The Ontario Securities Commission

OSC Bulletin

February 27, 2004

Volume 27, Issue 9

(2004), 27 OSCB

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

The Ontario Securities Commission
Cadillac Fairview Tower
Suite 1903, Box 55
20 Queen Street West
Toronto, Ontario
M5H 3S8

416-593-8314 or Toll Free 1-877-785-1555

Published under the authority of the Commission by:
Carswell
One Corporate Plaza
2075 Kennedy Road
Toronto, Ontario
M1T 3V4

416-609-3800 or 1-800-387-5164

Contact Centre - Inquiries, Complaints:	Fax: 416-593-8122
Capital Markets Branch:	Fax: 416-593-3651
- Registration:	Fax: 416-593-8283
Corporate Finance Branch:	
- Team 1:	Fax: 416-593-8244
- Team 2:	Fax: 416-593-3683
- Team 3:	Fax: 416-593-8252
- Insider Reporting	Fax: 416-593-3666
- Take-Over Bids:	Fax: 416-593-8177
Enforcement Branch:	Fax: 416-593-8321
Executive Offices:	Fax: 416-593-8241
General Counsel's Office:	Fax: 416-593-3681
Office of the Secretary:	Fax: 416-593-2318

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

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

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

U.S.	$175
Outside North America	$400

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

ISSN 0226-9325

One Corporate Plaza
2075 Kennedy Road
Toronto, Ontario
M1T 3V4

Customer Relations
Toronto 1-416-609-3800
Elsewhere in Canada/U.S. 1-800-387-5164
World wide Web: http://www.carswell.com
Email: carswell.orders@thomson.com

Table of Contents

Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

FEBRUARY 27, 2004

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

- -

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

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

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

CDS **TDX 76**

Late Mail depository on the 19th Floor until 6:00 p.m.

- -

THE COMMISSIONERS

David A. Brown, Q.C., Chair	—	DAB
Paul M. Moore, Q.C., Vice-Chair	—	PMM
Paul K. Bates	—	PKB
Robert W. Davis, FCA	—	RWD
Harold P. Hands	—	HPH
Robert W. Korthals	—	RWK
Mary Theresa McLeod	—	MTM
H. Lorne Morphy, Q.C.	—	HLM
Robert L. Shirriff, Q.C.	—	RLS
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
DATE : TBA	**Patrick Fraser Kenyon Pierrepont Lett, Milehouse Investment Management Limited, Pierrepont Trading Inc., BMO Nesbitt Burns Inc.*, John Steven Hawkyard+ and John Craig Dunn** s. 127 K. Manarin in attendance for Staff Panel: HLM/MTM/ST * BMO settled Sept. 23/02 + April 29, 2003
March 8 & 9 10am – 4pm March 10, 2004 10am – 2 pm	**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: PMM/MTM/PKB
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 CSA Multilateral Staff Notice 57-302 Failure to File Certificates Under Multilateral Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings

CANADIAN SECURITIES ADMINISTRATORS
MULTILATERAL STAFF NOTICE 57-302

FAILURE TO FILE CERTIFICATES UNDER MULTILATERAL INSTRUMENT 52-109 - CERTIFICATION OF DISCLOSURE IN ISSUERS' ANNUAL AND INTERIM FILINGS

Purpose

The purpose of this notice is to advise reporting issuers that a failure to file the certificates required by Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (the "Instrument"), or the filing of certificates that are not in accordance with the prescribed forms, will be viewed by staff (except for staff in British Columbia, which did not adopt the Instrument) as a serious breach of securities law. In such circumstances staff will take appropriate action, which will generally include, depending on the relevant jurisdiction's authority, recommending the imposition of a cease trade order ("CTO") against the chief executive officer and/or chief financial officer of the issuer (or persons performing functions similar to a chief executive officer or chief financial officer) (the "CEO" or "CFO", as applicable) with respect to trading in securities of the issuer by the CEO and CFO, and placing the issuer on a list of defaulting reporting issuers. The Instrument was published in final form on January 16, 2004 and is subject to final Ministerial approvals. If such approvals are received, the Instrument will come into force on March 30, 2004.

Background

The Instrument is one of a number of recent investor confidence initiatives aimed at improving the quality and reliability of reporting issuers' financial disclosure. It requires CEOs and CFOs of reporting issuers to personally certify certain matters with respect to the annual and interim filings of the reporting issuer.

CEOs and CFOs will be required to certify, among other things, that:

- their issuers' annual filings and interim filings do not contain any misrepresentations or omit to state any material facts;
- the financial statements fairly present the financial condition, results of operations and cash flows of their issuers for the relevant period;
- they have designed or caused to be designed under their supervision, disclosure controls and procedures and internal control over financial reporting; and

- they have evaluated the effectiveness of such disclosure controls and procedures.

The Instrument will apply to interim periods and financial years beginning on or after January 1, 2004. Accordingly, issuers should be aware that, in some cases, certificates will need to be filed as early as mid-May 2004. Transitional provisions in the Instrument permit issuers to file an abridged or "bare" form of certificate (without the representations in paragraphs 4 and 5 of Forms 52-109F1 and 52-109F2) in respect of financial years ending on or before March 30, 2005. Similarly, a bare certificate may be filed in respect of any interim period that occurs prior to the end of the first financial year in respect of which an issuer is required to file a "full" certificate (with all representations). For further guidance regarding compliance with the Instrument please see the final form of the Instrument which was published in each jurisdiction (except British Columbia) in January, 2004.

Staff Expectations

Once the Instrument comes into force, reporting issuers will be required to ensure that the certificates required by the Instrument are appropriately filed. Staff are available to provide assistance to issuers who have questions about how to meet their obligations under the Instrument. Issuers should also be aware that there is a mechanism available to them to obtain exemptive relief from the requirements of the Instrument, in appropriate circumstances.

Staff are of the view that a failure to file the certificates required by the Instrument, or the filing of deficient certificates, may be a signal of an underlying problem with the issuer's related financial disclosure. Accordingly, if an issuer anticipates that it will have difficulty in filing the certificates in accordance with the Instrument, it should contact staff in its principal jurisdiction as soon as possible. Staff will ask the issuer to explain the reason why the certificates cannot be filed on time or in the prescribed form, as applicable. When an issuer fails to file the certificates by the required deadlines, staff will contact the issuer to request an explanation for the deficiency and will ask the issuer to identify any problems with its financial disclosure. In either case, if the situation is not promptly resolved, staff will generally recommend, depending on the jurisdiction's authority, the issuance of a CTO against the issuer's CEO and/or CFO and placing the issuer on a list of defaulting reporting issuers. In addition, staff will consider recommending further action, depending on the nature of the underlying deficiency.

Generally, we expect that responsibility for reviewing compliance with the Instrument, and for determining appropriate sanctions in the event of non-compliance with the Instrument, will rest with an issuer's principal regulator. CSA staff will attempt to coordinate their reviews to ensure consistency in approach across the jurisdictions.

Questions

Please refer your questions to any of:

Erez Blumberger
Ontario Securities Commission
20 Queen Street West, Suite 1900, Box 55
Toronto, Ontario M5H 3S8
Telephone: (416) 593-3662
e-mail: eblumberger@osc.gov.on.ca

Elizabeth Topp
Ontario Securities Commission
20 Queen Street West, Suite 1900, Box 55
Toronto, Ontario M5H 3S8
Telephone: (416) 593-2377
e-mail: etopp@osc.gov.on.ca

Sylvie Anctil-Bavas, CA
Spécialiste - expertise comptable
Autorité des marchés financiers
800, square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, (Québec) H4Z 1G3
Téléphone: (514) 940-2199, poste 2402
Télécopieur: (514) 873-7455
e-mail: sylvie.anctil-bavas@lautorite.qc.ca

Denise Hendrickson
Alberta Securities Commission
400, 300-5th Avenue S.W.
Stock Exchange Tower
Calgary, Alberta
T2P 3C4
Telephone: (403) 297-2648
e-mail: denise.hendrickson@seccom.ab.ca

Bob Bouchard
Chief Administrative Officer & Director
The Manitoba Securities Commission
1130-405 Broadway
Winnipeg, Manitoba
R3C 3L6
Telephone: (204) 945-2555
e-mail: bbouchard@gov.mb.ca

February 27, 2004.

1.1.3 Assignment of Certain Powers and Duties of the OSC - Amendment of Assignment

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

AND

IN THE MATTER OF
THE ASSIGNMENT OF CERTAIN POWERS AND DUTIES OF THE ONTARIO SECURITIES COMMISSION

AMENDMENT OF ASSIGNMENT
(Subsection 6(3))

WHEREAS:

1. On April 12, 1999, pursuant to subsection 6(3) of the Act, the Ontario Securities Commission ("the Commission") issued an assignment (the "April Assignment") assigning certain of its powers and duties under the Act to each "Director" as that term is defined in subsection 1(1) of the Act, acting individually;

2. On September 7, 1999, February 15, 2000, January 23, 2001, April 27, 2001, October 3, 2001 and April 15, 2003, pursuant to subsection 6(3) of the Act, the Commission amended the April Assignment (the April Assignment as so amended being referred to as the "Assignment"); and

3. The Commission considers it desirable to make an additional assignment of certain of its powers and duties.

NOW THEREFORE the Assignment is amended by adding subclause (u) of paragraph 2 as follows:

(u) paragraph 2 of subsection 127(1) of the Act and subsections 127(2), (3), (5), (7), (8) and (9) of the Act, where a reporting issuer has failed to file the certificates required by Multilateral Instrument 52-109 or has filed certificates that are not in the prescribed form, but only in respect of trading in securities of the reporting issuer by the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the reporting issuer (or, in the case of an issuer that does not have a CEO or CFO, persons performing functions similar to a CEO or CFO, as the case may be).

February 3, 2003.

"Suresh Thakrar" "H. Lorne Morphy"

1.1.4 Notice of Ministerial Approval - Multilateral Instrument 55-103 Insider Reporting for Certain Derivative Transactions (Equity Monetization)

NOTICE OF MINISTERIAL APPROVAL

MULTILATERAL INSTRUMENT 55-103
INSIDER REPORTING FOR CERTAIN DERIVATIVE TRANSACTIONS
(EQUITY MONETIZATION)

On January 26, 2004, the Minister of Finance approved, pursuant to subsection 143.3(3) of the *Securities Act* (Ontario), Multilateral Instrument 55-103 – *Insider Reporting for Certain Derivative Transactions (Equity Monetization)* (the Rule) as a rule under the *Securities Act* (Ontario).

The Rule and the related companion policy, Companion Policy 55-103CP *Insider Reporting for Certain Derivative Transactions (Equity Monetization)* (the Policy), will come into force in Ontario on **February 28, 2004**.

The Rule and the Policy were previously published in the Bulletin on November 28, 2003. The Rule and Policy are published in Chapter 5 of this Bulletin.

1.1.5 CSA Staff Notice 55-312 Insider Reporting Guidelines for Certain Derivative Transactions (Equity Monetization)

CANADIAN SECURITIES ADMINISTRATORS STAFF NOTICE 55-312

INSIDER REPORTING GUIDELINES
FOR CERTAIN DERIVATIVE TRANSACTIONS
(EQUITY MONETIZATION)

Purpose

The purpose of this notice is to provide guidance to insiders in relation to the reporting of certain derivative-based transactions, including transactions which are commonly referred to as "equity monetization" transactions.

The staff of the Canadian Securities Administrators have prepared this notice to assist insiders who have entered into such transactions and to promote consistency in filings. This notice is intended to be read together with the SEDI User Guide (the User Guide), which is available at the websites listed below.

The notice contains a number of examples of arrangements and transactions involving derivatives together with examples of how we believe that insiders should report these arrangements and transactions. The instructions contained in this notice are guidelines only, and do not necessarily represent the only way that such arrangements and transactions may be reported.

If you have questions or concerns with respect to the contents of this notice, please feel free to contact a member of staff. Contact information is included at the end of this notice. This notice is dated February 27, 2004. We may from time to time reissue this notice to reflect frequently asked questions or concerns.

Background

1. What are equity monetization transactions?

Equity monetization transactions are derivative-based transactions which allow an investor to receive a cash amount similar to proceeds of disposition, and to transfer part or all of the economic risk and/or return associated with securities of an issuer, without formally transferring the legal and beneficial ownership of such securities. (The term "monetization" generally refers to the conversion of an asset (such as securities) into cash.)

You can find more information about how to file insider reports in respect of equity monetization transactions and other derivative-based transactions in the following materials:

- CSA Staff Notice 55-308 *Questions on Insider Reporting*
- CSA Staff Notice 55-310 *Questions and Answers on The System for Electronic Disclosure by Insiders (SEDI)*
- SEDI Online Guidelines relating to Third-Party Derivatives (available by clicking "help" at any time once you are in SEDI)
- Multilateral Instrument 55-103 *Insider Reporting for Certain Derivative Transactions (Equity Monetization*)[1]
- Companion Policy 55-103CP *Insider Reporting for Certain Derivative Transactions (Equity Monetization*)
- BC Instrument 55-506 *Exemption from insider reporting requirements for certain derivative transactions* (and the accompanying BC Notice).

[1] *Multilateral Instrument 55-103 and Companion Policy 55-103CP will come into force on February 28, 2004 in Alberta, Saskatchewan, Manitoba and Ontario. These instruments are expected to come into force on or shortly after that date in the other participating jurisdictions. The British Columbia Securities Commission has participated in the development of the Multilateral Instrument and Companion Policy, but has decided to implement similar requirements by proclaiming amendments to the British Columbia Securities Act and providing exemptions in a BC Instrument instead. Consequently, it is not anticipated that British Columbia will adopt the Multilateral Instrument and Companion Policy. In Québec, the Regulation will come into force on the date that it is published in the Gazette officielle du Québec or on a later date. It will also be published in the Bulletin. (Au Québec, le règlement entrera en vigueur à la date de sa publication à la Gazette officielle du Québec ou à une date ultérieure. Il sera aussi publié au Bulletin.) If you have a question about the status of any of these instruments in a particular CSA jurisdiction, please contact a member of staff. Contact information is provided at the end of this notice.*

These materials are available at the websites of the securities regulatory authorities indicated below:

- www.bcsc.bc.ca
- www.albertasecurities.com
- www.sfsc.gov.sk.ca
- www.msc.gov.mb.ca
- www.osc.gov.on.ca
- www.lautorite.qc.ca

2. How should these transactions be reported in SEDI?

We have set out below a number of examples of arrangements and transactions involving derivatives together with examples of how we believe that insiders should report these arrangements and transactions in SEDI.

The first example is considered in detail. The subsequent examples generally refer the reader back to the step-by-step approach taken in the first example, highlighting necessary changes.

The examples discussed in this notice have necessarily been simplified and are for illustrative purposes only. The examples assume the following set of facts:

> ABC Inc. is a reporting issuer. John is a director of ABC Inc. and is therefore an insider of ABC Inc. On March 1, 2001, John acquired 10 shares of ABC Inc. at a fair market value (FMV) price of $10 per share. On March 1, 2004, shares of ABC Inc. have a FMV of $100 per share. John does not wish to sell the shares, but is concerned that the shares might fall in value, and wishes to protect at least $80 of the gain (that is, to "lock in" the share price at at least $90).

The examples also assume that the following necessary preliminary steps have been taken:

- ABC Inc. has completed an issuer profile supplement;
- John has a valid SEDI user ID and password;
- John has created his insider profile in SEDI and has his insider access key; and
- John has previously added ABC Inc. to his insider profile.

For additional information about filing an insider report under SEDI, please refer to the SEDI User Guide, which is available at the websites listed above.

Example 1

On March 1, 2004, John enters into a ***forward contract*** with InvestBank under which John agrees to sell, and InvestBank agrees to purchase, 10 shares of ABC Inc. at a price of $109.50 per share.[2] The sale will take place on March 1, 2009. The parties may settle their obligations under the forward contract on a cash settlement basis or by physical delivery of 10 ABC Inc. shares. This contract may be settled at an earlier date, subject to an adjustment to the settlement price. InvestBank hedges its risk under the forward contract through a hedging strategy involving short sales into the secondary market.

Insider Reporting Requirement: John is required to file an insider report within 10 (calendar) days of March 1, 2004. For an example of how this transaction should be reported, see below. Unless InvestBank is also an insider of ABC Inc., InvestBank is not required to file an insider report.

---

[2] In this example, $90 is assumed to represent the present value of $109.50 on March 1, 2009. Assuming an annual compounding of 4%, John and InvestBank are in the same position (absent any consideration of taxes) whether they proceed by way of a sale today at $90 or a sale five years from today at $109.50. In the case of a sale today, John receives $90, which he may then invest at 4%. Assuming an annual compounding return of 4%, at the end of five years, John will have received cash in the amount of $109.50. In the case of the forward sale at the end of five years, John will have received cash in the amount of $109.50.

Instructions for Example 1

Note: John has accessed the SEDI website at www.sedi.ca, selected "English" as his language of preference, selected "login" at the "Welcome to SEDI" screen, and has logged in by entering his SEDI user ID and his password. John is now presented with the following screen: "Insider home page".

1. Enter your **insider access key** and click **Next.**

SCREEN: Insider activities

2. Click **insider report** (at the top of the screen).

SCREEN: Introduction to insider report activities (Form 55-102F2)

3. Click **File insider report** (on the navigation bar at the left of the screen)

SCREEN: File insider report (Form 55-102F2) – Select issuer

4. Select and highlight "ABC Inc." in the "List of issuers from the insider profile".

5. Click **File insider report**.

SCREEN: File insider report – Review issuer information

6. Review the issuer information and ensure that it is correct.

7. Click **Next**.

SCREEN: File insider report – View new issuer event reports

8. View any new issuer event reports, and then click **Next**.

SCREEN: File insider report – Select security designation

Note: Since the forward contract is not a class of security defined by the issuer in its issuer profile supplement, it will be necessary for John to create a new insider-defined security designation for the forward contract.

Note: Under SEDI, third-party derivative arrangements are considered to be "securities". Such arrangements may or may not be considered "securities" under securities law generally, depending upon the facts and circumstances of the arrangement in question.

9. Use the drop-down menu under the heading **Security Category** (at the bottom of the screen) to select a security, select and highlight "Third Party Derivatives", and then click on **Add security designation**.

Note: At this point, a warning pop-up box should appear: "Warning: You are about to specify an insider-defined security. You should not do so if the security you want to file is available in the issuer's outstanding security list. You must ensure that this security is not already on the issuer's outstanding securities list."

10. Click **OK.**

SCREEN: File insider report – Add security designation

11. Under the heading **Security designation**, in the drop-down menu under the subheading **Security name**, select and highlight **Forward Sale**.

12. Then, for the **additional description**, briefly describe. For example, "10 common shares – settlement date March 2009".

Note: This adds the security designation "Forward sale (10 common shares – settlement date March 2009)" to your list of insider-defined securities.

Note: Not all of this text will currently be visible in the additional description box. (The box will only show a limited number of characters at any one time.) However, the full text in this example will be accepted, and will be visible at later stages of the filing process.

13. Under the heading **Underlying security designation**, in the drop-down menu under the subheading **Security category**, select and highlight **Equity**. Then, in the drop-down menu under the subheading **Security name**, select and highlight **Common Shares**.

Note: In the context of a forward sale, the underlying security is the security that is the subject of the forward sale.

14. Click **Next**.

SCREEN: File insider report – Select ownership type

15. In the drop-down menu **Ownership type**, select and highlight **Direct Ownership** and click **Next.**

SCREEN: File insider report – opening balance on initial SEDI report

Note: SEDI requires an opening balance for each type of security. This has to be entered before a report can be filed about a transaction in the security. If the insider has never filed a report (either on paper or on SEDI) about this specific type of security, the insider must enter "0" (zero) as his or her opening balance. If John has previously entered into another forward contract, which has different terms (e.g., a different settlement date or price) from the present forward contract, the present contract would be considered a separate type of security.

16. In the field "Opening balance of securities held", enter **0**.

17. In the field "Opening balance of equivalent number or value of underlying securities", enter **0.**

Note: This screen contains additional fields: "General Remarks" and "Private remarks to securities regulatory authorities". In this example, it is not necessary to include any information here.

18. Click **Next** (at the bottom of the screen).

SCREEN: File insider report – File transaction information

19. Click **File**.

SCREEN: Certification

20. Click **Accept.**

SCREEN: File insider report – Completed.

Note: John has now filed his opening balance for the security designated "Forward sale (10 common shares – settlement date March 2009)". It is now necessary to file a report about the transaction involving this security entered into on March 1, 2004.

21. At the prompt "Are you finished with this insider report?" click **No.**

SCREEN: File insider report – Select a transaction option

22. Click on the button beside "Option 1": **Same security & holder**.

SCREEN: File insider report – Enter transaction information

23. In the "Date of transaction" fields, enter a month, day and year.

Note: Since John entered into the forward contract on March 1, 2004, enter this date. Do not enter the date of the anticipated settlement (i.e., March 1, 2009) here.

24. In the drop-down menu **Nature of transaction**, select and highlight the appropriate code. Since John has acquired rights under a derivative contract, enter "70 – Acquisition or disposition (writing) of third party derivative".

Note: For information about "nature of transaction" codes, see "Appendix 3: Nature of Transaction Codes" on p. 217 of the User Guide or National Instrument 55-102 SEDI.

25. Enter a number in the **Number or value of securities or contracts acquired,** or **Number or value of securities or contracts disposed of** fields.

Note: Since John has acquired rights and obligations under a derivative contract, enter "1" after the field "Number or value of securities or contracts acquired". Leave the "Number or value of securities or contracts disposed of" field blank.

Note: Since John has specified a derivative as the security, there are additional fields in which to enter the equivalent number or value of the underlying securities to which the derivative relates.

26. Under the field **Unit price or exercise price,** enter N/A.

27. Under the field **Conversion or exercise price,** enter $109.50.

Note: Since John has not paid any consideration (in this example) for the forward contract, he would enter N/A in the field "Unit price or exercise price". Since the forward contract obliges John to sell 10 ABC shares at $109.50 per share on March 1, 2009, John would enter $109.50 in the field "Conversion or exercise price".

28. Enter the following information in the **Date of expiry or maturity** field: March 1, 2009.

29. Enter the following information in the **General remarks** field:

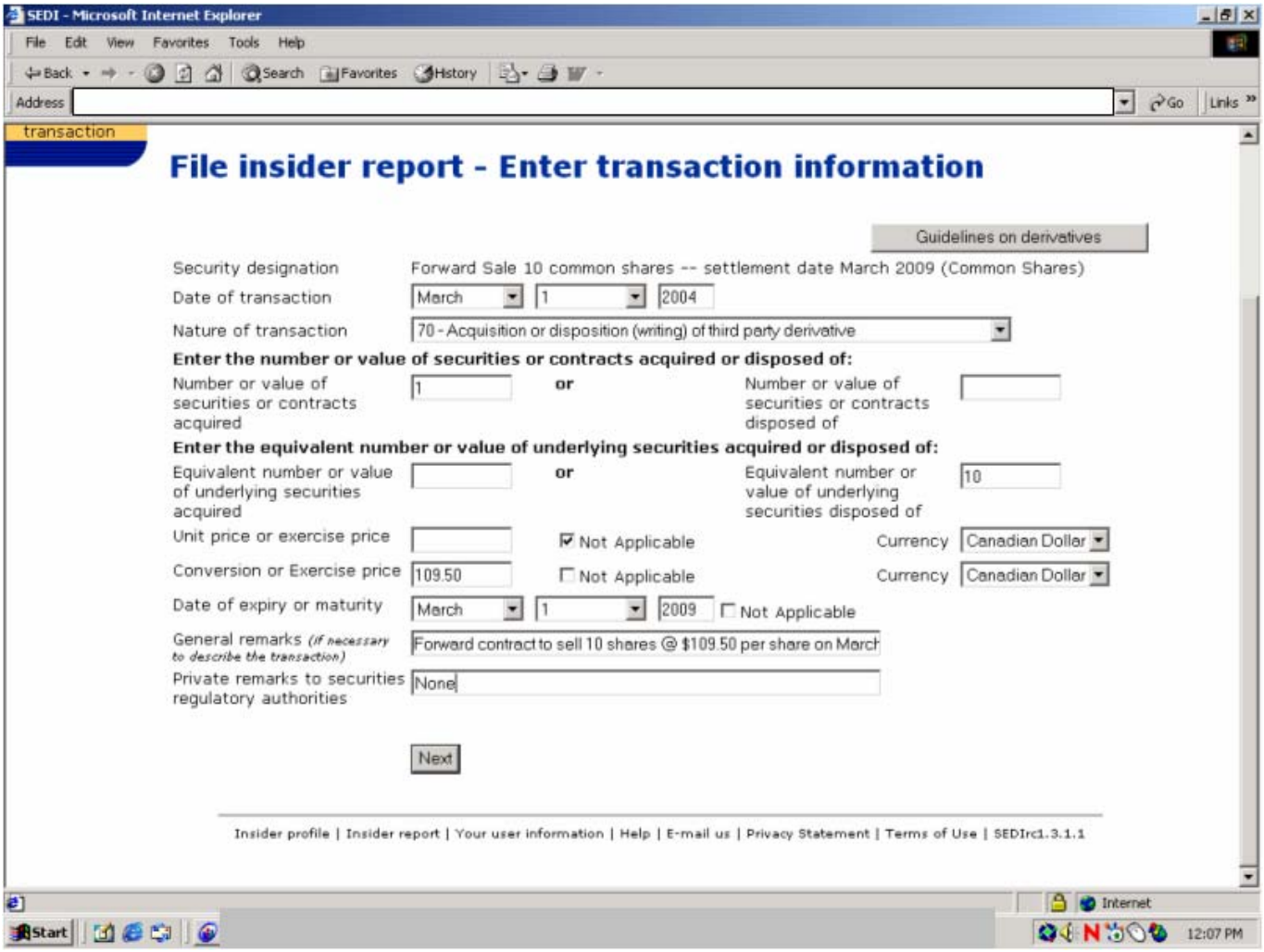
Forward contract to sell 10 shares @ $109.50 per share on March 1, 2009. Contract may be settled by cash or by delivery of 10 shares. Contract may be settled at earlier date, subject to price adjustment.

Note: If it is not possible to adequately describe a transaction or to include all of the material terms of a transaction in the space provided, this information may be included in a schedule which may be filed in paper format by facsimile in accordance with the provisions of Part 3 of National Instrument 55-102 SEDI. Fax the schedule to the facsimile number of the Securities Commission set out on Form 55-102F6. We recommend that you make reference to this filing by facsimile in the general remarks field on SEDI.

30. Enter additional information, as necessary, in the **Private remarks to securities regulatory authorities** field.

Note: This is an optional field. These remarks will only be accessible by securities regulatory authorities. Leave this field blank if no remarks are necessary.

SUMMARY – The information should appear as follows:



31. Click **Next**.

SCREEN: File insider report – File transaction information

32. Ensure that the details of your report are complete and accurate.

33. Click **File** (at the bottom of the screen).

SCREEN: Certification

34. Review the certification information carefully.

35. Click **accept.**

SCREEN: File insider report completed. Finished with this insider report?

36. Click **Yes**.

37. Logout

John has now completed the filing of his insider report relating to the forward contract. This report will normally be publicly available on SEDI within five minutes of filing.

Note: Generally, where an insider files an insider report in respect of a third-party derivative such as a forward contract, the insider will be required to file a second report at the time the derivative is settled, matures or is otherwise closed out. For example, John in this example will be required to file an insider report within 10 days of March 1, 2009 (assuming that the contract settles on that date and that John is still an insider on that date) showing i) a disposition of the forward contract, and ii) a disposition of the underlying common shares.

Example 2

On March 1, 2004, John purchases a ***put option*** from InvestBank which gives John the right, but not the obligation, to sell to InvestBank, at any time between March 1, 2004 and March 1, 2009, 10 shares of ABC Inc. at a price of $90 per share.[3] The put option is not transferable. John pays $10 to InvestBank in consideration for the put option. InvestBank hedges its risk under the contract through a hedging strategy involving short sales into the secondary market.

Insider Reporting Requirement: John is required to file an insider report within 10 (calendar) days of March 1, 2004. For an example of how this transaction should be reported, see below. Unless InvestBank is also an insider of ABC Inc., InvestBank is not required to file an insider report.

Instructions for Example 2

- Repeat steps 1 to 10, inclusive, under example no. 1.

SCREEN: File insider report – Add security designation

11. Under the heading **Security designation**, in the drop-down menu under the subheading **Security name**, select and highlight **OTC Puts (including Private Options to Sell)**.

12. Then, for the **additional description**, briefly describe. For example, "10 common shares – expires March 2009".

Note: This adds the security designation "OTC Puts (10 common shares – expires March 2009)" to your list of insider-defined securities.

Note: Not all of this text will currently be visible in the additional description box. (The box will only show a limited number of characters at any one time.) However, the full text in this example will be accepted, and will be visible at later stages of the filing process.

- Repeat steps 13 to 25, inclusive, under example no. 1 (substituting references to "OTC Put" for references to "Forward sale" in the text of the example).

26. Under the field **Unit price or exercise price,** enter $10.

27. Under the field **Conversion or exercise price,** enter $90.

Note: Under the put option, John has the right, but not the obligation, to sell to InvestBank 10 ABC shares at $90 per share at any time up to March 1, 2009. Since John paid $10 in consideration (in this example) for the put option, he would enter $10 in the field "Unit price or exercise price". Since the put option exercise price is $90 per share, John would enter $90 in the field "Conversion or exercise price".

28. Enter the following information in the **Date of expiry or maturity** field: March 1, 2009.

29. Enter the following information in the **General remarks** field:

Private option contract to sell 10 shares of ABC Inc. at a price of $90 per share at any time between March 1, 2004 and March 1, 2009. Consideration paid for option was $10.

Note: If it is not possible to adequately describe a transaction or to include all of the material terms of a transaction in the space provided, this information may be included in a schedule which may be filed in paper format by facsimile in accordance with the provisions of Part 3 of National Instrument 55-102 SEDI. Fax the schedule to the facsimile number of the Securities Commission set out on Form 55-102F6. We recommend that you make reference to this filing by facsimile in the general remarks field on SEDI.

---

[3] This example and the subsequent examples assume a fixed exercise price of $90 per share for the sake of simplicity. If the exercise price is based upon a formula, a note to this effect can be included in the remarks section.

- Repeat steps 30 to 37 under example no. 1, with necessary changes (i.e., substituting references to "OTC Puts" for references to "forward sale" in the text of the example).

Example 3

On March 1, 2004, John purchases a ***put option*** from InvestBank and simultaneously sells a ***call option*** to InvestBank. (The combination of a put option and call option is sometimes referred to as a ***collar***.) The put option gives John the right, but not the obligation, to sell to InvestBank, at any time between March 1, 2004 and March 1, 2009, 10 shares of ABC Inc. at a price of $90 per share. The call option gives InvestBank the right, but not the obligation, to require John to sell to InvestBank at any time between March 1, 2004 and March 1, 2009, 10 shares of ABC Inc at $115 per share.

The options are not transferable. John finances the purchase of the put option by the simultaneous sale of the call option. InvestBank hedges its risk under the contract through a hedging strategy involving short sales into the secondary market.

Insider Reporting Requirement: John is required to file an insider report within 10 (calendar) days of March 1, 2004. For an example of how this transaction should be reported, see below. Unless InvestBank is also an insider of ABC Inc., ABC Inc. is not required to file an insider report.

Instructions for Example 3

In the above example, a separate report should be filed for the **put option** component and the **call option** component.

Instructions for filing a report in respect of the **put option** component are contained in example #2. Under the General remarks field (step 29), a reference to the call option can be made as follows:

> Private option contract to sell 10 shares of ABC Inc. at a price of $90 per share at any time between March 1, 2004 and March 1, 2009. Acquisition of put option financed by simultaneous sale of call option (see separate report).

The following instructions relate to the **call option** component.

- Repeat steps 1 to 10, inclusive, under example no. 1.

SCREEN: File insider report – Add security designation

11. Under the heading **Security designation**, in the drop-down menu under the subheading **Security name**, select and highlight **OTC Calls (including Private Options to Purchase)**.

12. Then, for the **additional description**, briefly describe. For example, "10 common shares – expires March 2009".

Note: This adds the security designation "OTC Calls (10 common shares – expires March 2009)" to your list of insider-defined securities.

Note: Not all of this text will currently be visible in the additional description box. (The box will only show a limited number of characters at any one time.) However, the full text in this example will be accepted, and will be visible at later stages of the filing process.

- Repeat steps 13 to 24, inclusive, under example no. 1 (substituting references to "OTC Calls" for references to "Forward sale" in the text of the example).

25. Enter a number in the **Number or value of securities or contracts acquired,** or **Number or value of securities or contracts disposed of** fields.

Note: Since John has entered into a new contract that requires John to sell, if and when called upon, 10 shares of ABC Inc. at a price of $115 per share at any time between March 1, 2004 and March 1, 2009, enter a "1" after the field "Number or value of securities or contracts disposed of". Since John has sold a call option (i.e., written an option to purchase shares of ABC Inc.), John is considered to have "disposed" of an OTC Call contract for the purposes of this field. Leave the field "Number or value of securities or contracts acquired" blank.

26. Under the field **Unit price or exercise price,** enter N/A.

Note: In example no. 2, John paid $10 as a premium for the acquisition of the put option. Accordingly, in example no. 2, John would enter this amount in the field "Unit price or exercise price". In the present example, the consideration for the put option

component of the collar is the sale of the related call option. Accordingly, John should enter "Not Applicable" in the field "Unit price or exercise price", and make reference to the related put option in the General Remarks section.

27. Under the field **Conversion or exercise price,** enter $115.

Note: Since the call option exercise price is $115 per share, John would enter $115 in the field "Conversion or exercise price".

28. Enter the following information in the Date of expiry or maturity field: March 1, 2009.

29. Enter the following information in the **General remarks** field:

    Private option contract requiring John to sell 10 ABC shares at $115 per share at any time between March 1, 2004 and March 1, 2009. Proceeds from sale of call option used to finance acquisition of put option (see separate report).

Note: If it is not possible to adequately describe a transaction or to include all of the material terms of a transaction in the space provided, this information may be included in a schedule which may be filed in paper format by facsimile in accordance with the provisions of Part 3 of National Instrument 55-102 SEDI. Fax the schedule to the facsimile number of the Securities Commission set out on Form 55-102F6. We recommend that you make reference to this filing by facsimile in the general remarks field on SEDI.

- Repeat steps 30 to 37 under example no. 1, with necessary changes.

Example 4

On March 1, 2004, John enters into a secured loan arrangement with InvestBank under which John agrees to borrow, and InvestBank agrees to lend, an amount equal to 90% of the FMV of the ABC Inc. shares, or $900. The loan bears interest at 6 per cent per annum. The loan has a term of approximately 5 years, and matures on March 1, 2009. As security for the loan, John pledges the 10 ABC Inc. shares. Recourse under the loan is limited to the pledged security (or identical collateral substituted therefor). (In other words, John may settle his obligations under the loan on a cash settlement basis or by physical delivery of 10 ABC Inc. shares.) InvestBank hedges its risk under the contract through a hedging strategy involving short sales into the secondary market.

Insider Reporting Requirement: John is required to file an insider report within 10 (calendar) days of March 1, 2004. For an example of how this transaction should be reported, see below. Unless InvestBank is also an insider of ABC Inc., ABC Inc. is not required to file an insider report.

Instructions for Example 4

In the above example, the term of the loan agreement limiting recourse to the collateral (or to identical collateral delivered in substitution for the original collateral) effectively operates as a "put" option. John can repay the principal amount of $900 at the term of the loan. Alternatively, John can satisfy his obligation under the loan agreement to repay the principal amount of $900 by releasing his interest in the collateral (or by delivering another 10 ABC shares in substitution for the pledged shares), regardless of their value at the term of the loan.

John can report this transaction in a number of ways. One option would be to report this transaction as an acquisition of an OTC Put Option. (See example no. 2 for instructions as to how this may be reported.)

Another option would be to define the secured loan agreement as an insider-defined derivative, as follows.

- Repeat steps 1 to 10, inclusive, under example no. 1.

SCREEN: File insider report – Add security designation

11. Under the heading **Security designation**, in the drop-down menu under the subheading **Security name**, select and highlight **Other**.

12. Then, for the **additional description**, briefly describe. For example, "Loan secured by pledge (limited recourse), matures 2009".

Note: This adds the security designation "Loan secured by pledge (limited recourse), matures 2009" to your list of insider-defined securities.

- Repeat steps 13 to 25, inclusive, under example no. 1.

26. Under the field **Unit price or exercise price,** enter 0.

27. Under the field **Conversion or exercise price,** enter $900.

Note: Under the loan agreement, John can repay the principal amount of $900 at the term of the loan. Alternatively, John can satisfy his obligation under the loan agreement to repay the principal amount of $900 by releasing his interest in the collateral (or by delivering another 10 ABC shares in substitution for the pledged shares), regardless of their value at the term of the loan. Effectively, John has an option to put 10 shares to InvestBank at a notional price of $900 (or $90 per share). Since the put option exercise price is $900, John would enter $900 in the field "Conversion or exercise price".

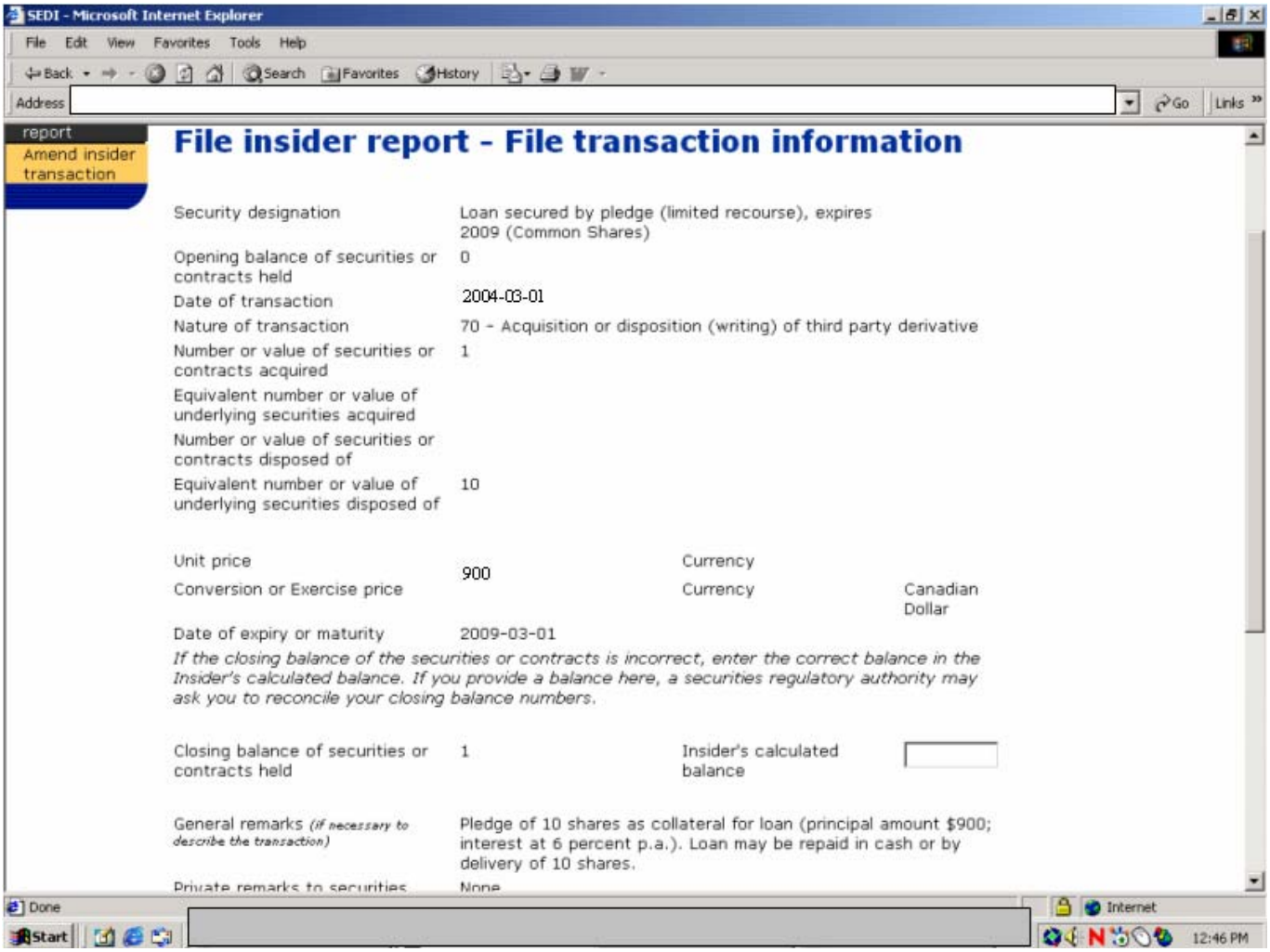
28. Enter the following information in the **Date of expiry or maturity** field: March 1, 2009.

29. Enter the following information in the **General remarks** field:

    Pledge of shares as collateral for loan (principal amount $900; interest at 6 per cent per annum). Loan may be repaid in cash or settled by delivery of 10 shares.

Note: If it is not possible to adequately describe a transaction or to include all of the material terms of a transaction in the space provided, this information may be included in a schedule which may be filed in paper format by facsimile in accordance with the provisions of Part 3 of National Instrument 55-102 SEDI. Fax the schedule to the facsimile number of the Securities Commission set out on Form 55-102F6. We recommend that you make reference to this filing by facsimile in the general remarks field on SEDI.

SUMMARY – The information should appear as follows:



- Repeat steps 30 to 37 under example no. 1, with necessary changes.

Example 5

On March 1, 2004, John enters into a swap agreement with InvestBank whereby he agrees to pay InvestBank, on March 1, 2009, an amount equal to dividends paid on the 10 shares of ABC Inc. plus any appreciation in value over $100 per share. In return, InvestBank agrees to pay John the London interbank offered rate (LIBOR) on a notional principal amount of $1000 (i.e., the FMV of the 10 ABC Inc. shares) plus any depreciation in the value of the shares below $100 per share. InvestBank hedges its risk under the contract through a hedging strategy involving short sales into the secondary market.

Insider Reporting Requirement: John is required to file an insider report within 10 (calendar) days of March 1, 2004. For an example of how this transaction should be reported, see below. Unless InvestBank is also an insider of ABC Inc., ABC Inc. is not required to file an insider report.

Instructions for Example 5

- Repeat steps 1 to 10, inclusive, under example no. 1.

SCREEN: File insider report – Add security designation

11. Under the heading **Security designation**, in the drop-down menu under the subheading **Security name**, select and highlight **Equity Swap – Short Position**.

12. Then, for the **additional description**, briefly describe. For example, "10 common shares – expires March 2009".

Note: John is considered to have the short position on the equity swap since John has swapped the cash flows associated with ownership (i.e., a long position) for cash flows generated by another instrument, a notional investment of $1,000 at the LIBOR rate.

Note: This adds the security designation "Equity Swap – Short Position (10 common shares – expires March 2009)" to your list of insider-defined securities.

Note: Not all of this text will currently be visible in the additional description box. (The box will only show a limited number of characters at any one time.) However, the full text in this example will be accepted, and will be visible at later stages of the filing process.

- Repeat steps 13 to 25, inclusive, under example no. 1, with necessary changes.

26. Under the field **Unit price or exercise price,** enter 0.

27. Under the field **Conversion or exercise price,** enter 0.

28. Enter the following information in the **Date of expiry or maturity** field: March 1, 2009.

*Note: If the terms of a derivative cannot easily be expressed in the fields noted above, or if a description is necessary to clarify ambiguity, include additional information in the **General remarks** field.*

29. Enter the following information in the **General remarks** field:

    Equity swap involving exchange of payments on March 1, 2009: an amount equal to dividends paid on 10 shares of ABC Inc. plus any appreciation in value over $100 per share, for LIBOR rate on $1,000 notional principal amount plus any depreciation in value below $100 per share.

Note: If it is not possible to adequately describe a transaction or to include all of the material terms of a transaction in the space provided, this information may be included in a schedule which may be filed in paper format by facsimile in accordance with the provisions of Part 3 of National Instrument 55-102 SEDI. Fax the schedule to the facsimile number of the Securities Commission set out on Form 55-102F6. We recommend that you make reference to this filing by facsimile in the general remarks field on SEDI.

- Repeat steps 30 to 37 under example no. 1, with necessary changes.

If you have questions or concerns with respect to the contents of this notice, please feel free to contact a member of staff. Questions may be referred to any of:

Denise V. Duifhuis
Senior Legal Counsel
British Columbia Securities Commission
Direct: (604) 899-6792
Fax: (604) 899-6814
Dduifhuis@bcsc.bc.ca

Agnes Lau
Deputy Director, Capital Markets
Alberta Securities Commission
Tel.: (780) 422-2191
Fax: (780) 422-0777
Agnes.lau@seccom.ab.ca

Shawn Taylor
Legal Counsel
Alberta Securities Commission
Tel. (403) 297-4770
Fax: (403) 297-6156
Shawn.taylor@seccom.ab.ca

Kelly Gorman
Assistant Manager, Corporate Finance
Ontario Securities Commission
Tel.: (416) 593-8251
Fax: (416) 593-3683
Kgorman@osc.gov.on.ca

Paul Hayward
Senior Legal Counsel, Corporate Finance
Ontario Securities Commission
Tel.: (416) 593-3657
Fax: (416) 593-8252
Phayward@osc.gov.on.ca

Sylvie Lalonde
Conseillère en règlementation
Autorité des marchés financiers
Tel. (514) 940-2199 x. 2408
Fax: (514) 873-7455
Sylvie.lalonde@lautorite.qc.ca

Serge Boisvert
Analyste en règlementation
Autorité des marchés financiers
Tel.: (514) 940-2199, x. 2404
Fax.: (514) 873-7455
Serge.boisvert@lautorite.qc.ca

Shirley Lee
Staff Solicitor
Nova Scotia Securities Commission
Phone: (902) 424-5441
Fax: (902) 424-4625
leesp@gov.ns.ca

February 27, 2004.

1.1.6 Notice of the Registration Advisory Committee

THE REGISTRATION ADVISORY COMMITTEE

The Ontario Securities Commission has formed an industry consultation group to discuss and recommend solutions to registration related issues. The group consists of both regulators and market participants. The market participants represent large and small firms, from investment dealers, mutual fund dealers, scholarship plan dealers, and investment counsel and portfolio managers. This committee encourages an open dialogue between registrants and regulators in Ontario. The committee is also joined by regulators from the Canadian Securities Administrators (CSA) on a quarterly basis in order to resolve those issues that involve other jurisdictions.

The mandate of the committee is as follows:

This committee will serve as a forum to identify, discuss and make recommendations to resolve registration and related issues found by market participants and regulators in Ontario and to raise these issues with the CSA.

The Chairperson of the committee is Doug Carnall of the TD Bank Financial Group. If you have items that you wish to be brought forward to the group for discussion, you may send it to one of the representatives listed below.

Larry Boyce, Investment Dealers Association	lboyce@ida.ca
Doug Carnall, TD Bank Financial Group	Doug.Carnall@td.com
Lynn Dickinson, Bank of Montreal	lynn.dickinson@bmonb.com
Dina Dizon, Ontario Securities Commission	ddizon@osc.gov.on.ca
Phillip Gayle, Scotia Bank	phillip_gayle@scotiacapital.com
David Gilkes, Ontario Securities Commission	dgilkes@osc.gov.on.ca
Donna Leitch, Ontario Securities Commission	dleitch@osc.gov.on.ca
Sandy MacDonald, Ontario Securities Commission	smacdonald@osc.gov.on.ca
Sherry MacDonald, C.S.T. Consultants Inc.	smacdonald@cst.org
Natalie Marshall, Royal Bank of Canada	natalie.marshall@rbc.com
Karen McGuinness, Mutual Fund Dealers Association	kmcguinness@mfda.ca
Gordon Pansegrau, Manulife Financial	gordon_pansegrau@manulife.com
Carol Persaud, CIBC Wealth Management	carol.persaud@cibc.com
Lennox Raghbeer, Bank of Montreal	Lennox.Raghbeer@bmo.com
Mark Riden, Burgundy Asset Management Ltd.	mriden@burgundyasset.com
Bob Stanley, CDS Inc.	rstanley@cds.ca
Nadia Testani, Dundee Securities Corporation	ntestani@dundeesecurities.com
Anne Traczuk, Quadrus Investment Services Ltd.	anne.traczuk@quadrusinvestment.com
Judy Worby, Cartier Partners	worbyj@cartierpartners.ca

The following is a list of the representatives from the CSA:

Doug Brown, Manitoba Securities Commission	doubrown@gov.mb.ca
Mark Gallant, Prince Edward Island Securities Registry	mlgallant@gov.pe.ca
Robert Hudson, British Columbia Securities Commission	rhudson@bcsc.bc.ca
Fernand Lavigne, Autorité des marchés financiers	fernand.lavigne@cvmq.com
Dean Murrison, Saskatchewan Financial Services Commission	dmurrison@sfsc.gov.sk.ca
Andrew Nicholson, New Brunswick Securities Administration Branch	Andrew.Nicholson@gnb.ca
Ken Parker, Alberta Securities Commission	Ken.Parker@seccom.ab.ca
Susan Powell, Securities Commission of Newfoundland and Labrador	spowell@mail.gov.nf.ca
Isilda Tavares, Manitoba Securities Commission	itavares@gov.mb.ca

1.1.7 Notice of Commission Approval – Amendments to IDA By-law No. 7 Regarding Partners, Directors and Officers

THE INVESTMENT DEALERS ASSOCIATION (IDA)
NOTICE OF COMMISSION APPROVAL
AMENDMENTS TO IDA BY-LAW NO. 7
REGARDING PARTNERS, DIRECTORS AND OFFICERS

The Ontario Securities Commission approved amendments to IDA By-law No. 7 regarding Partners, Directors and Officers. In addition, the Alberta Securities Commission did not disapprove and the British Columbia Securities Commission did not object to these amendments. The amendments are housekeeping in nature. The description and a copy of the amendments are contained in Chapter 13 of this Ontario Securities Commission Bulletin

1.3 News Releases

1.3.1 Ontario Securities Commission Confirms Biovail Corp. Investigation

FOR IMMEDIATE RELEASE
February 20, 2004

ONTARIO SECURITIES COMMISSION CONFIRMS BIOVAIL CORP. INVESTIGATION

TORONTO – Staff of the Ontario Securities Commission (OSC) today confirmed that they are investigating suspicious trading activity, as well as conducting a full review of disclosure records, at Biovail Corp., a Mississauga, Ontario-based pharmaceutical company. The confirmation is to clarify a report in which a Biovail spokesperson dismissed talk of an OSC probe and stated that no investigation is underway.

"The company is aware of our concerns about trading in the shares of Biovail – enforcement staff has had ongoing discussions with the company since November, 2003," said Michael Watson, the OSC's Director of Enforcement. "It's imperative that we clarify the record and disclose our investigation because we don't want investors to be misled in any way."

Watson said the OSC is prepared to move swiftly if it becomes apparent that action is required to protect investors and maintain the integrity of Ontario's capital markets. He said investigators have gathered extensive information and exchanged correspondence with people related to the matter.

In all OSC investigations, any violations of securities law can lead to disciplinary action and sanctions.

The Commission will issue additional information about this investigation when there are developments to report.

For Media Inquiries: Wendy Dey
Director, Communications
416-593-8120

Michael Watson
Director, Enforcement Branch
416-593-8156

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

This page intentionally left blank

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 TD Asset Management Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Registered portfolio manager exempted from "annual discretionary management disclosure requirement" related to its exercise, for managed accounts, of discretionary management authority in respect of securities of mutual funds that are managed by the portfolio manager and may (in connection with their distribution) be connected issuers of the portfolio manager – Exemption decision requires that each managed account client has received a statement of policies of the portfolio manager which identifies the relationship of the portfolio manager to the funds, and the portfolio managed client has provided specific and informed written consent to the portfolio manager's exercise of the discretionary authority – Annual discretionary management disclosure requirement, which exists as a result of the combined operation of subsections 227(1) and section 227 of the Regulation, would require the portfolio manager to provide each management account client with its statement of policies and obtain the specific and informed written consent of the client once in each related twelve-month period.

Regulations Cited

Ontario Regulation 1015, R.R.O. 1990, as am., ss. 227(1), 227(2) and 233.

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

AND

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

AND

IN THE MATTER OF
TD ASSET MANAGEMENT INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the Provinces of Alberta, Ontario, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions") has received an application from TD Asset Management Inc. ("TDAM") for a decision under the securities legislation (the "Legislation") of the Jurisdictions that the restriction in the Legislation against a registrant acting as an adviser, by exercising discretionary authority with respect to the investment portfolio or account of a client, in respect of securities that are securities of a related issuer, or in the course of an initial distribution or distribution (depending on the Jurisdiction), securities of a connected issuer of the registrant, unless, the registrant, after the registrant has initially done so, provides, on a specified periodic basis, certain disclosure to the client and obtains the requisite specific and informed written consent of the client (the "Annual Discretionary Management Disclosure Requirement") should not apply to TDAM in connection with it so acting as an adviser in respect of shares or units of TDAM Funds (as defined below), for Managed Accounts (as defined below) of Managed Account Clients (as defined below).

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

AND WHEREAS any terms used herein that are defined in National Instrument 14-101 shall, unless otherwise defined or the context otherwise requires, have the same meaning;

AND WHEREAS TDAM has represented to the Decision Makers that:

1. TDAM, a corporation incorporated under the laws of Ontario, is registered under the Legislation of each of the Jurisdictions as an adviser, in the categories of "investment counsel" and "portfolio manager" (or the equivalent).

2. TDAM is registered under the Legislation of each of Ontario and Newfoundland and Labrador as a dealer, in the category of "limited market dealer".

3. TDAM is registered under the Legislation of Nova Scotia as a dealer, in the category of "mutual fund dealer".

4. As part of its operations, TDAM provides discretionary portfolio management services to investment portfolio accounts (each, a "Managed Account") of clients (each, a "Managed Account Client"), under which TDAM, pursuant to a written agreement made between TDAM and the Managed Account Client, makes investment decisions for the Managed Account, and has full discretionary authority to purchase or sell securities for the Managed Account without

obtaining the specific consent of the Managed Account Client and pursuant to which the Managed Account Client expressly authorizes TDAM to exercise its discretion to purchase or redeem, for or on behalf of the Managed Account, shares or units of one or more mutual funds (each, a "TDAM Fund") that are, at the relevant time, managed by TDAM.

5. Shares or units of a TDAM Fund that are acquired by TDAM on behalf of a Managed Account will be acquired pursuant to a prospectus or in reliance upon an exemption from the prospectus requirement.

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 Annual Discretionary Management Disclosure Requirement shall not apply to TDAM for its acting as an adviser, by exercising discretionary authority for Managed Accounts, in respect of shares or units of a TDAM Fund, provided that:

(a) TDAM has previously secured the specific and informed written consent of the Managed Account Client to the exercise by TDAM of such discretionary authority; and

(b) TDAM has previously provided the Managed Account Client with a statement of policies of TDAM which identifies the relationship between TDAM and the TDAM Fund.

November 6, 2003.

"Paul K Bates" "Wendell S. Wigle"

2.1.2 Optipress Inc. - MRRS Decision

Headnote

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

Applicable Ontario Statutory Provisions

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

February 18, 2004

Stikeman Elliott
1155 Rene-Levesque Blvd. West
40th Floor
Montreal, Quebec H3B 3V2

Attention: Jason Streicher

Dear Mr. Streicher:

Re: Optipress Inc. (the Applicant) - Application to cease to be a reporting issuer under the securities legislation of Alberta, Ontario, Quebec, Newfoundland and Labrador, Nova Scotia and Saskatchewan (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.

"H. Leslie O'Brien" "James D. Nicoll"

2.1.3 Caris & Company, Inc. - ss. 6.1(1) of MI 31-102 and s. 6.1 of OSC Rule 13-502

Headnote

International dealer exempted from the electronic funds transfer requirement pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 National Registration Database and activity fee contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 Fees waived in respect of this discretionary relief, subject to certain conditions.

Rules Cited

Multilateral Instrument 31-102 National Registration Database (2003) 26 O.S.C.B. 926, s. 6.1.
Ontario Securities Commission Rule 13-502 Fees (2003) 26 O.S.C.B. 867, ss. 4.1 and 6.1.

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

AND

IN THE MATTER OF
CARIS & COMPANY, INC.

DECISION
(Subsection 6.1(1) of Multilateral Instrument 31-102 *National Registration Database* and section 6.1 of Rule 13-502 *Fees*)

UPON the Director having received the application of Caris & Company, Inc. (the Applicant) for an order pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 *National Registration Database* (MI 31-102) granting the Applicant relief from the electronic funds transfer requirement contemplated under MI 31-102 and for relief from the activity fee requirement contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 *Fees* (Rule 13-502) in respect of this discretionary relief;

AND UPON considering the application and the recommendation of the staff of the Ontario Securities Commission (the Commission);

AND UPON the Applicant having represented to the Director as follows:

1. The Applicant is incorporated under the laws of the State of Illinois in the United States of America. The Applicant is not a reporting issuer. The Applicant has applied for registration under the Act as an international dealer. The head office of the Applicant is located in Chicago, Illinois.

2. MI 31-102 requires that all registrants in Canada enrol with CDS Inc. (CDS) and use the national registration database (NRD) to complete certain registration filings. As part of the enrolment process, registrants are required to open an

account with a member of the Canadian Payments Association from which fees may be paid with respect to NRD by electronic pre-authorized debit (electronic funds transfer or, the EFT Requirement).

3. The Applicant has encountered difficulties in setting up a Canadian based bank account for purposes of fulfilling the EFT Requirement.

4. The Applicant confirms that it is not registered in another category to which the EFT Requirement applies and that Ontario is the only jurisdiction in which it is has applied for registration with the Commission as an international dealer and presently does not conduct securities business in Ontario.

5. Staff of the Canadian Securities Administrators has indicated that, with respect to applications from international dealers and international advisers (or applicants in equivalent categories of registration) for relief from the EFT Requirement, it is prepared to recommend waiving the fee normally required to accompany applications for discretionary relief (the Application Fee).

6. For Ontario registrants, the requirement for payment of the Application Fee is set out in section 4.1 of Rule 13-502.

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

IT IS THE DECISION of the Director, pursuant to subsection 6.1(1) of MI 31-102 that the Applicant is granted relief from the EFT Requirement for so long as the Applicant:

A. makes acceptable alternative arrangements with CDS for the payment of NRD fees;

B. pays its participation fee under the Act to the Commission by cheque, draft, money order or other acceptable means at the time of filing its application for annual renewal, which shall be no later than the first day of December in each year;

C. pays any applicable activity fees, or other fees that the Act requires it to pay to the Commission, by cheque, draft, money order or other acceptable means at the appropriate time; and

D. is not registered in any Jurisdiction in another category to which the EFT Requirement applies;

PROVIDED THAT the Applicant submits a similar application in any other Canadian jurisdiction where it becomes registered as an international dealer or international adviser or in an equivalent registration category;

AND IT IS THE FURTHER DECISION of the Director, pursuant to section 6.1 of Rule 13-502, that the Application Fee will be waived in respect of the application for this Decision.

February 5, 2004.

"David M. Gilkes"

2.1.4 Neuberger Berman, LLC - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – International adviser exempted from the electronic funds transfer requirement pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 National Registration Database and activity fee contemplated under the Legislation waived in respect of this discretionary relief, subject to certain conditions.

Ontario Securities Commission Rules Cited

Multilateral Instrument 31-102 National Registration Database (2003) 26 O.S.C.B. 926, s. 6.1.
Ontario Securities Commission Rule 13-502 Fees (2003) 26 O.S.C.B. 867, ss. 4.1 and 6.1.

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO AND ALBERTA

AND

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

AND

IN THE MATTER OF
NEUBERGER BERMAN, LLC

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (collectively, the Decision Makers) in each of the Provinces of Ontario and Alberta (the Jurisdictions) has received an application from Neuberger Berman, LLC (the Applicant) for a decision pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 *National Registration Database* (MI 31-102) granting the Applicant relief from the electronic funds transfer requirement contemplated under MI 31-102 and for relief from the fee requirement contemplated under the securities legislation of each of the Jurisdictions (the Legislation) in respect of this discretionary relief;

AND WHEREAS under the Mutual Reliance Review Systems 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 Applicant has represented to the Decision Makers that:

1. The Applicant is incorporated under the laws of the State of Delaware in the United States of America. The Applicant is not a reporting issuer. The Applicant is registered under the Legislation as an international adviser. The head office of the Applicant is located in New York, New York.

2. MI 31-102 requires that all registrants in Canada enrol with CDS Inc. (CDS) and use the national registration database (NRD) to complete certain registration filings. As part of the enrolment process, registrants are required to open an account with a member of the Canadian Payments Association from which fees may be paid with respect to NRD by electronic pre-authorized debit (electronic funds transfer or, the EFT Requirement).

3. The Applicant has encountered difficulties in setting up a Canadian based bank account for purposes of fulfilling the EFT Requirement.

4. The Applicant confirms that it is not registered in another category to which the EFT Requirement applies and that it has applied for relief from the EFT Requirement in each Jurisdiction in which it is registered.

5. Staff of the Canadian Securities Administrators has indicated that, with respect to applications from international dealers and international advisers (or applicants in equivalent categories of registration) for relief from the EFT Requirement, it is prepared to recommend waiving the fee normally required to accompany applications for discretionary relief (the Application Fee).

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the Applicant is granted relief from the EFT Requirement for so long as the Applicant:

A. makes acceptable alternative arrangements with CDS for the payment of NRD fees;

B. makes acceptable alternative arrangements with the Decision Maker in each Jurisdiction for the payment of all other fees payable under the Legislation in that Jurisdiction by a registrant in its category of registration;

C. is not registered in another category to which the EFT Requirement applies;

PROVIDED THAT the Applicant submits a similar application in any other Jurisdiction where it becomes registered as an international dealer or international adviser or in an equivalent registration category;

AND IT IS THE FURTHER DECISION of the Decision Makers that the Application Fee will be waived in respect of the application for this Decision.

November 18, 2003.

"David M. Gilkes"

2.1.5 Robeco Institutional Asset Management B.V. - ss. 6.1(1) of MI 31-102 and s. 6.1 of OSC Rule 13-502

Headnote

International adviser exempted from the electronic funds transfer requirement pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 National Registration Database and activity fee contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 Fees waived in respect of this discretionary relief, subject to certain conditions.

Rules Cited

Multilateral Instrument 31-102 National Registration Database (2003) 26 O.S.C.B. 926, s. 6.1.
Ontario Securities commission Rule 13-502 Fees (2003) 26 O.S.C.B. 867, ss. 4.1 and 6.1.

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

AND

IN THE MATTER OF
ROBECO INSTITUTIONAL ASSET MANAGEMENT B.V.

DECISION
(Subsection 6.1(1) of Multilateral Instrument 31-102 *National Registration Database* and section 6.1 of Rule 13-502 *Fees*)

UPON the Director having received the application of Robeco Institutional Asset Management B.V. (the Applicant) for an order pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 *National Registration Database* (MI 31-102) granting the Applicant relief from the electronic funds transfer requirement contemplated under MI 31-102 and for relief from the activity fee requirement contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 *Fees* (Rule 13-502) in respect of this discretionary relief;

AND UPON considering the application and the recommendation of the staff of the Ontario Securities Commission (the Commission);

AND UPON the Applicant having represented to the Director as follows:

1. The Applicant is incorporated under the laws of Rotterdam in The Netherlands. The Applicant is not a reporting issuer. The Applicant is registered under the Act as an international adviser. The head office of the Applicant is located in Rotterdam, The Netherlands.

2. MI 31-102 requires that all registrants in Canada enrol with CDS Inc. (CDS) and use the national registration database (NRD) to complete certain

registration filings. As part of the enrolment process, registrants are required to open an account with a member of the Canadian Payments Association from which fees may be paid with respect to NRD by electronic pre-authorized debit (electronic funds transfer or, the EFT Requirement).

3. The Applicant has encountered difficulties in setting up a Canadian based bank account for purposes of fulfilling the EFT Requirement.

4. The Applicant confirms that it is not registered in another category to which the EFT Requirement applies and that Ontario is the only jurisdiction in which it is registered.

5. Staff of the Canadian Securities Administrators has indicated that, with respect to applications from international dealers and international advisers (or applicants in equivalent categories of registration) for relief from the EFT Requirement, it is prepared to recommend waiving the fee normally required to accompany applications for discretionary relief (the Application Fee).

6. For Ontario registrants, the requirement for payment of the Application Fee is set out in section 4.1 of Rule 13-502.

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

IT IS THE DECISION of the Director, pursuant to subsection 6.1(1) of MI 31-102 that the Applicant is granted relief from the EFT Requirement for so long as the Applicant:

A. makes acceptable alternative arrangements with CDS for the payment of NRD fees;

B. pays its participation fee under the Act to the Commission by cheque, draft, money order or other acceptable means at the time of filing its application for annual renewal, which shall be no later than the first day of December in each year;

C. pays any applicable activity fees, or other fees that the Act requires it to pay to the Commission, by cheque, draft, money order or other acceptable means at the appropriate time; and

D. is not registered in any Jurisdiction in another category to which the EFT Requirement applies;

PROVIDED THAT the Applicant submits a similar application in any other Canadian jurisdiction where it becomes registered as an international dealer or international adviser or in an equivalent registration category;

AND IT IS THE FURTHER DECISION of the Director, pursuant to section 6.1 of Rule 13-502, that the Application Fee will be waived in respect of the application for this Decision.

November 17, 2003.

"David M. Gilkes"

2.1.6 Daiwa Securities America Inc. - ss. 6.1(1) of MI 31-102 and s. 6.1 of OSC Rule 13-502

Headnote

International dealer exempted from the electronic funds transfer requirement pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 National Registration Database and activity fee contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 Fees waived in respect of this discretionary relief, subject to certain conditions.

Rules Cited

Multilateral Instrument 31-102 National Registration Database (2003) 26 O.S.C.B. 926, s. 6.1.
Ontario Securities Commission Rule 13-502 Fees (2003) 26 O.S.C.B. 867, ss. 4.1 and 6.1.

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

AND

IN THE MATTER OF
DAIWA SECURITIES AMERICA INC.

DECISION
(Subsection 6.1(1) of Multilateral Instrument 31-102 *National Registration Database* and section 6.1 of Rule 13-502 *Fees*)

UPON the Director having received the application of Daiwa Securities America Inc. (the Applicant) for an order pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 *National Registration Database* (MI 31-102) granting the Applicant relief from the electronic funds transfer requirement contemplated under MI 31-102 and for relief from the activity fee requirement contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 *Fees* (Rule 13-502) in respect of this discretionary relief;

AND UPON considering the application and the recommendation of the staff of the Ontario Securities Commission (the Commission);

AND UPON the Applicant having represented to the Director as follows:

1. The Applicant is incorporated under the laws of the State of New York in the United States of America. The Applicant is not a reporting issuer. The Applicant is registered under the Act as an international dealer. The head office of the Applicant is located in New York, New York.

2. MI 31-102 requires that all registrants in Canada enrol with CDS Inc. (CDS) and use the national registration database (NRD) to complete certain registration filings. As part of the enrolment process, registrants are required to open an account with a member of the Canadian Payments Association from which fees may be paid with respect to NRD by electronic pre-authorized debit (electronic funds transfer or, the EFT Requirement).

3. The Applicant has encountered difficulties in setting up a Canadian based bank account for purposes of fulfilling the EFT Requirement.

4. The Applicant confirms that it is not registered in another category to which the EFT Requirement applies and that Ontario is the only jurisdiction in which it is registered.

5. Staff of the Canadian Securities Administrators has indicated that, with respect to applications from international dealers and international advisers (or applicants in equivalent categories of registration) for relief from the EFT Requirement, it is prepared to recommend waiving the fee normally required to accompany applications for discretionary relief (the Application Fee).

6. For Ontario registrants, the requirement for payment of the Application Fee is set out in section 4.1 of Rule 13-502.

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

IT IS THE DECISION of the Director, pursuant to subsection 6.1(1) of MI 31-102 that the Applicant is granted relief from the EFT Requirement for so long as the Applicant:

A. makes acceptable alternative arrangements with CDS for the payment of NRD fees;

B. pays its participation fee under the Act to the Commission by cheque, draft, money order or other acceptable means at the time of filing its application for annual renewal, which shall be no later than the first day of December in each year;

C. pays any applicable activity fees, or other fees that the Act requires it to pay to the Commission, by cheque, draft, money order or other acceptable means at the appropriate time; and

D. is not registered in any Jurisdiction in another category to which the EFT Requirement applies;

PROVIDED THAT the Applicant submits a similar application in any other Canadian jurisdiction where it becomes registered as an international dealer or international adviser or in an equivalent registration category;

AND IT IS THE FURTHER DECISION of the Director, pursuant to section 6.1 of Rule 13-502, that the Application Fee will be waived in respect of the application for this Decision.

November 11, 2003.

"David M. Gilkes"

2.1.7 CDC Securities - ss. 6.1(1) of MI 31-102 and s. 6.1 of OSC Rule 13-502

Headnote

International dealer exempted from the electronic funds transfer requirement pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 National Registration Database and activity fee contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 Fees waived in respect of this discretionary relief, subject to certain conditions.

Rules Cited

Multilateral Instrument 31-102 National Registration Database (2003) 26 O.S.C.B. 926, s. 6.1.
Ontario Securities Commission Rule 13-502 Fees (2003) 26 O.S.C.B. 867, ss. 4.1 and 6.1.

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

AND

IN THE MATTER OF
CDC SECURITIES

DECISION
(Subsection 6.1(1) of Multilateral Instrument 31-102 *National Registration Database* and section 6.1 of Rule 13-502 *Fees*)

UPON the Director having received the application of CDC Securities (the Applicant) for an order pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 *National Registration Database* (MI 31-102) granting the Applicant relief from the electronic funds transfer requirement contemplated under MI 31-102 and for relief from the activity fee requirement contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 *Fees* (Rule 13-502) in respect of this discretionary relief;

AND UPON considering the application and the recommendation of the staff of the Ontario Securities Commission (the Commission);

AND UPON the Applicant having represented to the Director as follows:

1. The Applicant is incorporated under the laws of the State of New York in the United States of America. The Applicant is not a reporting issuer. The Applicant is registered under the Act as an international dealer. The head office of the Applicant is located in New York, New York.

2. MI 31-102 requires that all registrants in Canada enrol with CDS Inc. (CDS) and use the national registration database (NRD) to complete certain registration filings. As part of the enrolment process, registrants are required to open an

account with a member of the Canadian Payments Association from which fees may be paid with respect to NRD by electronic pre-authorized debit (electronic funds transfer or, the EFT Requirement).

3. The Applicant has encountered difficulties in setting up a Canadian based bank account for purposes of fulfilling the EFT Requirement.

4. The Applicant confirms that it is not registered in another category to which the EFT Requirement applies and that Ontario is the only jurisdiction in which it is registered.

5. Staff of the Canadian Securities Administrators has indicated that, with respect to applications from international dealers and international advisers (or applicants in equivalent categories of registration) for relief from the EFT Requirement, it is prepared to recommend waiving the fee normally required to accompany applications for discretionary relief (the Application Fee).

6. For Ontario registrants, the requirement for payment of the Application Fee is set out in section 4.1 of Rule 13-502.

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

IT IS THE DECISION of the Director, pursuant to subsection 6.1(1) of MI 31-102 that the Applicant is granted relief from the EFT Requirement for so long as the Applicant:

A. makes acceptable alternative arrangements with CDS for the payment of NRD fees;

B. pays its participation fee under the Act to the Commission by cheque, draft, money order or other acceptable means at the time of filing its application for annual renewal, which shall be no later than the first day of December in each year;

C. pays any applicable activity fees, or other fees that the Act requires it to pay to the Commission, by cheque, draft, money order or other acceptable means at the appropriate time; and

D. is not registered in any Jurisdiction in another category to which the EFT Requirement applies;

PROVIDED THAT the Applicant submits a similar application in any other Canadian jurisdiction where it becomes registered as an international dealer or international adviser or in an equivalent registration category;

AND IT IS THE FURTHER DECISION of the Director, pursuant to section 6.1 of Rule 13-502, that the Application Fee will be waived in respect of the application for this Decision.

November 11, 2003.

"David M. Gilkes"

2.1.8 Fox-Pitt, Kelton Incorporated - ss. 6.1(1) of MI 31-102 and s. 6.1 of OSC Rule 13-502

Headnote

International dealer exempted from the electronic funds transfer requirement pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 National Registration Database and activity fee contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 Fees waived in respect of this discretionary relief, subject to certain conditions.

Rules Cited

Multilateral Instrument 31-102 National Registration Database (2003) 26 O.S.C.B. 926, s. 6.1.
Ontario Securities Commission Rule 13-502 Fees (2003) 26 O.S.C.B. 867, ss. 4.1 and 6.1.

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

AND

IN THE MATTER OF
FOX-PITT, KELTON INCORPORATED

DECISION
(Subsection 6.1(1) of Multilateral Instrument 31-102 *National Registration Database* and section 6.1 of Rule 13-502 *Fees*)

UPON the Director having received the application of Fox-Pitt, Kelton Incorporated (the Applicant) for an order pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 *National Registration Database* (MI 31-102) granting the Applicant relief from the electronic funds transfer requirement contemplated under MI 31-102 and for relief from the activity fee requirement contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 *Fees* (Rule 13-502) in respect of this discretionary relief;

AND UPON considering the application and the recommendation of the staff of the Ontario Securities Commission (the Commission);

AND UPON the Applicant having represented to the Director as follows:

1. The Applicant is incorporated under the laws of the State of Delaware in the United States of America. The Applicant is not a reporting issuer. The Applicant is registered under the Act as an international dealer. The head office of the Applicant is located in New York, New York.

2. MI 31-102 requires that all registrants in Canada enrol with CDS Inc. (CDS) and use the national registration database (NRD) to complete certain registration filings. As part of the enrolment process, registrants are required to open an account with a member of the Canadian Payments Association from which fees may be paid with respect to NRD by electronic pre-authorized debit (electronic funds transfer or, the EFT Requirement).

3. The Applicant has encountered difficulties in setting up a Canadian based bank account for purposes of fulfilling the EFT Requirement.

4. The Applicant confirms that it is not registered in another category to which the EFT Requirement applies and that Ontario is the only jurisdiction in which it is registered.

5. Staff of the Canadian Securities Administrators has indicated that, with respect to applications from international dealers and international advisers (or applicants in equivalent categories of registration) for relief from the EFT Requirement, it is prepared to recommend waiving the fee normally required to accompany applications for discretionary relief (the Application Fee).

6. For Ontario registrants, the requirement for payment of the Application Fee is set out in section 4.1 of Rule 13-502.

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

IT IS THE DECISION of the Director, pursuant to subsection 6.1(1) of MI 31-102 that the Applicant is granted relief from the EFT Requirement for so long as the Applicant:

A. makes acceptable alternative arrangements with CDS for the payment of NRD fees;

B. pays its participation fee under the Act to the Commission by cheque, draft, money order or other acceptable means at the time of filing its application for annual renewal, which shall be no later than the first day of December in each year;

C. pays any applicable activity fees, or other fees that the Act requires it to pay to the Commission, by cheque, draft, money order or other acceptable means at the appropriate time; and

D. is not registered in any Jurisdiction in another category to which the EFT Requirement applies;

PROVIDED THAT the Applicant submits a similar application in any other Canadian jurisdiction where it becomes registered as an international dealer or international adviser or in an equivalent registration category;

AND IT IS THE FURTHER DECISION of the Director, pursuant to section 6.1 of Rule 13-502, that the Application Fee will be waived in respect of the application for this Decision.

November 11, 2003.

"David M. Gilkes"

2.1.9 Joseph Stevens & Co., Inc. - ss. 6.1(1) of MI 31-102 and s. 6.1 of OSC Rule 13-502

Headnote

International dealer exempted from the electronic funds transfer requirement pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 National Registration Database and activity fee contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 Fees waived in respect of this discretionary relief, subject to certain conditions.

Rules Cited

Multilateral Instrument 31-102 National Registration Database (2003) 26 O.S.C.B. 926, s. 6.1.
Ontario Securities Commission Rule 13-502 Fees (2003) 26 O.S.C.B. 867, ss. 4.1 and 6.1.

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

AND

IN THE MATTER OF
JOSEPH STEVENS & CO., INC.

DECISION
(Subsection 6.1(1) of Multilateral Instrument 31-102 *National Registration Database* and section 6.1 of Rule 13-502 *Fees*)

UPON the Director having received the application of Joseph Stevens & Co., Inc. (the Applicant) for an order pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 *National Registration Database* (MI 31-102) granting the Applicant relief from the electronic funds transfer requirement contemplated under MI 31-102 and for relief from the activity fee requirement contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 *Fees* (Rule 13-502) in respect of this discretionary relief;

AND UPON considering the application and the recommendation of the staff of the Ontario Securities Commission (the Commission);

AND UPON the Applicant having represented to the Director as follows:

1. The Applicant is incorporated under the laws of the State of New York in the United States of America. The Applicant is not a reporting issuer. The Applicant is registered under the Act as an international dealer. The head office of the Applicant is located in New York, New York.

2. MI 31-102 requires that all registrants in Canada enrol with CDS Inc. (CDS) and use the national registration database (NRD) to complete certain registration filings. As part of the enrolment process, registrants are required to open an

account with a member of the Canadian Payments Association from which fees may be paid with respect to NRD by electronic pre-authorized debit (electronic funds transfer or, the EFT Requirement).

3. The Applicant has encountered difficulties in setting up a Canadian based bank account for purposes of fulfilling the EFT Requirement.

4. The Applicant confirms that it is not registered in another category to which the EFT Requirement applies and that Ontario is the only jurisdiction in which it is registered.

5. Staff of the Canadian Securities Administrators has indicated that, with respect to applications from international dealers and international advisers (or applicants in equivalent categories of registration) for relief from the EFT Requirement, it is prepared to recommend waiving the fee normally required to accompany applications for discretionary relief (the Application Fee).

6. For Ontario registrants, the requirement for payment of the Application Fee is set out in section 4.1 of Rule 13-502.

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

IT IS THE DECISION of the Director, pursuant to subsection 6.1(1) of MI 31-102 that the Applicant is granted relief from the EFT Requirement for so long as the Applicant:

A. makes acceptable alternative arrangements with CDS for the payment of NRD fees;

B. pays its participation fee under the Act to the Commission by cheque, draft, money order or other acceptable means at the time of filing its application for annual renewal, which shall be no later than the first day of December in each year;

C. pays any applicable activity fees, or other fees that the Act requires it to pay to the Commission, by cheque, draft, money order or other acceptable means at the appropriate time; and

D. is not registered in any Jurisdiction in another category to which the EFT Requirement applies;

PROVIDED THAT the Applicant submits a similar application in any other Canadian jurisdiction where it becomes registered as an international dealer or international adviser or in an equivalent registration category;

AND IT IS THE FURTHER DECISION of the Director, pursuant to section 6.1 of Rule 13-502, that the Application Fee will be waived in respect of the application for this Decision.

November 11, 2003.

"David M. Gilkes"

2.1.10 Carmax Explorations Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief from the prospectus requirement to permit re-sale of securities without a seasoning period.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., s. 53.

Instruments Cited

National Instrument 45-102 Resale of Securities.

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

AND

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

AND

IN THE MATTER OF
CARMAX EXPLORATIONS LTD.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta and Ontario (the "Jurisdictions") has received an application from Carmax Explorations Ltd. (the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the prospectus requirement shall not apply to certain first trades of common shares ("Common Shares") of the Filer;

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

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

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

1. the Filer was incorporated on June 16, 2000 under the *Canada Business Corporations Act* and its head office is in Vancouver, British Columbia;

2. the Filer is a reporting issuer in British Columbia and Alberta, and became a reporting issuer by filing and obtaining receipts for its final prospectus dated October 24, 2003 (the "Prospectus");

3. the Filer is not in default of any requirement under the Legislation;

4. the Filer's authorized capital consists of an unlimited number of Common Shares of which 10,075,000 Common Shares were outstanding as at February 6, 2004;

5. prior to filing the Prospectus, the Filer sold 2,000,000 Common Shares (the "Seed Shares") to purchasers resident in each of the Jurisdictions (the "Seed Shareholders") under the exemptions in Part 3 of Multilateral Instrument 45-103 *Capital Raising Exemptions* in British Columbia and Alberta and sections 2.1 and 2.3 of Ontario Securities Commission Rule 45-501 in Ontario;

6. the Seed Shareholders are not directors or officers of the Filer;

7. the Seed Shares are subject to a seasoning period expiring October 25, 2004;

8. if the proposed amendments to Multilateral Instrument 45-102 *Resale of Securities* were in effect, the Seed Shares would not be subject to a seasoning period following the receipt of the Prospectus; and

9. most of the Seed Shareholders subscribed for their securities more than twelve months ago;

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

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

THE DECISION of the Decision Makers under the Legislation is that the prospectus requirement will not apply to the first trade of the Seed Shares by the Seed Shareholders, provided that:

(a) the Filer is a reporting issuer in a jurisdiction listed in Appendix B of Multilateral Instrument 45-102 *Resale of Securities* ("MI 45-102");

(b) at least 12 months have elapsed from the distribution date, as defined in MI 45-102, of the Seed Shares;

(c) the trade is not a control distribution;

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

(e) no extraordinary commission or consideration is paid to a person or company in respect of the trade; and

(f) if the selling security holder is an insider or officer of the Filer, the selling security holder has no reasonable grounds to believe that the Filer is in default of securities legislation.

February 18, 2004.

"Brenda Leong"

2.1.11 Wesdome Gold Mines Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Applications – Related party transactions – acquisition of mining properties and assets from a related party – board of directors of target corporation has determined that terms of acquisition not less advantageous to Wesdome than if acquisition was by a party dealing at arm's length – target corporation will disclose details of the transaction in a press release and in a material change report – since the outside shareholders who intend to provide written consents to the transaction own more than 50% of common shares held by all minority shareholders, approval of the transaction by majority of minority shareholders at a shareholders' meeting would be foregone conclusion – Wesdome will send copy of the press release and material change report to each outside shareholder – exemption from shareholders' meeting and information circular requirements granted subject to certain conditions.

Rule Cited

Rule 61-501 – Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions, ss. 5.4 and 9.1.

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
QUEBEC AND ONTARIO

AND

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

AND

IN THE MATTER OF
WESDOME GOLD MINES INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Quebec and Ontario has received an application pursuant to section 9.1 of Rule 61-501 of the Ontario Securities Commission ("Rule 61-501"), section 9.1 of Policy Statement Q-27 of the *Commission des valeurs mobilières du Québec* ("Policy Q-27") and other Applicable securities legislation in Québec and Ontario (collectively the "Legislation") that in connection with the acquisition by Wesdome of mining properties and assets from a related party, Wesdome be exempt from the shareholders' meeting and information circular requirements set forth in section 5.4 of Rule 61-501 and section 5.4 of Policy Q-27;

AND WHEREAS under the Mutual Reliance System for Exemptive Relief Applications (the "System"), the *Commission des valeurs mobilières du Québec* is the principal regulator for this application;

AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definition or in Notice 14-101 of the *Commission des valeurs mobilières du Québec*;

AND WHEREAS Wesdome has represented to the Decision Makers that:

1. Wesdome is a corporation existing under the laws of Quebec and is in the business of mining exploration. Its head office and all of its assets are located in Val d'Or, Quebec. Wesdome is a reporting issuer in the Provinces of Quebec, Ontario, Alberta and British Columbia and is not in default under the securities legislation of any of these jurisdictions.

2. The authorized capital of Wesdome consists of an unlimited number of common shares without par value, of which 19,006,284 common shares are issued and outstanding. The common shares of Wesdome are listed on the TSX Venture Exchange (the "TSX-V").

3. Western Quebec Mines Inc. ("Western Quebec") is a mining company existing under the laws of Québec. Its head office and all of its assets are located in Val d'Or, Quebec. Incorporated in 1945, Western Quebec has a successful record of operating gold mines and milling operations. The common shares of Western Quebec are listed on the Toronto Stock Exchange.

4. In 1999, Western Quebec merged certain of its Val d'Or properties and assets with those of Dynacor Mines Inc. to create Wesdome.

5. As a result of this merger, Western Quebec currently owns 12,857,322 common shares of Wesdome, representing approximately 67.65% of all the common shares of Wesdome issued and outstanding.

6. The Wesdome group of properties consists of seven contiguous claim groups covering much of the northern portion of the Lac de Montigny in the Val d'Or mining camp. It is adjacent to the Kiena Complex, currently held by McWatters Mining Inc. ("McWatters").

7. The Kiena Complex is comprised of 165 claims and one mining concession. The assests forming part of the Kiena Complex also include the former Kiena mine and the related mill, together with ancillary equipment and inventory.

8. The Wesdome property, owned by Wesdome, is contiguous to the Kiena Complex.

9. The Shawkey property, held by Western Quebec, is located approximately 1.5 km east of the Kiena Mine shaft.

10. Pursuant to a purchase agreement dated December 1, 2003 (the "Kiena Agreement"), Western Quebec has agreed to purchase from McWatters the Kiena Complex for an aggregate cash consideration of $2,000,000 including a non-refundable cash payment of $200,000 plus a 4% net smelter return royalty ("NSR") on certain defined existing resources to be processed from the Kiena property. Any new resources found on the Kiena property or any existing resources in excess of the amount defined will be subject to a 2% NSR to McWatters. In addition, Western Quebec has agreed to purchase the related inventory and equipment for their fair value estimated to be $1,000,000. Western Quebec has also agreed to pay an amount of $1.50 per tonne of ore processed at the Kiena mill from any source for up to 5,000,000 tonnes with $1.50 per tonne payable on ore processed from any source thereafter. The total purchase price of $3,000,000 was negotiated at arm's length between Western Quebec and McWatters.

11. Western Quebec wishes to transfer in favour of Wesdome the Shawkey and McKenzie Break properties, and to assign in favour of Wesdome its rights under the Kiena Agreement (the "Transaction").

12. Assuming the Transaction is consummated, Wesdome intends to spend $5,000,000 on an underground program consisting of an exploration drift from Kiena into Shawkey and extensive exploration work on known zones.

13. On October 31, 2003, the Board of directors of Wesdome has appointed a committee of independent directors to study the Transaction (the "Independent Committee"). The Independent Committee retained Geologica Groupe-Conseil Inc. ("Geologica") to undertake a formal valuation of the Shawkey and McKenzie Break properties (the "Valuation"). In the Valuation, Geologica valued the Shawkey property at $5,048,775 and the McKenzie Break property at $2,779,569.

14. The value being ascribed by the parties to Western Quebec's right to acquire the Kiena Complex is $385,000 which represents the payment by Western Quebec of the $200,000 deposit in respect of the Kiena Agreement as well as Western Quebec's expected out-of-pocket expenses in connection with the Kiena transaction.

15. The consideration payable for the Transaction will be paid by the issuance, in favour of Western Quebec, of an aggregate of 6,650,000 treasury common shares of Wesdome, at a price of $1.10 per common share ($7,315,000), as follows:

(i) Shawkey property:

4,300,000 common shares ($4,730,000)

(ii) McKenzie Break property:

2,000,000 common shares ($2,200,000)

(iii) Assignment of the Kiena Agreement:

350,000 common shares ($385,000)

16. After the Transaction, Western Quebec will hold 19,507,322 common shares of Wesdome, representing 76.03% of all the issued and outstanding common shares of Wesdome.

17. The Transaction is subject to a certain number of conditions, including, without limitation, the approval of all applicable regulatory authorities.

18. The Independent Committee has reviewed the Transaction and recommended approval of the Transaction. Upon the recommendation of the Independent Committee, the Board of directors of Wesdome has considered and approved the Transaction.

19. Western Quebec is a "related party" of Wesdome in accordance with the definition contained in Rule 61-501 and Policy Q-27 because it owns more than 10% of all the issued and outstanding common shares of Wesdome.

20. Consequently, the Transaction is a "related party transaction" under Rule 61-501 and Policy Q-27. Wesdome is therefore required to comply with the valuation and minority approval requirements of Rule 61-501 and Policy Q-27 applicable to related party transactions. Moreover, pursuant to section 5.4 of Rule 61-501 and Policy Q-27, Wesdome must call a shareholders' meeting and send an information circular to its shareholders.

21. The board of directors of Wesdome, acting in good faith, has determined that the terms of the Transaction are not less advantageous to Wesdome than if the Transaction was with a party dealing at arm's length with Wesdome.

22. Upon final regulatory approval, including approval by the TSX-V, Wesdome will disclose the details of the Transaction in a press release and in a material change report (the "Disclosure Document"). The Disclosure Documents will disclose (i) a description of the transaction and its material terms, (ii) the purpose and business reason for the transaction, (iii) the effect of the Transaction on Wesdome's business and affairs and (iv) the interest in the Transaction of every interested party and the nature of any benefit that will accrue as a consequence of the Transaction to every such person. The material change report will also include a summary of the Valuation.

23. It is expected that shareholders beneficially owing a majority of the shares held by persons who deal at arm's length with Wesdome (the "Outside Shareholders") will provide their written consent (the "Consent") to the Transaction. None of the Outside shareholders are participating to the Transaction. Since the Outside Shareholders who intend to provide written consents to the Transaction own more that 50% of the common shares held by all minority shareholders, the approval of the Transaction by a majority of the minority shareholders at a shareholder's meeting would be a foregone conclusion.

24. Wesdome will send a copy of the Disclosure Document to each Outside Shareholder.

25. The Consent will provide the relevant details of the Transaction and include an acknowledgement by each Outside Shareholder that the Disclosure Document describes the Transaction in sufficient detail to allow the Outside Shareholder to make an informed decision.

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 to do so would not be prejudicial to the public interest;

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

THE DECISION of the Decision Makers under the Legislation is that Wesdome shall not be subject to the shareholders' meeting and information circular requirements set forth in section 5.4 of Rule 61-501 and section 5.4 of Policy Q-27, provided that:

(a) the Outside Shareholders consent in writing to the Transaction which consent must contain an acknowledgement that they are aware of the terms of the Transaction and must be filed with the Decision Makers; and

(b) Wesdome complies with other applicable provisions of the Legislation in connection with the Transaction.

December 22, 2003.

"Stéphane Garon"

2.1.12 Paramount Energy Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications. Previous MRRS decision is revoked due to changes in distribution reinvestment plan. Royalty trust exempt from prospectus and registration requirements in connection with issuance of units to existing unitholders under a distribution reinvestment plan whereby distributions of income are reinvested in additional units of the trust, subject to certain conditions. First trade relief provided for additional units of 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).

Applicable Multilateral Instruments

Multilateral Instrument 45-102 Resale of Securities, (2001) 24 OSCB 7029.

Applicable National Instruments

National Instrument 14-101 Definitions, (2002) 25 OSCB 8461.

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

AND

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

AND

IN THE MATTER OF
PARAMOUNT ENERGY TRUST

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Nova Scotia, the Yukon Territory, the Nunavut Territory and the Northwest Territories (the "Jurisdictions") has received an application from Paramount Energy Trust (the "Applicant") 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 and to file and obtain a receipt for a preliminary prospectus and a final prospectus (the "Registration and Prospectus Requirements") shall not apply to the distribution of trust units of the Applicant pursuant to a distribution reinvestment and optional trust unit purchase 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 the Alberta Securities Commission, on behalf of the Jurisdictions, issued a decision document dated June 9, 2003 under the System (the "Original MRRS Decision"), which provided relief from the Registration and Prospectus Requirements in connection with a predecessor plan to the Plan;

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

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

1. The Applicant is an unincorporated trust established on June 28, 2002 under the laws of the Province of Alberta pursuant to a trust indenture, as amended (the "PET Trust Indenture"). The Applicant has been a reporting issuer, or the equivalent thereof, in each of the Jurisdictions since February 3, 2003. The Applicant is not in default of any requirements of the Legislation. Computershare Trust Company of Canada is the trustee of the Applicant.

2. The Applicant finances the operations of Paramount Operating Trust ("POT"), an unincorporated trust established on June 28, 2002 under the laws of the Province of Alberta pursuant to a trust indenture, as amended. POT is an operating oil and gas entity and the Applicant is the sole beneficiary of POT.

3. Paramount Energy Operating Corp. (the "Administrator"), a wholly-owned subsidiary of the Applicant incorporated on June 28, 2002 under the *Business Corporations Act* (Alberta), provides certain operational, executive and financial services and governance functions to the Applicant. The Administrator is also the trustee of POT.

4. Under the PET Trust Indenture, the Applicant is authorized to issue an unlimited number of transferable redeemable trust units (the "Units") and an unlimited number of special voting units, of which, as at December 16, 2003, there were 44,638,376 Units issued and outstanding. Each holder of Units (a "Unitholder") is entitled to an equal undivided share of any distributions from the Applicant and upon cessation or winding-up of the

Applicant, an equal undivided share of any amounts distributed. Each Unit entitles a Unitholder to one vote at meetings of Unitholders. If and when special voting units are issued, they will entitle the trustee thereof to such number of votes at meetings of Unitholders as may be prescribed by the board of directors of the Administrator. The Units are listed and posted for trading on the Toronto Stock Exchange (the "TSX").

5. The Applicant has established the Plan to enable Unitholders, at their discretion, to automatically reinvest the distributable income of the Applicant paid on their Units (the "Distributable Income") into additional Units ("DRIP Units") as an alternative to receiving cash distributions, and as well, at their discretion, to purchase additional DRIP Units by making optional cash payments ("OCP's"). Under the OCP component of the Plan, a DRIP Participant (defined below) may purchase DRIP Units of up to a maximum of $100,000 per financial year and a minimum of $2,000 per remittance. OCP cash payments may be submitted monthly, quarterly or annually by DRIP Participants, with up to the full $100,000 maximum annual amount for a participant being available in one OCP purchase if the DRIP Participant wishes, and if a sufficient number of Units are available under the OCP component of the Plan.

6. Distributions due to participants enrolled in the Plan ("DRIP Participants") will be paid to Computershare Trust Company of Canada in its capacity as agent under the Plan (the "DRIP Agent") and will be applied to the purchase of DRIP Units. DRIP Participants who elect to purchase additional DRIP Units through OCP's will pay such amounts to the DRIP Agent who will purchase additional DRIP Units.

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

8. The DRIP Agent will purchase DRIP Units directly from the Applicant. In the event that the Administrator determines for whatever reason that DRIP Units will not be available from the Applicant for a particular distribution period, or also in the event of the OCP's the maximum number of Units have been issued for a particular period, then Distributable Income (together with, if applicable, any OCP's received) will be paid to DRIP Participants.

9. The acquisition price for DRIP Units purchased directly from the Applicant will be based on the arithmetic average of the daily volume weighted average trading prices of the Units on the TSX for the ten trading days immediately preceeding a distribution payment date as described in the Plan (the "Treasury Purchase Price"). The acquisition price for distribution reinvestments and for OCPs, will be 94% of the Treasury Purchase Price.

10. DRIP Participants may terminate their participation in the Plan by providing written notice to the DRIP Agent no less than 3 business days prior to the applicable record date. Such notice, if actually received no later than 3 business days prior to the applicable record date, will have effect for the distribution associated with that record date, and if not so received, will have effect for the next following distribution.

11. Legislation in certain of the Jurisdictions provides exemptions from the Registration and Prospectus Requirements for distribution reinvestment plans. Such exemptions are not available to the Applicant in certain of the Jurisdictions because those exemptions are generally with respect to the distribution of one or more of the following: (i) dividends; (ii) interest; (iii) capital gains; or (iv) earnings or surplus. The distributions that are paid to the Unitholders are royalty income in relation to the income that the Applicant receives from POT on oil- and gas-producing properties.

12. Legislation in certain of the Jurisdictions provides exemptions from the Registration and Prospectus Requirements for reinvestment plans of a "mutual fund". The Applicant is not a "mutual fund" under the Legislation as the holders of Units 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 part of the net assets of the Applicant, as contemplated by the definition of "mutual fund" in some of the Legislation.

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:

(A) The Original MRRS Decision is hereby revoked;

(B) Except in Alberta, the Registration and Prospectus Requirements contained in the Legislation shall not apply to distributions by the Applicant of DRIP Units under the Plan, including pursuant to OCP's, provided that:

(i) no sales charge is payable by DRIP Participants in respect of the distributions;

(ii) each DRIP Participant annually receives a notice of his or her right, and instructions on how to exercise such right, to withdraw from the Plan;

(iii) the aggregate number of DRIP Units issuable by the Applicant in any financial year of the Applicant under OCP's of the Plan does not exceed 2% of the issued and outstanding Units as at the commencement of that financial year; and

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

(C) Except in Québec, the first trade of DRIP 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 set out in subsection 2.6(3) of Multilateral Instrument 45-102 *Resale of Securities* are satisfied;

(D) in Québec, the first trade (alienation) of DRIP Units acquired pursuant to the Plan shall be a distribution or primary distribution to the public unless:

(i) at the time of the first trade, the Applicant 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 DRIP Units;

(iii) no extraordinary commission or other consideration is paid to a person or company other than the vendor of the DRIP Units in respect of the first trade; and

(iv) the vendor of the DRIP Units, if in a special relationship with the Applicant, has no reasonable grounds to believe that the Applicant is in default of any requirement of the securities legislation in Québec.

February 13, 2004.

"Paul M. Moore" "Suresh Thakrar"

2.1.13 Perle Systems Limited - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications — upon completion of consolidation, outstanding securities of issuer held by less than 15 security holders — issuer deemed to have ceased being a reporting issuer.

Statutes Cited

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

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

AND

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

AND

IN THE MATTER OF
PERLE SYSTEMS LIMITED

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Saskatchewan, Ontario, Quebec, Nova Scotia and Newfoundland and Labrador (collectively, the "Jurisdictions") has received an application from Perle Systems Limited ("Perle") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation"), in connection with Perle's consolidation of outstanding common shares on the basis of 1 new share for every 2 million old shares (the "Consolidation"), that Perle shall be deemed to have ceased to be a reporting issuer for the purposes of the Legislation;

AND WHEREAS pursuant to the Mutual Reliance Review System for exemptive relief applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

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

1. Perle is a corporation incorporated under the laws of the Province of Ontario.

2. Perle is a reporting issuer in each of the Jurisdictions. Perle is not a reporting issuer any other jurisdiction in Canada.

3. Perle's authorized share capital consists of an unlimited number of common shares (the "Common Shares").

4. Royal Capital Management Inc. ("Roycap") is a private equity investment company based in Toronto, Ontario.

5. On October 17, 2003, Perle and Roycap entered into a subscription and support agreement (the "Agreement") pursuant to which Roycap agreed to subscribe for 500 million Common Shares in satisfaction of Cdn$20 million of debt owed by Perle to Roycap.

6. The Agreement further provided that, following Roycap's subscription for the 500 million Common Shares and subject to shareholder approval, Perle would complete the Consolidation, leaving Roycap the sole remaining shareholder holding at least one whole new Common Share.

7. On November 28, 2003, Perle filed articles of amendment to effect the Consolidation, resulting in 250 post-consolidation Common Shares remaining outstanding, all of which were held by Roycap.

8. All outstanding securities of Perle, 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.

9. Effective October 7, 2003, the outstanding Common Shares were de-listed from the Toronto Stock Exchange. Consequently, no securities of Perle are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.

10. Perle has not mailed to its securityholders or filed its annual financial statements for the fiscal year ended May 31, 2003 or interim financial statements for the fiscal periods ended August 31, 2003 and November 30, 2003.

11. Other than described in paragraph 10 above, Perle is not in default of any of its obligations under the Legislation as a reporting issuer.

12. Perle has no intention of seeking public financing by way of an offering of securities.

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

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

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

February 17, 2004.

“Paul Moore” “Suresh Thakrar”

2.1.14 Westfair Foods 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.

February 18, 2004

Borden Ladner Gervais LLP
Scotia Plaza, 40 King Street West
Toronto, ON M5H 3Y4

Attention: Mr. Adam Segal

Dear Sir:

Re: Westfair Foods Ltd. (Applicant) - Application to Cease to be a Reporting Issuer under the securities legislation of Alberta, Manitoba and Ontario (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

1. 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;

2. no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;

3. 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

4. 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 in the Jurisdictions.

"Patricia M. Johnston"

2.1.15 Oro Belle Resources Corporation - 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.

February 20, 2004

DuMoulin Black
10th Floor, 595 Howe Street
Vancouver, BC V6C 2T5

Attention: Ms. Lucy H. On

Dear Madame:

Re: Oro Belle Resources Corporation (Applicant) - Application to Cease to be a Reporting Issuer under the securities legislation of – Alberta, Manitoba, Ontario and Quebec (the "Jurisdictions")

The Applicant has applied to the local securities regulatory authority or regulator (Decision Maker) in each of the Jurisdictions for a decision under the securities legislation (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,

1. 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;

2. no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;

3. 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

4. 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 in the Jurisdictions.

"Patricia M. Johnston"

2.2 Orders

2.2.1 Quay Capital Management Limited - s. 80 of the CFA

Headnote

Relief from the adviser registration requirement of paragraph 22(1)(b) of the Commodity Futures Act (Ontario) (CFA) granted to a non-resident adviser in connection with the proposed advisory services to be provided to a registered commodity trading manager under the CFA for a term of 3 years, subject to certain terms and conditions, pursuant section 80 of the CFA.

Statutes Cited

Commodity Futures Act, R.S.O. 1990. c. C.20, as am., ss. 22(1)(b), 80.
Securities Act, R.S.O. 1990, c. S.5 (as am.) - OSC Rule 35-502 – Non-Resident Advisers, s. 7.3.

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

AND

IN THE MATTER OF
QUAY CAPITAL MANAGEMENT LIMITED

ORDER
(Section 80 of the CFA)

UPON the application of Quay Capital Management Limited ("Quay") to the Ontario Securities Commission (the "Commission") for a ruling under section 80 of the CFA that Quay, its officers, directors and representatives are not subject to the requirements of subsection 22(1)(b) of the CFA;

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

AND UPON Quay having represented to the Commission as follows:

1. Quay is a private limited company organized under the laws of Ireland.

2. Quay is regulated by the Irish Financial Services Regulatory Authority in Ireland as an investment business under the *Investment Intermediaries Act* (1995). Quay is registered with the Commodity Futures Trading Commission (the "CFTC") in the United States of America as a commodity trading advisor and is a member of the National Futures Association (the "NFA") in the United States of America.

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

4. Toron is currently registered under the Securities Act (Ontario) as an adviser in the categories of investment counsel and portfolio manager and as a dealer in the category of limited market dealer. Toron is also currently registered under the CFA as an adviser in the category of commodity trading manager.

5. In connection with the Proposed Advisory Services, Quay will enter into a written agreement with Toron and the Fund setting out the obligations and duties of Quay.

6. Under this agreement, Toron will assume responsibility to the Fund for all advice provided by Quay to the Fund.

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

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

   (b) exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances;

   (the "Standard of Care"), and that this responsibility cannot be waived.

8. Quay will only provide advice to Toron in connection with the Fund.

9. The Fund has advised Quay that the offering documents will disclose that:

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

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

10. Quay will only provide advice to Toron so long as Toron remains a registrant under the CFA while the Proposed Advisory Services are provided by Quay.

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

IT IS ORDERED pursuant to section 80 of the CFA that Quay, its officers, directors and representatives are not subject to the requirements of subsection 22(1)(b) of the CFA in respect of the Proposed Advisory Services provided that:

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

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

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

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

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

(d) Quay remains regulated by the Irish Financial Services Regulatory Authority as an investment business, registered as a commodity trading adviser with the CFTC, and a member of the NFA;

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

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

February 13, 2004.

"Robert W. Korthals" "Suresh Thakrar"

2.2.2 CastleRock Resources Inc. - ss. 83.1(1)

Headnote

Subsection 83.1(1) — issuer deemed to be a reporting issuer in Ontario — issuer already a reporting issuer in Alberta and British Columbia – the issuer's securities listed for trading on the TSX Venture Exchange — continuous disclosure requirements in Alberta and British Columbia substantially the same as those in Ontario — issuer had a significant connection to Ontario.

Ontario Statutes

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

Ontario Policies

Ontario Securities Commission Policy 12-602 Deeming a Reporting Issuer in Certain Other Canadian Jurisdictions to be a Reporting Issuer in Ontario.

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

AND

IN THE MATTER OF
CASTLEROCK RESOURCES INC.

ORDER
(Subsection 83.1(1))

UPON the application of CastleRock Resources Inc. (formerly CastleRock Capital Inc.) (the "Issuer") for an order pursuant to subsection 83.1(1) of the Act deeming the Issuer to be a reporting issuer for the purposes of Ontario securities law;

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

AND UPON the Issuer representing to the Commission as follows:

1. The Issuer was incorporated on January 23, 2001 pursuant to the provisions of the *Business Corporations Act* (Alberta).

2. The Issuer's head office is located in Ontario.

3. The authorized share capital of the Issuer consists of an unlimited number of common shares ("Common Shares"). There are currently 14,860,481 Common Shares issued and outstanding.

4. The Common Shares are currently listed and posted for trading on the TSX Venture Exchange Inc. (the "TSX-V").

5. The Issuer has been a reporting issuer under the *Securities Act* (Alberta) (the "Alberta Act") since May 25, 2001 following the issuance of a receipt by the Alberta Securities Commission (the "ASC") on May 25, 2001 for the Issuer's initial public offering prospectus dated May 25, 2001.

6. The Issuer has been a reporting issuer under the *Securities Act* (British Columbia) (the "BC Act") since August 7, 2001, the date on which the Common Shares were listed and posted for trading on the TSX-V.

7. The Issuer has a significant connection to Ontario in that: (i) residents of Ontario hold no less than 12,987,333 Common Shares representing approximately 87% of the Issuer's issued and outstanding Common Shares; (ii) the Issuer's principle mind and management is resident in Ontario; and (ii) the Issuer's head office is located in Ontario.

8. The Issuer has maintained its continuous disclosure obligations under the Alberta Act and the BC Act since May 25, 2001 and August 7, 2001, respectively, which obligations are substantially similar to those under the Act. The continuous disclosure materials filed by the Issuer since May 25, 2001 are available on the System for Electronic Document Analysis and Retrieval.

9. Other than in the provinces of Alberta and British Columbia, the Issuer is not a reporting issuer or public company under the securities legislation of any other jurisdiction in Canada.

10. The Issuer is not in default of any requirements of the securities legislation in Alberta or British Columbia or of any requirements of the TSX-V.

11. Neither the Issuer nor any of its directors, officers nor (to the best knowledge of the Issuer, its directors and officers) any of its controlling shareholders has: (i) been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory; (ii) entered into a settlement agreement with a Canadian securities regulatory authority; or (iii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

12. Neither the Issuer nor any of its directors, officers nor (to the best knowledge of the Issuer, its directors and officers) any of its controlling shareholders, is or has been subject to: (i) any known ongoing or concluded investigations by (A) a Canadian securities regulatory authority, or (B) a court or regulatory body, other than a Canadian securities regulatory authority, that would be likely to be considered important to a reasonable investor making an investment decision; or (ii) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years.

13. None of the directors or officers of the Issuer, nor (to the best knowledge of the Issuer, its directors and officers) any of its controlling shareholders, is or has been at the time of such event a director or officer of any other issuer which is or has been subject to: (i) any cease trade or similar orders, or orders that denied access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days, within the preceding 10 years; or (ii) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, of the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years.

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

IT IS HEREBY ORDERED pursuant to subsection 83.1(1) of the Act that the Issuer be deemed a reporting issuer for the purpose of the Act.

February 17, 2004.

"Erez Blumberger"

2.2.3 The Bank of Nova Scotia Trust Company of New York - ss. 46(4) of the OBCA

Headnote

Order pursuant to subsection 46(4) of the Business Corporations Act (Ontario). Trust indenture governed by the United States Trust Indenture Act of 1939 is exempt from the requirements of Part V of the Business Corporations Act (Ontario) in connection with a southbound offering of debt securities under the Multijurisdictional Disclosure System.

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as amended, ss. 46(2), 46(4), Part V.
Securities Act, R.S.O. 1990, c. S.5, as amended.
Securities Act of 1933, Act of May 27, 1933, 48 Stat, 74, 15 U.S. Code, Secs. 77a-77aa, as amended.
Trust Indenture Act of 1939, Act of August 3, 1939, 53 Stat, 1149, 15 U.S. Code, Secs. 77aaa-77bbb, as amended.

National Instrument Cited

National Instrument 71-101 Multijurisdictional Disclosure System (1998) 21 O.S.C.B. 6919.

IN THE MATTER OF
THE BUSINESS CORPORATIONS ACT
R.S.O. 1990, C.B.17, AS AMENDED

AND

IN THE MATTER OF
THE BANK OF NOVA SCOTIA TRUST COMPANY OF NEW YORK
AND FOUR SEASONS HOTELS INC.

ORDER
(Subsection 46(4) OBCA)

UPON the application of The Bank of Nova Scotia Trust Company of New York (the "Applicant") to the Ontario Securities Commission (the "Commission") for an order pursuant to subsection 46(4) of the *Business Corporations Act* (Ontario) (the "OBCA") exempting a trust indenture of Four Seasons Hotels Inc. (the "Issuer") from the requirements of Part V of the OBCA;

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

AND UPON it being represented by the Issuer and the Applicant to the Commission that:

1. The Issuer is a corporation existing under the OBCA and is a reporting issuer not in default under the *Securities Act*, R.S.O. 1990, c.S.5, as amended, and the regulations thereunder.

2. The Applicant is a United States ("U.S.") based financial institution and is to be a trustee under an indenture (the "Indenture") to be made between the Issuer and the Applicant in respect of debt securities (the "Securities") of the Issuer to be issued thereunder.

3. The Securities are to be sold by the Issuer through certain undetermined investment banks (collectively, the "Underwriters"), as underwriters, pursuant to the terms of an agreement to be entered into among the Underwriters and the Issuer.

4. The Issuer will file a shelf prospectus with the Commission pursuant to National Instrument 44-102 – *Shelf Distributions* (the "Shelf Prospectus") and, pursuant to the multijurisdictional disclosure system, will file with the United States Securities and Exchange Commission a shelf registration statement on Form F-10 (the "Registration Statement").

5. The Securities are to be offered exclusively to the public in the U.S. and are to be registered under the U.S. *Securities Act of 1933*, as amended, pursuant to the Registration Statement.

6. The Securities will not be listed on any stock exchange.

7. The Issuer will not, and will require each of the Underwriters to agree that it will not, offer, sell or deliver the Securities directly or indirectly in Canada or to any resident of Canada in contravention of the securities laws of any province or territory of Canada, and the Issuer will require that any selling agreement or similar arrangement made by an Underwriter with respect to the Securities will contain a restriction to the same effect.

8. As the Issuer will file a shelf prospectus with the Commission, Part V of the OBCA will apply to the Indenture by virtue of subsection 46(2) of the OBCA.

9. The Indenture will be subject to the U.S. *Trust Indenture Act of 1939* (the "Trust Indenture Act"), which regulates the issue of debt securities under trust indentures in the U.S. in a manner consistent with Part V of the OBCA.

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

IT IS ORDERED pursuant to subsection 46(4) of the OBCA, that the Indenture is exempt from Part V of the OBCA, provided that the Indenture is governed by and subject to the Trust Indenture Act.

February 17, 2004.

"Paul M. Moore" "Robert W. Davis"

2.2.4 Quadra Resources Corp. - ss. 4.1(1) of MI 45-102

Headnote

Application to the Ontario Securities Commission by an issuer whose securities are quoted on the Canadian Trading and Quotation System Inc., for an exemption from the requirements contained in paragraph (d) of the definition of "qualifying issuer" in Multilateral Instrument 45-102 Resale of Securities (MI 45-102). Relief granted, subject to certain conditions. One condition of order is that it expires on the date of amendment or repeal of MI 45-102.

Instrument Cited

Multilateral Instrument 45-102 Resale of Securities.

IN THE MATTER OF
MULTILATERAL INSTRUMENT 45-102
RESALE OF SECURITIES

AND

IN THE MATTER OF
QUADRA RESOURCES CORP.

ORDER

UPON the application (the "Application") of Quadra Resources Corp. (the "Issuer") to the Director for an order (the "Order") pursuant to subsection 4.1(1) of Multilateral Instrument 45-102 *Resale of Securities* ("MI 45-102") that, subject to certain conditions, the Issuer be exempt from the conditions contained in paragraph (d) of the definition of "qualifying issuer" in MI 45-102 (the "Qualified Market Requirement");

AND UPON considering the Application and the recommendation of staff of the Ontario Securities Commission (the "Commission");

AND UPON the Issuer having represented to the Director as follows:

1. The Issuer was incorporated under the *Business Corporations Act* (Alberta) on July 12, 1994 as Battle Resources Inc. On January 30, 1997, the Issuer changed its name to Quadra Resources Corp.

2. The Issuer's head, principal and registered office is located at 3100, Bow Valley Square III, 255 - 5th Avenue S.W. Calgary, Alberta, T2P 3G6.

3. The Issuer has been a reporting issuer under applicable securities legislation in the Provinces of Alberta, British Columbia, and Ontario since May 15, 1997 as a result of filing a takeover bid circular in those jurisdictions.

4. On September 11, 1997, the common shares of the Issuer (the "Common Shares") were listed and posted for trading on the Canadian Dealing Network ("CDN"). On October 2, 2000, the Common Shares were listed and posted for trading on the TSX Venture Exchange ("TSXV") as a result of the acquisition of CDN by the TSXV.

5. On November 24, 2003, the Issuer's Common Shares were accepted for quotation on the Canadian Trading and Quotation System Inc. ("CNQ") and were voluntarily delisted from the TSXV, effective November 21, 2003.

6. The Issuer's Common Shares are currently qualified for quotation and trading on CNQ.

7. The Issuer intends to complete a private placement offering of Common Shares in the Provinces of Alberta, British Columbia and Ontario (the "Private Placement Jurisdictions").

8. Under MI 45-102, CNQ is not a "qualified market."

9. CNQ is incorporated under the *Business Corporations Act* (Ontario), and its head office is located in Toronto, Ontario.

10. Under the mutual reliance review system for exemptive relief applications ("MRRS"), each of the Private Placement Jurisdictions, other than Ontario, issued an MRRS decision document dated October 21, 2003 which exempts CNQ-quoted issuers from the requirement to have a class of equity securities listed or quoted on a "qualified market" in order to be a "qualifying issuer" under MI 45-102.

11. CNQ operates an electronic central limit order book auction market augmented with market maker liquidity. The electronic order book allows for full pre- and post-trade transparency, automatic application of trading priority rules (pure price and time priority) and effective trading surveillance.

12. CNQ was recognized as a quotation and trade reporting system by the Commission on February 28, 2003.

13. CNQ has made an application to the Commission for recognition as an exchange operating in Ontario and to the Alberta and Quebec Securities Commissions for an exemption from the requirement to be recognized as an exchange carrying on business in those jurisdictions.

14. Securities traded on CNQ may have one or more market makers, who must post reasonable continuous two-sided markets to add liquidity and immediacy for public investors for stocks with market makers. Market makers enjoy limited exclusive order entry privileges for the stocks in which they are approved as market makers, chiefly the ability to see the order flow from other

dealers. Stocks without a market maker trade in a pure price and time auction market.

15. CNQ has engaged Market Regulation Services Inc. ("RS") to provide market regulation services to CNQ's marketplace, including market surveillance, trade desk compliance and investigations and enforcement. Dealers trading on CNQ ("CNQ Dealers") must be members in good standing of the Investment Dealers Association of Canada or another recognized self-regulatory organization.

16. Trades on CNQ will be confirmed to the Canadian Depository for Securities Limited for settlement.

17. In order to qualify for quotation on CNQ, a CNQ Issuer must:

    (a) be a reporting issuer in British Columbia, Alberta, Ontario or Quebec;

    (b) satisfy minimum standards for quotation, including having an active business or a plan to develop an active business;

    (c) agree to follow CNQ's policies and submit to CNQ's jurisdiction to suspend or disqualify its securities from quotation and trading;

    (d) post on the CNQ website a prospectus-like base disclosure document including management's discussion and analysis (the "Quotation Statement"); and

    (e) post an enhanced disclosure record on CNQ's website, which is updated through monthly progress reports, quarterly updates and a current Quotation Statement annually;

18. CNQ reviews the Quotation Statement to ensure it is complete and that the issuer meets the minimum standards for quotations but dues not review and pre-clear transactions.

19. CNQ undertakes periodic compliance reviews to determine a CNQ Issuer's compliance with CNQ rules. CNQ Issuers that fail to comply with CNQ rules are subject to sanctions that include suspension and disqualification from quotation on CNQ.

20. Once quoted, a CNQ Issuer is subject to the same timely disclosure requirements applicable to listed issuers on Canadian exchanges.

21. RS is responsible for monitoring compliance of timely disclosure rules and overall market integrity, and will investigate potential instances of insider trading and market manipulation. RS will forward results of those investigations to CNQ and to the relevant securities regulatory authority.

22. All of the continuous disclosure materials filed by the Issuer are available on the System for Electronic Document Analysis and Retrieval.

23. The Issuer is not in default of any requirements under the *Securities Act* (Ontario), any of the rules or regulations made thereunder, or of any requirements or policies of CNQ.

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

IT IS HEREBY ORDERED pursuant to subsection 4.1(1) of MI 45-102 that the Issuer is exempt from the Qualified Market Requirement, provided that the Issuer:

(a) has a class of equity securities quoted on CNQ;

(b) has not been notified by CNQ that it does not meet the requirements to maintain that quotation;

(c) has not been declared inactive, suspended or the equivalent by CNQ;

(d) the Issuer, or selling security holder in the case of a control distribution, files a Form 45-102F2 on or before the tenth day after the distribution date of any securities certifying that the Issuer is a qualifying issuer except for the requirement that it have a class of equity securities listed or quoted on a "qualified market"; and

(e) the Order will expire on the date of amendment or repeal of MI 45-102.

February 11, 2004.

"Erez Blumberger"

2.2.5 Connor Clark & Lunn Investment Management Ltd. et al. - s. 147

Headnote

Corrected Order - 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).
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. 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
CONNOR CLARK & LUNN INVESTMENT MANAGEMENT LTD.,
CONNOR CLARK & LUNN ARROWSTREET CAPITAL LTD,
SCHEER, ROWLETT & ASSOCIATES INVESTMENT MANAGEMENT LTD.,
PCJ INVESTMENT COUNSEL LTD. AND
BAKER GILMORE & ASSOCIATES INC.

AND

THE POOLED FUNDS SET OUT IN SCHEDULE I HERETO,
(The "Existing Pooled Funds")

ORDER
(Subsection 147 of the Act)

UPON the application (the "Application") of Connor Clark & Lunn Investment Management Ltd. ("CC&L"), Connor Clark & Lunn Arrowstreet Capital Ltd. ("CCLA"), Scheer, Rowlett & Associates Investment Management Ltd. ("SRA"), PCJ Investment Counsel Ltd. ("PCJ"), and Baker Gilmore & Associates Inc ("BGA"). (collectively, the "Managers"), the managers of the Existing Pooled Funds and other pooled funds established and managed by the Managers 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 annual financial statements prescribed by sections 77(2) and 78(1), respectively, of the Act or in the case of CC&L Genesis Fund, agreed to be filed in connection with an order dated June 25, 1991 of the Ontario Securities Commission (the "Order");

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

AND UPON the Managers having represented to the Commission that:

1. Each of CC&L and PCJ are incorporated under the laws of Ontario, SRA is incorporated under the laws of Saskatchewan. BGA is incorporated under the laws of Quebec and CC&L is incorporated under the laws of British Columbia and all of the Managers carry on business in Ontario.

2. Each of the Managers is, or will be, the manager of the Pooled Funds for which either the Manager or a company retained by the Manager is the adviser. All of the advisers, including CC&L, SRA, PCJ and BGA, are registered in Ontario as an advisor in the category of investment counsel, and portfolio manager.

3. The Pooled Funds are, or will be, open-end mutual fund trusts established under the laws of Ontario, or in the case of the CC&L Genesis Fund, have been filing financial statements pursuant to the Order. 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 prospectus delivery requirements of applicable securities legislation.

4. The Pooled Funds either 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 annual financial statements under section 78(1) of the Act or in the case of CC&L Genesis Fund agreed to file the financial statements pursuant to the Order (collectively, the "Financial Statements").

5. While the Pooled Funds are structured as mutual funds, they are not public mutual funds. The Pooled Funds are not reporting issuers and are not sold to the general public.

6. Unitholders of the Pooled Funds ("Unitholders") 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"). The Managers and the Pooled Funds may 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 statements of portfolio transactions have been omitted, the "Permitted Financial Statements").

7. 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 the Unitholder, the request shall be carried out while the information continues to be omitted from the subsequent Financial Statements until the Unitholder requests, or agrees to, termination of the arrangement or is no longer a Unitholder.

8. 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 exempted from the requirements in sections 77(2) and 78(1) of the Act or the requirements pursuant to the Order to file the Financial Statements with the Commission provided:

(a) In the absence of other regulatory relief, the Pooled Funds will prepare and deliver to the Unitholders, 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 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; and

(g) This decision, as it relates to the Commission, will terminate after the coming into force of any legislation or rule of the Commission dealing with the matters regulated by sections 77(2) and 78(1) of the Act**.**

February 6, 2004.

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

SCHEDULE I

Name of Manager	Name of Pooled Fund	Jurisdiction of Establishment
Connor Clark & Lunn Arrowstreet Capital Ltd.	CC&L Arrowstreet American Equity Fund	Ontario
	CC&L Arrowstreet EAFE Equity Fund	Ontario
	CC&L Arrowstreet Synthetic US Equity Fund	Ontario
	CC&L Arrowstreet Synthetic EAFE Fund	Ontario
	CC&L Arrowstreet US Equity Fund	Ontario
	Private Client US Equity Fund	Ontario
Connor Clark & Lunn Investment Management Ltd.	CC&L Genesis Fund	BC
Scheer, Rowlett & Associates Investment Management Ltd.	SRA/PCJ Canadian Equity Core Fund	Ontario
	Scheer, Rowlett & Associates Canadian Equity Fund	Ontario
	Scheer, Rowlett & Associates EAFE Fund	Ontario
	Scheer, Rowlett & Associates US Equity Fund	Ontario
	Scheer, Rowlett & Associates Bond Fund	Ontario
	Scheer, Rowlett & Associates Short Term Bond Fund	Ontario
	Scheer, Rowlett & Associates Balanced Fund	Ontario
	Scheer, Rowlett & Associates Money Market Fund	Ontario
PCJ Investment Counsel Ltd.	PCJ Canadian Equity Fund	Ontario
	PCJ Canadian Small Capitalization Fund	Ontario
Baker Gilmore & Associates Inc.	Baker Gilmore & Associates Bond Fund	Ontario

2.2.6 Blue Power Energy Corporation - s. 144

Headnote

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

Statues Cited

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

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

AND

IN THE MATTER OF
BLUE POWER ENERGY CORPORATION

ORDER
(Section 144)

WHEREAS the securities of Blue Power Energy Corporation ("Blue Power") are subject to a Temporary Order (the "Temporary Order') made by a Director on behalf the Ontario Securities Commission (the "Commission"), pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act, on October 22, 2003, as extended by a further order (the "Extension Order") of the Director, made on November 3, 2003 on behalf of the Commission pursuant to subsection 127(8) of the Act, that trading in securities of Blue Power cease until the Temporary Order, as extended by the Extension Order, is revoked by a further Order of Revocation.;

AND UPON Blue Power having applied to the Commission pursuant to section 144 of the Act for an order revoking the Temporary Order as extended by the Extension Order;

AND UPON Blue Power having represented to the Commission that:

1. Blue Power Energy Corporation ("Blue Power") was formed in the Province of Ontario on October 19, 1995, by the amalgamation of Twin Star Energy Corporation and Blue Gas Pipelines Inc. On April 1, 1996, Blue Power further amalgamated with 1155698 Ontario Inc. and 1155697 Ontario Inc. and continued under the name "Blue Power Energy Corporation".

2. Blue Power is a reporting issuer in Ontario, British Columbia and Alberta.

3. The Cease Trade Order was issued due to the failure of Blue Power to file with the Commission audited financial statements for the year ended May 31, 2003 (the "Financial Statements") as required by the Act;

4. The Financial Statements were not filed with the Commission due to a lack of funds to pay for the preparation and audit of such statements;

5. The Financial Statements were filed with the Commission, via SEDAR, on November 3, 2003;

6. Blue Power has brought up to date its outstanding financial filing obligations under the Act, including the filing of the interim unaudited financial statements for the period ended August 31, 2003, which were filed with the Commission, via SEDAR, on November 6, 2003.

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

AND UPON the undersigned Director is satisfied that Blue Power remedied its default in respect of filing requirements and is of the opinion that it would not be prejudicial to the public interest to revoke the Temporary Order as extended by the Extension Order.

IT IS ORDERED pursuant to section 144 of the Act that the Temporary Order and the Extension Order be and is hereby revoked.

February 20, 2004.

"Charlie MacCready"

This page intentionally left blank

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
American Eco Corporation	12 Feb 04	24 Feb 04	24 Feb 04	
BridgePoint International Inc.	12 Feb 04	23 Feb 04	24 Feb 04	
Peak Brewing Group Inc.	23 Feb 04	05 Mar 04		

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	15 Dec 03		
Richtree Inc.	23 Dec 03	05 Jan 04	05 Jan 04		

4.3.1 Issuer CTO's Revoked

Company Name	Date of Revocation
Blue Power Energy Corporation	**20 Feb 04**

This page intentionally left blank

Chapter 5

Rules and Policies

5.1.1 Multilateral Instrument 55-103 Insider Reporting for Certain Derivative Transactions (Equity Monetization)

MULTILATERAL INSTRUMENT 55-103

INSIDER REPORTING FOR CERTAIN DERIVATIVE TRANSACTIONS (EQUITY MONETIZATION)

PART 1 DEFINITIONS

1.1 Definitions – In this Instrument

"compensation arrangement" includes, but is not limited to, any plan, contract, authorization or arrangement, whether or not set forth in any formal document and whether or not applicable to only one individual, under which cash, securities, options, SARs, phantom stock, warrants, convertible securities, restricted shares or restricted share units, performance units and performance shares, or similar instruments may be received or purchased;

"control person" means

(a) a person holding a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer,

(b) one or a combination of persons acting in concert by virtue of an agreement, arrangement, commitment or understanding and holding a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer, or

(c) a person or combination of persons holding more than 20% of the voting rights attached to all outstanding voting securities of an issuer, unless there is evidence that the holding does not affect materially the control of the issuer;

"credit derivative" means a derivative in respect of which the underlying security, interest, benchmark or formula is, or is related to or derived from, in whole or in part, a debt or other financial obligation of a reporting issuer;

"derivative" means an instrument, agreement or security, the market price, value or payment obligations of which are derived from, referenced to or based on an underlying security, interest, benchmark or formula;

"economic exposure" in relation to a reporting issuer means the extent to which the economic or financial interests of a person or company are aligned with the trading price of securities of the reporting issuer or the economic or financial interests of the reporting issuer;

"economic interest in a security" means

(a) a right to receive or the opportunity to participate in a reward, benefit or return from the security, or

(b) exposure to a loss or a risk of loss in respect to the security;

"effective date" means the date specified in Part 5 of this Instrument;

"exemptive relief" has the meaning ascribed to that term in National Policy 12-201 *Mutual Reliance Review System for Exemptive Relief Applications*;

"insider report" means a report in the form prescribed for insider reports under securities legislation;

"reporting issuer" does not include a mutual fund that is a reporting issuer;

"security of a reporting issuer" is deemed to include

(a) a put, call, option or other right or obligation to purchase or sell securities of the reporting issuer; and

(b) a security, the value or market price of which are derived from, referenced to or based on the value, market price or payment obligations of a security of the reporting issuer;

"stock appreciation right" ("SAR") means a right, granted by an issuer or any of its subsidiaries as compensation for services rendered or otherwise in connection with office or employment, to receive a payment of cash or an issue or transfer of securities based wholly or in part on changes in the trading price of publicly traded securities.

PART 2 REPORTING FOR CERTAIN DERIVATIVE TRANSACTIONS

2.1 **Reporting Requirement** – If an insider of a reporting issuer

(a) enters into, materially amends or terminates an agreement, arrangement or understanding of any nature or kind, the effect of which is to alter, directly or indirectly,

i) the insider's economic interest in a security of the reporting issuer, or

ii) the insider's economic exposure to the reporting issuer; and

(b) the insider is not otherwise required to file an insider report in respect of such event under any provision of Canadian securities legislation, then

the insider shall file a report in accordance with Section 3.1 of this Instrument.

2.2 **Exemptions** – Section 2.1 does not apply to

(a) an agreement, arrangement or understanding which does not involve, directly or indirectly, an interest in

(i) a security of the reporting issuer, or

(ii) a derivative in respect of which the underlying security, interest, benchmark or formula is or includes as a material component a security of the reporting issuer;

(b) an agreement, arrangement or understanding in the nature of a compensation arrangement established by the reporting issuer or an affiliate of the reporting issuer if

(i) the existence and material terms of the compensation arrangement are, or are required to be, described in

(A) the annual audited financial statements of the reporting issuer;

(B) an annual filing of the reporting issuer relating to executive compensation, or any other filing required to be made under any provision of Canadian securities legislation; or

(C) any public filing required to be made under the rules or policies of a stock exchange or market on which securities of the reporting issuer are listed or trade; or

(ii) the terms of the compensation arrangement are set out in writing, and the alteration to economic exposure or economic interest referred to in section 2.1 occurs as a result of the satisfaction of a pre-established condition or criterion and does not involve a discrete investment decision by the insider;

(c) a person or company exempt from the insider reporting requirements by virtue of an exemption contained in Canadian securities legislation, to the same extent and on the same conditions as are applicable to such exemption;

(d) a person or company who has obtained exemptive relief in a jurisdiction from the insider reporting requirements of that jurisdiction, to the same extent and on the same conditions as are applicable to such exemptive relief;

(e) a transfer, pledge or encumbrance of securities by an insider for the purpose of giving collateral for a debt made in good faith so long as there is no limitation on the recourse available against the insider for any amount payable under such debt;

(f) to the receipt by an insider of a transfer, pledge or encumbrance of securities of an issuer if the securities are transferred, pledged or encumbered as collateral for a debt under a written agreement and in the ordinary course of business of the insider;

(g) to an insider, other than an insider that is an individual, that enters into, materially amends or terminates an agreement, arrangement or understanding which is in the nature of a credit derivative;

(h) a person or company who did not know and, in the exercise of reasonable diligence, could not have known of the alteration to economic exposure or economic interest described in section 2.1;

(i) the acquisition or disposition of a security, or an interest in a security, of an investment fund, provided that securities of the reporting issuer do not form a material component of the investment fund's market value; or

(j) the acquisition or disposition of a security, or an interest in a security, of an issuer which holds directly or indirectly securities of the reporting issuer, if:

(i) the insider is not a control person of the issuer; and

(ii) the insider does not have or share investment control over the securities of the reporting issuer.

2.3 **Existing agreements which continue in force** – If an insider of a reporting issuer, prior to the effective date of this Instrument, entered into an agreement, arrangement or understanding in respect of which

(a) the insider would have been required to file an insider report under this Instrument if the agreement, arrangement or understanding had been entered into on or after the effective date, and

(b) the agreement, arrangement or understanding remains in effect on or after the effective date of this Instrument,

then the insider shall file a report in accordance with Section 3.2 of this Instrument.

2.4 **Same** – If an insider of a reporting issuer, prior to the date the insider most recently became an insider of the reporting issuer, entered into an agreement, arrangement or understanding in respect of which

(a) the insider would have been required to file an insider report under this Instrument if the agreement, arrangement or understanding had been entered into on or after the date the insider most recently became an insider, and

(b) the agreement, arrangement or understanding remains in effect on or after the date the insider most recently became an insider,

then the insider shall file a report in accordance with Section 3.3 of this Instrument.

PART 3 FORM AND TIMING OF REPORT

3.1 A person or company who is required under Section 2.1 of this Instrument to file a report shall, within 10 days from the day on which the person or company enters into, materially amends or terminates, as the case may be, the agreement, arrangement or understanding described in Section 2.1 of this Instrument, or such shorter period as may be prescribed, file a report in the form prescribed for insider reports under securities legislation disclosing the existence and material terms of the agreement, arrangement or understanding.

3.2 A person or company who is required under Section 2.3 of this Instrument to file a report shall, within 10 days, or such shorter period as may be prescribed, from the effective date of this Instrument, file a report in the form prescribed for insider reports under securities legislation disclosing the existence and material terms of the agreement, arrangement or understanding.

3.3 A person or company who is required under Section 2.4 of this Instrument to file a report shall, within 10 days, or such shorter period as may be prescribed, from the date the person or company most recently became an insider, file a report in the form prescribed for insider reports under securities legislation disclosing the existence and material terms of the agreement, arrangement or understanding.

PART 4 EXEMPTION

4.1 The regulator or the securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

4.2 Despite section 4.1, in Ontario only the regulator may grant such an exemption.

PART 5 EFFECTIVE DATE

5.1 Effective Date - This Instrument comes into force on February 28, 2004.

COMPANION POLICY 55-103CP
TO MULTILATERAL INSTRUMENT 55-103

INSIDER REPORTING FOR
CERTAIN DERIVATIVE TRANSACTIONS
(EQUITY MONETIZATION)

The members of the Canadian Securities Administrators (the CSA) that have adopted Multilateral Instrument 55-103 *Insider Reporting for Certain Derivative Transactions (Equity Monetization)* (the Multilateral Instrument) have adopted this Policy to clarify their views on several matters relating to the Instrument including:

- the regulatory objectives underlying the Multilateral Instrument and the reasons why we feel the Multilateral Instrument is necessary;
- the general approach taken by the Multilateral Instrument to certain derivative-based transactions by insiders; and
- other information that we believe will be helpful to insiders and other market participants in understanding the operation of the Multilateral Instrument.

Part 1 Purpose

1. What is the purpose of the Multilateral Instrument?

We have developed the Multilateral Instrument 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 (described below), which satisfy one or more of the fundamental policy rationale for insider reporting. We believe that timely public disclosure of such transactions is necessary in order to maintain and enhance the integrity of, and public confidence in, the insider reporting regime in Canada.

The Multilateral Instrument seeks to maintain and enhance the integrity of, and public confidence in, the insider reporting regime in Canada by:

- ensuring that insider derivative-based transactions which have a similar effect in economic terms to insider trading activities are fully transparent to the market;
- ensuring that, where an insider enters into a transaction which satisfies one or more of the policy rationale for insider reporting, the insider is required to file an insider report, even though the transaction may, for technical reasons, fall outside of the existing rules governing insider reporting; and
- reducing uncertainty as to which arrangements and transactions are subject to an insider reporting requirement and which are not.

These objectives are discussed in greater detail below.

2. What are the current insider reporting rules?

Canadian securities legislation requires “insiders” of a reporting issuer (i.e., a public company) to file insider reports disclosing their ownership of and trading in securities of their reporting issuer (the insider reporting requirements).

The insider reporting requirements serve a number of functions, including deterring illegal insider trading and increasing market efficiency by providing investors with information concerning the trading activities of insiders of the issuer, and, by inference, the insiders’ views of their issuer’s prospects.

We have adopted the Multilateral Instrument in response to the concern that the existing insider reporting requirements may not in all cases cover certain derivative-based transactions, including equity monetization transactions.

3. What are equity monetization transactions?

In recent years, a variety of sophisticated derivative-based financial products have become available which permit investors to dispose, in economic terms, of an equity position in a public company without attracting certain tax and non-tax consequences associated with a conventional disposition (e.g., a sale) of such position.

These products, which are sometimes referred to as "equity monetization" products, allow an investor to receive a cash amount similar to proceeds of disposition, and transfer part or all of the economic risk and/or return associated with securities of an issuer, without actually transferring the legal and beneficial ownership of such securities. (The term "monetization" generally refers to the conversion of an asset (such as securities) into cash.)

4. What are the concerns with equity monetization transactions?

Where an *insider* of a reporting issuer enters into a monetization transaction, and does not disclose the existence or material terms of that transaction, there is potential for harm to investors and the integrity of the insider reporting regime because:

- an insider in possession of material undisclosed information, although prohibited from trading in securities of the issuer, may be able improperly to profit from such information by entering into derivative-based transactions which mimic trades in securities of the reporting issuer;
- market efficiency will be impaired since the market is deprived of important information relating to the market activities of the insider; and
- since the insider's publicly reported holdings no longer reflect the insider's true economic position in the issuer, requirements relating to the public reporting of such holdings (e.g., an insider report or proxy circular) may in fact materially mislead investors.

Although we believe that many such transactions fall within the existing rules governing insider reporting, we accept that, in certain cases, it may be unclear whether the existing insider reporting rules apply. Accordingly, we have developed the Multilateral Instrument to respond to this ambiguity.

The Multilateral Instrument reflects a principles-based approach to monetization transactions and ties the obligation to report to the fundamental policy rationale underlying the insider reporting regime. Consequently, if an insider enters into a transaction which satisfies one or more of the policy rationale for insider reporting, but for technical reasons it may be argued that the insider falls outside of the existing insider reporting requirements, the insider will be required to file an insider report under the Multilateral Instrument unless the insider is otherwise covered by one of the exemptions. In this way, the market can make its own determination as to the significance, if any, of the transaction in question.

5. Does the Multilateral Instrument prohibit insiders from entering into monetization transactions?

No. The Multilateral Instrument imposes a reporting requirement only. It does not prohibit insiders from entering into a monetization transaction. An insider may, however, be prohibited on other grounds from entering into a monetization transaction. For example, Canadian securities legislation generally prohibits insiders (and certain others) from trading in securities of a reporting issuer while in possession of material undisclosed information about that issuer (the insider trading prohibition). It should be noted that, in many cases, the scope of the insider trading prohibition is broader than the scope of the existing insider reporting obligation.

An insider may also be prohibited from entering into a monetization arrangement by the terms of an escrow agreement. The standard form of agreement prescribed by National Policy 46-201 *Escrow for Initial Public Offerings*, for example, contains restrictions on parties to the agreement entering into monetization arrangements.

6. Why do investors enter into monetization transactions?

Investors, including insiders, may have legitimate reasons for entering into monetization transactions. These reasons may include:

- *Tax planning* – where there has been significant appreciation in the value of securities held by an investor, a conventional disposition of such securities may trigger a significant tax liability; a monetization transaction may permit the investor to receive a cash amount similar to proceeds of disposition while deferring this tax liability.
- *Liquidity* – an investor may have a short-term need for cash and wish to borrow against his or her securities. A monetization arrangement may permit the investor to borrow an amount equal to a substantially higher proportion of the current market price of his or her securities (e.g., 90%) than he or she could with a simple pledge of the securities.
- *Retained ownership* – an investor may wish to monetize a portion of his or her position but retain the full voting rights and/or entitlement to dividends associated with that position.
- *Risk management/portfolio diversification* – an investor is able to "lock in" the present value of his or her position, and avoid the risk of a future decline in the value of the holding, by means of a monetization transaction. The investor may

use the funds released as a result of the transaction to diversify his or her portfolio, thereby avoiding the risk of having all of his or her assets "in one basket".

7. Does the requirement to report undermine any of these reasons for entering into a monetization transaction?

No. A requirement to report the existence and material terms of a monetization transaction is not inconsistent with any of these objectives and does not prevent the insider from achieving any of these objectives.

8. Does the Multilateral Instrument apply only to monetization transactions?

No. The Multilateral Instrument applies to any agreement, arrangement or understanding which satisfies the conditions in section 2.1, 2.3 or 2.4 of the Instrument.

Part 2 – Application of the Multilateral Instrument

1. When does the Multilateral Instrument apply?

If you are an "insider" of a reporting issuer, and you enter into, materially amend or terminate an agreement, arrangement or understanding of any kind which

- changes your "economic interest in a security" of your reporting issuer, or
- changes your "economic exposure" to your reporting issuer, *and*

you are not required under any other provision of Canadian securities law to file an insider report about this agreement, arrangement or understanding, you must file an insider report under the Multilateral Instrument, unless you are covered by one of the exemptions.

2. What does "economic exposure" mean?

The term "economic exposure" in relation to a reporting issuer is defined in the Multilateral Instrument to mean the extent to which the economic or financial interests of a person or company are aligned with the market price of securities of the reporting issuer or the economic or financial interests of the reporting issuer.

The concept of "economic exposure" also appears in section 6.2 of National Policy 46-201 *Escrow for Initial Public Offerings*:

> ***6.2 Restrictions on dealing with escrow securities***
>
> Escrow restricts the ability of holders to deal with their escrow securities while they are in escrow. The standard form of escrow agreement sets out these restrictions. Except to the extent that the escrow agreement expressly permits, a principal cannot sell, transfer, assign, mortgage*, enter into a derivative transaction concerning,* or otherwise deal in any way with the holder's escrow securities or any related share certificates or other evidence of the escrow securities. A private company, controlled by one or more principals of the issuer, that holds escrow securities of the issuer, *may not participate in a transaction that results in* a change of its control *or a change in the economic exposure* of the principals to the risks of holding escrow securities.
>
> [Emphasis added.]

The term "economic exposure" in relation to a reporting issuer generally refers to the link between a person's economic or financial interests and the economic or financial interests of the reporting issuer in which the person is an insider. The term is intended to have broad application and is best illustrated by way of example.

An insider with a substantial proportion of his or her personal wealth invested in securities of his or her reporting issuer will be highly exposed to changes in the fortunes of the reporting issuer. Conversely, an insider who holds no securities of a reporting issuer (and does not participate in a compensation arrangement involving securities of the reporting issuer such as a stock option plan) will generally have significantly less exposure to the reporting issuer. The insider's exposure will generally be limited to the insider's salary and other compensation arrangements which do not involve securities of the reporting issuer.

All other things being equal, if an insider changes his or her ownership interest in a reporting issuer (either directly, through a purchase or sale of securities of the reporting issuer, or indirectly, through a derivative transaction involving securities of the reporting issuer), the insider will generally be changing his or her economic exposure to the reporting issuer. Similarly, if an insider enters into a hedging transaction which has the effect of reducing the sensitivity of the insider to changes in the reporting issuer's share price or performance, the insider will generally be changing his or her economic exposure to the reporting issuer.

3. What does "economic interest" in a security mean?

The term "economic interest in a security" is defined in the Multilateral Instrument to mean

- a right to receive or the opportunity to participate in a reward, benefit or return from the security, or
- exposure to a loss or a risk of loss in respect to the security.

The term is intended to have broad application and is intended to refer to the economic attributes ordinarily associated with beneficial ownership of a security, such as the following:

- the potential for gain in the nature of interest, dividends or other forms of distributions of income on the security;
- the potential for gain in the nature of a capital gain realized on a disposition of the security, to the extent that the proceeds of disposition exceed the beneficial owner's tax cost (that is, gains associated with an appreciation in the security's value); and
- the potential for loss in the nature of a capital loss on a disposition of the security, to the extent that the proceeds of disposition are less than the beneficial owner's tax cost (that is, losses associated with a fall in the security's value).

The beneficial owner could, for example, eliminate the risk associated with a fall in the value of the securities, while retaining legal and beneficial ownership of the securities, by entering into a derivative transaction such as an equity swap. If the beneficial owner is an insider, and the securities are securities of the insider's reporting issuer, such a transaction would likely trigger the test in section 2.1 of the Instrument. (Such a transaction might also be covered by the existing insider reporting rules, depending on the particular facts and circumstances of the transaction.)

4. Why is it necessary to refer to both "economic exposure" in relation to a reporting issuer and "economic interest"in a security of the reporting issuer? How are they different?

In many cases, an arrangement which satisfies the "economic exposure" test in subparagraph 2.1(a)(ii) will also satisfy the "economic interest" test in subparagraph 2.1(a)(i). However, the tests are not identical. For example, there will be arrangements which satisfy the latter test, but not the former test, but which would nevertheless impinge upon the policy rationale for insider reporting.

For example, if an insider holds no securities of his or her reporting issuer, and enters into a short position (a "naked short"), or a synthetic arrangement that replicates a short position, in the expectation that the share price will fall, the test in s. 2.1(a)(i) may not apply, since the insider would not be altering his or her economic interest in any securities of the reporting issuer. A similar result would occur if the number of securities sold short exceeded the number of securities held. Such arrangements would appear to satisfy the policy rationale for insider reporting, and should be transparent to the market.

Secondly, the "economic interest" test may not catch certain derivative-based compensation arrangements that we believe should be subject to a disclosure requirement. If a compensation arrangement allows for an exercise of discretion similar to the exercise of discretion contemplated by a conventional stock option plan, we believe that this exercise of discretion should be transparent to the market. If the arrangement provides for a payout in the form of cash reflecting the change in value of a security, rather than a payout in the form of a security, there may be a question as to whether the arrangement involves a "security". In this case, there may be a question whether such an arrangement would be caught by the "economic interest" test.

Thirdly, the economic exposure test requires consideration of related financial positions. If an insider, for example, holds a long position and an offsetting short position, the acquisition of the short position arguably does not directly affect the insider's economic interest in the long position. Arguably the insider retains his or her economic interest in the long position (viewed in isolation). It is only through consideration of the related offsetting positions together that the insider may be said to have changed his or her economic position. The insider has neutralized his or her economic exposure to the issuer.

Although it may be argued that the "economic interest in a security" test may be subsumed within the "economic exposure" test, we believe there are advantages to retaining this test as a separate test. The economic interest test references the means by which an insider may alter his or her economic exposure to the reporting issuer. We believe that, in some cases, this test may be easier to understand, and consequently easier to apply, than the economic exposure test, since this test references the direct economic consequences of a monetization transaction. Accordingly, if an insider enters into an arrangement which has the effect, for example, of divesting the insider of the risk that certain securities owned by the insider may fall in value, and none of the exemptions in the Instrument otherwise applies, s. 2.1(a)(i) makes it clear that there is a reporting obligation. It is not necessary to then consider the issue of whether this arrangement has the effect of altering the insider's economic exposure.

An additional reason for retaining the economic interest test is that this test generally approximates the approach taken by the U.S. insider reporting requirements. Under the U.S. insider reporting requirements, insiders are generally required to report any transaction resulting in a change in "beneficial ownership" of equity securities of the issuer. For reporting purposes, a person is deemed to be the "beneficial owner" of securities if the person has a "pecuniary interest" in the securities. The term "pecuniary interest" in any class of equity securities is defined to mean "the opportunity, directly or indirectly, to profit or share in any profit derived from a transaction in the subject securities". See generally SEC Rule 16a-1(a)(2). One of the objectives underlying the adoption of the Instrument is to introduce greater consistency in the reporting requirements under U.S. securities law and Canadian securities laws in relation to monetization arrangements. Consequently, the reference to an "economic interest in a security" in the Instrument is intended to parallel the "pecuniary interest" test in the U.S., and to clarify that monetization transactions which are reportable under U.S. insider reporting requirements will also generally be covered by Canadian insider reporting law requirements, unless covered by one of the exemptions.

5. What are the exemptions to the insider reporting requirement contained in the Multilateral Instrument?

The Multilateral Instrument contains a number of exemptions for insider transactions which satisfy one of the tests in section 2.1 of the Multilateral Instrument. These include:

- arrangements which do not involve, directly or indirectly, a security of the reporting issuer or a derivative in respect of which the underlying interest is or includes as a material component a security of the reporting issuer;
- a compensation arrangement such as a phantom stock plan, deferred share unit ("DSU") plan or stock appreciation right ("SAR") plan which would otherwise be caught by the Instrument if:
    - the existence and material terms of the compensation arrangement are disclosed in any public document (such as the annual audited financial statements of the issuer or an annual filing made under any provision of Canadian securities legislation); *or*
    - the material terms of the compensation arrangement are set out in a written document, and the alteration to economic exposure or economic interest referred to in section 2.1 occurs as a result of the satisfaction of a pre-established condition or criterion described in the document, and does not involve a discrete investment decision by the insider.
- a person or company exempt from the insider reporting requirements under an exemption contained in Canadian securities legislation (such as, for example, National Instrument 55-101 *Exemption from Certain Insider Reporting Requirements* (NI 55-101) or National Instrument 62-103 *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*), to the same extent and on the same conditions as are applicable to such exemption;
- a person or company who has obtained exemptive relief in a jurisdiction from the insider reporting requirements of that jurisdiction, to the same extent and on the same conditions as are applicable to such exemptive relief;
- a transfer, pledge or encumbrance of securities by a person or company for the purpose of giving collateral for a debt made in good faith so long as there is no limitation on the recourse available against the person or company for any amount payable under such debt;
- the receipt by an insider of a transfer, pledge or encumbrance of securities of an issuer if the securities are transferred, pledged or encumbered as collateral for a debt under a written agreement and in the ordinary course of business of the insider;
- to an insider, other than an insider that is an individual, that enters into, materially amends or terminates an agreement, arrangement or understanding which is in the nature of a credit derivative;
- a person or company who does not know and could not reasonably know of the alteration to economic exposure or economic interest referred to in section 2.1; and
- the acquisition or disposition of a security of certain investment funds.

6. What does the reference to "material component" in paragraph 2.2(a) of the Multilateral Instrument mean?

This is intended to ensure that if an insider entered into a derivative arrangement which satisfied one of the alteration tests in section 2.1, and in respect of which the underlying interest was a basket of securities or an index which included securities of the reporting issuer, such arrangement would trigger a reporting requirement only if the derivative involved securities of the reporting issuer "as a material component". In determining materiality, similar considerations to those involved in the concepts of material fact and material change would apply.

7. Why is there an exemption for compensation arrangements?

Many compensation arrangements are specifically adopted for the purpose of creating incentives for the directors, officers and employees who participate in such arrangements to improve their performance. Such arrangements are specifically intended to align the economic or financial interests of the recipient with the economic or financial interests of the employer. In many cases, such arrangements would likely satisfy the economic exposure test contained in section 2.1 of the Instrument.

Many compensation arrangements, such as stock option plans, phantom stock plans, deferred share unit plans and stock appreciation right plans, involve, directly or indirectly, a security of the reporting issuer or a derivative which involves a security of the reporting issuer. Consequently, the exemption in subsection 2.2(a) would likely not be available for such plans.

We have added a broad exemption in subsection 2.2(b) to address compensation arrangements, as compensation arrangements are not the primary focus of the Multilateral Instrument. In most cases, we do not expect there to be any change to the existing approach to reporting (or not reporting) such compensation arrangements.

A compensation arrangement will only be caught by the Multilateral Instrument if:

- the insider "is not otherwise required to file an insider report in respect of such ... arrangement ... under any provision of Canadian securities legislation"; (see s. 2.1(b))

- the arrangement "... involve[s], directly or indirectly, a security of the reporting issuer or a derivative in respect of which the underlying interest is or includes as a material component a security of the reporting issuer"; (see 2.2(a))

- the arrangement is not disclosed in any public document (such as audited annual financial statements or any other regulatory filing); and (see 2.2(b)(i))

- the insider is able to alter his or her economic interest in securities of the reporting issuer, or his or her economic exposure to the reporting issuer, through discrete investment decisions. (see 2.2(b)(ii))

We believe that most compensation arrangements will be excluded on several grounds. To the extent a compensation arrangement is not excluded on any of these grounds, we believe that there is a compelling case for public disclosure of such arrangement.

Subparagraph 2.2(b)(i) provides an exemption for a compensation arrangement which is required to be disclosed, or is disclosed, in a public document such as audited annual financial statements or another form of regulatory filing. For example, an issuer may establish a deferred share unit (DSU) plan with a view to enhancing the alignment of the interests of its directors with those of its shareholders. Assuming that the DSU plan is not otherwise covered by the insider reporting requirements under Canadian securities legislation, an insider who participated in the plan would likely be required to file insider reports as a result of the insider's participation in the plan since the plan would likely satisfy the economic exposure test contained in section 2.1 of the Instrument. However, if the DSU plan is disclosed in a public document such as a Management Proxy Circular, an insider who participated in the DSU plan would not be required to file insider reports relating to the insider's participation in the plan, since the insider would be entitled to rely on the exemption in subparagraph 2.2(b)(i).

Subparagraph 2.2(b)(ii) provides an exemption for a compensation arrangement which is not publicly disclosed, and which has the effect of altering the insider's economic exposure to the reporting issuer, or the insider's economic interest in securities of the reporting issuer, if

- the compensation arrangement is in writing,

- the alteration occurs as a result of the satisfaction of a pre-established condition or criterion (such as the insider's retirement from office or ceasing to be a director), and

- the alteration does not involve a "discrete investment decision" by the insider.

Part 5 of NI 55-101 provides a similar exemption from the insider reporting requirements for securities which are acquired under an "automatic securities purchase plan". Section 4.2 of the Companion Policy to NI 55-101, Companion Policy 55-101 CP *Exemption from Certain Insider Reporting Requirements*, similarly refers to the concept of a "discrete investment decision".

8. Why is the exemption for a pledge of securities as collateral for a good faith debt limited to a debt in which there is no limitation on recourse?

We believe that it is important to restrict the debt exemption to debts in which there is no limitation on recourse for the reason that a limitation on recourse may effectively allow the borrower to "put" the securities to the lender in satisfaction of the debt.

The limitation on recourse may effectively represent a transfer of the risk that the securities may fall in value from the insider to the lender. We believe that, in these circumstances, the transaction should be transparent to the market.

A loan secured by a pledge of securities may contain a term limiting recourse against the borrower to the pledged securities (a legal limitation on recourse). Similarly, a loan secured by a pledge of securities may be structured as a limited recourse loan if the loan is made to a limited liability entity (such as a holding corporation) owned or controlled by the insider (a structural limitation on recourse). If there is a limitation on recourse as against the insider either legally or structurally, the exemption would not be available.

Part 3 – Other Information

1. How do I complete an insider report for an arrangement covered by the Multilateral Instrument?

An insider will file the same form of insider report as he or she would in the case of an ordinary purchase or sale of securities of the reporting issuer in question.

A CSA staff notice containing examples of various types of monetization arrangements, together with examples of completed forms for such arrangements, will be published on or before the date the Multilateral Instrument takes effect.

2. Why does the Multilateral Instrument require disclosure of certain arrangements which were entered into prior to the effective date of the Instrument?

The Multilateral Instrument contemplates that, in certain circumstances, it will be necessary for insiders to disclose the existence of *pre-existing* monetization arrangements.

If an insider of a reporting issuer, prior to the effective date of the Multilateral Instrument, entered into an agreement, arrangement or understanding in respect of which

- the insider would have been required to file an insider report under this Instrument if the agreement, arrangement or understanding had been entered into on or after the effective date, *and*
- the agreement, arrangement or understanding remains in effect on or after the effective date of the Instrument,

then the insider will be required to file a report under the Multilateral Instrument.

We believe it is necessary for the Multilateral Instrument also to address pre-existing arrangements *which continue in force after the effective date* since, if such arrangements are not disclosed, the insider reporting regime will continue to convey materially misleading information about certain insiders' true economic positions in their issuers.

For example, if an insider, *before* the Multilateral Instrument comes into force, enters into a monetization arrangement which has the effect of divesting the insider of substantially all of the economic risk and return associated with the insider's securities in the reporting issuer, and the insider then files an insider report *after* the Multilateral Instrument comes into force that indicates that the insider continues to have a substantial ownership position in the issuer, we believe the pre-existing arrangement will render the insider report (and all future insider reports) materially misleading. The insider report will not convey an accurate picture of the insider's true economic positions in his or her issuer.

For these reasons, we believe that it is necessary for insiders to disclose the existence of pre-existing monetization arrangements which have a continuing impact on publicly reported holdings.

This page intentionally left blank

Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

Exempt Financings

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

REPORTS OF TRADES SUBMITTED ON FORM 45-501F1

Transaction Date	Purchaser	Security	Total Purchase Price ($)	Number of Securities
10-Jan-2003 19-Dec-2003	140 Purchasers	Arrow Ascendant Arbitrage Fund - Trust Units	2,593,140.91	238,892.00
25-Apr-2003 28-May-2003	119 Purchasers	Arrow Australian Relative Value Fund - Trust Units	3,684,577.45	378,893.00
01-Oct-2003 05-Dec-2003	17 Purchasers	Arrow BPI Long/Short Fund - Trust Units	2,956,923.95	451,976.00
10-Jan-2003 19-Dec-2003	125 Purchasers	Arrow Clocktower Platinum Global Fund - Trust Units	3,481,193.10	359,016.00
27-Jun-2003 05-Dec-2003	11 Purchasers	Arrow Distressed Securities Fund - Trust Units	2,474,138.82	170,661.00
10-Jan-2003 19-Dec-2003	143 Purchasers	Arrow Elkhorn US Long/Short Fund - Trust Units	1,878,527.07	300,734.00
03-Jan-2003 29-Nov-2003	154 Purchasers	Arrow Enso Global Fund - Trust Units	3,191,004.07	590,214.00
03-Jan-2003 19-Dec-2003	196 Purchasers	Arrow Epic Capital Fund - Trust Units	11,912,890.96	930,314.00
31-Oct-2003 19-Dec-2003	106 Purchasers	Arrow Epic NA Diversified Fund - Trust Units	2,656,625.30	264,828.00
03-Jan-2003 19-Dec-2003	83 Purchasers	Arrow Global Long/Short Fund - Trust Units	9,701,903.94	1,056,760.00
03-Feb-2003 24-Dec-2003	160 Purchasers	Arrow Global Multi-Strategy Fund - Trust Units	17,511,627.96	1,102,693.00
03-Jan-2003 19-Dec-2003	67 Purchasers	Arrow Global RSP Long/Short Fund - Trust Units	157,696.44	331,497.00
10-Jan-2003 19-Dec-2003	51 Purchasers	Arrow Goodwood Fund - Trust Units	2,833,371.82	287,682.00
27-Jun-2003 05-Dec-2003	9 Purchasers	Arrow GRAMvest Fixed Income Arbitrage Fund - Trust Units	2,094,623.77	212,742.00

31-Oct-2003 05-Dec-2003	3 Purchasers	Arrow GRAMvest Global Macro Fund - Trust Units	409,927.37	44,630.00
01-Jun-2003 01-Aug-2003	5 Purchasers	Arrow GRAMvest Global Macro Offshore Fund Ltd. - Trust Units	1,173,575.45	86,629.00
07-Feb-2003 05-Dec-2003	137 Purchasers	Arrow Milford Capital Fund - Trust Units	3,886,381.64	413,863.00
27-Jun-2003 05-Dec-2003	10 Purchasers	Arrow Mulvaney Global Markets Fund - Trust Units	1,222,688.30	115,524.00
01-Jan-2003 31-Oct-2003	21 Purchasers	Arrow Proxima Convertible Arbitrage Fund - Trust Units	3,672,000.00	358,324.00
03-Jan-2003 28-Oct-2003	122 Purchasers	Arrow Quant Market Neutral Fund - Trust Units	2,610,135.25	267,567.00
25-Apr-2003 28-Nov-2003	12 Purchasers	Arrow RAB European High Yield Fund - Trust Units	2,421,483.05	236,551.00
26-Sep-2003 05-Dec-2003	6 Purchasers	Arrow RAB Global Macro Fund - Trust Units	1,645,936.40	167,682.00
25-Apr-2003 05-Dec-2003	119 Purchasers	Arrow RAB UK Long/Short Fund - Trust Units	3,910,592.16	454,872.00
29-Nov-2003 05-Dec-2003	3 Purchasers	Arrow Rogge Enhanced Income Fund - Trust Units	2,634,557.01	263,447.00
14-Feb-2003 04-Jul-2003	107 Purchasers	Arrow WF Asia Fund - Trust Units	3,206,557.48	212,105.00
09-Jan-2003 31-Dec-2003	8 Purchasers	Asset Allocation Private Trust - Units	525,907.18	56,832.00
24-Dec-2003	Jung Hua Chu	BPI Global Opportunites III Fund - Units	150,497.66	1,599.00
26-Jan-2004	3 Purchasers	CanAlaska Ventures Ltd. - Units	31,500.00	90,000.00
05-Feb-2004	CSH Trust	Chartwell Master Care LP - Units	6,156,507.00	615,651.00
28-Jan-2003	6 Purchasers	Deer Creek Energy Limited - Common Shares	3,788,750.00	2,165,000.00
03-Jan-2003 31-Dec-2003	148 Purchasers	Diversified Private Trust - Units	13,193,627.87	125,833.00
05-Sep-2003	Lily Monique Kazaz;Barbeau & Co. Capital	Dynamic Alpha Performance Hedge Fund - Units	50,000.00	5,021.00
03-Jan-2003 28-Nov-2003	9 Purchasers	Dynamic Equity Hedge Fund - Units	898,675.50	90,191.00
17-Jan-2003 31-Dec-2003	47 Purchasers	Dynamic Power Hedge Fund - Units	15,017,570.28	918,033.00
15-Jan-2003 31-Dec-2003	38 Purchasers	Enhanced Equity Private Trust - Units	233,791.39	30,067.00

21-Jan-2004	37 Purchasers	Garrison International Ltd. - Units	702,500.00	1,756,250.00
31-Jan-2004	Marilla Costa and Balsalm L. Corporation	Gladiator Limited Partnership - Limited Liability Interest	200,000.00	2.00
27-Feb-2004	7 Purchasers	Global Railway Industries Ltd. - Common Shares	3,460,002.00	9,885,720.00
28-May-2003 11-Dec-2003	69 Purchasers	Goodman Private Wealth Management Balanced Pool - Units	6,403,797.82	588,483.00
15-Jan-2003 21-Nov-2003	13 Purhchasers	Growth & Income Private Trust - Units	247,238.81	25,152.00
24-Dec-2003	Janna Strongina	Landmark Global Opportunities Fund - Units	65,365.00	511.00
24-Dec-2003	Domenic Gagliardi	Landmark Global Opportunities Fund - Units	64,937.43	505.00
24-Dec-2003	Neil M. Reid	Landmark Global Opportunities Fund - Units	50,000.00	380.00
02-Jan-2003	Mary Beverly Partridge	Landmark Global Opportunities Fund - Units	25,000.00	244.00
10-Jan-2003 31-Dec-2003	48 Purchasers	Lincluden Private Trust - Units	7,446,075.75	684,679.00
01-Jan-2003 31-Dec-2003	N/A	Manitou Investment Management Ltd. - Units	12,146,541.00	103,087.00
23-Jan-2004	Jozef Finak	N-able Technologies Inc. - Shares	120,000.00	80,000.00
23-Jan-2004	Jozef Finak	N-able Technologies Inc. - Units	0.80	80,000.00
05-Dec-2003 24-Dec-2003	29 Purchasers	Redwood Energy Fund - Trust Units	543,941.32	53,839.00
03-Oct-2003 19-Dec-2003	11 Purchasers	Redwood Long/Short Value Fund Limited Partnership - Limited Partnership Units	320,941.32	31,405.00
31-Jan-2004	3 Purchasers	TD Harbour Capital Balanced Fund - Trust Units	1,107,213.53	10,080,239.00
28-Jan-2004	NBCN Clearing Inc.;Chair Holdings Limited	Tercero Energy Inc. - Special Warrants	569,124.90	421,574.00
01-Jan-2003 01-Dec-2003	21 Purchaser	The K2 Principal Fund L.P. - Limited Partnership Units	6,881,496.56	2,193.00
01-Oct-2003 31-Dec-2003	11 Purchasers	The Royal Trust Company - Units	269,200.01	20,643.00
01-Oct-2003 31-Dec-2003	20 Purchasers	The Royal Trust Company - Units	196,297.85	19,087.00
01-Oct-2003 31-Dec-2003	16 Purchasers	The Royal Trust Company - Units	16,863,751.88	1,113,398.00

01-Oct-2003 31-Dec-2003	22 Purchasers	The Royal Trust Company - Units	1,353,609.41	94,788.00
01-Oct-2003 31-Dec-2003	36 Purchasers	The Royal Trust Company - Units	2,419,477.38	150,833.00
01-Oct-2003 31-Dec-2003	50 Purchasers	The Royal Trust Company - Units	31,724,600.60	318,988.00
01-Oct-2003 31-Dec-2003	43 Purchasers	The Royal Trust Company - Units	4,826,861.68	375,215.00
01-Oct-2003 31-Oct-2003	27 Purchasers	The Royal Trust Company - Units	1,324,676.41	149,058.00
01-Oct-2003 31-Oct-2003	71 Purchasers	The Royal Trust Company - Units	998,949.36	93,843.00
01-Oct-2003 31-Dec-2003	75 Purchasers	The Royal Trust Company - Units	370,110.60	35,202.00
01-Oct-2003 31-Dec-2003	44 Purchasers	The Royal Trust Company - Units	15,319,438.20	1,531,944.00
01-Oct-2003 31-Oct-2003	26 Purchasers	The Royal Trust Company - Units	830,243.69	20,723.00
01-Oct-2003 31-Oct-2003	Green Shield Canada	The Royal Trust Company - Units	1,000,000.00	5,282.00
01-Oct-2003 31-Dec-2003	8 Purchasers	The Royal Trust Company - Units	520,000.00	61,150.00
20-Jan-2003	24 Purchasers	Tiverton Petroleums Ltd. - Units	2,980,000.00	29,800.00
29-Jan-2004	5 Purchasers	Tm Bioscience Corporation - Common Shares	1,045,000.00	2,750,000.00
26-Jan-2004 29-Jan-2003	Jack Siemon;Donald Guy McLeod	Triacta Power Technologies Inc. - Common Shares	75,000.00	300,000.00
02-Feb-2004	23 Purchasers	Unisphere Waste Conversion Ltd. - Units	4,813,207.60	9,098,766.00

RESALE OF SECURITIES - (FORM 45-501F2)

Transaction Date	Seller	Security	Total Selling Price	Number of Securities
04-Feb-2004 12-Feb-2004	Ontario Teachers' Pension Plan Board	Yamana Gold Inc. - Common Shares	2,096,932	664,900.00

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

Seller	Security	Number of Securities
Arnold T. Kondrat	BRC Development Corporation - Common Shares	215,600.00
John Buhler	Buhler Industries Inc. - Common Shares	3,000,000.00
Lyndhurst Limited	DiamondWorks Ltd. - Common Shares	33,889,906.00
Vision J.M.P. Inc.	Groupe Cossette Communication Inc. - Shares	44,950.00
F.D.L. & Associes Ltee	Groupe Cossette Communication Inc. - Shares	41,350.00
Lauren Communications Ltd.	Groupe Cossette Communication Inc. - Shares	1,350.00
Comunipor Ltee	Groupe Cossette Communication Inc. - Shares	222,735.00
Concertmedia Inc.	Groupe Cossette Communication Inc. - Shares	22,925.00
Communigestart Inc.	Groupe Cossette Communication Inc. - Shares	22,300.00
Stephen Sham	MedMira Inc. - Common Shares	500,000.00
Pacific Falcon, LLC	PetroFalcon Corporation - Common Shares	2,000,000.00
Velan Holding Co. Ltd.	Velan Inc. - Shares	145,000.00
Santa Elina Mines Corporation	Yamana Gold Inc. - Common Shares	250,000.00

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

Issuer	Date the Company Ceased to be a Private Company or Private Issuer
Olivut Investments Ltd.	12/19/03

This page intentionally left blank

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Broadway Credit Card Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated February 19, 2004
Mutual Reliance Review System Receipt dated February 20, 2004
Offering Price and Description:
$ * * % Credit Card Receivables-Backed Class A Notes, Series 2004-2
Expected Final Payment Date of * , 20 *
Underwriter(s) or Distributor(s):
Merrill Lynch Canada Inc.
TD Securities Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Promoter(s):
CITI Cards Canada Inc.
Project #614752

Issuer Name:
Broadway Credit Card Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated February 19, 2004
Mutual Reliance Review System Receipt dated February 20, 2004
Offering Price and Description:
$ * * % Credit Card Receivables-Backed Class A Notes, Series 2004-1
Expected Final Payment Date of * , 200 *
Underwriter(s) or Distributor(s):
Merrill Lynch Canada Inc.
TD Securities Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Promoter(s):
CITI Cards Canada Inc.
Project #614757

Issuer Name:
Brompton Equity Split Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated February 20, 2004
Mutual Reliance Review System Receipt dated February 20, 2004
Offering Price and Description:
$ * (Maximum)
* Preferred Shares and * Class A Shares
$10.00 per Preferred Share and $15.00 per Class A Share
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities 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.
Raymond James Ltd.
Newport Securities Inc.
Research Capital Corporation
Promoter(s):
Brompton Equity Split Management Limited
Project #614945

Issuer Name:
Canadian Public Venture Finance I Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary CPC Prospectus dated February 20, 2004
Mutual Reliance Review System Receipt dated February 20, 2004
Offering Price and Description:
$750,000.00 - 3,000,000 Common Share Price: $0.25 per Common Share
Underwriter(s) or Distributor(s):
Desjardins Securities Inc.
Octagon Capital Corporation
Canaccord Capital Corporation
Promoter(s):
Roberts E. Brown
Alain Lambert
William L. Hess
Peter M. Koziez
Project #615063

Issuer Name:
Casablanca Capital Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary CPC Prospectus dated February 20, 2004
Mutual Reliance Review System Receipt dated February 23, 2004
Offering Price and Description:
$200,000.00 - 1,000,000 Common Shares Price: $0.20 per Common Share
Underwriter(s) or Distributor(s):
Octagon Capital Corporation
Promoter(s):
Simon Serruya
Project #615300

Issuer Name:
CMP 2004 Resource Limited Partnership
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated February 18, 2004
Mutual Reliance Review System Receipt dated February 18, 2004
Offering Price and Description:
$150,000,000.00 (maximum) 150,000 Limited Partnership Units Subscription Price: $1,000.00 per Unit
Minimum Subscription: $5,000.00
Underwriter(s) or Distributor(s):
Dundee Securities Corporation
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
National Bank Financial Inc.
TD Securities Inc.
First Associates Investments Inc.
TWC Securities Inc.
Wellington West Capital Inc.
Promoter(s):
Dynamic CMP Funds VII Management Inc.
Project #614209

Issuer Name:
Countryside Power Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated February 20, 2004
Mutual Reliance Review System Receipt dated February 24, 2004
Offering Price and Description:
$ * - * Units Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
Promoter(s):
U.S. Energy Systems, Inc.
Project #615162

Issuer Name:
Equitable Group Inc.
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Prospectus dated February 23, 2004
Mutual Reliance Review System Receipt dated February 23, 2004
Offering Price and Description:
$ * - * Common Shares Price: $ * per Common Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
National Bank Financial Inc.
CIBC World Markets Inc.
Dundee Securities Corporation
GMP Securities Ltd.
Sprott Securities Inc.
Promoter(s):
-
Project #610967

Issuer Name:
First Capital Realty Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated February 23, 2004
Mutual Reliance Review System Receipt dated February 23, 2004
Offering Price and Description:
$49,878,000.00 - 3,060,000 Common Shares Price: $16.30 per Common Share
Underwriter(s) or Distributor(s):
Desjardins Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
-
Project #615265

Issuer Name:
Glencairn Gold Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated February 17, 2004
Mutual Reliance Review System Receipt dated February 18, 2004
Offering Price and Description:
$ * - * Units Price: $ * per Unit
Underwriter(s) or Distributor(s):
Orion Securities Inc.
BMO Nesbitt Burns Inc.
Desjardins Securities Inc.
Promoter(s):
-
Project #613810

Issuer Name:
Mavrix Fund Management Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated February 20, 2004
Mutual Reliance Review System Receipt dated February 20, 2004
Offering Price and Description:
$ * - 5,000,000 Common Shares
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Canaccord Capital Corporation
GMP Securities Ltd.
Promoter(s):
-
Project #614990

Issuer Name:
Medical Facilities Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated February 17, 2004
Mutual Reliance Review System Receipt dated February 18, 2004
Offering Price and Description:
$ * - * Income Participating Securities Price: $10.00 per IPS
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
TD Securities Inc.
Promoter(s):
Black Hills Surgery Center, LLP
Dakota Plains Surgical Center, LLP
Sioux Falls Surgical Center, LLP
Project #614121

Issuer Name:
Norrep Opportunities Corp.
Principal Regulator - Alberta
Type and Date:
Preliminary Simplified Prospectus dated February 20, 2004
Mutual Reliance Review System Receipt dated February 23, 2004
Offering Price and Description:
Norrep Q Class
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #615049

Issuer Name:
Northern Precious Metals 2004 Limited Partnership
Principal Regulator - Quebec
Type and Date:
Preliminary Prospectus dated February 19, 2004
Mutual Reliance Review System Receipt dated February 19, 2004
Offering Price and Description:
$100,000,000 (maximum); - $5,000,000 (minimum)
100,000 Limited Partnership Units (maximum)
5,000 Limited Partnership Units (minimum) Price: $1,000.00 per Unit. Minimum Subscription: $5,000
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Promoter(s):
Northern Precious Metals 2004 Inc.
Project #614675

Issuer Name:
OPTI Canada Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Prospectus dated February 23, 2004
Mutual Reliance Review System Receipt dated February 24, 2004
Offering Price and Description:
$ * - * Common Shares Price: $ * per Common Share
Underwriter(s) or Distributor(s):
TD Securities Inc.
Scotia Capital Inc.
RBC Dominion Securities Inc.
Promoter(s):
-
Project #615573

Issuer Name:
Quadra Mining Ltd.
Principal Regulator - British Columbia
Type and Date:
Preliminary Prospectus dated February 20, 2004
Mutual Reliance Review System Receipt dated February 23, 2004
Offering Price and Description:
$ * - * Common Shares Price: $ * per Common Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Orion Securities Inc.
GMP Securities Ltd.
RBC Dominion Securities Inc.
Dundee Securities Corporation
Macquarie North America Ltd.
Promoter(s):
Paul Blythe
William H. Myckatyn
Project #615516

Issuer Name:
Shiningbank Energy Income Fund
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated February 23, 2004
Mutual Reliance Review System Receipt dated February 23, 2004
Offering Price and Description:
$130,050,000.00 - 7,650,000 Subscription Receipts, each representing the right to receive one Trust Unit
Price: $17.00 per Subscription Receipt
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
National Bank Financial Inc.
FirstEnergy Capital Corp.
Promoter(s):
-
Project #615447

Issuer Name:
Southwestern Resources Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated February 17, 2004
Mutual Reliance Review System Receipt dated February 19, 2004
Offering Price and Description:
$35,500,000.00 - 1,000,000 Common Shares Price: $35.50 per Common Share
Underwriter(s) or Distributor(s):
Raymond James Ltd.
Octagon Capital Corporation
Haywood Securities Inc.
National Bank Financial Inc.
Promoter(s):
-
Project #614639

Issuer Name:
Sprott Energy Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated February 19, 2004
Mutual Reliance Review System Receipt dated February 20, 2004
Offering Price and Description:
Series A, I and F Units
Underwriter(s) or Distributor(s):
Sprott Asset Management Inc.
Sprott Asset Management Inc.
Promoter(s):
Sprott Asset Management Inc.
Project #614695

Issuer Name:
Trinidad Energy Services Income Trust
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated February 23, 2004
Mutual Reliance Review System Receipt dated February 23, 2004
Offering Price and Description:
$30,000,001.00 - 3,846,154 Trust Units Price: $7.80 per Trust Unit
Underwriter(s) or Distributor(s):
Raymond James Ltd.
CIBC World Markets Inc.
Haywood Securities Inc.
TD Securities Inc.
First Associates Investments Inc.
Promoter(s):
Trinidad Drilling Ltd.
Project #615446

Issuer Name:
Xantrex Technology Inc.
Principal Regulator - British Columbia
Type and Date:
Amended and Restated Preliminary Prospectus dated February 19, 2004
Mutual Reliance Review System Receipt dated February 19, 2004
Offering Price and Description:
$ * - * Common Shares Price: $ * per Common Share
Underwriter(s) or Distributor(s):
RBC Dominion Securities
CIBC World Markets
UBS Securities Canada Inc.
GMP Securities Ltd.
National Bank Financial Inc.
Raymond James Ltd.
Promoter(s):
-
Project #611492

Issuer Name:
Accumulus Talisman Fund
Accumulus Diversified Monthly Income Fund
Accumulus Short-Term Income Fund
Accumulus Balanced Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated February 17, 2004
Mutual Reliance Review System Receipt dated February 19, 2004
Offering Price and Description:
Mutual Fund Units @ Net Asset Value per Unit
Underwriter(s) or Distributor(s):
McFarlane Gordon Inc.
McFarlane Gordon Inc.
Promoter(s):
Accumulus Management Ltd.
Project #582997

Issuer Name:
Algoma Steel Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated February 18, 2004
Mutual Reliance Review System Receipt dated February 18, 2004
Offering Price and Description:
$72,675,000.00 - 8,500,000 Common Shares Price: $8.55 per Common Share
Underwriter(s) or Distributor(s):
GMP Securities Ltd.
National Bank Financial Inc.
BMO Nesbitt Burns Inc.
Haywood Securities Inc.
Promoter(s):
-
Project #612038

Issuer Name:
Bioscrypt Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated February 19, 2004
Mutual Reliance Review System Receipt dated February 20, 2004
Offering Price and Description:
Cdn $18,060,000.00 - 8,400,000 Common Shares Price: Cdn$2.15 per Share
Underwriter(s) or Distributor(s):
TD Securities Inc.
GMP Securities Ltd.
First Associates Investments Inc.
Research Capital Corporation
Desjardines Securities Inc.
Promoter(s):
-
Project #612784

Issuer Name:
Brascan Corporation
Principal Regulator - Ontario
Type and Date:
Final Short Form Shelf Prospectus dated February 17, 2004
Mutual Reliance Review System Receipt dated February 19, 2004
Offering Price and Description:
US$750,000,000.00 - Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #606817

Issuer Name:
Brascan SoundVest Diversified Income Fund
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated February 20, 2004
Mutual Reliance Review System Receipt dated February 20, 2004
Offering Price and Description:
Maximum $43,719,000 (3,900,000 Units) $11.21 per Unit
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
Raymond James Ltd.
First Associates Investments Inc.
Trilon Securities Inc.
Promoter(s):
Brascan Diversified Income Management Ltd.
Project #609686

Issuer Name:
Contrans Income Fund
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated February 19, 2004
Mutual Reliance Review System Receipt dated February 19, 2004
Offering Price and Description:
$40,700,000.00 - 3,700,000 Subordinate Voting Trust Units Price: $11.00 per Subordinate Voting Trust Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Sprott Securities Inc.
TD Securities Inc
Canaccord Capital Corporation
Lightyear Capital Inc.
Promoter(s):
-
Project #612750

Issuer Name:
Industrial Alliance Insurance and Financial Services Inc.
Principal Regulator - Quebec
Type and Date:
Final Short Form Shelf Prospectus dated February 19, 2004
Mutual Reliance Review System Receipt dated February 19, 2004
Offering Price and Description:
$1,000,000,000.00 - Debt Securities Class A Preferred Shares Common Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #612516

Issuer Name:
Inspiration Mining Corporation
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated February 18, 2004
Mutual Reliance Review System Receipt dated February 19, 2004
Offering Price and Description:
Minimum Offering of 2,800,000 Units ($700,000)
Maximum Offering of 4,000,000 Units ($1,000,000)
- and -
1,691,333 Flow Through Common Shares and 845,667 Series A Warrants
Issuable Upon Exercise of 1,691,333 Flow Through Special Warrants
- and -
418,000 Common Shares and 418,000 Series B Purchase Warrants
Issuable Upon Exercise of 418,000 Special Warrants
$0.25 per Unit
Underwriter(s) or Distributor(s):
Northern Securities Inc.
Promoter(s):
David Randy Miller
Project #597587

Issuer Name:
NAV CANADA
Principal Regulator - Ontario
Type and Date:
Final Short Form Shelf Prospectus dated February 23, 2004
Mutual Reliance Review System Receipt dated February 24, 2004
Offering Price and Description:
$950,000,000.00 - Medium Term Notes
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Desjardins Securities Inc.
Promoter(s):
-
Project #612180

Issuer Name:
NIF-T
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated February 18, 2004
Mutual Reliance Review System Receipt dated February 18, 2004
Offering Price and Description:
$140,000,000, 2.388% Class A-1 Senior Medium Term Notes, Series 2004-1
$180,000,000, 2.733% Class A-2 Senior Medium Term Notes, Series 2004-1
$185,000,000, 3.173% Class A-3 Senior Medium Term Notes, Series 2004-1
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Scotia Capital Inc.
RBC Dominion Securities Inc.
Promoter(s):
-
Project #611972

Issuer Name:
Radiant Defensive Portfolio
Radiant Conservative Portfolio
Radiant Balanced Portfolio
Radiant Growth Portfolio
Radiant Growth RSP Portfolio
Radiant Maximum Growth Portfolio
Radiant Maximum Growth RSP Portfolio
Radiant All Equity Portfolio
Radiant All Equity RSP Portfolio
Radiant All Income Portfolio
Radiant Money Market Portfolio
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated February 20, 2004
Mutual Reliance Review System Receipt dated February 23, 2004
Offering Price and Description:
Series A units
Underwriter(s) or Distributor(s):
Goodman & Company, Investment Counsel Ltd.
Goodman & Company, Investment Counsel Ltd.
Promoter(s):
Goodman & Company, Investment Counsel Ltd.
Project #602635

Issuer Name:
SFK Pulp Fund
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated February 19, 2004
Mutual Reliance Review System Receipt dated February 19, 2004
Offering Price and Description:
$118,500,000.00 - 14,812,500 Units Price: $8.00 per Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Scotia Capital Inc.
National Bank Financial Inc.
RBC Dominion Securities Ubc,
UBS Securities Canada Inc.
Promoter(s):
-
Project #612717

Issuer Name:
Xillix Technologies Corp.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated February 20, 2004
Mutual Reliance Review System Receipt dated February 20, 2004
Offering Price and Description:
$10,500,000.00 - 10,000,000 Common Shares Price: $1.05 per Common Share
Underwriter(s) or Distributor(s):
Sprott Securities Inc.
Dlouhy Merchant Group Inc.
Promoter(s):
-
Project #613084

Issuer Name:
Original Restaurants Income Fund
Principal Jurisdiction - Ontario
Type and Date:
Preliminary Prospectus dated August 12th, 2003
Withdrawn on February 17th, 2004
Offering Price and Description:
$ * - * Units Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Promoter(s):
DavCo Restaurants, Inc.
Project #564018

This page intentionally left blank

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Calamos Asset Management, Inc.	International Adviser (Investment Counsel and Portfolio Manager)	February 16, 2004
Change in Category	First Asset Investment Management Inc.	From: Investment Counsel and Portfolio Manager To: Investment Counsel and Portfolio Manager Commodity Trading Counsel and Commodity Trading Manager	February 12, 2004
New Registration	RFG Management Limited	Limited Market Dealer	February 20, 2004

This page intentionally left blank

Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 IDA Quarterly Statements

INVESTMENT DEALERS ASSOCIATION OF CANADA – QUARTERLY STATEMENTS

I Overview

A Current rules

Current Association rules require Member firms to send account activity statements to their customers:

- on a monthly basis where there is an unexpired futures, futures option or exchange contract position in the account [Reg. 200.1(c)];
- on a monthly basis where a transaction (excluding dividend and interest payments) has been entered into during the month [Reg. 200.1(c)];
- at the end of each calendar quarter where there is either a money balance or securities position held in the account [Reg. 200.1(c)]; and
- at the end of each fiscal year for external audit purposes where there is either a money balance or securities position held in the account. [Reg. 300.2(a)(vii)].

B The issue

There are 17 Member firms whose fiscal year-end does not fall on a calendar quarter end. These firms, because of the requirement to send out statements on a calendar quarter end basis and the requirement to send out fiscal year end statements for external audit purposes, end up sending a minimum of 5 sets of statements each year to all their customers with money balances and/or security positions.

These statement mailings are expensive and there is limited benefit to the customer in receiving a statement more than 4 times a year if no transactions have taken place in the account.

C Objective

The proposed amendment to Regulation 200.1(c) seeks to set the minimum number of customer statement mailings per year for all Member firms to 4.

D Effect of proposed rules

As stated above, the proposed amendment to Regulation 200.1(c) seeks to set the minimum number of customer statement mailings per year for all Member firms to 4. This will result in no change for Member firms with fiscal year end dates that occur on a calendar quarter end. This will result in a reduction in the minimum number of statements sent to customers each year for Member firms with fiscal year end dates that do not occur on a calendar quarter end from 5 to 4, provided certain conditions are met.

The proposed amendment will not change the current requirement to send a statement to a customer on a monthly basis where there is an unexpired futures, futures option or exchange contract position in the account or where a transaction has been entered into during the month.

The proposed amendment also retains the requirement that Member firm must, where not in close proximity the Member firm's year-end, continue to send statements to customers on a calendar quarter end basis. Retaining this requirement is necessary to ensure customers continue to receive statements as at December 31st to assist them with their income tax filings.

Once this proposed amendment to Regulation 200.1(c) is effective (and provided any necessary provincial securities legislation relief has been obtained), a Member firm having, for example, an October 31st fiscal year-end could send the October month-end statement in place of the September month-end statement.

The proposed amendment will not impact market structure or competition between Member firms and non Member firms or others. The annual costs of distributing customer statements for the 17 Member firms affected by the proposed amendment will be reduced.

II Detailed analysis

A Current rules, relevant history and proposed policy

A description of both the current rules and the proposed rules together with any relevant historical background has already been provided in previous sections.

B Issues and alternatives considered

No other alternatives were considered.

C Comparison with similar provisions

In the United States, statements are to be sent to customers at a minimum at each calendar quarter end [NASDR Rule 2340 – Customer Account Statements]. In the United Kingdom, statements are to be sent to customers at a minimum annually [FSA Conduct of

Business Rule 8.2 – Periodic Statements and Client Assets Rule 2.3 – Client Agreement and Client Statements].

D Systems impact of rule

There will be no system impacts resulting from the implementation of this rule.

The Bourse de Montreal is also in the process of passing this proposed amendment. Implementation of this amendment will therefore take place once both the IDA and the Bourse de Montreal have received approval to do so from their respective recognizing regulators.

E Best interests of the capital markets

The Board has determined that the public interest rule is not detrimental to the best interests of the capital markets.

F Public interest objective

According to subparagraph 14(c) of the IDA's Order of Recognition as a self-regulatory organization, the IDA shall, where requested, provide in respect of a proposed rule change, "a concise statement of its nature, purposes (having regard to paragraph 13 above) and effects, including possible effects on market structure and competition". Statements have been made elsewhere as to the nature and effect of the proposal with respect to the proposed amendment.

The specific purpose of the proposed amendment to Regulation 200.1(c) is to set the minimum number of customer statement mailings per year for all Member firms to 4. As a result, the related general purpose of this proposal is:

- To standardize industry practices where necessary or desirable for investor protection

The proposal does not permit unfair discrimination among customers, issuers, brokers, dealers, members or others. It does not impose any burden on competition that is not necessary or appropriate in furtherance of the above purposes.

III Commentary

A Filing in other jurisdictions

These proposed amendments will be filed for approval in Alberta, British Columbia and Ontario and will be filed for information in Nova Scotia and Saskatchewan.

B Effectiveness

It is believed that the proposed amendments will be effective in making consistent the minimum customer statement mailing requirements for all Member firms without materially affecting customer access to account information.

C Process

The proposed amendments have been reviewed and recommended for approval by the Financial Administrators Section.

IV Sources

IDA Rules
NASDR Rule 2340 – Customer Account Statements
FSA Conduct of Business Rule 8.2 – Periodic Statements and Client Assets Rule 2.3 – Client Agreement and Client Statements

V OSC requirement to publish for comment

The IDA is required to publish for comment the accompanying proposed amendment.

The Association has determined that the entry into force of the proposed amendment would be in the public interest. Comments are sought on the proposed amendment. Comments should be made in writing. One copy of each comment letter should be delivered within 30 days of the publication of this notice, addressed to the attention of Richard Corner, Vice President, Regulatory Policy, Investment Dealers Association of Canada, Suite 1600, 121 King Street West, Toronto, Ontario, M5H 3T9 and one copy addressed to the attention of the Manager of Market Regulation, Ontario Securities Commission, 20 Queen Street West, 19th Floor, Box 55, Toronto, Ontario, M5H 3S8.

Questions may be referred to:

Richard Corner
Vice President, Regulatory Policy
Investment Dealers Association of Canada
(416) 943-6908
rcorner@ida.ca

INVESTMENT DEALERS ASSOCIATION OF CANADA
QUARTERLY STATEMENTS – BOARD RESOLUTION

THE BOARD OF DIRECTORS of the Investment Dealers Association of Canada hereby makes the following amendments to the By-laws, Regulations, Forms and Policies of the Association:

1. Regulation 200.1(c) is repealed and replaced as set out in the attached Appendix "A" (clean, reflecting changes) and Appendix "B" (blackline)

PASSED AND ENACTED BY THE Board of Directors this 28th day of January 2004, to be effective on a date to be determined by Association staff.

Appendix A

INVESTMENT DEALERS ASSOCIATION OF CANADA
QUARTERLY STATEMENTS – CLEAN COPY

(c) ledger accounts (or other records) itemizing separately as to each cash and margin account of every customer, all purchases, sales, receipts, deliveries and other trades of securities, commodity futures contracts and commodity futures contract options for such account and all other debits and credits to such account, and with respect to all securities and property received to margin, guarantee or secure the trades or contracts of customers,

(1) a description of the securities or property received,

(2) the date when received,

(3) the identity of any deposit institution where such securities or property are segregated,

(4) the dates of deposit and withdrawal from such institutions, and

(5) the date of return of such securities or property to the customer or other disposition thereof, together with the facts and circumstances of such other disposition,

and with respect to any investments of such money, proceeds or funds segregated for the benefit of the customers,

(6) the date of which such investments were made,

(7) the identity of the person or company through or from whom such securities were purchased,

(8) the amount invested,

(9) a description of the securities invested in,

(10) the identity of the deposit institution, other dealer or dealer registered under any applicable securities legislation where such securities are deposited,

(11) the date of liquidation or other disposition and the money received on such disposition, and

(12) the identity of the person or company to or through whom such securities were disposed;

In addition, statements must be sent to customers on at least the following basis: monthly for all customers in whose account there was an unexpired and unexercised commodity futures contract option, open commodity futures contract, or exchange contract at the month end; monthly for all customers who have affected a transaction, or the Member has modified the balance of securities or cash in the customer's account, unless the entries refer to dividends or interest; for all customers having any debit or credit balance or securities held (including securities held in safekeeping or in segregation) as of the statement date, four times per year with no interval between statements exceeding four months. Such monthly statements shall set forth at least in the case of customers with any unexpired and unexercised commodity futures contract option, open commodity futures contract, or exchange contract,

(1) the opening cash balance for the month in the customer's account,

(2) all deposits, credits, withdrawals and debits to the customer's account,

(3) the cash balance in the customer's account,

(4) each unexpired and unexercised commodity futures contract option,

(5) the striking price of each unexpired and unexercised commodity futures contract option,

(6) each open commodity futures contract,

(7) the price at which each open commodity futures contract was entered into.

In addition, a Member which has acted as an agent in connection with a liquidating trade in a commodity futures contract shall promptly send to customers a statement of purchase and sale setting forth at least:

(1) the dates of the initial transaction and liquidating trade,

(2) the commodity and quantity bought and sold,

(3) the commodity futures exchange upon which the contracts were traded,

(4) the delivery month and year,

(5) the prices on the initial transaction and on the liquidating trade,

(6) the gross profit or loss on the transactions,

(7) the commission, and

(8) the net profit or loss on the transactions.

Each such statement shall, in respect of transactions involving securities of the Member or a related issuer of the Member, or in the course of a distribution to the public, securities of a connected issuer of the Member, state that the securities are securities of the Member, a related issuer of the Member or a connected issuer of the Member, as the case may be. For the purposes of this paragraph, the terms "related issuer" and "connected issuer" shall have the same meaning as ascribed to them in the Regulation made under the *Securities Act* (Ontario).

Appendix B

INVESTMENT DEALERS ASSOCIATION OF CANADA
QUARTERLY STATEMENTS – BLACKLINE COPY OF REGULATION 200.1(C)

(c) ledger accounts (or other records) itemizing separately as to each cash and margin account of every customer, all purchases, sales, receipts, deliveries and other trades of securities, commodity futures contracts and commodity futures contract options for such account and all other debits and credits to such account, and with respect to all securities and property received to margin, guarantee or secure the trades or contracts of customers,

(1) a description of the securities or property received,

(2) the date when received,

(3) the identity of any deposit institution where such securities or property are segregated,

(4) the dates of deposit and withdrawal from such institutions, and

(5) the date of return of such securities or property to the customer or other disposition thereof, together with the facts and circumstances of such other disposition,

and with respect to any investments of such money, proceeds or funds segregated for the benefit of the customers,

(6) the date of which such investments were made,

(7) the identity of the person or company through or from whom such securities were purchased,

(8) the amount invested,

(9) a description of the securities invested in,

(10) the identity of the deposit institution, other dealer or dealer registered under any applicable securities legislation where such securities are deposited,

(11) the date of liquidation or other disposition and the money received on such disposition, and

(12) the identity of the person or company to or through whom such securities were disposed;

In addition, statements must be sent to customers on at least the following basis: monthly for all customers in whose account there was an unexpired and unexercised commodity futures contract option, open commodity futures contract, or exchange contract at the month end; monthly for all customers who have affected a transaction, or the Member has modified the balance of securities or cash in the customer's account, unless the entries refer to dividends or interest; ~~quarterly~~ for all customers having any debit or credit balance or securities held (including securities held in safekeeping or in segregation) ~~at the end of the quarter~~as of the statement date, four times per year with no interval between statements exceeding four months. Such monthly statements shall set forth at least in the case of customers with any unexpired and unexercised commodity futures contract option, open commodity futures contract, or exchange contract,

(1) the opening cash balance for the month in the customer's account,

(2) all deposits, credits, withdrawals and debits to the customer's account,

(3) the cash balance in the customer's account,

(4) each unexpired and unexercised commodity futures contract option,

(5) the striking price of each unexpired and unexercised commodity futures contract option,

(6) each open commodity futures contract,

(7) the price at which each open commodity futures contract was entered into.

In addition, a Member which has acted as an agent in connection with a liquidating trade in a commodity futures contract shall promptly send to customers a statement of purchase and sale setting forth at least:

(1) the dates of the initial transaction and liquidating trade,

(2) the commodity and quantity bought and sold,

(3) the commodity futures exchange upon which the contracts were traded,

(4) the delivery month and year,

(5) the prices on the initial transaction and on the liquidating trade,

(6) the gross profit or loss on the transactions,

(7) the commission, and

(8) the net profit or loss on the transactions.

Each such statement shall, in respect of transactions involving securities of the Member or a related issuer of the Member, or in the course of a distribution to the public, securities of a connected issuer of the Member, state that the securities are securities of the Member, a related issuer of the Member or a connected issuer of the Member, as the case may be. For the purposes of this paragraph, the terms "related issuer" and "connected issuer" shall have the same meaning as ascribed to them in the Regulation made under the *Securities Act* (Ontario).

13.1.2 Notice of Commission Approval – Amendments to IDA By-law No. 7 Regarding Partners, Directors and Officers

THE INVESTMENT DEALERS ASSOCIATION (IDA)
NOTICE OF COMMISSION APPROVAL
AMENDMENTS TO IDA BY-LAW NO. 7
REGARDING PARTNERS, DIRECTORS AND OFFICERS

The Ontario Securities Commission approved amendments to IDA by-law No. 7 regarding Partners, Directors and Officers. In addition, the Alberta Securities Commission did not disapprove and the British Columbia Securities Commission did not object to these amendments. The amendments are housekeeping in nature. The description and a copy of the amendments are contained in Appendix “A” and Appendix “B” respectively.

APPENDIX "A"
INVESTMENT DEALERS ASSOCIATION OF CANADA
REVISION OF BY-LAW 7 ~~REVISION~~
PARTNERS, DIRECTORS & OFFICERS

I OVERVIEW

A CURRENT RULES

By-law 7 sets out the approval, employment and proficiency requirements, individually and in aggregate, for partners, directors, officers and holders of significant equity interests in Members. It also contains several general provisions regarding partners, officers and directors similar to those in other by-laws regarding registered representatives.

B THE ISSUE

The current layout of By-law 7 of the Investment Dealers Association of Canada (IDA) is such that the employment and proficiency requirements for partners, directors and officers, individually and in aggregate, at a Member are set out in a number of cross-referenced sections. The reader is required to go back and forth between sections and pages in an attempt to piece together the requirements applicable to individuals or the Member.

Also, certain words and phrases within the text of the provisions are not very specific and therefore open to interpretation. For example, the current By-law 7.1(1)(b)(i), requires at least 40% of the partners and directors to be "actively engaged in and devote a major part of their time to the securities industry". However, active engagement is not defined. Similarly, some Members use the title "Director" as a form of officer title while the By-law is directed at members of the Board of Directors of a corporate Member. Another example is the reference in current By-law 7.1(1)(b)(iv) to dual employment. This has led to some confusion because "dual" or "dually" means two, yet the intention and the practice of the IDA is to permit the multiple employment of an officer with related or affiliated entities, including non-Members.

In addition, the current By-law 7 contains no provision for the granting of exemptions, which means that exemptions can only be granted by the Board of Directors of the Association. The Membership of the Association includes small firms with limited businesses. Some of the provisions of By-law 7 that are necessary for larger Members provide no regulatory benefits. The need to grant exemptions in such situations makes appropriate the granting of exemptive powers to the District Councils, which exercise similar powers in a number related matters such as proficiency requirements for branches, branch managers and registered representatives.

C OBJECTIVE

The objective of the revision is simply to achieve clarity and ease of reference and to provide a practical method of granting exemptions.

D EFFECT OF THE CHANGES

The changes make the By-law compact, methodical, fluid, and thus easy to follow and comprehend. There are no substantive changes in the By-law other than the addition of the provision granting District Councils the power to grant exemptions from certain provisions of the By-law.

II DETAILED ANALYSIS

A COMPARISON WITH SIMILAR PROVISIONS

Since the changes are not substantive but rather a rewording and reorganizing of the provisions, a comparison with similar rules in other jurisdictions was not considered necessary.

B IMPACT OF THE AMENDMENTS

No major impact other than achieving clarity of meaning and intent, and ease of reference.

The granting to the District Councils of exemptive power will make the granting of exemptions more efficient as the District Councils meet more often and have more time to devote to the consideration of exemption applications.

C BEST INTERESTS OF THE CAPITAL MARKETS

The Board has determined that the revisions are not detrimental to the capital market. On the contrary, the revision will eliminate ambiguity and confusion.

D PUBLIC INTEREST OBJECTIVE

The housekeeping revision is designed to improve clarity of meaning and intent, and ease of reference of By-law 7, without affecting the substance and objective of the by-law. The revision does not permit unfair discrimination among customers, issuers, brokers, members and their officers, directors, and shareholders. It does not impose any burden on competition that is not necessary or appropriate in furtherance of the above purposes.

III COMMENTARY

A FILING IN OTHER JURISDICTIONS

These proposed amendments will be filed for approval in Alberta, British Columbia and Ontario and will be filed for information in Nova Scotia and Saskatchewan.

B EFFECTIVENESS

It is believed that the new By-law 7 is up-to-date, succinct, and easy to follow and understand.

C PROCESS

The rewording and reorganizing of By-law 7 was undertaken by IDA Registration Counsel in an effort to eliminate the uncertainly and confusion that had persisted

with this by-law. The person consulted to ascertain the intended meaning and objectives of this by-law was:

- IDA Vice President of Sales compliance and Registrations, Mr. Lawrence Boyce.

IV SOURCES

References:

- IDA By-law 1
- IDA By-law 7
- IDA Policy 6, Parts I and II.

V OSC REQUIREMENT TO PUBLISH FOR COMMENT

None required, as the revisions are purely housekeeping in nature. Any questions concerning the revised By-law 7 may be referred to:

Azza M. Abdallah, National Registration Counsel
Investment Dealers Association of Canada
(416) 943-5839
aabdallah@ida.ca

APPENDIX "B"
INVESTMENT DEALERS ASSOCIATION OF CANADA
REVISION OF BY-LAW 7 ~~REVISION – BOARD RESOLUTION~~
PARTNERS, DIRECTORS & OFFICERS

THE BOARD OF DIRECTORS of the Investment Dealers Association of Canada hereby makes the following amendments to the By-laws, Regulations, Forms and Policies of the Association:

1. By-law 7 is repealed and replaced as follows:

"BY-LAW NO. 7
PARTNERS, DIRECTORS AND OFFICERS

7.1 Definitions

For the purposes of this By-law 7:

(a) "actively engaged in the business of the Member" means, participating in any regular business activities of the Member including but not limited to trading in securities or futures contracts and related services, research, investment banking, operations or promotion of the Member's services, but shall not include participation in meetings of the Board of Directors or related corporate governance committees of the Board of Directors or occasional referrals to the Member where such referrals do not result from solicitation of business on behalf of the Member;

(b) "director" means a member of the Board of Directors

7.2 Approval

No person shall be a partner, director or officer of a Member unless that person has been approved as such by the Association.

7.3 Partners and Directors

(a) At least 40% of the partners or directors of a Member shall:

(1) Be actively engaged in the business of the Member and devote the major portion of their time to the securities industry, except those on active government services, or who for health

reasons are prevented from such active engagement; or,

(2) Be partners, officers or directors of related or affiliated securities dealers, or affiliated financial institutions such as Canadian chartered banks, Quebec savings banks, trust or insurance companies licensed to do business in Canada or pension funds with aggregate net assets of not less than $5,000,000; and

(3) Have satisfied the applicable proficiency requirements outlined in Policy 6, Part I.A(2); and

(4) Have experience acceptable to the Association in the financial services industry for at least five years or such lesser period as may be approved by the Association.

(b) The remaining directors, if actively engaged in the business of the Member or a related company of the Member, or the remaining partners, shall have the qualifications described in paragraphs 7.3(a) (1) or (2) and (3).

7.4 Officers

(a) All of the officers of a Member shall:

(1) Be actively engaged in the business of the Member and devote the major portion of their time to the securities industry, except those on active government services, or who for health reasons are prevented from such active engagement; or,

(2) Be partners, officers or directors of related or affiliated securities dealers, or affiliated financial institutions such as Canadian chartered banks, Quebec savings banks, trust or insurance companies licensed to do business in Canada or pension funds with aggregate net assets of not less than $5,000,000; and

(3) Have satisfied the applicable proficiency requirements outlined in Policy 6, Part I.A(2);

(b) Not less than 60% of the officers of a Member shall have experience acceptable to the Association in the financial services industry for at least five years or such lesser period as may be approved by the Association.

(c) At least two officers shall be engaged in the business of the Member; one of whom who shall be engaged full time, while the other may be engaged on a part-time basis.

7.5 Chief Financial Officer

(a) Each Member shall appoint one officer as chief financial officer who, in addition to the requirements under 7.4(a), shall have the qualification required pursuant to Policy 6, Part I.A(2A). The chief financial officer need not be engaged full time in the business of the Member.

(b) Notwithstanding subsection (a), if the chief financial officer of a Member terminates his/her employment with the Member and the Member is unable to immediately appoint another qualified person as chief financial officer, the Member may, with the Association's approval, appoint an officer as acting chief financial officer, provided that within 90 days of the termination:

(1) the acting chief financial officer meets the requirement of subsection (a) and is approved by the Association as chief financial officer; or

(2) another qualified person is appointed chief financial officer by the Member and approved by the Association.

7.6 Exemptions

The applicable District Council may grant an exemption, in whole or in part, from any requirement under By-laws 7.3 to 7.5, where it is satisfied that to do so would not be prejudicial to the interest of the member, its clients, the public or the Association and, in granting such an exemption, it may impose such terms and conditions as it considers necessary.

7.7 Multiple Employments of Officers

Where permitted by the securities legislation of the applicable jurisdiction, a person may be employed as a trading officer of a Member and affiliated or related Member or non-member registered dealers provided that:

(a) the reasons for such multiple employments are disclosed to the Association;

(b) the Members employing such a trading officer have filed with the Association their policies and procedures that will address any potential for conflicts of interest resulting from such multiple employments; and

(c) the clients of the Members whose accounts are personally handled by the trading officer are informed of the details of the multiple employments and the potential for conflict of interest.

7.8 Persons Owning or Controlling a Significant Equity Interest in a Member

(a) Any partner or director of a Member who directly or indirectly owns or controls 10% or more of the voting shares of a Member shall have the proficiency requirement outlined in Policy 6, Part I.A(2)(a)

(b) Any person other than a partner or director, who is actively engaged in the business of a Member and directly or indirectly owns or controls 10% or more of the voting securities of the Member, shall have the proficiency requirement outlined in Policy 6, Part I.A(2)(a).

7.9 Remuneration of Partners, Directors and Officers

No partner, director or officer of a Member shall accept or permit any associate to accept, directly or indirectly, any remuneration, gratuity, advantage, benefit or any other consideration from any person other than the Member, its affiliates or related companies, in respect of the activities carried out by the partner, director or officer on behalf of the Member, its affiliates or related companies in connection with the sale or placement of securities on behalf of any of them.

7.10 Jurisdiction.

Every person whose application for approval as a partner, director or officer of a member has been accepted shall be subject to the jurisdiction of the Association, shall comply with the By-laws, Regulations and Policies of the Association as they are from time to time amended or supplemented and, if such approval is subsequently revoked, shall forthwith terminate his or her relationship as a partner, director or officer with the Member in respect of which he or she is approved at the time of such revocation.

7.11 Late Filing Fees re Partners, Officers and Directors

A Member shall be liable and pay to the Association fees in the amounts prescribed from time to time by the Board of Directors for the failure to file within ten business days after the end month a report in writing with respect to the conditions imposed on approval or continued approval of a partner, director, officer of the Member pursuant to By-law 20."

PASSED AND ENACTED BY THE BOARD OF DIRECTORS, this 28th day of January 2004 to be effective on a date determined by Association staff.

Chapter 25

Other Information

25.1 Exemptions

25.1.1 Endesa, S.A. - s. 6.1 of OSC Rule 13-502

Headnote

A foreign issuer that has only accessed the capital markets in Ontario once, 6 years ago and that has less than 1% of its securities held by Canadian residents is exempt from the requirement to pay a participation fee.

Statues Cited

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

Rules Cited

Ontario Securities Commission Rule 13-502 Fees (2003), 26 O.S.C.B. 890, ss. 2.2 and 6.1.

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

AND

ONTARIO SECURITIES COMMISSION RULE 13-502
FEES

AND

IN THE MATTER OF
ENDESA, S.A.

EXEMPTION
(Section 6.1 of Rule 13-502 Fees)

UPON the Director having received the application of Endesa, S.A. (the Applicant) for an order under section 6.1 of Ontario Securities Commission Rule 13-502 *Fees* (Rule 13-502) exempting Endesa from the requirement in Rule 13-502 to pay a participation fee;

AND UPON considering the application and the recommendation of the staff of the Ontario Securities Commission (the Commission);

AND UPON the Applicant having represented to the Director as follows:

1. The Applicant is a corporation (*Sociedad anónima*) organized under the laws of Spain.

2. The Applicant is registered in the Madrid Mercantile Register, Volume 323, Sheet 1, Page 6045.

3. The Applicant's registered office and main offices are located at calle Ribera del Loira nº 60, 28042 Madrid, Spain.

4. The Applicant engages mainly in the generation, transmission, distribution and retailing of electricity. The Applicant also operates in the gas industry, in other energy industries (cogeneration, renewable energies), in the telecommunications industry and in other service industries which contribute value to its core business.

5. The Applicant is the largest operator in the Spanish electricity industry and the leading private electricity multinational in Latin America. In addition, the Applicant has a significant presence in the European electricity market, particularly in Italy. In total, the Applicant operates in the electricity markets of 11 countries on 3 continents.

6. The Applicant is a "*reporting issuer*" and is not in default of any of the requirements of the *Securities Act (Ontario)* (the Act).

7. The Applicant has been a reporting issuer since a global public offering (the GPO) of shares of capital stock (Shares) and American Depositary Shares (ADSs) on October 17, 1997 (collectively, Shares and ADSs are Applicant Securities).

8. The Applicant Securities were offered by certain Canadian underwriters to investors in Canada as part of the 1997 GPO (the Canadian Offering).

9. The Canadian Offering was made in compliance with the procedures contemplated by proposed draft National Policy Statement No. 53 (DNP 53), entitled the *Foreign Applicant Prospectus and Continuous Disclosure System*, under which offerings of securities of foreign issuers that meet specified eligibility requirements may be made in Canada on the basis of disclosure documents prepared in accordance with U.S. securities laws, with certain additional Canadian disclosure.

10. Pursuant to DNP 53, the Canadian Offering was made by way of a prospectus prepared under U.S. securities law. Each prospectus used in the Canadian Offering included Canadian wrap pages containing additional information, legends and certificates contemplated by DNP 53.

11. In Ontario, the Canadian Offering was made pursuant to an order of the Commission (the Ontario Order), *inter alia*,

(a) exempting the Applicant from the continuous disclosure requirements in Sections 75, 77, 78 and 79 of the Act and thereby allowing the Applicant to satisfy the continuous disclosure requirements as contemplated by DNP 53 by (i) complying with U.S. securities laws relating to current reports and annual reports, (ii) filing with the Commission two copies of any material filed with the U.S. Securities and Exchange Commission (the SEC) (a) in the case of current reports, forthwith after the earlier of the date the report is filed with the SEC and the date it is required to be filed with the SEC, and (b) in the case of other documents, within 24 hours after they are filed with the SEC, (iii) providing any such documents to security holders whose last address as shown on the book of the Applicant is in Ontario, in the manner and at the time required by U.S. securities laws and (iv) complying with the requirements of the New York Stock Exchange (the NYSE) relating to public disclosure of material information on a timely basis and forthwith issuing in Canada, and filing with Commission any press release that discloses a material change in the affairs of the Applicant; and

(b) exempting the Applicant and Morgan Guaranty Trust Company of New York from the information circular, proxy and proxy solicitation requirements in Section 81 and Part XIX of the Act, provided that any proxies and proxy solicitation material provided to U.S. security holders are provided, at the same time and in the same manner, to security holders of the same class whose last address as shown on the books of the Applicant is in Ontario.

12. The Canadian Offering is the only instance in which the Applicant has accessed the capital markets in Canada.

13. Shares of the Applicant are currently listed on the Spanish Stock Exchange and Santiago de Chile Foreign Securities Stock Exchange.

14. ADSs of the Applicant are currently listed on the NYSE.

15. As of December 31, 2003, the Applicant's issued and outstanding capital consists of 1,058,752,117 Shares.

16. As of December 31, 2003, there are 10 registered Ontario holders of Shares, holding approximately 0.107% of the issued and outstanding Shares. Canadian securityholders hold 0.203% of the issued and outstanding Shares.

17. As permitted by Spanish law, the Applicant has issued bearer securities. As a result, the Applicant is unable to accurately determine the number of Ontario resident beneficial shareholders holding Applicant Securities (the Ontario Shareholders).

18. The Applicant wishes to cease to become a reporting issuer in Ontario but is unable to obtain such relief because the Applicant is unable to accurately determine the number of Ontario Shareholders.

19. The fee requirements that existed before Rule 13-502 came into force have increased substantially since the Applicant became a "*reporting issuer*" in Ontario.

20. The Applicant, pursuant to the Ontario Order described in paragraph 11, has already received exemptive relief in Ontario from complying with certain continuous disclosure requirements prescribed by the Act.

21. Before the completion of the GPO the Applicant had been, and following the completion of the GPO the Applicant continues to be, subject to the continuous disclosure requirements of the U.S. *Securities Exchange Act of 1934*, as amended (the 1934 Act) and files reports and other information with the SEC and remits the prescribed fees to the SEC on an ongoing basis.

22. The Applicant is not in default of any of the requirements of the 1934 Act.

23. The Applicant continues to be subject to and will continue to comply with the requirements of the NYSE relating to public disclosure of material information on a timely basis and the remittance of fees.

24. The Applicant is not in default of any of the requirements of the NYSE.

25. There is not, and there will not be, a marketplace (as that term is defined in NI 21-101 *Marketplace Operation* (NI 21-101)) in Canada for any securities of the Applicant.

26. The Applicant does not intend, now or in the future, to issue or distribute any securities in Canada.

IT IS THE DECISION of the Director, under section 6.1 of Rule 13-502, that the Applicant is exempt from the requirement in section 2.2 of Rule 13-502 to pay a participation fee, for so as long as:

a) the Applicant does not issue or distribute any securities in Canada; and

b) there is no marketplace, as that term is defined in NI 21-101, in Canada for any securities of the Applicant.

February 18, 2004.

“Charlie MacCready”

25.2 Consents

25.2.1 Coubran Resources Ltd. - ss. 4(b) of Reg. 289

Headnote

Consent given to an offering corporation under the OBCA to continue under the CBCA.

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am., 181.
Securities Act, R.S.O. 1990, c. S.5, as am.

Regulations Cited

Regulations made under the Business Corporations Act, R.R.O. 1990, Reg. 289/00, s. 4(b).

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

AND

IN THE MATTER OF
COUBRAN RESOURCES LTD.

CONSENT
(Subsection 4(b) of the Regulation)

UPON the application of Coubran Resources Ltd. (the **Applicant**) to the Ontario Securities Commission (the **Commission**) requesting the consent of the Commission for the Applicant to continue into another jurisdiction pursuant to subsection 4(b) of the Regulation;

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a corporation existing under the OBCA by virtue of its incorporation thereunder on January 28, 2000. Coubran's registered office is located at Suite 2100, 40 King Street West, Toronto, Ontario M5H 3Y4.

2. The Applicant is an offering corporation under the provisions of the OBCA and a reporting issuer within the meaning of the *Securities Act* (Ontario) (the **Act**).

3. The Applicant proposes to make an application to the Director under the OBCA pursuant to section 181 of the OBCA (the **Application to Continuance**) for authorization to continue under the *Canada Business Corporations Act* (the **CBCA**).

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

5. The authorized capital of the Corporation consists of an unlimited number of Common shares of which approximately 9,718,019 Common shares are outstanding.

6. The Applicant is not in default of any requirements of the Act or the regulations or rules promulgated thereunder.

7. The Applicant is not a party to any proceeding, or to the best of its knowledge, information or belief, any pending proceeding under the Act.

8. The Applicant is not a reporting issuer under the laws of any jurisdiction other than Ontario.

9. The Applicant currently intends to continue to be a reporting issuer under the Act.

10. The Applicant's continuance under the provisions of the CBCA was approved at a special meeting of shareholders of the Applicant held on January 28, 2004.

11. The continuance is proposed to be made in order for the Applicant to conduct its business and affairs in accordance with the provisions of the CBCA.

12. The material rights, duties and obligations of a corporation existing under the CBCA are substantially similar to those of a corporation governed by the OBCA.

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

THE COMISSION HEREBY CONSENTS to the continuance of the Applicant as a corporation under the CBCA.

February 24, 2004.

"Paul M. Moore" "Paul K. Bates"

Index