by an ad hoc nominating committee established by the Board of Directors according to the requirements of Section 3.6.1 as if that Section were in force and a Governance Committee had been established in accordance with its provisions. Of the 6 Public Directors to be so elected, the terms of 3 Public Directors to be designated by the Board of Directors shall each expire at the second and third successive Annual Meetings. Of the 6 Industry Directors to be so elected, the terms of 3 such Industry Directors to be designated by the Board of Directors shall each expire at the first and second successive Annual Meetings on the election of their successors.

3.3.2 Public Directors

At each Annual Meeting commencing in the year 2005, 3 Public Directors shall be elected to fill the vacancies created by the expiry of the terms of office of the 3 Public Directors whose terms have expired at such meeting. The term for each Public Director to be elected at an Annual Meeting shall expire at the third Annual Meeting next following such election on the election of his or her successors, unless expired earlier in accordance with this By-law. The Board of Directors shall be authorized to fix the term of any Public Director to be elected for a period of less than 3 years in order to maintain the intended staggered terms of all Public Directors, but no such term shall be shortened if the Public Director has commenced his or her term of office. A Public Director shall be eligible to serve for only 2 successive terms of 3 years which shall include any shorter term as may have been fixed by the Board of Directors in accordance with this By-law, but shall exclude any portion of a term of office in respect of a vacancy filled pursuant to Section 3.5. Each Public Director to be elected at an Annual Meeting shall have been recommended by the Governance Committee to the Board of Directors for nomination for election by the Members according to the requirements of the By-laws and the

terms of reference of the Governance Committee adopted by the Board of Directors. Any Member shall be entitled to submit to the Governance Committee nominations for Public Directors provided that such nominations shall have been received by the Corporation not less than 60 days prior to the relevant Annual Meeting.

3.3.3 Industry Directors

At each Annual Meeting commencing in the year 2004, 3 Industry Directors shall be elected to fill the vacancies created by the expiry of the terms of office of the 3 Industry Directors whose terms have expired at such meeting. The term for each Industry Director to be elected at an Annual Meeting shall expire at the second Annual Meeting next following such election on the election of his or her successors, unless expired earlier in accordance with this By-law. The Board of Directors shall be authorized to fix the term of any Industry Director to be elected for a period of less than 2 years in order to maintain the intended staggered terms of all Industry Directors, but no such term shall be shortened if the Industry Director has commenced his or her term of office. An Industry Director shall be eligible to serve only 3 successive terms of 2 years which shall include any shorter term as may have been fixed by the Board of Directors in accordance with this By-law, but shall exclude any portion of a term of office in respect of a vacancy filled pursuant to Section 3.5. Each Industry Director to be elected at an Annual Meeting shall have been recommended by the Governance Committee to the Board of Directors for nomination for election by the Members according to the requirements of the By-laws and the terms of reference of the Governance Committee adopted by the Board of Directors. Any Member shall be entitled to submit to the Governance Committee nominations for Industry Directors provided that such nominations shall have been received by the Corporation not less than 60 days prior to the relevant Annual Meeting.

3.4 Vacancies

The office of a director shall be automatically vacated:

- 3.4.1 if the director by notice in writing to the Corporation resigns his or her office, which resignation shall be effective at the

time it is received by the Secretary of the Corporation or at the time specified in the notice, whichever is later;

- 3.4.2 if the director is found to be a mentally incompetent person or becomes of unsound mind;
- 3.4.3 if the director dies;
- 3.4.4 if the director becomes bankrupt or suspends payment of debts generally or makes an arrangement with creditors or makes an assignment or is declared insolvent;
- 3.4.5 in the case of a Public Director, if the director ceases to be qualified as a Public Director;
- 3.4.6 if the director is requested to resign pursuant to Section 3.2 and does not do so in a reasonable time;
- 3.4.7 if the Public or Industry Director is removed by a resolution passed by either three-quarters of the votes cast at a meeting of the Board of Directors or two-thirds of the votes cast at a meeting of Members;
- 3.4.8 in the case of the President and Chief Executive Officer, the director ceases to hold such office.

3.5 Filling Vacancies

If a vacancy in the Board of Directors shall occur for any reason, the vacancy shall be filled by a resolution electing or appointing a director passed by either a majority of the votes cast at a meeting of the Members or the Board of Directors, provided that in either case the director has been identified and recommended by the Governance Committee to the Board of Directors for nomination for election and the nominee is otherwise qualified as a director. In recommending any such nominee as a director, the Governance Committee shall ensure the requirements for the composition of the Board of Directors set out in Section 3.3.2 are satisfied and that the nomination process followed by the Governance Committee shall be in accordance with the requirements for nominees to be recommended to the Board of Directors for the election of directors at Annual Meetings except that no notice of the vacancy or request for nominations need be given to Members.

3.6 Committees

3.6.1 Governance Committee

The Board of Directors shall establish a Governance Committee composed of 2 Public Directors and 2 Industry Directors. The 2 Industry Director members of the Governance Committee shall be officers or employees of a Member of the Corporation or of an affiliate or associated corporation of a Member. The Chair of the Governance Committee shall be 1 of the 2 Public Directors as selected by the Board of Directors. The Governance Committee shall be responsible for identifying and recommending to the Board of Directors Public and Industry Directors for election to the Board of Directors in accordance with the By-laws and the terms of reference adopted for the Governance Committee by the Board of Directors. In addition, the Governance Committee shall perform such other duties as the Board of Directors may delegate or direct from time to time. 1 Public Director and 1 Industry Director shall constitute a quorum of the Governance Committee.

3.6.2 Audit Committee

The Board of Directors shall establish an Audit Committee composed of 2 Public Directors and 1 Industry Director. The Chair of the Audit Committee shall be 1 of the 2 Public Directors as selected by the Board of Directors. The Audit Committee shall review and report to the Board of Directors on the annual financial statements of the Corporation and shall perform such other duties as the Board of Directors may delegate or direct from time to time. 1 Public Director and 1 Industry Director shall constitute a quorum of the Audit Committee.

3.6.3 Executive Committee

The Board of Directors may in its discretion establish an executive committee (which may be otherwise named) composed of an equal number of Public Directors and Industry Directors. The Chair of the Executive Committee, if any, may be either a Public Director or Industry Director and shall be selected by the Board of Directors. The Executive Committee shall exercise such powers and such duties as are delegated or directed by the Board of Directors including, without limitation, the authority to exercise any of the powers of the

Board of Directors. 1 Public Director and 1 Industry Director shall constitute a quorum of the Executive Committee.

3.6.4 *Other Board Committees*

The Board of Directors may from time to time in its discretion appoint any other committee or committees as it considers necessary or appropriate for such purposes and with such powers as the Board of Directors may determine including, without limitation, the authority to exercise any of the powers of the Board of Directors and to act in all matters for and in the name of the Board of Directors under the By-laws. Subject to any provisions of the By-laws otherwise, any such committee may be composed of Public Directors or Industry Directors, or both. A majority of the members of a committee established under this Section 3.6.4 shall constitute a quorum, provided that if the committee is composed of 1 or more Public Directors, a quorum shall include 1 Public Director.

3.6.5 *Committee Membership and Procedures*

Members of any committee of the Board of Directors including, without limitation, the Governance Committee, Audit Committee, Executive Committee (if any) or any other committee established pursuant to Section 3.6.4 and shall be appointed and subject to removal by the Board. The Board of Directors may prescribe rules and procedures not inconsistent with the Act and the By-laws relating to the calling of meetings of, and conduct of business by, committees of the Board. Subject to the By-laws and any resolution of the Board of Directors, meetings of any such committee shall be held at any time and place to be determined by the Chair of the committee or its members provided that 48 hours' prior written notice of such meetings shall be given, other than by mail, to each member of the committee. Notice by mail shall be sent at least 14 days prior to the meeting. No error or accidental omission in giving notice of any meeting of a committee shall invalidate such meeting or make void any proceedings taken at such meeting.

3.7 **Remuneration of Directors**

The Board of Directors may determine from time to time such reasonable remuneration, if any, to be paid to the directors of the Corporation for serving as such and the Board may determine that

such remuneration need not be the same for all directors including, without limitation, as between Public and Industry Directors. Public and Industry Directors may be reimbursed for reasonable expenses incurred by the director in the performance of the director's duties. Subject to Sections 6 and 7.1, nothing herein contained shall be construed to preclude any director from serving the Corporation as an officer or in any other capacity and receiving compensation therefor.

MEETINGS OF DIRECTORS

Section 4.7 is amended as follows (changes are marked):

4.7 **Quorum**

A majority of the directors then in office shall form a quorum for the transaction of business provided that at least ~~one~~ 2 Public Directors ~~is~~ are present and, notwithstanding any vacancy among the directors, a quorum of ~~directors~~ may exercise all the powers of directors.

INTERESTED DIRECTOR CONTRACTS

Section 6.3 is deleted.

OFFICERS

1. **Section 7.1 is amended as follows (changes are marked):**

7.1 **Appointment**

The Board of Directors shall annually or more often as may be required, appoint a Chair of the Board ~~(who shall be the Chairperson of IFIC unless the organization with which he or she is affiliated does not have as a core business the retail distribution of mutual funds, in which event the Chair shall be the Chair of the Retail Distributor Council of Governors of IFIC))~~, and a President and Chief Executive Officer ~~(who shall be the President of the IDA)~~, and may, as often as may be required, appoint a Vice Chair of the Board, a Chief Operating Officer, one or more Vice-Presidents, a Secretary, ~~a Treasurer~~ and one or more Assistant Secretaries and/or ~~one or more Assistant Treasurers~~ other assistant officers. ~~No person shall serve as Chair of the Board for more than a one year term. For purposes of this Section 7.1, the term of office of a person who is appointed to fill a vacancy as Chair of the Board shall not include the remainder of the term during which such vacancy occurred. If the foregoing provisions would otherwise result in the Chair of the Board being reappointed to a consecutive term as Chair, the [Chair of the Retail Distributor Council of Governors of IFIC] shall be appointed Chair of the Board.~~ A director may be appointed to any office of the Corporation, but except that the Chair shall not be the President and Chief

Executive Officer or exercise any of the powers of the chief executive officer of the Corporation. None of the said officers need be a director or Member of the Corporation except that the Chair of the Board, the Vice-Chair of the Board and the President and Chief Executive Officer shall be directors of the Corporation. Two or more of the aforesaid offices may be held by the same person, except that neither the Chair nor any Vice-Chair shall be the President and Chief Executive Officer or exercise any of the powers of the chief executive officer. In case and whenever the same person holds the offices of Secretary and Treasurer that person may but need not be known as the Secretary-Treasurer. The Board of Directors may from time to time appoint such other officers and agents as it shall deem necessary who shall have such authority and shall perform such duties as may from time to time be prescribed by the Board of Directors.

ensuing year and such other business as may be properly brought before the meeting. The Members may consider and transact any business, either special or general, at any meeting of Members.

2. **Section 7.4 is amended as follows (changes are marked):**

7.4 **Removal and Reappointment of Officers**

Officers shall be subject to removal by resolution of the Board of Directors at any time, with or without cause. ~~If the Chair of the Board is removed by resolution of the Board of Directors, a nominee of IFIC shall be appointed by the directors as Chair of the Board until a new Chairperson of IFIC is appointed, whereupon the new Chairperson of IFIC shall become the Chair of the Board unless the organization with which he or she is affiliated does not have as a core business the retail distribution of mutual funds, in which event the Chair shall be the Chair of the Retail Distributor Council of Governors of IFIC. If the President and Chief Executive Officer is removed by resolution of the Board of Directors, the directors shall appoint a nominee of IDA, other than the President of IDA, to serve as President and Chief Executive Officer for the remainder of the then current term of office and annually thereafter until the President of IDA is replaced, whereupon the new President of IDA shall become the President and Chief Executive Officer of the Corporation.~~

ANNUAL MEETING

Section 12.2 is amended as follows (changes are marked):

At every Annual Meeting, in addition to any other the business that may to be transacted shall include the election of directors, the names and nominators of the directors of the Corporation, presentation of the report of the directors, if any, and the financial statements and report of the auditors, the appointment of shall be presented to the Members and auditors appointed for the

13.1.4 RS Disciplinary Notice - John Andrew Scott

and

DISCIPLINARY NOTICE

- (d) pay \$35,000 towards the cost of RS's investigation.

November 13, 2003

Person Disciplined

On November 13, 2003, a Hearing Panel of the Hearing Committee of Market Regulation Services Inc. ("RS") approved a settlement agreement (the "Settlement Agreement") concerning John Andrew Scott.

Requirements Contravened

Under the terms of the Settlement Agreement, Mr. Scott admits that the following Requirements were contravened:

- (a) Between February 1, 2000 and March 31, 2000, Scott used or knowingly participated in the use of a manipulative or deceptive method of trading in connection with the purchase and sale of Helix BioPharma Corporation ("HBP") which created a false or misleading appearance of trading activity or an artificial price for HBP, contrary to section 11.26 of the General By-law of the Toronto Stock Exchange (the "Exchange") and Part XIV of the Rulings and Directions of the Board of the Exchange.
- (b) Between April 1, 2000 and July 5, 2000, Scott used or knowingly participated in the use of a manipulative or deceptive method of trading in connection with the purchase and sale of HBP which created a false or misleading appearance of trading activity or an artificial price for HBP, contrary to Rule 4-202 and Policy 4-202 of the Exchange.
- (c) In January 2000, Scott paid for 15,000 shares of HBP in an off-market transaction, delivery of which occurred in March 2000, contrary to section 11.01 of the General By-law of the Exchange.

Sanctions Approved

Pursuant to the terms of the Settlement Agreement, Mr. Scott is required to:

- (a) pay to RS a fine of \$125,000;
- (b) be suspended from access to the marketplaces regulated by RS for a period of 2 years;
- (c) pay an additional fine of \$53,756.85 to RS, representing the financial benefit to Scott as a result of the contraventions;

Summary of Facts

Between February 1, 2000 to July 5, 2000, Mr. Scott engaged in trading in HBP contrary to the requirements noted above, which included purchases of shares at successively higher prices and the creation of artificial prices.

Mr. Scott also engaged in an off market transaction in the shares of HBP with one of these clients for which he earned a profit of approximately \$44,000.

Further Information

Participants who require additional information should direct questions to Maureen Jensen, Vice President, Market Regulation, Eastern Region, Market Regulation Services Inc. at 416-646-7216.

About Market Regulation Services Inc.

Market Regulation Services Inc. ("RS") is the regulation services provider for Canadian equity markets including the TSX and TSX Venture Exchanges. RS has been recognized by the securities commissions of Ontario, Quebec, British Columbia, Alberta and Manitoba to regulate the trading of securities on these markets by participant firms and their trading and sales staff. RS is mandated to conduct its regulatory activities in a neutral, cost-effective, service-oriented and responsive manner.

13.1.5 RS Disciplinary Notice - Matthew Philip Linden

DISCIPLINARY NOTICE

November 26, 2003

Person Disciplined

On November 26, 2003, a Hearing Panel of the Hearing Committee of Market Regulation Services Inc. ("RS") approved a settlement agreement (the "Settlement Agreement") concerning Matthew Philip Linden.

Requirements Contravened

Under the terms of the Settlement Agreement, Mr. Linden admits that the following Requirements were contravened:

- (a) In the period February 1, 2000 to March 31, 2000, Linden failed to fully and properly supervise employees to ensure they complied with the Requirements of the Toronto Stock Exchange ("the Exchange"), contrary to section 8.34 of the General By-law of the Exchange.
- (b) In the period April 1, 2000 to July 5, 2000, Linden failed to fully and properly supervise employees to ensure they complied with Exchange Requirements, contrary to Rule 2-401(4) of the Rules of the Exchange.

Sanctions Approved

Pursuant to the terms of the Settlement Agreement, Mr. Linden is required to:

- (a) Pay to RS a fine of \$50,000;
- (b) Rewrite and successfully complete the Examination for Branch Managers within six months of the date of this Settlement;
- (c) Pay \$12,500 to RS towards the costs of RS's investigation.

Summary of Facts

Between February 1, 2000 to July 5, 2000, Mr. Linden, the branch manager at the Oakville Branch of BMO Nesbitt Burns Inc. ("Nesbitt Burns"), failed to meet his supervisory obligations with respect to trading on behalf of certain clients by Linda Grace Malinowski and John Andrew Scott, investment advisors at the branch.

Following a review of findings of RS's investigation, RS has determined that Nesbitt Burns met its supervisory obligations in relation to the subject trading. Nesbitt Burns has voluntarily provided \$16,000 to RS for investor education, representing commissions it received from the subject trading.

Further Information

Participants who require additional information should direct questions to Maureen Jensen, Vice President, Market Regulation, Eastern Region, Market Regulation Services Inc. at 416-646-7216.

About Market Regulation Services Inc.

Market Regulation Services Inc. ("RS") is the regulation services provider for Canadian equity markets including the TSX and TSX Venture Exchanges. RS has been recognized by the securities commissions of Ontario, Quebec, British Columbia, Alberta and Manitoba to regulate the trading of securities on these markets by participant firms and their trading and sales staff. RS is mandated to conduct its regulatory activities in a neutral, cost-effective, service-oriented and responsive manner.

13.1.6 RS Disciplinary Notice - Linda Grace Malinowski

November 26, 2003

Person Disciplined

On November 26, 2003, a Hearing Panel of the Hearing Committee of Market Regulation Services Inc. ("RS") approved a settlement agreement (the "Settlement Agreement") concerning Linda Grace Malinowski.

Requirements Contravened

Under the terms of the Settlement Agreement, Ms. Malinowski admits that the following Requirements were contravened:

- (a) Between February 1, 2000 and March 31, 2000, Malinowski engaged in conduct inconsistent with just and equitable principles of trade in relation to trading in Helix BioPharma Corp. ("HBP"), contrary to section 17.09(1)(b) of the General By-law of the Toronto Stock Exchange (the "Exchange").
- (b) Between April 1, 2000 and June 9, 2000, Malinowski engaged in conduct inconsistent with just and equitable principles of trade in relation to trading in HBP, contrary to Rule 7-106(1)(b) of the Rules of the Exchange.

Sanctions Approved

Pursuant to the terms of the Settlement Agreement, Ms. Malinowski is required to:

- (a) Pay to RS a fine of \$10,000;
- (b) Should Ms. Malinowski wish to act as a registered representative, she must first re-write and pass the Conduct and Practices Handbook exam.

Summary of Facts

Between February 1, 2000 to June 9, 2000, Ms. Malinowski engaged in trading in HBP on behalf of certain clients in a manner that was contrary to just and equitable principles of trade. Persons entering orders on behalf of clients have a gatekeeper responsibility to guard against entering orders for clients who may appear to be engaging in manipulative and deceptive trading. In this case, Ms. Malinowski failed in her duty as gatekeeper.

Further Information

Participants who require additional information should direct questions to Maureen Jensen, Vice President, Market Regulation, Eastern Region, Market Regulation Services Inc. at 416-646-7216.

About Market Regulation Services Inc.

Market Regulation Services Inc. ("RS") is the regulation services provider for Canadian equity markets including the TSX and TSX Venture Exchanges. RS has been recognized by the securities commissions of Ontario, Quebec, British Columbia, Alberta and Manitoba to regulate the trading of securities on these markets by participant firms and their trading and sales staff. RS is mandated to conduct its regulatory activities in a neutral, cost-effective, service-oriented and responsive manner.

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