

The Ontario Securities Commission

# OSC Bulletin

March 5, 2004

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

**The Ontario Securities Commission**

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

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One Corporate Plaza  
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## Chapter 1

# Notices / News Releases

### 1.1 Notices

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

**MARCH 5, 2004**

#### **CURRENT PROCEEDINGS**

#### **BEFORE**

#### **ONTARIO SECURITIES COMMISSION**

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

The Harry S. Bray Hearing Room  
Ontario Securities Commission  
Cadillac Fairview Tower  
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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<sup>+</sup> and John Craig Dunn**

s. 127

K. Manarin in attendance for Staff

Panel: HLM/MTM/ST

\* BMO settled Sept. 23/02  
+ April 29, 2003

DATE: TBA

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

s. 127

M. Britton in attendance for Staff

Panel: TBA

May 2004

**Gregory Hyrniw and Walter Hyrniw**

s. 127

Y. Chisholm in attendance for Staff

Panel: TBA

**ADJOURNED SINE DIE**

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

Global Privacy Management Trust and Robert  
Cranston

Philip Services Corporation

Robert Walter Harris

Andrew Keith Lech

S. B. McLaughlin

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

**1.1.2 Notice of Commission Approval –  
Amendments to CNQ Rules and Policies**

**CANADIAN TRADING AND QUOTATION SYSTEM INC.  
(CNQ)**

**AMENDMENTS TO CNQ RULES AND POLICIES –  
REGISTRATION REQUIREMENTS FOR CNQ DEALERS  
AND APPROVED TRADERS AND APPEALS OF CNQ  
DECISIONS**

**NOTICE OF COMMISSION APPROVAL**

On February 24, 2004, the Commission approved amendments to CNQ Rules and Policies. The amendments remove the requirement that CNQ Dealers and Approved Traders be Ontario registrants and remove the description of appeal rights to securities commissions. The notice and request for comment was published on November 21, 2003 at (2003) 26 OSCB 7642. No comments were received.

**1.1.3 Notice of Commission Approval – Proposed Amendments to IDA Regulation 200.1(h) Regarding Confirmations for Managed Account Transactions**

**THE INVESTMENT DEALERS  
ASSOCIATION OF CANADA (IDA)  
NOTICE OF COMMISSION APPROVAL  
PROPOSED AMENDMENTS TO  
IDA REGULATION 200.1(h)  
REGARDING CONFIRMATIONS FOR MANAGED  
ACCOUNT TRANSACTIONS**

The Ontario Securities Commission (OSC) approved proposed amendments to IDA Regulation 200.1(h) regarding confirmations for managed account transactions. In addition, the Alberta Securities Commission (ASC) approved and the British Columbia Securities Commission (BCSC) did not object to the proposed amendments. The proposed amendments exempt IDA members from providing trade confirmations to managed account clients subject to certain conditions. The proposed amendments were based on three MRRS decisions of the Canadian Securities Administrators (CSA), granting exemption from trade confirmation requirements under securities legislation. Staff would like to note that IDA members who would like to rely on the exemption under the proposed amendments should ensure that they have also obtained relief from the CSA from the trade confirmation requirements under securities legislation.

A copy and description of the proposed amendments were published on July 11, 2003, at (2003) 26 OSCB 5389. No comments were received. As a result of staff review, the IDA has made non-material changes to the proposed amendments to ensure that the conditions contained in the proposed amendments are consistent with the conditions contained in the three MRRS decisions of the CSA. The revised proposed amendments that were approved by the OSC and the ASC and non-objected to by the BCSC are contained in Chapter 13 of this Ontario Securities Commission Bulletin.

**1.1.4 Notice of Commission Approval – Proposed Extension of the Suspension Period for MFDA Rule 2.4.1 Regarding Payments of Commissions**

**MUTUAL FUND DEALERS  
ASSOCIATION OF CANADA (MFDA)  
  
PROPOSED EXTENSION OF THE SUSPENSION  
PERIOD FOR MFDA RULE 2.4.1  
REGARDING PAYMENTS OF COMMISSIONS  
  
NOTICE OF COMMISSION APPROVAL**

The Ontario Securities Commission approved the proposed extension of the suspension period for MFDA Rule 2.4.1 regarding payments of commissions. In addition, the British Columbia Securities Commission (BC) did not object to, and the Nova Scotia Securities Commission (NSSC) and the Saskatchewan Financial Services Commission approved the proposed extension. The suspension period for MFDA Rule 2.4.1 will now expire on December 31, 2006. During the suspension period, MFDA members are not required to pay commissions directly to and in the name of their Approved Persons, provided that the members and their Approved Persons meet the requirements set out in Part 2 of MFDA Notice MR-0002, BC Instrument 32-503 and NSSC Notice No. 31-702.

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## Chapter 2

# Decisions, Orders and Rulings

## 2.1 Decisions

### 2.1.1 Northwest Mutual Funds Inc. - MRRS Decision

#### Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Extension of lapse date for mutual fund prospectus to allow for completion of fund mergers and system integration.

#### Statutes Cited

Securities Act, R.S.O. 1990 c. S.5, as amended, ss. 62(1), 62(2) and 62(5).

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

**AND**

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

**AND**

**IN THE MATTER OF  
NORTHWEST MUTUAL FUNDS INC.**

**AND**

**IN THE MATTER OF  
NORTHWEST CANADIAN EQUITY FUND (FORMERLY  
NORTHWEST GROWTH FUND), NORTHWEST MONEY  
MARKET FUND, NORTHWEST BALANCED FUND,  
NORTHWEST FOREIGN EQUITY FUND (FORMERLY  
NORTHWEST INTERNATIONAL FUND), NORTHWEST  
RSP FOREIGN EQUITY FUND (FORMERLY  
NORTHWEST RSP INTERNATIONAL FUND),  
NORTHWEST SPECIALTY HIGH YIELD BOND FUND,  
NORTHWEST SPECIALTY EQUITY FUND, AND  
NORTHWEST SPECIALTY INNOVATIONS FUND  
(collectively, the "Northwest Funds")**

#### **MRRS DECISION DOCUMENT**

**WHEREAS** the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador (the

"Jurisdictions") has received an application (the "Application") from Northwest Mutual Funds Inc. (the "Manager") and the Northwest Funds for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the time period prescribed by the legislation for the renewal of the simplified prospectus and annual information form of the units of the Northwest Funds (the "Prospectus") be extended to those time periods that would be applicable if the lapse date for the distribution of units of the Funds was June 11, 2004;

**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** it has been represented by the Manager to the Decision Makers that:

1. The Manager is a corporation incorporated under the laws of Ontario. The Manager is the manager, trustee, principal distributor, and promoter of the Northwest Funds.
2. The Northwest Funds are open-ended mutual fund trusts governed by the laws of the Province of Ontario.
3. The Northwest Funds are reporting issuers under the Legislation and are not in default of any requirements of the Legislation or the regulations made thereunder.
4. Pursuant to the Legislation or the regulations made thereunder, the earliest lapse date (the "Lapse Date") for distribution of securities of the Northwest Funds is April 11, 2004.
5. In September 2003, as a result of a transaction with an affiliate of Desjardins Trust Investments Inc. ("Desjardins Trust"), the Manager became an indirect subsidiary of Desjardins Trust. Desjardins Trust is the manager and investment manager of the Maestral Mutual Funds ("the Maestral Funds").
6. The Maestral Funds are open-end mutual fund trusts established under the laws of Québec.
7. The Maestral Funds are currently qualified for distribution in British Columbia, Alberta, Ontario, Québec and New Brunswick under a simplified prospectus and annual information form dated October 29, 2003 as amended by Amendment No. 1 dated December 1, 2003.

8. To avoid duplication of work and costs, Desjardins Trust and the Manager are in the process of integrating the management of the Northwest Funds and the Maestral Funds. In connection with the integration, they are contemplating certain mergers of the Maestral Funds and the Northwest Funds to eliminate duplication of investment objectives in the fund families.
9. Unitholders of the terminating funds and any funds for which the mergers would be a significant change will be asked to approve the applicable merger at special meetings to be held on or about May 14, 2004.
10. The Manager will file an amended and restated prospectus for the Northwest Funds by the Lapse Date.
11. In accordance with the requirements of significant changes for mutual funds, a press release will be issued and filed on SEDAR together with the required amendments to or disclosure in the simplified prospectus and annual information form describing the mergers and other significant changes to the funds, once approved by the Board of Directors of Desjardins Trust and the Manager, as the case may be.
12. An extension of the Lapse Date is required in order to allow sufficient time for completion of the integration, including any mergers and to coordinate the lapse dates for the continuing Northwest Funds and Maestral Funds, as well as to avoid the undue costs associated with filing a renewal simplified prospectus and annual information form in April 2004 for certain Northwest Funds that will be terminated upon completion of any mergers at the end of May, 2004.

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

**AND WHEREAS** each of the Decision Makers are 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 time limits provided by Legislation as they apply to a distribution of securities under a prospectus are hereby extended to the time limits that would be applicable if the lapse date for the distribution of securities under the simplified prospectus and annual information form of the Northwest Funds was June 1, 2004 and that the offering of securities of the Northwest Funds may continue provided that a (final) simplified prospectus and annual information form for the Northwest Funds is filed no later than June 11, 2004 and a receipt is obtained no later than June 21, 2004.

February 26, 2004.

"Leslie Byberg"

## 2.1.2 Petrofund Energy Trust - MRRS Decision

### Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Trust exempt from prospectus and registration requirements in connection with issuance of units to existing unitholders under a distribution reinvestment plan and optional trust unit purchase plan, subject to certain conditions. First trade relief provided for units acquired pursuant to this decision, subject to certain conditions.

### Statutes Cited

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

### Rules Cited

Ontario Securities Commission Rule 45-502 Dividend or Interest Reinvestment and Stock Dividend Plans.  
Multilateral Instrument 45-102 Resale of Securities.

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

**AND**

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

**AND**

**IN THE MATTER OF  
PETROFUND ENERGY TRUST  
  
MRRS DECISION DOCUMENT**

**WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of Ontario, British Columbia, Saskatchewan, Manitoba, Quebec, Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador (the "Jurisdictions") has received an application from Petrofund Energy Trust (the "Trust") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation to be registered to trade in a security and to file and obtain a receipt for a preliminary prospectus and a prospectus (the "Registration and Prospectus Requirements") shall not apply to the distribution of trust units of the Trust (the "Units") pursuant to the Trust's distribution reinvestment plan (the "Plan");

**AND WHEREAS** under the Mutual Reliance Review System for Exemptive Relief Applications (the

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

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

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

1. The Trust is an open-ended investment trust created on December 18, 1988 under the laws of the Province of Ontario. Computershare Trust Company of Canada is the trustee of the Trust.
2. The Trust is a royalty trust that acquires and manages producing oil and gas properties in Western Canada.
3. The Trust is not a "mutual fund" as defined in the Legislation because the holders of Units (the "Unitholders") are not entitled to receive on demand an amount computed by reference to the value of a proportionate interest in the whole or in a part of the net assets of the Trust as contemplated in the definition of "mutual fund" in the Legislation.
4. The authorized capital of the Trust consists of an unlimited number of Units.
5. The Trust is a reporting issuer or the equivalent thereof in each of the Jurisdictions and is not in default of any requirements of the Legislation.
6. The Units are listed and posted for trading on the Toronto Stock Exchange (the "TSX") under the symbol PTF.UN and the American Stock Exchange ("AMEX") under the symbol PTF.
7. The Trust makes monthly cash distributions to Unitholders. Cash distributions are paid on the last business day of each calendar month to Unitholders of record on the tenth business day preceding the payment date.
8. Pursuant to the Plan, Unitholders resident in Canada may, at their option, acquire additional Units ("DRIP Units") by re-investing the cash distributions paid on their Units. The Plan also provides Unitholders resident in Canada the option to purchase additional Units (in addition to the DRIP Units) by making optional cash payments ("Cash Payment Option"). The DRIP Units and the Units issued pursuant to the Cash Payment Option are sometimes collectively referred to as the "Plan Units"). Any Unitholder resident in Canada holding in excess of 100 Units may participate in the Plan. The ability to participate in the Cash Payment Option is subject to a minimum of \$100 per calendar quarter and a maximum of \$5,000 per calendar quarter.

9. The Plan is not available to Unitholders who are residents of the United States or other foreign jurisdictions.
10. The Trust will disclose in its renewal Annual Information Form for the year ended December 31, 2003 that only Unitholders resident in Canada holding in excess of 100 Trust Units may participate in the Plan.
11. Distributions due to participants in the Plan ("Plan Participants") are paid to Computershare Trust Company of Canada in its capacity as plan agent under the Plan (the "Plan Agent") and applied to purchase DRIP Units.
12. DRIP Units are purchased through the facilities of the TSX or are purchased directly from the Trust.
13. The acquisition price of DRIP Units purchased through the facilities of the TSX shall, in respect of any cash distribution date, be equal to the average acquisition price at which the Units are acquired through the facilities of the TSX for the purpose of the Plan during the period commencing on the cash distribution date and ending no later than that date which is 10 trading days following such cash distribution date. The acquisition price of DRIP Units purchased directly from the Trust shall, in respect of any cash distribution date, be equal to the weighted average price at which Units of the Trust have traded on the TSX during the 10 trading days following the cash distribution date however, to date, no DRIP Units have been purchased directly from the Trust.
14. Units issued under the Cash Payment Option are purchased directly from the Trust at the weighted average price at which Units of the Trust have traded on the TSX during the 10 trading days following the cash distribution date.
15. No commissions, service charges or brokerage fees are payable by Plan Participants in connection with the Plan.
16. Plan Participants may terminate their participation in the Plan at any time by written notice to the Plan Agent.
17. The Trust may amend, modify, suspend or terminate the Plan at any time, provided that such action shall have no retroactive effect which would prejudice the interests of Plan Participants.
18. The Legislation in certain of the Jurisdictions provides exemptions (the "Existing Exemptions") from the Registration and Prospectus Requirements for trades made pursuant to certain reinvestment plans. However, the Existing Exemptions are not available for the issue of DRIP Units pursuant to the Plan as they are limited to

plans that provide for the reinvestment of one or more of the following: (i) dividends; (ii) interest; (iii) distributions of capital gains; or (iv) distributions out of earnings or surplus. The distributions to Unitholders are distributions of the distributable income of the Trust and do not likely fall within any of these categories.

19. Legislation in some of the Jurisdictions exempts trades made under the reinvestment plans of mutual funds from the Registration and Prospectus Requirements. Such exemptions are not, however, available to the Trust because it is not a "mutual fund" as defined under the Legislation.

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

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

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

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

- (e) except in Quebec, the first trade or resale of Plan Units acquired pursuant to the Plan in a Jurisdiction shall be deemed to be a distribution or primary distribution to the public under the Legislation unless the conditions set out in paragraphs 1 through 5 of subsection 2.6(3) of Multilateral Instrument 45-102 *Resale of Securities* are satisfied at the time of such first trade or resale; and
- (f) in Quebec, the first trade (alienation) of Plan Units acquired pursuant to the Plan shall be deemed to be a distribution or primary distribution to the public unless:
  - (i) at the time of the first trade, the Trust is, and has been for the 12 months preceding the alienation, a reporting issuer in Quebec;
  - (ii) no unusual effort is made to prepare the market or to create a demand for the Plan Units that are the subject of the alienation;
  - (iii) no extraordinary commission or other consideration is paid to a person or company other than the vendor of the Plan Units in respect of the first trade; and
  - (iv) the vendor of the Plan Units, if in a special relationship with the Trust, has no reasonable grounds to believe that the Trust is in default of any requirement of the securities legislation in Quebec.

February 25, 2004.

"Paul M. Moore"

"Robert W. Davis"

**2.1.3 Adams, Harkness & Hill, 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  
ADAMS, HARKNESS & HILL, 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 Adams, Harkness & Hill, 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 Massachusetts 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 Boston, Massachusetts.
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"

**2.1.4 Aon Securities Corporation - 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  
AON SECURITIES CORPORATION**

**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 Aon Securities Corporation (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 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 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”

**2.1.5 Avondale Partners, LLC - 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  
AVONDALE PARTNERS, LLC**

**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 Avondale Partners, LLC (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 Tennessee in the United States of America. 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 Nashville, Tennessee.
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"

**2.1.6 Clifton Group Investment Management Company - 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  
THE CLIFTON GROUP INVESTMENT MANAGEMENT  
COMPANY**

**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 Clifton Group Investment Management Company (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 Minnesota in the United States of America. 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 Minneapolis, Minnesota.
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 and British Columbia are the only jurisdictions 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, where required, 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 27, 2003.

"David M. Gilkes"

**2.1.7 Cathay Financial LLC - 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  
CATHAY FINANCIAL LLC**

**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 Cathay Financial LLC (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 has applied for registration 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 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.

November 27, 2003.

"David M. Gilkes"

**2.1.8 Robeco USA, L.L.C. - 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 USA, L.L.C.**

**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 USA, L.L.C. (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. 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 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 27, 2003.

"David M. Gilkes"

## **2.1.9 Wave Securities Canada Inc. - MRRS Decision**

### **Headnote**

Mutual Reliance Review System for Exemptive Relief Applications – Revocation of exemption granted pursuant to section 15.1 of National Instrument 21-101 Marketplace Operation and section 12.1 of National Instrument 23-101 Trading Rules.

### **IN THE MATTER OF THE SECURITIES LEGISLATION OF ONTARIO AND QUEBEC**

**AND**

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

**AND**

### **IN THE MATTER OF WAVE SECURITIES CANADA INC.**

**AND**

### **IN THE MATTER OF WAVE SECURITIES, L.L.C.**

### **MRRS DECISION DOCUMENT**

**WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of the Provinces of Ontario and Quebec (the "Jurisdictions") has received an application from Wave Securities Canada Inc. ("Wave Canada") (formerly Archipelago Canada Inc.) for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") revoking a decision granted by the Decision Makers of the Jurisdictions on October 7, 2002 (the "October 2002 Decision") under section 15.1 of National Instrument 21-101 Marketplace Operation ("NI 21-101") and section 12.1 of National Instrument 23-101 Trading Rules ("NI 23-101") (together, the "ATS Rules");

**AND WHEREAS** Archipelago L.L.C. was registered in Ontario as an international dealer on July 19, 2000;

**AND WHEREAS** the Decision Makers of Ontario and British Columbia issued an order dated November 29, 2001 that exempted Archipelago L.L.C. from the requirements of the ATS Rules in Ontario and British Columbia until April 1, 2002 (the "November 2001 Decision");

**AND WHEREAS** in the November 2001 Decision, Archipelago L.L.C. represented that it owned and operated an alternative trading system ("ATS") known as the Archipelago ECN, and that it provided access to the Archipelago ECN to subscribers in Ontario and British Columbia;

**AND WHEREAS** by seeking the exemption from the ATS Rules granted in the November 2001 Decision, Archipelago L.L.C. represented that it was a marketplace and an ATS as defined in NI 21-101;

**AND WHEREAS** Archipelago L.L.C. changed its name to Wave Securities, L.L.C. ("Wave") effective March 21, 2002 and continued, in the absence of the wholly-owned Canadian subsidiary, to provide access to the ATS in Ontario as an international dealer and in British Columbia;

**AND WHEREAS** the Decision Makers issued an order dated April 10, 2002 that exempted Archipelago L.L.C. from the requirements of the ATS Rules in Ontario and British Columbia until July 1, 2002 (the "April 2002 Decision");

**AND WHEREAS**, in the April 2002 Decision, Archipelago L.L.C. represented its proposal to establish a wholly-owned subsidiary under the laws of Canada which would obtain registration as a dealer and become a member of the Investment Dealers Association ("IDA");

**AND WHEREAS** Wave Canada was incorporated, as a wholly-owned subsidiary of Archipelago Holdings L.L.C., on March 27, 2002 and filed an application to become a Member of the IDA on June 27, 2002;

**AND WHEREAS** Wave notified the Decision Maker in Ontario on July 16, 2002 of its change in name to Wave from Archipelago L.L.C.;

**AND WHEREAS** the Decision Makers issued an order dated July 25, 2002 exempting Wave from the requirements of the ATS Rules in Ontario, British Columbia and Quebec until September 30, 2002 (the "July 2002 Decision") provided that Wave cause Wave Canada to proceed expeditiously with:

- (a) its applications for registration as a dealer or the equivalent in Ontario, British Columbia, and Quebec,
- (b) its application for membership in the Investment Dealers Association (the "IDA"), and
- (c) its filing of Form 21-101F2 no later than August 12, 2002;

**AND WHEREAS** in the July 2002 Decision, Wave represented that as soon as Wave Canada obtained registration as a dealer or equivalent in the Jurisdictions and membership in the IDA, Wave would cease operation as an ATS in the Jurisdictions;

**AND WHEREAS** in the July 2002 Decision, Wave represented that it provided access to its ATS to subscribers in Ontario and British Columbia, and that it had been providing access to one subscriber in Quebec but had suspended access to the ATS by the subscriber in Quebec

until Wave obtained an exemption from the ATS Rules in Quebec;

**AND WHEREAS** in the July 2002 Decision, as a result of its discovery that access had been granted to a subscriber in Quebec, Wave represented that Wave Canada would not open an account for any person or company that did not have an existing account as of July 18, 2002;

**AND WHEREAS** Wave, as a result of the acquisition of REDiBook ECN, LLC ("RediBook ECN") completed March 18, 2002, combined the Archipelago ECN with the RediBook ECN into a single ATS, operating as the Archipelago ECN and operated by Archipelago Securities, L.L.C. in place of Wave;

**AND WHEREAS** Wave Canada obtained registration as an investment dealer in Ontario and became an IDA member on September 30, 2002;

**AND WHEREAS** the Decision Makers issued an order dated October 7, 2002 (the "October 2002 Decision") that provided Wave Canada with

- (a) an exemption from subsection 9.2(1) of NI 21-101 (except in Quebec where it was not then in force) to relieve Wave Canada from the market integration requirements provided that present and future subscribers in Canada other than in Quebec have confirmed to Wave Canada that they have direct access to quotes on the Toronto Stock Exchange ("TSX"),
- (b) an exemption from sections 8.1 and 8.3 of NI 23-101 with respect to foreign exchange-traded securities and exchange-traded securities inter-listed on Nasdaq provided that execution occurs on a marketplace subject to regulatory oversight by the Securities and Exchange Commission ("SEC") or the NASD-Regulation ("NASD-R"), and
- (c) an exemption from section 8.4 of NI 23-101 with respect to foreign exchange-traded securities and exchange-traded securities inter-listed on Nasdaq provided that Wave Canada obtains an acknowledgement by its subscribers that orders executed on or routed by the ATS will not be regulated by a regulation services provider but by the regulatory body in the jurisdiction in which they are executed or to which they are routed;

**AND WHEREAS** the October 2002 Decision resulted in confusion as to what was meant by a subscriber with "direct access to quotes" on the TSX and a decision document (the "Proposed Clarification Decision") was proposed to clarify that "direct access to quotes" means a

subscriber that is, and will at all times be, a participating organization of TSX and TSX Venture Exchange that can execute orders directly on the TSX and TSX Venture Exchange;

**AND WHEREAS** prior to the completion of the Proposed Clarification Decision, section 9.2 of NI 21-101 was repealed and Wave Canada filed a Form 21-101F4 Cessation of Operations for Alternative Trading System, in Ontario, British Columbia and Quebec, but intends to continue to carry on business as an investment dealer in accordance with applicable laws but not as a marketplace as defined in NI 21-101;

**AND WHEREAS** the Decision Makers are of the view that the October 2002 Decision should be revoked;

**AND WHEREAS** Wave Canada changed its name from Archipelago Canada Inc. on January 14, 2004 and notified the Decision Makers of the change of name on or about January 21, 2004;

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

**AND WHEREAS** the October 2002 Decision will be effective in British Columbia unless or until the decision maker revokes it;

**AND WHEREAS** Wave Canada and Wave have represented to the Decision Makers as follows:

1. Wave Canada is a private corporation formed under the laws of New Brunswick. It is registered as an investment dealer in British Columbia, Ontario, and Quebec, and is a member of the IDA. Wave Canada is a wholly owned subsidiary of Archipelago Holdings L.L.C., a limited liability company organized under the laws of the State of Delaware.
2. Wave Canada is an affiliate of Wave. Wave is a registered broker-dealer under the Securities Exchange Act of 1934 and is a member of the National Association of Securities Dealers in the United States ("NASD"). Wave is also registered as an international dealer in Ontario.
3. The Archipelago ECN routed orders to Nasdaq and all other registered ATSs in the United States trading Nasdaq stocks directly or through SelectNet and SuperSoes, in accordance with section 3 of Regulation ATS under the Securities Exchange Act of 1934
4. Wave Canada provided its clients with access to the Archipelago ECN. This access constituted operating a marketplace and ATS under NI 21-101. Wave Canada filed a Form 21-101F2 in Ontario, British Columbia and Quebec in 2002.5. In March 2000, Archipelago

Holdings signed an agreement with the Pacific Exchange, Inc. which would move listed and NASDAQ securities from the Archipelago ECN to the Archipelago Exchange ("ArcaEx"). ArcaEx was approved as an exchange by the Securities and Exchange Commission on October 25, 2001.

5. Wave operated the Archipelago ECN in the United States until August 2002; after which, Archipelago Securities, L.L.C., an affiliate of Wave, operated the Archipelago ECN and Wave continued the business of a registered broker-dealer.
6. Beginning on March 22, 2002 through to April 11, 2003, listed and NASDAQ securities were migrated from the Archipelago ECN to ArcaEx. The Archipelago ECN ceased its operations following the completion of this migration.
7. As a result of this migration, Wave Canada has reconsidered how it wishes to operate in Canada. Wave Canada filed its Form 21-101F4 Cessation of Operations for Alternative Trading Systems on or about December 30, 2003. Accordingly, neither Wave Canada nor Wave will operate as a marketplace and ATS in Canada.
8. Wave Canada's current order processes involve: Wave Canada's customers are set up within the technology infrastructure of Wave under the name Wave Canada. Upon execution of an order received by Wave Canada, trade details will be sent by Wave to its clearing agent ("Clearing Agent") in the name of Wave Canada using only numeric domains. The Clearing Agent will electronically send a trade confirmation to the custodian of the institutional investor client under the primary name of Wave Canada. The Clearing Agent will also send a copy of the trade confirmation to the institutional investor client in the name of Wave Canada. The Clearing Agent will then clear and settle the trade in conjunction with the appropriate custodian banks in the United States.
9. Wave Canada and Wave will maintain a written agreement detailing the designation of Wave sales and support personnel as Wave Canada personnel. Wave personnel not so designated will have no contact with clients of Wave Canada.
10. Wave Canada will continue to be an IDA member and be registered as an investment dealer and Wave will continue registration as an international dealer in Ontario.

**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



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

**THE DECISION** of the Decision Makers is that the October 2002 Decision is hereby revoked.

February 23, 2004.

“Randee B. Pavalow”

## **2.1.10 Brascan SoundVest Diversified Income Fund - MRRS Decision**

### **Headnote**

Mutual Reliance Review System for Exemptive Relief Applications - Closed-end investment trust exempt from the prospectus and registration requirements in connection with issuance of trust units to existing unitholders pursuant to a distribution reinvestment plan whereby distributions of income are reinvested in additional units of the trust or whereby unitholders may directly purchase additional units of the trust, each subject to certain conditions; first trade relief provided, subject to certain conditions.

### **Applicable Ontario Statutory Provisions**

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

### **Applicable Instruments**

Multilateral Instrument 45-102 - Resale of Securities - section 2.6.

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

**AND**

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

**AND**

**IN THE MATTER OF  
BRASCAN SOUNDVEST DIVERSIFIED INCOME FUND**

**MRRS DECISION DOCUMENT**

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

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

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

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

1. The Fund is an unincorporated closed-end investment trust established under the laws of the Province of Ontario by a declaration of trust dated as of August 22, 2003.
2. The Fund is not considered to be a "mutual fund" as defined in the Legislation because the holders of Units (**Unitholders**) are not entitled to receive on demand an amount computed by reference to the value of a proportionate interest in the whole or in part of the net assets of the Fund as contemplated in the definition of "mutual fund" in the Legislation.
3. The Fund became a reporting issuer or the equivalent thereof in the Jurisdictions on October 30, 2003 upon obtaining a receipt for its final prospectus dated October 30, 2003 (the **Prospectus**). As of the date hereof, the Fund is not in default of any requirements under the Legislation.
4. The beneficial interests in the Fund are divided into a single class of voting units (the **Units**). The Fund is authorized to issue an unlimited number of Units. Each Unit represents a Unitholder's proportionate undivided beneficial interest in the Fund. As of the date hereof, 6,940,000 Units are issued and outstanding.
5. The Units are listed and posted for trading on the Toronto Stock Exchange (the **TSX**) under the symbol "BSI.UN".
6. The Fund currently intends to make cash distributions of distributable income to Unitholders of record on the day on which the Fund declares a distribution to be payable (each, a **Record Date**), and such distributions will be payable on a day which is on or about the 15<sup>th</sup> business day of the month following a Record Date (each a **Distribution Payment Date**).
7. The Fund has adopted the Plan which, subject to obtaining all necessary regulatory approvals, will permit distributions to be automatically reinvested, at the election of each Unitholder, to purchase additional Units (**Plan Units**) pursuant to the Plan and in accordance with a distribution reinvestment plan services agreement entered into by the Fund,

Brascan Diversified Income Management Ltd. in its capacity as manager of the Fund (in such capacity, the **Manager**) and Computershare Trust Company of Canada in its capacity as agent under the Plan (in such capacity, the **Plan Agent**).

8. Distributions due to Unitholders who have elected to participate in the Plan (the **Plan Participants**) will be automatically reinvested on their behalf by the Plan Agent to purchase Plan Units in the market or from the Fund in the following manner:
  - (a) if the weighted average trading price on the TSX (or such other stock exchange on which the Units are listed, if the Fund Units are not listed on the TSX) for the 10 trading days immediately preceding the relevant Record Date (the **Market Price**) plus estimated brokerage fees and commissions is greater than or equal to the net asset value of the Fund per Unit (the **NAV per Unit**) on the Record Date, the Plan Agent will apply the distributions to purchase Plan Units from the Fund through the issue of new Plan Units at the higher of (i) the NAV per Unit on the relevant Distribution Payment Date and (ii) 95% of the Market Price on the relevant Distribution Payment Date;
  - (b) If the Market Price plus estimated brokerage fees and commissions is less than NAV per Unit on the Record Date, purchases of Units will be made in the market during the 5 business days next following that Record Date on any business day when the Market Price is less than the NAV per Unit determined as at such Record Date and on the 6<sup>th</sup> business day after the Record Date the unused part (if any) of the distributions will be applied to a purchase of Units in accordance with the procedure in paragraph 8(a) above; and
  - (c) the Plan Units purchased in the market or from the Fund's treasury will be allocated by the Plan Agent on a *pro rata* basis to the Plan Participants.
9. The Plan also allows Plan Participants to make optional cash payments (**Optional Cash Payments**) which will be used by the Plan Agent to purchase Plan Units. A Plan Participant must invest a minimum of \$100 per Optional Cash Payment. Optional Cash Payments will be used by the Plan Agent to purchase Plan Units on the same basis as distributions as described above. The aggregate number of Plan Units that may be purchased with Optional Cash Payments in a calendar year will be limited to 2% of the outstanding Units at the commencement of that calendar year.

10. Optional Cash Payments, along with a Plan Participant's notice of his or her intention to make an Optional Cash Payment, must be received by the Plan Agent via the applicable CDS Participant on or before 5:00 p.m. (Toronto time) on the day which is at least five business days prior to a Distribution Payment Date, in order to be invested in Plan Units immediately following such Distribution Payment Date. Optional Cash Payments and/or notices received less than five business days prior to a Distribution Payment Date will result in the Plan Agent holding (without interest) the Optional Cash Payment and using the same to purchase Plan Units after the second Distribution Payment Date following the date of receipt of the Optional Cash Payment.
  11. The Plan Agent will purchase Plan Units only in accordance with mechanics described in the Plan and, accordingly, there is no opportunity for a Plan Participant or the Plan Agent to speculate on NAV per Unit.
  12. The Fund will invest in the assets with the objective of providing Unitholders with a stable stream of monthly cash distributions as well as a cost-effective method of reducing the risk of investing in such securities through broad diversification. Accordingly, the NAV per Unit should be less volatile than that of a typical equity fund, and the potential for significant changes in the NAV per Unit over short periods of time is moderate.
  13. The amount of distributions that may be reinvested in Plan Units issued from treasury is small relative to the Unitholder's equity in the Fund.
  14. The Plan is open for participation by all Unitholders (other than non-residents of Canada), so that such Unitholders can reduce potential dilution by electing to participate in the Plan.
  15. As all Units, including those issued pursuant to the Plan, are issued in book-entry only form and are held by, and registered in the name of CDS, Plan Participants will not be entitled to receive certificates representing Plan Units purchased or issued under the Plan.
  16. A Plan Participant may terminate his or her participation in the Plan by providing the Plan Agent (via the applicable CDS Participant) at least five business days' prior written notice and, such notice, if actually received no later than five business days prior to the next Record Date, will have effect beginning with the distribution to be made with respect to such Record Date. Thereafter, distributions payable to such Unitholder will be in cash.
  17. The Manager reserves the right to terminate the Plan at any time in its sole discretion, in which case Plan Participants will be sent written notice thereof.
  18. The Manager may amend, modify or suspend the Plan at any time in its sole discretion, provided that it gives notice of that amendment, modification or suspension to the Plan Participants (through applicable CDS Participants). Any amendments to the Plan are subject to prior approval by the Toronto Stock Exchange. The Manager may adopt additional rules and regulations to facilitate the administration of the Plan subject to the approval of any applicable securities regulatory authority or stock exchange.
  19. Except in Alberta, the distribution of the Plan Units by the Fund pursuant to the Plan cannot be made in reliance on certain registration and prospectus exemptions contained in the Legislation as the Plan involves the reinvestment of distributable income distributed by the Fund and not the reinvestment of dividends or interest of the Fund, capital gains or distributions out of earnings or surplus.
  20. The distribution of the Plan Units by the Fund pursuant to the Plan cannot be made in reliance on registration and prospectus exemptions contained in the Legislation for distribution reinvestment plans of mutual funds, as the Fund is not considered to be a "mutual fund" as defined in the Legislation because the Unitholders are not entitled to receive on demand an amount computed by reference to the value of a proportionate interest in the whole or in a portion of the net assets of the Fund.
- AND WHEREAS** under the System, this MRRS Decision Document evidences the decision of each of the Decision Makers (collectively, the **Decision**);
- AND WHEREAS** each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Makers with the jurisdiction to make the Decision has been met;
- THE DECISION** of the Decision Makers pursuant to the Legislation is that, except in Alberta, the trades of Plan Units to the Plan Participants pursuant to the Plan shall not be subject to the Registration and Prospectus Requirements of the Legislation provided that:
- (a) at the time of the trade the Fund is a reporting issuer or the equivalent under the Legislation and is not in default of any requirements of the Legislation;
  - (b) no sales charge is payable in respect of the distributions of Plan Units from treasury;

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(c) the Fund has caused to be sent to the person or company to whom the Plan Units are traded, not more than 12 months before the trade, a statement describing:</p> <p>(i) their right to withdraw from the Plan and to make an election to receive cash instead of Plan Units on the making of a distribution by the Fund; and</p> <p>(ii) instructions on how to exercise the right referred to in (i);</p> <p>(d) in the calendar year during which the trade takes place, the aggregate number of Plan Units issued pursuant to the Optional Cash Payments shall not exceed 2% of the aggregate number of Units outstanding at the commencement of that calendar year; and</p> <p>(e) in each of the Jurisdictions other than Québec, the first trade or resale of Plan Units acquired pursuant to the Plan in a Jurisdiction shall be deemed a distribution or primary distribution to the public under the Legislation unless the conditions of paragraphs 2 through 5 of subsection 2.6(3) or (4) of Multilateral Instrument 45-102 are satisfied; and</p> <p>(f) in Québec, the first trade (alienation) of Plan Units acquired pursuant to the Plan in a Jurisdiction shall be deemed to be a distribution or primary distribution to the public unless:</p> <p>(i) at the time of the first trade, the Fund is a reporting issuer in Québec and is not in default on any of the requirements of securities legislation in Québec;</p> <p>(ii) no unusual effort is made to prepare the market or to create a demand for the Plan Units;</p> <p>(iii) no extraordinary commission or consideration is paid to a person or company other than the vendor of the Plan Units in respect of the first trade; and</p> | <p>(iv) the vendor of the Plan Units, if in a special relationship with the Fund, has no reasonable grounds to believe that the Fund is in default of any requirement of the Legislation of Québec.</p> |
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February 27, 2004.

"Robert L. Shirriff"

"Robert W. Davis"

**2.1.11 @rgentum Management and Research Corporation - MRRS Decision**

prospectus dated February 18, 2003 (the Prospectus).

**Headnote**

Mutual Reliance Review System for Exemptive Relief Applications – Lapse date extension exemption from the requirements of section 62(2).

**Statutes Cited**

Securities Act, R.S.O., 1990 c. S.5, as amended, sections 62(2), 62(5) and 147.

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

**AND**

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

**AND**

**IN THE MATTER OF  
ARGENTUM GROUP OF FUNDS**

**MRRS DECISION DOCUMENT**

**WHEREAS** the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of the Provinces of Quebec, British Columbia, Alberta, Ontario, (the "Jurisdictions") has received an application (the "Application") from @rgentum Management and Research Corporation. (the "Manager"), Argentum group of funds (the "Funds") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the lapse date for the renewal of the simplified prospectus and annual information form of the securities of the Funds (the "Prospectus") be extended to those time limits that would be applicable if the lapse date of the Prospectus was March 8, 2004;

**AND WHEREAS** pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Agence National d'Encadrement du Secteur Financier (l'Autorité des Marchés Financiers) is the principal regulator for this application;

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

- (a) The Manager is the trustee and manager of the Funds.
- (b) The Funds are open-ended mutual fund trusts established under the laws of Ontario. Securities of the Funds are currently offered under a simplified

- (c) The Funds are reporting issuer under the Legislation and are not in default of any requirements of the Legislation or the regulations made thereunder.
- (d) Pursuant to the Legislation or the regulations made thereunder, the lapse date (the "Lapse Date") for distribution of securities of the Funds is February 19, 2004 ( February 18, 2004 for British Columbia, Alberta, Ontario provinces ).
- (e) Since February 18, 2003, the date of the Prospectus, no material change has occurred and no amendments have been made to the Prospectus. Accordingly, the Prospectus represents up to date information regarding the Funds offered therein. The extension requested will not affect the currency of the information contained in the Prospectus of the Funds.
- (f) In order to allow the filing of Funds' disclosure document in accordance with applicable section of the Legislation, the Manager has requested an extension of the Lapse Date to March 8, 2004.

**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 are 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 time limits provided by Legislation as they apply to a distribution of securities under a prospectus are hereby extended to the time limits that would be applicable if the Lapse Date for the distribution of securities under the Prospectus of the Funds was March 8, 2004 and that the offering of securities of the Funds may continue provided a pro forma simplified prospectus and annual information form are filed 30 days prior to March 8, 2004, a final simplified prospectus and annual information form are filed no later than 10 days after March 8, 2004 and receipts for the simplified prospectus and annual information form are obtained no later than 20 days after March 8, 2004.

February 27, 2004.

"Josée Deslauriers"

## 2.2 Orders

### 2.2.1 Jovian Capital Corporation - ss. 83.1(1)

#### Headnote

Reporting issuer in Alberta, British Columbia, Manitoba and Saskatchewan and listed on the TSX Venture Exchange deemed to be a reporting issuer for the purposes of Ontario securities law.

#### Applicable Ontario Statutory Provisions

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

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

**AND**

**IN THE MATTER OF  
JOVIAN CAPITAL CORPORATION**

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

**UPON** the application (the "**Application**") of Jovian Capital Corporation (the "**Corporation**") to the Ontario Securities Commission (the "**Commission**") for an order pursuant to subsection 83.1(1) of the Act deeming the Corporation to be a reporting issuer for the purposes of Ontario securities law;

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

**AND UPON** the Corporation having represented to the Commission as follows:

1. The Corporation (formerly named Rice Capital Management Plus Inc.) was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (Manitoba) on March 25, 1998. By Articles of Continuance, issued October 2, 2003, the corporation was continued under the *Canadian Business Corporation Act* ("**CBCA**") under its current name.
2. Effective July 2, 2003, the Corporation acquired all of the issued and outstanding shares of Jovian Asset Management Inc. (formerly named Jovian Capital Corporation) for consideration which included, *inter alia*, the issuance of 30,485,214 common shares.
3. The head office of the Corporation is located at 491 Portage Avenue, Winnipeg, Manitoba, R3B 2E4.
4. The authorized capital of the Corporation consists of an unlimited number of common shares

("Common Shares") and an unlimited number of preference shares issuable in series, of which 74,009,876 Common Shares and 3,219,502 preference shares are issued and outstanding as of the date hereof.

5. The Corporation has not been the subject of any enforcement actions by any of the Reporting Jurisdictions, or the TSX Venture Exchange (the "**Exchange**"), and is currently a "reporting issuer" (or the equivalent) in the Provinces of Alberta, British Columbia, Manitoba and Saskatchewan (collectively, the "**Reporting Jurisdictions**"). The Corporation became a reporting issuer under the *Securities Act* (Alberta) on July 3, 1998, under the *Securities Act* (British Columbia) on November 29, 1999, under *The Securities Act* (Manitoba) on April 16, 1999, and under the *Securities Act* (Saskatchewan) on April 24, 2001. The Corporation is not a reporting issuer (or the equivalent) under the securities laws of any other jurisdiction.
6. The Common Shares were listed on the Exchange (formerly the Canadian Venture Exchange Inc. "CDNX") on March 25, 1998, and currently trade under the symbol "JVN". The Corporation is in good standing under the rules, regulations and policies of the Exchange.
7. Accordingly, the Corporation is not in default of any requirement of the Act, the *Securities Act* (Alberta), the *Securities Act* (British Columbia), *The Securities Act* (Manitoba), or the *Securities Act* (Saskatchewan).
8. The continuous disclosure requirements of the *Securities Act* (Alberta), *Securities Act* (British Columbia), *The Securities Act* (Manitoba), and the *Securities Act* (Saskatchewan) are substantially the same as the requirements under the Act.
9. The materials filed by the Corporation as a reporting issuer in the Reporting Jurisdictions are available on the System for Electronic Document Analysis and Retrieval.
10. The Corporation has a "significant connection to Ontario" in that Ontario residents are known to management of the Corporation to beneficially own more than 20% of the outstanding Common Shares and a majority of the directors of the Corporation are resident in Ontario. Section 19.2 of Exchange Policy 3.1 requires the Corporation to become a reporting issuer under the Act as a result of having a "significant connection to Ontario".
11. There have been no penalties or sanctions imposed against the Corporation by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority, and the Corporation has not entered into a settlement

agreement with a Canadian securities regulatory authority.

12. Neither the Corporation, any of its officers or directors nor, to the knowledge of the Corporation and its officers and directors, any of its controlling shareholders is or has been subject to:

- (a) any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or
- (b) 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.

13. Neither the Corporation, any of its officers or directors nor, to the knowledge of the Corporation and its officers and directors, any of its controlling shareholders is or has been subject to:

- (a) any known ongoing or concluded investigation by: (i) a Canadian securities regulatory authority; or (ii) 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
- (b) 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.

14. None of the Corporation's directors and officers, nor to the knowledge of the Corporation and its officers and directors, any of its controlling shareholders, is or has been at the time of such event, an officer or director of any other issuer which is or has been subject to:

- (a) any cease trade order or similar order, or order that denied access to any exemptions under Ontario securities laws, for a period of more than 30 consecutive days, within the preceding 10 years; or
- (b) 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.

**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 Corporation be deemed to be a reporting issuer for the purposes of Ontario securities law.

February 25, 2004.

"Charlie MacCready"

**2.2.2 Mr. Paul D. Phelan - cl. 88(2)(b) and s. 113 of the OBCA**

**Headnote**

Application for relief from the requirement in the Securities Act (Ontario) and the Business Corporations Act (Ontario) to send an information circular to shareholders in connection with the solicitation of proxies from such shareholders. Exemption granted to allow solicitations without sending an information circular in circumstances currently allowed under the Canada Business Corporations Act where the solicitation consists of (i) a public announcement of how a shareholder intends to vote and the reasons for such decision, (ii) a communication to shareholders concerning the business and affairs of the company where no proxy is sent to such shareholders, or (iii) solicitations to no more than 15 shareholders. Exemption also granted to allow solicitation in a newspaper which is accompanied by all the information required to be sent to a shareholder when the shareholder's proxy is solicited.

**Statutes Cited**

Securities Act R.S.O. 1990, c. S.5, as amended, ss. 86(1)(b) and 88(2)(b).  
Business Corporations Act R.S.O. 1990, c. B.16, as amended, ss. 112(1) and 113.

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

**AND**

**IN THE MATTER OF  
THE BUSINESS CORPORATIONS ACT,  
R.S.O. 1990, CHAPTER B.16, AS AMENDED  
(the "OBCA")**

**AND**

**IN THE MATTER OF  
CARA OPERATIONS LIMITED**

**AND**

**IN THE MATTER OF  
MR. PAUL D. PHELAN**

**ORDER  
(Clause 88(2)(b) of the OSA and  
section 113 of the OBCA)**

**UPON** the application of Mr. Paul D. Phelan ("Phelan"), on his own behalf and on behalf of companies controlled by him (collectively, the "Phelan Group"), to the Ontario Securities Commission (the "Commission") for an order (the "Order") pursuant to clause 88(2)(b) of the OSA and section 113 of the OBCA that the Phelan Group be exempted from the requirement in clause 86(1)(b) of the OSA and subsection 112(1) of the OBCA to send an

information circular to shareholders ("Shareholders") of Cara Operations Limited ("Cara") in connection with the Phelan Group's potential solicitation of proxies for the special shareholders' meeting of Cara scheduled to be held on February 3, 2004 (the "Meeting"), subject to the conditions stated in this Order;

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

**AND UPON** the Commission being satisfied that Shareholders would not be prejudiced by the requested exemptions in view of the conditions contained therein;

**AND UPON** the Commission being satisfied in the circumstances that there is adequate justification for so doing;

**IT IS ORDERED**, pursuant to clause 88(2)(b) of the OSA and section 113 of the OBCA, that the Phelan Group is exempt from:

- (a) clause 86(1)(b) of the OSA and subsection 112(1) of the OBCA in connection with any solicitation of proxies (as such terms are defined in Part XIX of the OSA and Part VIII of the OBCA) in respect of the Meeting which consists solely of:
  - (i) a public announcement of how the Phelan Group or any member thereof intends to vote in respect of any item of business to be considered at the Meeting and the reasons for that decision, where such public announcement is made by:
    - (A) a speech in a public forum; or
    - (B) a press release, an opinion, a statement or an advertisement provided through a broadcast medium or by a telephonic, electronic or other communication facility, or appearing in a newspaper, a magazine or other publication generally available to the public; and/or
  - (ii) a communication in circumstances in which the communication is made to Shareholders and concerns the business and affairs of Cara, including its management or



proposals contained in the management proxy circular sent to Shareholders in respect of the Meeting, and no form of proxy is sent to or requested from those Shareholders by a member of the Phelan Group or any person acting on behalf of any such member;

(b) the requirement in clause 86(1)(b) of the OSA and subsection 112(1) of the OBCA to send an information circular to Shareholders in connection with any solicitation of their proxies in respect of the Meeting where such solicitation:

(i) consists of the publication of an advertisement in a daily newspaper distributed in Ontario; and

(ii) is not exempt from clause 86(1)(b) of the OSA and subsection 112(1) of the OBCA by reason of subparagraph (a)(i) above,

provided that such advertisement includes the required contents of an information circular as provided for in the regulation made under the OSA; and

(c) section 112 of the OBCA in connection with any solicitation of proxies to which subsection 86(1) of the OSA would not apply by reason of clause 86(2)(a) of the OSA.

January 26, 2004.

"Paul M. Moore"

"Theresa McLeod"

## **2.2.3 HNR Ventures Inc. - s. 144**

### **Headnote**

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

### **Statutes Cited**

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

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

### **AND**

### **IN THE MATTER OF HNR VENTURES INC.**

### **ORDER (Section 144)**

**WHEREAS** the securities of HNR Ventures Inc. (the "Reporting Issuer") currently are subject to a Temporary Order (the "Temporary Order") made by a Director, Corporate Finance on behalf of the Ontario Securities Commission (the "Commission"), pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act, on the 9<sup>th</sup> day of December, 2003 as extended by a further order (the "Extension Order") of a Director, made on the 19<sup>th</sup> day of December, 2003, on behalf of the Commission pursuant to subsection 127(8) of the Act, that trading in the securities of the Reporting Issuer cease until the Temporary Order, as extended by the Extension Order, is revoked by a further Order of Revocation;

**AND WHEREAS** the Temporary Order and Extension Order were each made on the basis that the Reporting Issuer was in default of certain filing requirements;

**AND WHEREAS** the undersigned Director is satisfied that the Reporting Issuer has remedied its default in respect of the 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.

**NOW THEREFORE, IT IS ORDERED**, pursuant to section 144 of the Act, that the Temporary Order and Extension Order be and they are hereby revoked.

February 27, 2004.

"Charlie MacCready"

**2.2.4 Hedley Technologies Inc. - ss. 83.1(1)**

**Headnote**

Subsection 83.1(1) — issuer deemed to be a reporting issuer in Ontario — issuer a reporting issuer in Alberta and British Columbia — 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.

**Statutes Cited**

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

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

**AND**

**IN THE MATTER OF  
HEDLEY TECHNOLOGIES INC.**

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

**UPON** the application of Hedley Technologies Inc. (the "Corporation") for an order pursuant to subsection 83.1(1) of the Act deeming the Corporation to be a reporting issuer for the purposes of Ontario securities law;

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

**AND UPON** the Corporation representing to the Commission as follows:

1. The Corporation was incorporated under the laws of British Columbia on April 28, 1947.
2. The head and registered office of the Corporation is located at 2601 Matheson Blvd. E. Suite 5 Mississauga, Ontario L4W 5A8.
3. The authorized share capital of the Corporation consists of an unlimited number of Common shares without par value and 25,000,000 Preferred Shares. As at September 30, 2003, 12,195,195 Common shares were issued and outstanding.
4. The Corporation has been a reporting issuer under the British Columbia *Securities Act* (the "B.C. Act") since 1978. The Corporation is not in default of any requirements of the B.C. Act.
5. The Corporation has been a reporting issuer under the Alberta *Securities Act* (the "Alberta Act") since November 26, 1999. The Corporation is not in default of any requirements of the Alberta Act.

6. The Corporation is not a reporting issuer under the securities legislation in any jurisdiction in Canada other than British Columbia and Alberta.
7. The Common shares of the Corporation are listed on the TSX Venture Exchange (formerly, the Canadian Venture Exchange), and the Corporation is in compliance with all requirements of the TSX Venture Exchange.
8. The Corporation has a significant connection to Ontario for the reason that (i) greater than 10% of the Corporation's registered and beneficial shareholders reside in Ontario, and (ii) the mind and management of the Corporation are located in Ontario.
9. The continuous disclosure requirements of the B.C. Act and the Alberta Act are substantially the same as the requirements under the Act.
10. The continuous disclosure documents filed by the Corporation under the B.C. Act and the Alberta Act are available on the System for Electronic Document Analysis and Retrieval.
11. The Corporation has not been subject to any penalties or sanctions imposed against the Corporation by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority, and has not entered into any settlement agreement with any Canadian securities regulatory authority.
12. Neither the Corporation nor any of its officers, directors nor, to the knowledge of the Corporation, its officers and directors, any of its shareholders holding sufficient securities of the Corporation to affect materially the control of the Corporation, 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 authority, (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.
13. Neither the Corporation nor any of its officers, directors, nor to the knowledge of the Corporation, its officers and directors, any of its shareholders holding sufficient securities of the Corporation to affect materially the control of the Corporation, 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.

14. Except as noted below, none of the officers or directors of the Corporation, nor to the knowledge of the Corporation, its officers and directors, any of its shareholders holding sufficient securities of the Corporation to affect materially the control of the Corporation, is or has been at the time of such event an officer or director 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, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years.
15. On January 20, 1995, the British Columbia Securities Commission issued a cease trade order because (i) the financial statements filed for the financial year ended December 31, 1993, contained a material overstatement of sales, and (ii) the interim financial statements for the three month period ended March 31, 1994, the six month period ended June 30, 1994 and the nine month period ended September 30, 1994 contained a material overstatement of sales and cash, and a material misstatement of share subscriptions receivable, shareholder loans, trade accounts receivable, deposits and prepaid expenses. The directors and officers of the Corporation prior to and during the cease trade order and the approximate resignation dates were as follows:

Name	Approximate Resignation Date
------	------------------------------

John S. Godfrey	June 1995
Carl R. Jonsson	January 1996
Paul F. Saxton	December 1995
Kirk D. Godfrey	November 1994

The order was rescinded on May 11, 1995.

**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 Corporation be deemed a reporting issuer for the purposes of the Act.

March 1, 2004.

"Cameron McInnis"

## 2.2.5 UBS Global Asset Management (Canada) Co. - s. 147

### Headnote

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

### Statutes Cited

Securities Act, R.S.O. 1990, c. S.5 as am., s. 147.  
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 UBS GLOBAL ASSET MANAGEMENT (CANADA) CO.

AND

UBS (CANADA) AMERICAN EQUITY FUND  
UBS (CANADA) BALANCED (CAPPED) FUND  
UBS (CANADA) BALANCED FUND  
UBS (CANADA) BOND FUND  
UBS (CANADA) CANADA PLUS EQUITY FUND  
UBS (CANADA) CANADIAN EQUITY (CAPPED) FUND  
UBS (CANADA) CANADIAN EQUITY FUND  
UBS (CANADA) CASH IN ACTION FUND  
UBS (CANADA) CASH MANAGEMENT FUND  
UBS (CANADA) DIVERSIFIED FUND  
UBS (CANADA) EMERGING MARKETS EQUITY FUND  
UBS (CANADA) EMERGING TECHNOLOGIES FUND  
UBS (CANADA) GLOBAL BOND FUND - (CAD)  
UBS (CANADA) GLOBAL EQUITY FUND  
UBS (CANADA) GLOBAL LARGE CAP EQUITY FUND  
UBS (CANADA) GOVERNMENT OF CANADA MONEY  
MARKET FUND  
UBS (CANADA) INTERNATIONAL EQUITY FUND  
UBS (CANADA) INTERNATIONAL LARGE CAP EQUITY  
FUND  
UBS (CANADA) LONG TERM BOND FUND  
UBS (CANADA) MONEY MARKET FUND  
UBS (CANADA) SHORT TERM BOND FUND  
UBS (CANADA) SMALL CAPITALIZATION FUND  
UBS (CANADA) U.S. \$ CASH MANAGEMENT SERIES A  
UBS (CANADA) U.S. EQUITY FUND

**UBS (CANADA) U.S. LARGE/MID CAP EQUITY FUND  
(collectively, the “UBS (CANADA) POOLED FUNDS”)**

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

**UPON** the application (the “Application”) of UBS Global Asset Management (Canada) Co. (“UBS”), the manager of the UBS (Canada) Pooled Funds and other pooled funds established and managed by UBS from time to time (collectively, the “Pooled Funds”), to the Ontario Securities Commission (the “Commission”) for an order pursuant to subsection 147 of the Act exempting the Pooled Funds from filing with the Commission the interim and comparative financial statements prescribed by subsections 77(2) and 78(1), respectively, of the Act;

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

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

1. UBS is a corporation existing under the laws of Nova Scotia with its head office in Toronto, Ontario. UBS is, or will be, the manager of the Pooled Funds. UBS is registered with the Commission as a Limited Market Dealer and as an Investment Counsel & Portfolio Manager.
2. Each of the Pooled Funds is, or will be, an open-end mutual fund trust established under the laws of the Province of Ontario. The Pooled Funds are not and will not be reporting issuers in any province or territory of Canada. Units of the Pooled Funds are, or will be, distributed in each of the provinces and territories of Canada without a prospectus pursuant to exemptions from the registration and prospectus delivery requirements of applicable securities legislation.
3. The Pooled Funds are an administratively efficient construction that is designed to permit UBS to build larger investment models rather than reproduce those same models in individual segregated accounts.
4. Each of the Pooled Funds is a “mutual fund in Ontario” as defined in subsection 1(1) of the Act and are required to file with the Commission interim financial statements under subsection 77(2) of the Act and comparative financial statements under subsection 78(1) of the Act (collectively, the “Financial Statements”).
5. Unitholders of the Pooled Funds receive the Financial Statements for the Pooled Funds they hold. The Financial Statements are prepared and delivered to unitholders in the form and for the periods required under the Act and the regulation or rules made thereunder (the “Regulation”).

6. Subsection 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 therefore 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 section 147 of the Act that the Pooled Funds be exempted from the requirements in subsections 77(2) and 78(1) of the Act to file the Financial Statements with the Commission provided:

- (a) The Pooled Funds prepare and deliver to the unitholders of the Pooled Funds the Financial Statements, in the form and for the periods required under the Act and the Regulation, as if the Financial Statements are required to be filed with the Commission;
- (b) The Pooled Funds retain the Financial Statements indefinitely;
- (c) The Pooled Funds 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) UBS provides a list of the Pooled Funds relying on this Order to the Investment Funds Branch of the Commission on an annual basis;
- (e) Unitholders of the Pooled Funds are notified that the Pooled Funds are exempted from the requirements in subsections 77(2) and 78(1) of the Act to file the Financial Statements with the Commission;
- (f) In all other aspects, the Pooled Funds 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 subsections 77(2) and 78(1) of the Act.

February 27, 2004.

“Paul M. Moore”

“Theresa McLeod”

**2.2.6 Wisper Inc. - s. 144**

**Headnote**

Section 144 – partial revocation of a cease trade order to permit shareholders to vote on proposed debt settlement and acquisition of holding company holding licence of proprietary Internet search software.

**Applicable Ontario Statutory Provisions**

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

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

**AND**

**IN THE MATTER OF  
WISPER INC. (the “Corporation”)**

**ORDER  
(Section 144)**

**WHEREAS** the securities of the Corporation are subject to a temporary order of the Manager, Corporate Finance (the “Manager”) of the Ontario Securities Commission (the “Commission”) dated October 22, 2002 and extended by an order of the Manager dated November 1, 2002 made under section 127 of the Act (collectively referred to as the “Cease Trade Order”) directing that trading in the securities of the Corporation cease until it is revoked by a further order of revocation.

**AND WHEREAS** the Corporation has applied to the Commission pursuant to section 144 of the Act (the “Application”) for a full revocation of the Cease Trade Order.

**AND UPON** the Corporation having represented to the Commission as follows:

1. The Corporation was amalgamated on May 31, 1996 under the name Logicsys Inc. pursuant to the *Business Corporations Act* (Ontario). On January 11, 2001 the name of the Corporation was changed to Wisper Inc.
2. The Corporation is a reporting issuer under the Act, the *Securities Act* (Alberta) (the “Alberta Act”) and under the *Securities Act* (British Columbia) (the “BC Act”) and is not a reporting issuer or the equivalent under the securities legislation of any other jurisdiction in Canada.
3. The authorized share capital of the Corporation consists of an unlimited number of Common Shares, an unlimited number of First Preferred Shares and an unlimited number of Second Preferred Shares, of which 36,333,614 Common Shares and no First Preferred Shares or Second

Preferred Shares were issued and outstanding as of February 26, 2004.

4. The Cease Trade Order was issued as a result of the Corporation's failure to file its audited financial statements for the fiscal year ended May 31, 2002 due to lack of funds necessary to engage an auditor. Subsequently, the Corporation failed to file its interim financial statements for the three-month period ended August 31, 2002, the six-month period ended November 30, 2002, the nine-month period ended February 28, 2003, the three-month period ended August 31, 2003 and audited financial statements for the fiscal year ended May 31, 2003.
5. The Corporation is also subject to cease trade orders issued under the BC Act and the Alberta Act and has concurrently applied for a revocation of those cease trade orders.
6. The Corporation has filed on SEDAR its financial statements for the fiscal years ended May 31, 2002 and May 31, 2003, (the “Annual Financial Statements”) and its interim financial statements for the three-month period ended August 31, 2003 (collectively, the “Financial Statements”) and has sent the Financial Statements to its shareholders. The auditor's reports for the Annual Financial Statements each contains a qualification paragraph in regards to accounts payable balances of the Corporation's subsidiary, Wisper Networks Inc. (“Wisper Networks”).
7. The Corporation is currently inactive and is contemplating a series of transactions to reactivate itself (the “Reactivation Transactions”).
8. The Reactivation Transactions include: (i) the effective consolidation of all issued and outstanding Common Shares on a one for ten basis; (ii) the settlement of all outstanding indebtedness in consideration for the issuance of post-consolidated Common Shares (the “Debt Settlement”); (iii) a change of corporate name; and (iv) the acquisition of all outstanding securities of a holding company which has recently been formed, whose assets at closing will consist of a Canadian Master Licence of proprietary Internet search software developed by AgentShopper Inc. of Toronto and its affiliates and cash of approximately \$350,000 (the “Licence Transaction”).
9. Following completion of the Reactivation Transactions, existing holders of Common Shares will hold approximately 18% of the outstanding post-consolidated Common Shares.
10. Shareholders approved the Reactivation Transactions at a special meeting held in Toronto on Wednesday, December 17, 2003 (the “Shareholders' Meeting”).

11. The Manager granted the Corporation a partial revocation of the Cease Trade Order on December 16, 2003 solely to permit the Shareholders' Meeting to be held and to permit the shareholders of the Corporation to consider and vote on the Reactivation Transactions (the "Partial Revocation Order").
12. The Corporation sent to its shareholders and filed on SEDAR an information circular (the "Circular") which contains disclosure about the Reactivation Transactions, the Corporation and the proposed business and affairs of the Corporation following the completion of the Reactivation Transactions.
13. The Common Shares of the Corporation were delisted from the TSX Venture Exchange and are currently not listed or quoted on any exchange or market in Canada or elsewhere.
14. Other than its Common Shares, the Corporation has no securities, including debt securities, outstanding.
15. The Corporation has applied for a full revocation of the Cease Trade Order, in order to complete the Reactivation Transactions and to permit the trading of its securities generally.
16. As represented by the Corporation in the Partial Revocation Order, the Corporation has bankrupted its wholly-owned subsidiary Wisper Networks, has prepared and filed on SEDAR new audited statements as at and for the seven month period ended December 31, 2003 which include an unqualified auditors' report and has issued and filed on SEDAR an accompanying press release and material change report.
17. Other than:
  - (a) the Cease Trade Order;
  - (b) the Corporation's failure to file or send to its shareholders the Annual Financial Statements with an unqualified auditor's opinion; and
  - (c) the Corporation's failure to file or send to its shareholders interim financial statements for the six month period ended November 30, 2002 and interim financial statements for the nine month period ended February 28, 2003,

the Corporation is not in default of any requirements of the Act or the rules or regulations thereunder.

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

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

**IT IS ORDERED**, pursuant to section 144 of the Act, that the Cease Trade Order be revoked to permit the Corporation to complete the Reactivation Transactions and to permit the trading of its securities generally.

February 27, 2004.

"Kelly Gorman"

## 2.3 Rulings

### 2.3.1 Dividend 15 Split Corp. - ss. 74(1)

#### Headnote

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

#### Statutes Cited

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

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

**AND**

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

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

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

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

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

1. The Company is a mutual fund Company, incorporated under the laws of Ontario. Quadravest Inc. (the "Manager") is the manager of the Company.
2. The Company is a mutual fund within the meaning of that term in subsection 1(1) of the Act.
3. In connection with an offering of Preferred Shares ("Preferred Shares") and Class A Shares ("Class A Shares") of the Company, the Company filed a preliminary prospectus (the "Preliminary Prospectus") dated January 20, 2004 with the Commission and with the securities regulatory authority in each of the other provinces of Canada under SEDAR Project No. 606997.
4. Quadravest Capital Management Inc. ("Quadravest") will act as the portfolio adviser of the Company.
5. Quadravest is registered under the Act as an adviser in the categories of investment counsel and portfolio manager and as a dealer in the category of mutual fund dealer.
6. The Company's objectives are (i) in respect of its Preferred Shares, to provide holders of the Preferred Shares with fixed, cumulative preferential monthly cash dividends in the amount of \$0.04375 per Preferred Share to yield 5.25% per annum; and on or about December 1, 2009 (the "Termination Date"), to pay such holders of such shares the original issue price of those shares pursuant to their redemption on the Termination Date; and (ii) in respect of the Class A Shares, to provide holders of Class A Shares with regular monthly cash dividends initially targeted to be \$0.10 per Class A Share to yield 8.0% per annum; and on or about the Termination Date, to pay holders of Class A Shares the original issue price of those shares pursuant to their redemption on the Termination Date. Holders of the Class A Shares will also be entitled to receive, on the Termination Date, the balance, if any, of the remaining assets of the Company after returning the original issue price to the holders of the Preferred Shares and Class A Shares.
7. The net proceeds of the Offering, net of expenses, will be primarily invested in a portfolio of dividend-yielding common shares (the "Portfolio") which will include each of the 15 Canadian companies listed below, which are currently among the highest dividend-yielding stocks in the S&P/TSX 60 Index:

Bank of Montreal  
The Bank of Nova Scotia  
BCE Inc.  
Brascan Corporation  
Canadian Imperial Bank of  
Commerce

Dofasco Inc.  
Enbridge Inc.  
National Bank of Canada  
Noranda Inc.  
Royal Bank of Canada

TELUS Corporation  
The Thomson Corporation  
The Toronto-Dominion Bank  
TransAlta Corporation  
TransCanada Corporation

8. To generate additional returns above the net capital gains, dividends and interest income earned on the Portfolio and to reduce risk, the Company will from time to time write covered call options in respect of all or part of the securities in the Portfolio. Such call options may be either exchange traded options or OTC options. OTC options will be written by the Company only in respect of securities that are in the Portfolio and the investment restrictions of the Company prohibit the sale of securities that are subject to an outstanding option.
9. The writing of covered call options by the Company will be managed by Quadravest in a manner consistent with the investment objectives of the Company.
10. The individual securities in the Portfolio which are subject to call options and the terms of such call options will vary from time to time based on Quadravest's assessment of market conditions.
11. The purchasers of OTC Options written by the Company will generally be major Canadian financial institutions and all purchasers of OTC Options will be persons or entities described in Appendix A attached hereto.
12. The writing of OTC options by the Company will not be used as a means for the Company to raise new capital.

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

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

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

February 16, 2004.

"Robert Korthals"

"Suresh Thakrar"



**APPENDIX A**  
**QUALIFIED PARTIES**

**Interpretation**

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

**Qualified Parties Acting as Principal**

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

*Banks*

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

*Credit Unions and Caisses Populaires*

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

*Loan and Trust Companies*

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

*Insurance Companies*

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

*Sophisticated Entities*

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

*Individuals*

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

*Governments/Agencies*

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

*Municipalities*

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

*Corporations and other Entities*

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

*Pension Plan or Fund*

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

*Mutual Funds and Investment Funds*

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

*Brokers/Investment Dealers*

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

*Futures Commission Merchants*

- (u) a person or company registered under the CFA as a dealer in the category of futures commission merchant, or in an equivalent capacity elsewhere in Canada;

*Charities*

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

*Affiliates*

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

*Guaranteed Party*

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

**Qualified Party Not Acting as Principal**

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

*Managed Accounts*

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

**Subsequent Failure to Qualify**

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

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## Chapter 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
Future Beach Corporation	26 Feb 04	09 Mar 04		
King Products Inc.	03 Mar 04	15 Mar 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	26 Feb 04	

### 4.3.1 Issuer CTO's Revoked

Company Name	Date of Revocation
HNR Ventures Inc.	27 Feb 04
Wisper Inc.	27 Feb 04

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## **Chapter 7**

# **Insider Reporting**

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

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

To obtain Insider Reporting information, please visit the SEDI website ([www.sedi.ca](http://www.sedi.ca)).

## Chapter 8

# Notice of Exempt Financings

### Exempt Financings

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

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

<u>Transaction Date</u>	<u>Purchaser</u>	<u>Security</u>	<u>Total Purchase Price (\$)</u>	<u>Number of Securities</u>
07-Jan-2003 16-Oct-2003	10 Purchasers	ABN AMRO Global Equity Fund - Units	197,000.00	31,986.00
02-Feb-2003	9 Purchasers	Acuity Funds Ltd. - Trust Units	1,453,000.00	54,044.00
02-Feb-2003	3 Purchasers	Acuity Pooled Canadian Equity Fund - Trust Units	402,073.38	17,113.00
31-Jan-2004	4 purchasers	Alternum Capital - North American Value Hedge Fund - Limited Partnership Units	29,204.00	48.00
01-Jan-2003 31-Dec-2003	11 Purchasers	CMS/Procaccianti Hotel Opportunity Fund-Q, L.P. - Limited Partnership Units	2,550,000.00	3.00
01-Jan-2003 31-Dec-2003	MISIC Holdings;Inc. Rafelmar Holdings;Inc.	CMS/Procaccianti Hotel Opportunity Fund, L.P. - Limited Partnership Units	150,000.00	0.00
03-Jan-2003 31-Dec-2003	150 Purchasers	Co-operators Money Market Pooled Fund - Units	84,006,723.00	7,988,777.00
01-Aug-2003	Hans Schleissner	Cygnus XI Limited Partnership - Limited Partnership Units	152,630.88	12.00
01-Jan-2003 31-Dec-2003	The Manufacturers Life Insurance	Elliott & Page Limited - Units	481,172.43	57,214.00
01-Jan-2003 31-Dec-2003	The Manufacturers Life Insurance	Elliott & Page Limited - Units	26,424,026.93	2,695,513.00
01-Jan-2003 31-Dec-2003	The Manufacturers Life Insurance	Elliott & Page Limited - Units	1,085,994.69	215,731.00
01-Jan-2003 31-Dec-2003	The Manufacturers Life Insurance	Elliott & Page Limited - Units	58,216,497.55	6,891,910.00
01-Jan-2003 31-Dec-2003	The Manufacturers Life Insurance Company	Elliott & Page Limited - Units	1,561,954.11	154,802.00



**Notice of Exempt Financings**

01-Jan-2003 31-Dec-2003	The Manufacturers Life Insurance	Elliott & Page Limited - Units	404,231.50	40,790.00
01-Jan-2003 31-Dec-2003	The Manufacturers Life Insurance	Elliott & Page Limited - Units	3,060,237.50	347,245.00
01-Jan-2003 31-Dec-2003	The Manufacturers Life Insurance	Elliott & Page Limited - Units	55,721,387.66	5,410,132.00
01-Jan-2003 31-Dec-2003	The Manufacturers Life Insurance	Elliott & Page Limited - Units	944,190.91	94,419.00
01-Jan-2003 31-Dec-2003	The Manufacturers Life Insurance	Elliott & Page Limited - Units	4,652,755.68	420,293.00
01-Jan-2003 31-Dec-2003	The Manufacturers Life Insurance	Elliott & Page Limited - Units	119,035,466.60	11,903,547.00
01-Jan-2003 31-Dec-2003	The Manufacturers Life Insurance	Elliott & Page Limited - Units	6,999,974.84	406,354.00
01-Jan-2003 31-Dec-2003	The Manufacturers Life Insurance	Elliott & Page Limited - Units	328,113,767.67	26,207,362.00
01-Jan-2003 31-Dec-2003	The Manufacturers Life Insurance	Elliott & Page Limited - Units	3,081,231.57	317,617.00
01-Jan-2003 31-Dec-2003	The Manufacturers Life Insurance	Elliott & Page Limited - Units	2,185,044.74	229,860.00
01-Jan-2003 31-Dec-2003	The Manufacturers Life Insurance	Elliott & Page Limited - Units	1,157,317.41	97,772.00
01-Jan-2003 31-Dec-2003	The Manufacturers Life Insurance	Elliott & Page Limited - Units	50,759,728.83	2,308,345.00
01-Jan-2003 31-Dec-2003	The Manufacturers Life Insurance	Elliott & Page Limited - Units	16,078,477.32	1,473,844.00
01-Jan-2003 31-Dec-2003	The Manufacturers Life Insurance	Elliott & Page Limited - Units	18,620,776.78	2,123,909.00
01-Jan-2003 31-Dec-2003	The Manufacturers Life Insurance	Elliott & Page Limited - Units	5,044,759.29	641,451.00
01-Jan-2003 31-Dec-2003	The Manufacturers Life Insurance	Elliott & Page Limited - Units	8,110,201.25	965,134.00
25-Apr-2003 31-Dec-2003	The Manufacturers Life Insurance	Elliott & Page Limited - Units	116,599,152.90	11,431,460.00
01-Jan-2003 31-Dec-2003	The Manufacturers Life Insurance	Elliott & Page Limited - Units	3,928,255.91	255,527.00
01-Jan-2003 31-Dec-2003	The Manufacturers Life Insurance	Elliott & Page Limited - Units	2,274,028.17	199,797.00
01-Jan-2003 31-Dec-2003	The Manufacturers Life Insurance	Elliott & Page Limited - Units	16,215,243.85	1,538,476.00
18-Dec-2003	Foundation du College Boreal; Canadian Dental Service Plans Inc.	Fiera Capital Management Inc. - Units	3,127,465.00	282,561.00

**Notice of Exempt Financings**

29-Jan-2004	Krefar International Inc.	First One Capital Inc. - Common Shares	25,000.05	166,667.00
28-Jan-2004	NBF B Holdings Inc.	Flag Resources (1985) Limited - Units	91,000.00	700,000.00
02-Jan-2003 18-Jul-2003	7 Purchasers	GE Asset Management Canada Fund - Units	87,393,293.17	9,154,036.00
06-Jan-2003 30-Dec-2003	Sun Life Financial	GE International Investment Class Fund - Units	685,924.30	62,047.00
02-Jan-2003 30-Dec-2003	Sun Life Financial	GE US Investment Class Fund - Units	111,969.42	8,606.00
06-Jan-2003 29-Dec-2003	Sun Life Financial	GE Value Equity Fund - Units	457,644.83	39,479.00
04-Feb-2004	10 Purchasers	Goldeye Explorations Limited - Units	237,575.00	791,917.00
01-Jan-2003 31-Dec-2003	GS USD Liquid Reserve Fund	Goldman Sachs Mutual Funds - Units	9,968,261.00	9,968,261.00
01-Jan-2003 31-Dec-2003	GS USD Liquid Reserve Fund	Goldman Sachs Mutual Funds - Units	5,228,634.00	5,228,634.00
01-Jan-2003 31-Dec-2003	ILA Money Market Service	Goldman Sachs Mutual Funds - Units	33,179.34	33,179.00
01-Jan-2003 31-Dec-2003	Financial SQ Tax-Free MMKT Inst	Goldman Sachs Mutual Funds - Units	1,830,131.01	1,830,131.00
01-Jan-2003 31-Dec-2003	USD Liquid Reserves	Goldman Sachs Mutual Funds - Units	816.14	816.00
01-Jan-2003 31-Dec-2003	GS USD Liquid Reserve Fund INST Class	Goldman Sachs Mutual Funds - Units	217,997,788.23	217,997,788.00
01-Jan-2003 31-Dec-2003	USD Liquid Reserves	Goldman Sachs Mutual Funds - Units	0.12	0.00
01-Jan-2003 31-Dec-2003	USD Liquid Reserves	Goldman Sachs Mutual Funds - Units	447.02	447.00
01-Jan-2003 31-Dec-2003	ILA Prime Obligations Serv	Goldman Sachs Mutual Funds - Units	1,830,131.01	1,830,131.00
09-May-2003 09-Jun-2003	7 Purchasers	HBH Capital Limited Partnership - Limited Partnership Units	1,027,532.75	10,117.00
02-Jan-2003 29-Dec-2003	453 Purchasers	Highstreet Balanced Fund - Units	37,496,312.45	31,776,694.00
02-Jan-2003 17-Dec-2003	69 Purchasers	Highstreet Canadian Bond Index Fund - Units	10,103,681.86	1,124,322.00
02-Jan-2003 19-Dec-2003	63 Purchasers	Highstreet Canadian Equity Fund - Units	10,164,987.74	644,047.00
06-Jan-2003 15-Dec-2003	13 Purchasers	Highstreet International Equity Fund - Units	1,323,350.00	133,454.00

**Notice of Exempt Financings**

02-Jan-2003 12-Dec-2003	63 Purchasers	Highstreet Money Market Fund - Units	29,916,308.00	29,637,820.00
06-Jan-2003 19-Dec-2003	49 Purchasers	Highstreet U.S Equity Fund - Units	5,063,392.51	572,666.00
29-Jan-2004	Cinram International Inc.	HSBC US Dollar Liquidity Fund - Units	2,667,800.00	2,000,000.00
26-Jan-2004 29-Jan-2004	5 Purchasers	IMAGIN Diagnostics, Inc. - Common Shares	40,000.00	40,000.00
13-Jan-2004	Fred Fisher;Thomas Murdoch Phillip Bernardo	NEXUS BIOTECHNOLOGY INC. - Units	22,050.00	105,000.00
02-Feb-2004	680210 Ontario Limited	Inter-Citic Minerals Inc. - Units	24,692.40	41,154.00
25-Feb-2003	12 Purchasers	J.C. Clark Commonwealth Loyalist Trust - Units	6,296,000.00	62,960.00
25-Feb-2003 30-Dec-2003	23 Purchasers	J.C. Clark Commonwealth Patriot Trust - Units	10,393,012.20	106,569.00
03-Feb-2003 02-Oct-2003	Paul Beam;Michael Voisin	J.C. Clark Loyalist Reservation Trust - Units	327,482.99	3,081.00
02-Jan-2003 30-Dec-2003	13 Purchasers	J.C. Clark Preservation Trust - Units	11,734,000.00	153,213.00
28-Jan-2004	Jack Atkin	Kalahari Resources Inc. - Units	6,250.00	25,000.00
13-Feb-2003	Doug MacDonald	KBSH Enhanced Income Fund - Units	14,975.00	1,440.00
13-Feb-2003	Tim Stinson	KBSH Enhanced Income Fund - Units	39,975.00	3,843.00
27-Jan-2003	Harold Irvine	KBSH Enhanced Income Fund - Units	75,000.00	7,241.00
20-Feb-2004	Heather and David McFarland	KBSH Enhanced Income Fund - Units	44,244.00	4,261.00
20-Feb-2004	Heather McFarland Spousal RRSP	KBSH Enhanced Income Fund - Units	44,244.00	4,261.00
18-Feb-2004	Ilona Batho	KBSH Enhanced Income Fund - Units	14,500.00	1,395.00
18-Feb-2004	Gary Long	KBSH Private - Special Equity Fund - Units	21,080.00	1,332.00
30-Jan-2004	1455702 Ontario Inc.;Thomas Byrne	KFA Balanced Pooled Fund - Units	499,000.00	48,213.00
31-Jan-2003	4 Purchasers	Kingwest Avenue Portfolio - Units	123,100.00	5,780.00
03-Feb-2003 31-Dec-2003	181 Purchasers	Legg Mason Canada Poled Funds - Units	63,155,063.59	5,733,733.00
17-Feb-2004	5 Purchasers	LMS Medical Systems Ltd. - Common Shares	1,000,000.00	111,110.00

**Notice of Exempt Financings**

01-Dec-2003 31-Dec-2003	The Manufacturers Life Insurance	Manulife Investment Exchange Funds Corp - Units	12,193.43	1,065.00
20-Oct-2003 31-Dec-2003	The Manufacturers Life Insurance	Manulife Investment Exchange Funds Corp - Units	64,563.81	5,639.00
10-Oct-2003 31-Dec-2003	The Manufacturers Life Insurance	Manulife Investment Exchange Funds Corp - Units	165,502.40	13,229.00
01-Aug-2003 31-Dec-2003	The Manufacturers Life Insurance	Manulife Investment Exchange Funds Corp - Units	478,821.64	46,894.00
10-Oct-2003 31-Dec-2003	The Manufacturers Life Insurance	Manulife Investment Exchange Funds Corp - Units	192,258.09	19,294.00
04-Nov-2003 31-Dec-2003	The Manufacturers Life Insurance	Manulife Investment Exchange Funds Corp - Units	83,333.41	8,029.00
03-Oct-2003 31-Dec-2003	The Manufacturers Life Insurance	Manulife Investment Exchange Funds Corp - Units	10,462.90	1,047.00
01-Aug-2003 31-Dec-2003	The Manufacturers Life Insurance	Manulife Investment Exchange Funds Corp - Units	576,759.43	50,869.00
03-Oct-2003 31-Dec-2003	The Manufacturers Life Insurance	Manulife Investment Exchange Funds Corp - Units	121,593.33	11,077.00
10-Oct-2003 31-Dec-2003	The Manufacturers Life Insurance	Manulife Investment Exchange Funds Corp - Units	25,463.12	2,461.00
07-Oct-2003 31-Dec-2003	The Manufacturers Life Insurance	Manulife Investment Exchange Funds Corp - Units	10,761.54	1,003.00
02-Feb-2004	Helen & Bernard Benjamin	MCAN Performance Strategies - Limited Partnership Units	22,000.00	200.00
02-Feb-2004	Fallbrook Holdings Limited	MCAN Performance Strategies - Limited Partnership Units	722,989.00	6,868.00
13-Feb-2003	Six and Eight Trading Co/Ltd.	Microsource Online, Inc. - Common Shares	60,000.00	1,000.00
13-Feb-2003	Deborah Haight	Microsource Online, Inc. - Common Shares	10,200.00	1,700.00
06-Feb-2003	Rudy Faria;Ralph Rossdeutscher	O'Donnell Emerging Companies Fund - Units	132,200.00	15,808.00
30-Sep-2003 28-Nov-2003	171 Purchasers	RAFT - Refco Assisted Futures Trust - Trust Units	5,476,961.90	3,350,120.00
20-Feb-2004	Nursing Homes and Related Industries Pension Plan	Real Assets US Social Equity Index Fund - Units	15,620.00	2,105.00
30-Jan-2004	7 Purchasers	Regal Energy Corp. - Common Shares	138,000.00	920,000.00
01-Feb-2004	Carl L. Benninger	Stacey Investment Limited Partnership - Limited Partnership Units	25,029.90	822.00
05-Feb-2004	N/A	Sulliden Exploration Inc. - Common Shares	17,825,000.00	7,750,000.00

**Notice of Exempt Financings**

01-May-2003	Vyner; Brian	The Enterprise Capital AOF LP - Limited Partnership Units	200,000.00	7.00
01-Jun-2003	5 Purchasers	The Enterprise Capital AOF LP - Limited Partnership Units	1,089,257.26	39.00
01-Aug-2003	3 Purchasers	The Enterprise Capital AOF LP - Limited Partnership Units	390,000.00	13.00
01-Sep-2003	1459373 Ontario Inc.	The Enterprise Capital AOF LP - Limited Partnership Units	200,000.00	7.00
31-Jan-2003	14 Purchasers	The Lazard Funds, Inc. - Shares	149,366.07	15,108.00
31-Jan-2003	5 Purchasers	The Lazard Funds, Inc. - Shares	189.42	25.00
19-Aug-2003	3 Purchasers	The Lazard Funds, Inc. - Shares	63,865.44	6,270.00
23-Apr-2003	3 Purchasers	The Lazard Funds, Inc. - Shares	34,754.09	4,356.00
30-Jan-2004	12 Purchasers	TransAtlantic Petroleum Corp. - Units	712,563.75	547,500.00
31-Dec-2003	Nancy Scott	Vertex Balanced Fund - Trust Units	27,509.70	2,068.00
20-Jan-2003	Johnson Hua; 2015892 Ontario Inc.	Vertex Balanced Fund - Trust Units	400,000.00	31,358.00
31-Dec-2003	6 Purchasers	Vertex Fund - Trust Units	400,001.19	67,360.00
30-Jan-2003	10 Purchasers	Vertex Fund - Trust Units	4,538,350.00	182,106.00
04-Feb-2003	Global Holdings (GMPC) Ltd.	Watersave Logic Corporation - Notes	200,000.00	1.00
21-Jan-2004	16 Purchasers	Western Financial Group Inc. - Units	1,001,219.44	405,352.00
03-Feb-2003	Rubsun Ho	Wysdom Inc. - Common Shares	1.00	2,133.00

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

<u>Transaction Date</u>	<u>Seller</u>	<u>Security</u>	<u>Total Selling Price</u>	<u>Number of Securities</u>
04-Feb-2004	Canacord Capital Corporation	Great Canadian Gaming Corporation - Common Shares	1115,610.00	50,000.00
17-Dec-2003	Ontario Teachers' Pension Plan Board	Queenstake Resources Ltd. - Units	360,000.00	500,000.00
30-Dec-2003	Ontario Teachers' Pension Plan Board	Yamana Gold Inc. - Units	325000.00	100,000.00
16-Dec-2003 23-Dec-2003	Ontario Teachers' Pension Plan Board	Yamana Gold Inc. - Units	1810,168.00	652,300.00

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

<u><b>Seller</b></u>	<u><b>Security</b></u>	<u><b>Number of Securities</b></u>
Benbrick Holdings Inc.	Brick Brewing Co. Limited - Common Shares	850,000.00
Ruth M Asper	CanWest Global Communications Corp - Shares	455,580.00
Larry Melnick	Champion Natural Health.com Inc. - Units	429,665.00
James A. Estill	EMJ Data Systems Ltd. - Common Shares	33,200.00
Exploration Capital Partners 2000 Limited Partnership	General Minerals Corporation - Common Shares	825,800.00
F.D.L. & Associates Ltee	Groupe Cossette Communication Inc. - Shares	33,444.00
Kalimantan Investment Corporation	Kalimantan Gold Corporation Limited - Common Shares	1,881,333.00
Alifa Holdings Inc.	Matrikon Inc. - Common Shares	350,000.00
Jaffer Holdings Inc.	Matrikon Inc. - Common Shares	300,000.00
Jaffer Holdings Inc.	Matrikon Inc. - Shares	12,379,089.00
Stephen Sham	MedMira Inc. - Common Shares	500,000.00
W. David Lyons	Pan-Ocean Energy Corporation Limited - Units	1,465,445.00
Stolco Holdings Inc.	Process Capital Corporation - Common Shares	10,000,000.00

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## Chapter 11

# IPOs, New Issues and Secondary Financings

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**Issuer Name:**

180 Connect Inc.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Prospectus dated February 27, 2004  
Mutual Reliance Review System Receipt dated March 2, 2004

**Offering Price and Description:**

US\$ \* - \* Common Shares Price: US\$ \* per Common Share

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

BMO Nesbitt Burns Inc.  
GMP Securities Ltd.  
National Bank Financial Inc.  
Research Capital Corporation

**Promoter(s):**

Dr. Byron Osing  
Barry Simons

**Project #617901**

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**Issuer Name:**

Barclays Income + Growth Split Trust  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Prospectus dated February 27, 2004  
Mutual Reliance Review System Receipt dated March 2, 2004

**Offering Price and Description:**

\$\* (Maximum) \$\* (Maximum) \* Preferred Securities \*  
Capital Units  
\$10.00 per Preferred Security and \$10.00 per Capital Unit

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

RBC Dominion Securities Inc.

**Promoter(s):**

Barclays Global Investors Canada Limited  
**Project #617376**

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**Issuer Name:**

Capital Desjardins Inc.  
Principal Regulator - Quebec

**Type and Date:**

Preliminary Short Form Shelf Prospectus dated March 2, 2004

Mutual Reliance Review System Receipt dated

**Offering Price and Description:**

\$2,000,000,000.00 - Senior Notes

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

BMO Nesbitt Burns Inc.  
Desjardins Inc.  
Scotia Capital Inc.  
TD Securities Inc.  
CIBC World Markets Inc.  
RBC Dominion Securities Inc.  
Merrill Lynch Canada Inc.  
National Bank Financial Inc.  
Laurentian Bank Securities Inc.  
Casgrain & Company Ltd.  
Deutsche Bank Securities Ltd.  
Societe Generale Securities Inc.

**Promoter(s):**

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**Project #618060**

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**Issuer Name:**

Churchill Debenture Corp.  
Churchill II Real Estate Limited Partnership  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Prospectus dated February 27, 2004  
Mutual Reliance Review System Receipt dated February 27, 2004

**Offering Price and Description:**

Minimum: \$2,500,000 (200 Units)  
Maximum: \$20,000,000 (1,600 Units)  
\$12,500 per Unit

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

Dundee Securities Corporation

**Promoter(s):**

Churchill International Securities Corporation  
**Project #617274 & 617227**



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**Issuer Name:**

Creo Inc.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated March 1, 2004  
Mutual Reliance Review System Receipt dated March 1, 2004

**Offering Price and Description:**

\$66,950,000.00 - 5,000,000 Common Shares Price: \$13.39 per Common Share

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

RBC Dominion Securities Inc.  
BMO Nesbitt Burns Inc.  
TD Securities Inc.  
Merrill Lynch Canada Inc.  
Dundee Securities Corporation  
Raymond James Ltd.  
Sprott Securities Inc.

**Promoter(s):**

-

**Project #617814**

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**Issuer Name:**

Gaz Métro inc.  
Principal Regulator - Quebec

**Type and Date:**

Preliminary Short Form Shelf Prospectus dated February 25, 2004  
Mutual Reliance Review System Receipt dated February 25, 2004

**Offering Price and Description:**

\$300,000,000.00 - SERIES J FIRST MORTGAGE BONDS

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

-

**Promoter(s):**

-

**Project #616103**

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**Issuer Name:**

KeySpan Facilities Income Fund  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Prospectus dated February 26, 2004  
Mutual Reliance Review System Receipt dated February 26, 2004

**Offering Price and Description:**

\$ \* - \* Units Price: \$ \* per Unit

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

RBC Dominion Securities Inc.  
National Bank Financial Inc.  
Scotia Capital Inc.  
CIBC World Markets Inc.  
BMO Nesbitt Burns Inc.  
TD Securities Inc.  
FirstEnergy Capital Corp.  
Peters & Co. Limited  
Clarus Securities Inc.  
First Associates Investments Inc.

**Promoter(s):**

Keyspan Corporation

**Project #616537**

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**Issuer Name:**

KeySpan Facilities Income Fund  
Principal Regulator - Alberta

**Type and Date:**

Amended and Restated Preliminary dated February 27, 2004  
Mutual Reliance Review System Receipt dated March 1, 2004

**Offering Price and Description:**

\$196,774,200.00 - 15,617,000 Units Price: \$12.60 per Unit

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

RBC Dominion Securities Inc.  
National Bank Financial Inc.  
Scotia Capital Inc.  
CIBC World Markets Inc.  
BMO Nesbitt Burns Inc.  
TD Securities Inc.  
FirstEnergy Capital Corp.  
Peters & Co. Limited  
Clarus Securities Inc.  
First Associates Investments Inc.

**Promoter(s):**

Keyspan Corporation

**Project #616537**

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**Issuer Name:**

McLean Budden Canadian Equity Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated February 26, 2004  
Mutual Reliance Review System Receipt dated February 27, 2004

**Offering Price and Description:**

Class A and B Units

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

McLean Budden Funds Inc.  
McLean Budden Limited  
McLean, Budden Limited  
McLean Budden Limited

**Promoter(s):**

McLean Budden Limited

**Project #616709**

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**Issuer Name:**

Medical Facilities Corporation  
Principal Regulator - Ontario

**Type and Date:**

Amended and Restated Preliminary Prospectus dated March 1, 2004  
Mutual Reliance Review System Receipt dated March 1, 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.  
RBC Dominion Securities Inc.  
National Bank Financial Inc.  
Canaccord Capital Corporation

**Promoter(s):**

Black Hills Surgery Center, LLP  
Dakota Plains Surgical Center, LLP  
Sioux Falls Surgical Center, LLP

**Project #614121**

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**Issuer Name:**

Metallic Ventures Gold Inc.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated February 25, 2004  
Mutual Reliance Review System Receipt dated February 25, 2004

**Offering Price and Description:**

\$25,004,800.00 - 3,907,000 Units Price: \$6.40 per Unit

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

GMP Securities Ltd.  
Canaccord Capital Corporation  
CIBC World Markets Inc.  
Pacific International Securities Inc.

**Promoter(s):**

-

**Project #616105**

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**Issuer Name:**

Microcell Telecommunications Inc.  
Principal Regulator - Quebec

**Type and Date:**

Preliminary Prospectus dated February 27, 2004  
Mutual Reliance Review System Receipt dated February 27, 2004

**Offering Price and Description:**

\$99,431,992.00 - 22,598,184 rights to purchase 4,519,636 class B non-voting shares at a purchase price of \$22 per share

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

-

**Promoter(s):**

-

**Project #617132**

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**Issuer Name:**

Pan American Silver Corp.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated March 1, 2004  
Mutual Reliance Review System Receipt dated March 1, 2004

**Offering Price and Description:**

US\$55,000,000.00 - 3,333,333 Common Shares Price: US\$16.50 per Common Share

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

-

**Promoter(s):**

-

**Project #617883**

---

**Issuer Name:**

Richards Packaging Income Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Prospectus dated February 27, 2004  
Mutual Reliance Review System Receipt dated March 1, 2004

**Offering Price and Description:**

\$ \* - \* Units Price: \$10.00 per Unit

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

CIBC World Markets Inc.  
National Bank Financial Inc.

**Promoter(s):**

Richards Packaging Inc.

**Project #617330**

---

**Issuer Name:**

Sceptre Income & Growth Trust  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Prospectus dated February 26, 2004  
Mutual Reliance Review System Receipt dated March 1, 2004

**Offering Price and Description:**

Maximum: \$ \* - \$10.00 per Unit

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

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

**Promoter(s):**

Sceptre Fund Management Inc.

**Project #617220**

---

**Issuer Name:**

Summit Real Estate Investment Trust  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated March 1, 2004  
Mutual Reliance Review System Receipt dated March 1, 2004

**Offering Price and Description:**

\$100,000,000.00 - 6.25% Convertible Unsecured  
Subordinated Debentures due March 31, 2014

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

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

**Promoter(s):**

-

**Project #617551**

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**Issuer Name:**

Twoco Petroleums Ltd.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Prospectus dated February 27, 2004  
Mutual Reliance Review System Receipt dated February 27, 2004

**Offering Price and Description:**

Minimum: 1,765,000 Units (\$3,000,500)  
Maximum: 3,530,000 Units (\$6,001,000)  
Offering Price: \$1.70 per Unit  
and

1,176,500 Common Shares issuable upon the exercise  
of 1,176,500 previously issued Special Warrants  
and

117,650 Agent's Options issuable upon the exercise of  
117,650 previously issued Agent's Warrants

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

First Associates Investments Inc.

**Promoter(s):**

Wayne A. Malinowski  
Timothy A. Bashforth

**Project #617085**

11

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**Issuer Name:**

BMO T-Bill Fund  
BMO Money Market Fund  
BMO AIR MILES Money Market Fund  
BMO Premium Money Market Fund  
BMO Mortgage and Short-Term Income Fund  
BMO Bond Fund  
BMO Monthly Income Fund  
BMO Global Bond Fund  
BMO International Bond Fund  
BMO Asset Allocation Fund  
BMO Dividend Fund  
BMO Equity Index Fund  
BMO Equity Fund  
BMO RSP U.S. Equity Index Fund  
BMO U.S. Growth Fund  
BMO U.S. Value Fund  
BMO RSP International Index Fund  
BMO International Equity Fund  
BMO NAFTA Advantage Fund  
BMO European Fund  
BMO Japanese Fund  
BMO Special Equity Fund  
BMO U.S. Special Equity Fund  
BMO Resource Fund  
BMO Precious Metals Fund  
BMO Global Science & Technology Fund  
BMO RSP Global Science & Technology Fund  
BMO Emerging Markets Fund  
BMO U.S. Dollar Money Market Fund  
BMO U.S. Dollar Bond Fund  
BMO U.S. Dollar Equity Index Fund  
BMO Short-Term Income Class  
BMO Global Balanced Class  
BMO Global Equity Class  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated March 2, 2004  
Mutual Reliance Review System Receipt dated March 2, 2004

**Offering Price and Description:**

-

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

BMO INVESTMENTS INC.,  
BMO Investments Inc.  
BMO Investments Inc.

**Promoter(s):**

BMO INVESTMENTS INC.,

**Project #606785**

---

**Issuer Name:**

Broadway Credit Card Trust  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated February 27, 2004  
Mutual Reliance Review System Receipt dated February 27, 2004

**Offering Price and Description:**

-

**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:**

Broadway Credit Card Trust  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated February 27, 2004  
Mutual Reliance Review System Receipt dated February 27, 2004

**Offering Price and Description:**

\$350,000,000 4.804% Credit Card Receivables-Backed  
Class A Notes, Series 2004-2 Expected Final Payment  
Date of March 17, 2014

**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:**

CIBC Mortgage and Short-Term Income Fund  
Principal Regulator - Ontario

**Type and Date:**

Amendment #2 dated February 24, 2004 to the Final  
Simplified Prospectus and Annual Information Form dated  
August 7, 2003

Mutual Reliance Review System Receipt dated February 27, 2004

**Offering Price and Description:**

-

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

CIBC Securities Inc.  
CIBC Securities Inc.

**Promoter(s):**

Canadian Imperial Bank of Commerce

**Project #538640**

---

**Issuer Name:**

Counsel Select Sector  
Principal Regulator - Ontario

**Type and Date:**

Amendment #3 dated February 19, 2004 to Final Simplified  
Prospectus dated May 23, 2003  
Mutual Reliance Review System Receipt dated February 26, 2004

**Offering Price and Description:**

-

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

-

**Promoter(s):**

Counsel Group of Funds Inc.

**Project #531192**

---

**Issuer Name:**

Dividend 15 Split Corp.  
Principal Regulator - Ontario

**Type and Date:**

Final Prospectus dated February 25, 2004  
Mutual Reliance Review System Receipt dated February 26, 2004

**Offering Price and Description:**

\$350,000 (Maximum) 14,000,000 Preferred Shares @  
\$10.00 per share  
14,000,000 Class A Shares @ \$15.00 per share

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

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

**Promoter(s):**

Quadravest Capital Management Inc.

**Project #606997**

---

**Issuer Name:**

Faircourt Split Seven Trust  
Principal Regulator - Ontario

**Type and Date:**

Final Prospectus dated February 25, 2004  
Mutual Reliance Review System Receipt dated February 26, 2004

**Offering Price and Description:**

Maximum 14,000,000 Trust Units @ \$15 Per Unit  
Maximum 14,000,000 Preferred Security @ \$10 per Preferred Security

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

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

**Promoter(s):**

Faircourt Asset Management Inc.

**Project #607642**

---

**Issuer Name:**

Fairway Diversified Income and Growth Trust  
Principal Regulator - Ontario

**Type and Date:**

Final Prospectus dated February 26, 2004  
Mutual Reliance Review System Receipt dated February 27, 2004

**Offering Price and Description:**

\$200,000,000 (maximum) 20,000,000 Units @ \$10.00 per Unit

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

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

**Promoter(s):**

Fairway Advisors Inc.  
Fairway Capital Management Corp.

**Project #609787**

---

**Issuer Name:**

Fidelity Managed Income Fund  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectus dated February 25, 2004  
Mutual Reliance Review System Receipt dated February 26, 2004

**Offering Price and Description:**

Mutual Units Fund @ Net Asset Value

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

Fidelity Investments Canada Limited  
Fidelity Investments Canada Limited

**Promoter(s):**

-

**Project #608402**

---

**Issuer Name:**

Glencairn Gold Corporation  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated February 25, 2004  
Mutual Reliance Review System Receipt dated February 25, 2004

**Offering Price and Description:**

Cdn\$25,500,000.00 - 30,000,000 Units Price: Cdn\$0.85 per Unit

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

Orion Securities Inc.  
BMO Nesbitt Burns Inc.  
Desjardins Securities Inc.

**Promoter(s):**

-

**Project #613810**

---

**Issuer Name:**

Horizons Tactical Hedge Fund  
Principal Regulator - British Columbia

**Type and Date:**

Final Prospectus dated February 25, 2004  
Mutual Reliance Review System Receipt dated February 25, 2004

**Offering Price and Description:**

Series A Units and Series F Units

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

-

**Promoter(s):**

Horizons Funds Inc.

**Project #591461**

---

**Issuer Name:**

NCE Flow-Through (2004) Limited Partnership  
Principal Regulator - Ontario

**Type and Date:**

Final Prospectus dated February 25, 2004  
Mutual Reliance Review System Receipt dated February 26, 2004

**Offering Price and Description:**

\$150,000,000 Maximum Offering (6,000,000 Units @ \$25 per Unit)  
\$10,000,000 Minimum Offering (4,000,000 @ \$25 per Unit)

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

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

**Promoter(s):**

Petro Assets Inc.  
**Project #610962**

---

**Issuer Name:**

Patch Safety Services Ltd.  
(formerly High Five Oilfield Services Ltd.)  
Principal Regulator - Alberta

**Type and Date:**

Final Prospectus dated February 27, 2004  
Mutual Reliance Review System Receipt dated March 1, 2004

**Offering Price and Description:**

22,353,505 Common Shares Issuable Upon the Exercise of  
Previously Issued Special Warrants

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

Jennings Capital Inc.

**Promoter(s):**

-

**Project #602457**

---

**Issuer Name:**

Phillips, Hager & North Community Values Global Equity Fund  
Phillips, Hager & North Community Values Canadian Equity Fund  
Phillips, Hager & North Community Values Bond Fund  
Phillips, Hager & North Community Values Balanced Fund  
Principal Regulator - British Columbia

**Type and Date:**

Amendment #1 dated February 24, 2004 to Final Simplified Prospectus and Annual Information Form dated July 7, 2003

Mutual Reliance Review System Receipt dated February 27, 2004

**Offering Price and Description:**

Series A and O Units

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

Phillips, Hager & North Investment Funds Ltd.,  
Phillips, Hager & North Investment Funds Ltd.

**Promoter(s):**

Phillips, Hager & North Investment Management Ltd.  
**Project #537847**

---

**Issuer Name:**

Preferred Securities Limited Duration Fund  
Principal Regulator - Ontario

**Type and Date:**

Final Prospectus dated February 26, 2004  
Mutual Reliance Review System Receipt dated February 27, 2004

**Offering Price and Description:**

\$200,000,000 (Maximum) 8,000,000 Series A Units and  
I.S. 475,000,000 (Maximum) 7,500,000 Series B Units

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

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

**Promoter(s):**

First Asset Funds Inc.  
**Project #607656**

---

**Issuer Name:**

SAHELIAN GOLDFIELDS INC.

Principal Regulator - Ontario

**Type and Date:**

Final Prospectus dated February 27, 2004

Mutual Reliance Review System Receipt dated February 27, 2004

**Offering Price and Description:**

76,008,000 Series 1 Units Issuable Upon the Exercise of Previously Issued Series 1 Special Warrants and 200,000,000 Series 2 Units Issuable Upon the Exercise of Previously Issued Series 2 Special Warrants

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

-

**Promoter(s):**

Brant Securities Limited

Project #551534

---

**Issuer Name:**

Shiningbank Energy Income Fund

Principal Regulator - Alberta

**Type and Date:**

Final Short Form Prospectus dated February 27, 2004

Mutual Reliance Review System Receipt dated February 27, 2004

**Offering Price and Description:**

\$149,600,000.00 - 8,800,000 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

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**Issuer Name:**

Southwestern Resources Corp.

Principal Regulator - British Columbia

**Type and Date:**

Final Short Form Prospectus dated February 26, 2004

Mutual Reliance Review System Receipt dated February 26, 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

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**Issuer Name:**

Sparton Resources Inc.

Principal Regulator - Ontario

**Type and Date:**

Final Prospectus dated February 27, 2004

Mutual Reliance Review System Receipt dated February 27, 2004

**Offering Price and Description:**

7,200,000 Special Warrant Shares and 7,200,000 Share Purchase Warrants issuable upon the exercise of 7,200,000 previously issued Special Warrants

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

Haywood Securities Inc.

**Promoter(s):**

-

Project #610238

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**Issuer Name:**

UBS Global Allocation Trust

Principal Regulator - Ontario

**Type and Date:**

Final Prospectus dated February 26, 2004

Mutual Reliance Review System Receipt dated February 27, 2004

**Offering Price and Description:**

-

**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.

Canaccord Capital Corporation

Desjardins Securities Inc.

Dundee Securities Corporation

First Associates Investments Inc.

HSBC Securities (Canada) Inc.

Raymond James Ltd.

Research Capital Corp.

**Promoter(s):**

UBS Global Asset Management (Canada) Co.

Project #607012

## Chapter 12

# Registrations

### 12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Change in Category	UBS Investment Services Canada Inc.	From: Mutual Fund Dealer and Limited Market Dealer To: Limited Market Dealer	February 27, 2004
Change in Category	Desjardins Securities Inc.	From: Broker & Investment Dealer (Equities and Options) To: Broker & Investment Dealer (Equities and Options) and Futures Commission Merchant	February 25, 2004
Surrender of Registration	Ascendant Capital Management Inc.	Investment Counsel and Portfolio Manager	February 29, 2004
Surrender of Registration	Ascendant Capital Inc.	Limited Market Dealer	February 29, 2004
Change in Category	H.O. Financial Services Inc.	From: Limited Market Dealer To: Limited Market Dealer & Investment Counsel & Portfolio Manager	March 3, 2004
Name Change	From: Archipelago Canada Inc. To: Wave Securities Canada Inc.	Investment Dealer	January 14, 2004
New Registration	First Leaside Securities Inc.	Investment Dealer (Equities)	March 1, 2004
New Registration	Iforum Financial Services Inc./ Services Financiers Iforum Inc.	Mutual Fund Dealer	March 1, 2004
New Registration	Flatiron Capital Management Partners	Limited Market Dealer & Investment Counsel & Portfolio Manager	February 27, 2004
New Registration	Private Capital Management, L.P.	International Adviser(Investment Counsel & Portfolio Manager)	February 25, 2004



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## Chapter 13

# SRO Notices and Disciplinary Proceedings

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### 13.1.1 RS Disciplinary Notice - Robert Horner

#### DISCIPLINARY NOTICE

**February 26, 2004**

#### Person Disciplined

On February 26, 2004, a Hearing Panel of the Hearing Committee of Market Regulation Services Inc. ("RS") approved a settlement agreement (the "Settlement Agreement") concerning Robert Horner.

#### Requirements Contravened

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

- (a) Between November 1999 and March 2000, Horner engaged in conduct contrary to Section 23.16 of the General By-law of the Toronto Stock Exchange (the "Exchange") and Section 9 of Part XXVIII of the Policies of the Exchange in relation to normal course issuer bids in the shares of Dia Met Minerals Ltd. and Sun-Rype Products Ltd.
- (b) Between April 2000 and October 2000, Horner engaged in conduct contrary to Rule 6-501 and Policy 6-501(9) of the Rules and Policies of the Exchange in relation to normal course issuer bids in the shares of Dia Met Minerals Ltd. and Sun-Rype Products Ltd.

#### Sanctions Approved

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

- (a) pay to RS a fine of \$25,000;
- (b) pay an additional fine of \$5,220 to RS, representing the financial benefit to Horner as a result of the contraventions; and
- (c) pay \$12,000 towards the cost of RS's investigation.

#### Summary of Facts

Between November 1999 and October 2000 (the Material Time), there was a normal course issuer bid (NCIB)

pertaining to each of Dia Met Minerals Ltd. (Diamet) and Sun-Rype Products Ltd. (Sun-Rype). In the Material Time, 96 buy orders were entered by Horner and two other individuals working with him in Diamet and Sun-Rype accounts in violation of applicable NCIB rules and policies.

#### Further Information

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

#### About Market Regulation Services Inc.

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

**13.1.2 RS Disciplinary Notice - Gerald Douglas Phillips****DISCIPLINARY NOTICE****February 26, 2004****Person Disciplined**

On February 26, 2004, a Hearing Panel of the Hearing Committee of Market Regulation Services Inc. ("RS") approved a settlement agreement (the "Settlement Agreement") concerning Gerald Douglas Phillips.

**Requirement Contravened**

Under the terms of the Settlement Agreement, Mr. Phillips admits that the following Requirement was contravened:

On June 26, 2003, Gerry Phillips engaged in conduct inconsistent with just and equitable principles of trade, contrary to Section 2.1(1)(a) of UMIR, in relation to trading in Anthony Clark International Insurance Brokers Ltd.

**Sanctions Approved**

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

- (a) pay to RS a fine of \$10,000;
- (b) pay \$3,500 towards the cost of RS's investigation.

**Summary of Facts**

On June 26, 2003, Mr. Phillips engaged in conduct inconsistent with just and equitable principles of trade when he caused his employer, RBC Dominion Securities, to breach its best price obligation to one of its clients.

**Further Information**

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

**About Market Regulation Services Inc.**

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

**13.1.3 Proposed Amendments to IDA Regulation 200.1(h) Regarding Confirmations for Managed Account Transactions****INVESTMENT DEALERS ASSOCIATION OF CANADA  
PROPOSED AMENDMENTS TO REGULATION 200.1(h)  
REGARDING CONFIRMATIONS FOR MANAGED  
ACCOUNT TRANSACTIONS**

*(The original proposal was submitted by the IDA and was published for comment on July 11, 2003. Revisions to the original proposal were blacklined.)*

**1. Regulation 200.1(h) is amended as follows:**

Notwithstanding the provisions of this Regulation 200.1(h), a Member shall not be required to provide a confirmation to a client in respect of a trade in a managed account, provided that:

- (i) prior to the trade, the client has consented in writing to waive the trade confirmation requirement;
- (ii) The client may terminate the waiver in paragraph (i) by notice in writing. The termination notice shall be effective upon receipt of the written notice by the Member, for trades following the date of receipt;
- (iii) The provision of a confirmation is not required under any applicable securities law, regulation or policy of the jurisdiction in which the client resides or the Member has obtained an exemption from any such law, regulation or policy by the responsible securities regulatory authority; and
- (iv) (a) where a person other than the Member manages the account:
  - (A) a trade confirmation has been sent to the manager of the account, and
  - (B) the Member complies with the requirements of Regulation 200.1(c); or
- (b) where the Member manages the account:
  - (A) the account is not charged any commissions or fees based on the volume or value of transactions in the account;

- (B) ~~(iii)~~—the Member sends to the client a monthly statement that is in compliance with Regulation 200.1(c) and contains all of the information required to be contained in a confirmation under this Regulation 200.1(h) except:
- (1a) the day and the stock exchange or commodity futures exchange upon which the trade took place;
  - (2b) the fee or other charge, if any, levied by any securities regulatory authority in connection with the trade;
  - (3e) the name of the salesman, if any, in the transaction;
  - (4d) the name of the dealer, if any, used by the Member as its agent to effect the trade; and,
  - (5e) if acting as agent in a trade upon a stock exchange the name of the person or company from or to or through whom the security was bought or sold,
- (Civ) the Member maintains the information not required to be in the monthly statement
- pursuant to paragraph (Biii) and discloses to the client on the monthly statement that such information will be provided to the client on request.

**13.1.4 RS Sets Hearing Date in the Matter of Rhonda Hymers to Consider a Settlement Agreement**

**March 1, 2004**

**NOTICE TO PUBLIC**

**Subject: Market Regulation Services Inc. sets hearing date *In the Matter of Rhonda Hymers* to consider a Settlement Agreement.**

Market Regulation Services Inc. ("RS") will hold a Hearing before a Panel of the Hearing Committee (the "Hearing Panel") of RS on March 11, 2004, commencing at 10:00 a.m., or as soon thereafter as the Hearing can be held, at the offices of RS, 145 King Street West, 9th floor, Toronto, Ontario. The Hearing is open to the public.

The purpose of the hearing is to consider a Settlement Agreement entered into between RS and Rhonda Hymers ("Hymers").

It is alleged that Hymers breached Rule 6-501 and Policy 6-501(9) of the Rules and Policies of the Toronto Stock Exchange in relation to normal course issuer bids.

The Hearing Panel may accept or reject an Offer of Settlement pursuant to Part 3.4 of Policy 10.8 of the Universal Market Integrity Rules governing the practice and procedure of hearings. In the event the Settlement Agreement is accepted, the matter becomes final and there can be no appeal of the matter. In the event the Settlement Agreement is rejected, RS may proceed with a hearing of the matter before a differently constituted Hearing Panel.

The terms of the settlement, if accepted and approved by the Hearing Panel, and the disposition of this matter by the Hearing Panel will be published by RS as a Disciplinary Notice.

Reference:

Jane P. Ratchford  
Chief Counsel  
Investigations and Enforcement  
Market Regulation Services Inc.

Telephone: 416-646-7229

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