The Ontario Securities Commission

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

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

JUNE 4, 2004

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

- -

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

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

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

SCHEDULED OSC HEARINGS

DATE: TBA	**Ricardo Molinari, Ashley Cooper, Thomas Stevenson, Marshall Sone, Fred Elliott, Elliott Management Inc. and Amber Coast Resort Corporation**
	s. 127
	E. Cole in attendance for Staff
	Panel: TBA
DATE: TBA	**Patrick Fraser Kenyon Pierrepont Lett, Milehouse Investment Management Limited, Pierrepont Trading Inc., BMO Nesbitt Burns Inc.*, John Steven Hawkyard+ and John Craig Dunn**
	s. 127
	K. Manarin in attendance for Staff
	Panel: HLM/MTM/ST
	* BMO settled Sept. 23/02
	+ April 29, 2003
June 9, 2004	**Gregory Hyrniw and Walter Hyrniw**
10:00 a.m.	s. 127
	K. Wootton in attendance for Staff
	Panel: HLM/HPH/PKB
June 18, 2004	**Donald Parker**
9:30 a.m.	s. 127
	K. Wootton in attendance for Staff
	Panel: SWJ/RWD/ST
June 24, 2004	**Donald Greco**
10:00 a.m.	s. 8(2) and 21.7
	A. Clark in attendance for Staff
	Panel: PMM/SWJ/RLS

July 26, 2004 (on or about)	**Brian Anderson and Flat Electronic Data Interchange ("F.E.D.I.")**
10:00 a.m.	s. 127
	K. Daniels in attendance for Staff
	Panel: HLM/RLS
October 18 to 22, 2004 October 27 to 29, 2004 November 2, 3, 5, 8, 10-12, 15, 17, 19, 2004	**ATI Technologies Inc., Kwok Yuen Ho, Betty Ho, JoAnne Chang, David Stone, Mary de La Torre, Alan Rae and Sally Daub**
10:00 a.m.	s. 127
	M. Britton in attendance for Staff
	Panel: PMM/MTM/PKB

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 Speech by David Brown - A Cooperative Approach to Fighting Economic Crime

A COOPERATIVE APPROACH TO FIGHTING ECONOMIC CRIME

REMARKS BY
DAVID A. BROWN, Q.C.
CHAIR, ONTARIO SECURITIES COMMISSION
PRICEWATERHOUSECOOPERS
MAY 27, 2004
TORONTO, ONTARIO

Opening

Some might say that economic crime and fraud is nothing terribly new. Dick Le Van, a Bay Street player many years ago, was famous for lecturing his colleagues: "Never let your short-term greed get in the way of your long-term greed."

The issue is getting more attention than ever because of a recognition of its seriousness, and because it poses a greater challenge than ever. Companies have become more complex, and complexity lends itself to manipulation. Resources are at a greater premium, leading to the understaffing of internal audit functions. But fraud is a hard line-item to control; its secretive nature precludes any meaningful estimate of its actual cost and frustrates efforts at controlling it.

Internal controls are the most widely accepted means to detect fraud and prevent it. But in most cases of fraud, there ***was*** an internal control in place – one that should have prevented or detected the fraud, but didn't. And, as the PriceWaterhouseCoopers survey of 3600 companies in 50 countries last year pointed out, "even when companies have control systems to detect economic crime, these can often be rendered ineffective by management override or collusion."

There is one other major factor that has made more companies vulnerable to fraud – the connected economy. Communications and information technology and an increasingly borderless world offer enormous advantages to our economy. They spur wealth creation, open a wider horizon of opportunities for investors, and make possible new products and services that make life easier and better for investors and consumers. But the Internet and greater connectivity also make life easier for people who are out to bilk others. Information becomes more readily available and borders become less of a real barrier.

PWC Economic Crime Survey – 2003

The PWC crime survey last year found that economic crime is a broad threat. In fact, 37 per cent of respondents report significant economic crimes over the previous two years. And according to the survey, no industry seems to be safe.

It found that size is no defense – in fact, it just makes for a bigger target. Companies with more employees are more likely to have suffered from economic crime.

And it found that the impact on a company goes beyond the immediate financial cost. The real cost of fraud is not so easy to tally. It includes damaged reputation, diminished trust, and the related impact on morale and brand. As the PWC report pointed out: "The damage inflicted by economic crime goes far beyond direct monetary loss. Intangible assets, including business relationships, staff morale, reputation and branding are critical to any business. These can all be undermined by the occurrence or even the perception of fraud."

As Nick Le Pan, the Superintendent of Financial Institutions, has pointed out: "Reputation is a zero-tolerance risk."

I hope the sponsors of this conference won't mind if I also include some information from a competitor of theirs, Ernst&Young. Just think of it as equal time.

The E&Y report also found that corporate fraud is broadly based. More than two-thirds of companies report having been victims, and fraud was not concentrated in any one geographic region.

The good news is that for the first time in 16 years of surveying on this topic, a majority of organizations indicate they have formal fraud prevention policies in place – compared to only a third that had policies in place two years ago.

Turning a Corner On Global Enforcement

The growth of economic crime may have continued unabated, except for two factors: 9-11 and Enron.

9-11 made it crucial for authorities around the world to facilitate the gathering and sharing of data about the movement of money.

Enron put the issue of corporate integrity in the window. U.S. Federal Reserve Board Chairman Alan Greenspan has characterized Enron as a "tragedy", but one that "probably has created a positive set of forces to improve corporate governance." Indeed, he described it as a "net plus to our economy."

Hearing that, I'd bet that he didn't have any money invested in the company. But it is easy to see his point. In the post-Enron world, economic crime and fraud have taken front and centre stage. For regulators and other authorities dealing with this issue, it is now easier to focus attention on the problem, easier to achieve cooperation, and easier to obtain resources.

Enron certainly wasn't the only wake-up call, and the good news is that no one seems inclined to hit the snooze button.

Last month, I attended a meeting of the International Organization of Securities Commissions, known as IOSCO, to address the issue of Parmalat – the Italian food giant that imploded in scandal late last year, causing billions of dollars of share value to evaporate into thin air.

The IOSCO meeting was an example of the newfound spirit of global cooperation in countering corporate crime, fraud and money-laundering.

There are many benefits to globalization, but there's also a darker underside.
Large-scale crime is as globalized as big business and it doesn't stop at borders. Enforcement can't stop at borders either. 9-11 made that clear, if there was any doubt before. World leaders have started looking at ways in which terrorism and global crime are financed and ways in which money is laundered by these organized groups.

And regulators have started to make the process of international cooperation in fraud cases work a lot faster than the creaky model we are used to.

Let me give you an example. In an enforcement case that we were conducting recently, we needed to obtain information from the Bahamas, Liechtenstein, Luxembourg, and Switzerland, all of which have secrecy laws. We were getting shut out.

In time, we started to make some breakthroughs. Eventually, we got the information we needed to track transactions right through those jurisdictions. What made the difference? I'd like to think it was through the brilliance in our presentation to these authorities. But, in fact, what happened was a drive toward global cooperation on enforcement that stemmed from September 11th.

The response to 9-11 included blacklists of secretive, uncooperative jurisdictions. The Financial Action Task Force, set up by OECD countries, very quickly came out with such a list. Not surprisingly, there was an outcry from everyone who was on it. Not much later, the Financial Stability Forum, which is a forum formed by the G-7 financial ministers, came up with a list of offshore jurisdictions. I was on the forum for a couple of years when this happened – we heard the same anguished cry.

IOSCO, which includes 115 securities commissions, also began to identify uncooperative countries. Countries started to react, and react very swiftly. There was almost an unprecedented cooperation from the so-called "secrecy jurisdictions". Since then, many have dramatically reduced their secrecy laws and other impediments to cooperation.

So there are now fewer countries where illegal money can be moved around secretly and for the perpetrators to hide their identity. In fact, someone who is looking for one of these havens may well have to pause. Today's secrecy jurisdiction may be tomorrow's show-and-tell jurisdiction.

The response to 9-11 included something else that is vital to combating economic crime – a Multi-lateral Memorandum of Understanding on cooperation and enforcement, negotiated among all of the securities commissions.

What is the real value of this? Look at it this way: Put together all of the securities commissions' enforcement arms in countries around the world, and that adds up to a

formidable force of securities enforcement agencies. In fact, there's probably not another group like it around the world.

One problem that had to be overcome for jurisdictions to qualify to sign the memorandum was that they had to have the legal ability to share information. We made it a requirement that in order to sign the agreement, countries have to be able to prove that they can harness their domestic resources to assist in an international securities or fraud investigation. That includes laws that allow for information to be shared.

There are now 26 jurisdictions that have applied to participate and been accepted. Ontario and Quebec were two of the first signatories, and B.C. and Alberta have now been accepted as well.

To their embarrassment, a number of countries, including some major countries, couldn't fit the bill. That includes countries like Japan and Switzerland. We've created a separate category for them – nations that want to be part of this initiative and have pledged to get their laws changed.

Canada has taken the lead in another area. Regulators here have the ability to freeze assets of Canadian residents who are being pursued by foreign regulators for profiting from cross-border securities fraud. There aren't too many countries that have that ability. But because securities fraud today is borderless, helping to stop fraud abroad is a very vital component to stopping fraud domestically.

Domestic Enforcement

Given our efforts, how is Canada perceived internationally regarding enforcement? Last year, in examining our regulatory structure, the Wise Persons' Committee visited the U.S., the U.K., the European common market and Australia. They heard consistently that, looking at Canada as a whole, tougher enforcement of our securities laws is needed.

What promotes these opinions? Probably some of the high-profile cases that we've been dealing with – Bre-X, YBM, and Livent, which are all subject to enforcement proceedings – and the realization that no one involved in these cases has yet gone to jail.

Concerns about the effectiveness of Canada's enforcement record may not be entirely without foundation. A recent academic study ranked Canada near the bottom of all the major countries in the world as exhibiting insider-trading problems. There have been some disturbing reports in international media that Canada may be becoming a jurisdiction of choice for scam-artists who are operating globally.

When it comes to allocating scarce resources, white-collar crime is often pushed down on the agenda, in the understandable concern about violent crime. For example, parole guidelines specify that those convicted of white-collar crimes need serve only a sixth of their sentence. That's downplaying a lot of crimes. After all, the continuum of white-collar crime includes fraud, market manipulation, misrepresentation, non-disclosure of material information, and just plain old-fashioned theft.

We have made significant strides in improving our enforcement efforts over the past few years. In fact, the OSC has obtained jail sentences in four of the last five cases in which we have sought a jail term.

In the past four years, we've successfully initiated proceedings or settled more than 100 separate actions. Bear in mind, most of those actions involve multiple respondents, as many as 24. This translates into an effective record of enforcement.

We've been able to cut our average time to complete investigations from 21 months to 13 months. And in bringing cases to trial and actually prosecuting them, we've cut our average time by more than 25%, from an average of 15 months to 11 months.

So there has been progress. But there is no denying that enforcement can still be significantly improved.

Look at the lack of vertical integration. In many locations -- like Toronto -- we have three levels of police force: the RCMP, the provincial police, and the Metropolitan police. Then, there is the provincial Attorney-General and the OSC.

Look at the lack of horizontal integration, with separate operations by 13 provinces and territories -- and a federal presence as well.

Working in sync, these agencies would constitute a phenomenal force. We need to bring the groups together and to establish a clearer responsibility and a clearer authority for all concerned. It is important to knit the enforcement community into a much more unified whole.

The reputation of Canada's market is crucial to all of us. Investors have a right to know that when they are participating in Canadian markets, they're in a fair game.

I described the progress that the OSC has been making. But our role is limited by our statutory mandate. We are limited to prosecuting breaches of the securities act – not fraud, not market manipulation, not theft. Consider the practical impact: If a broker steals from a client, that is likely a breach of the criminal code. That's a police matter. But if the police don't prosecute for theft, we can only prosecute for a breach of the broker's duty to treat the client fairly.

But there have been some positive developments in Canadian enforcement.

One is the proposal for a National Securities Commission. One advantage of a national regulator is that it would have the clout and stature to bring together the Attorneys General, the federal government, and everyone else involved – to get this on a national agenda, not on 13 separate provincial and territorial agendas.

A second positive step is a strategy the OSC is pursuing to review our efforts, communicate them and bring enforcement agencies together. We're looking at our sourcing of cases, how we prioritize them, how we investigate them, how we litigate them. We're looking at ways to better identify appropriate cases and to speed up our investigations. We're stepping up our efforts to broadly communicate what we are doing, bolster public confidence, and raise public awareness.

An example of the initiatives we are taking is the Task Force we set up to examine illegal insider trading, a cooperative effort with SROs such as the Investment Dealers Association, Market Regulation Services, and the Bourse de Montreal. The Task Force came up with a comprehensive approach that we are pursuing, including measures to prevent, detect and deter illegal insider trading – including increased sanctions, the use of new technologies and improved coordination. And to achieve better containment of information to fewer parties to minimize the potential for temptation to lead to illegal transactions.

A third piece of good news is the increased involvement of the federal government. The OSC has had a joint venture with the RCMP for three years, the Securities Fraud Office, which is a good example of cooperation. That's starting to pay off with some real dividends.

Last year, Ottawa announced a new $120 million contribution to fighting white-collar crime. Many of these offences have been in the criminal code for some time but they just haven't been prosecuted because sufficient resources were not dedicated to that task.

As part of this program, integrated market enforcement teams – IMETs – are now being set up. The teams are already investigating matters that we have referred to them.

Craig Hannaford will have more to say about IMETs. But one point I want to emphasize is that it illustrates one of the most important elements in combating fraud: cooperation. Perpetrators of fraud count on a failure to cooperate – victims with authorities, and authorities with each other. One of the most important things we have learned – and are acting on – is the importance of working across jurisdictional lines.

Potentially, our resources are enormous. Potentially, we can make it tougher than ever for fraudsters to operate in Canada. Now is the time to turn potential into reality, and raise the level of protection and enforcement to the heights that the current challenge demands.

Thank you.

1.1.3 CSA Notice 81-312 - Final Guidelines for Capital Accumulation Plans - Prepared by the Joint Forum of Financial Market Regulators

CSA NOTICE 81-312 - FINAL GUIDELINES FOR CAPITAL ACCUMULATION PLANS
PREPARED BY THE JOINT FORUM OF FINANCIAL MARKET REGULATORS

May 28, 2004

Dear Stakeholder:

Re: Guidelines for Capital Accumulation Plans

We are pleased to announce that, with the approval of the Canadian Association of Pension Supervisory Authorities (CAPSA), the Canadian Council of Insurance Regulators (CCIR) and the Canadian Securities Administrators (CSA), the Joint Forum of Financial Market Regulators has released *Guidelines for Capital Accumulation Plans*.

A capital accumulation plan (CAP) is a tax-assisted investment or savings plan that permits the members of the CAP to make investment decisions among two or more options offered within the plan. A CAP may be established by an employer, trade union, association or any combination of these entities for the benefit of employees or members.

The purpose of the guidelines is to:

- Outline and clarify the rights and responsibilities of CAP sponsors, service providers and members.
- Ensure that CAP members have the information and assistance they need to make informed investment decisions in a capital accumulation plan.
- Ensure that there is a similar regulatory result for all CAP products and services regardless of the regulatory regime that applies to them.

In April, 2003, the Joint Forum released for consultation *Proposed Guidelines for Capital Accumulation Plans*. These proposals were developed by the Joint Forum's Committee on Capital Accumulation Plans with the assistance of an industry task force. The Joint Forum is very appreciative of the comments on the proposed guidelines received from all stakeholders through written submissions and through participation in focus group sessions held across Canada with plan sponsors, members and service providers. The final guidelines incorporate changes that address issues raised and suggestions made during the consultations. We are particularly indebted to the work of the members of the industry task force whose expertise was instrumental in the success of this initiative.

During the consultations, a number of stakeholders identified issues related to the differences in investment rules for pension funds, mutual funds, segregated funds and other pooled investment funds. The Joint Forum has asked the Committee on Capital Accumulation Plans to address these issues as part of the implementation of the guidelines.

While the guidelines are being released today, a 19-month transition period has been established for plan sponsors and service providers to make any necessary revisions to the operation of their capital accumulation plans. Regulators expect the guidelines to be followed in full by December 31, 2005. It is hoped that plan sponsors and service providers will take the measures necessary to follow the guidelines as soon as practical during the transition period.

The guidelines will be implemented through the Joint Forum's constituent groups and through industry associations:

- CAPSA has adopted the guidelines for registered defined contribution pension plans.
- The CSA is issuing a request for comment on a proposed securities exemption based on the guidelines.
- The Canadian Life and Health Insurance Association (CLHIA) will initiate a process to have the guidelines adopted by December 31, 2004 and will expect its member companies to follow them by December 31, 2005.

You can obtain a copy of the guidelines, a summary of the comments received during the consultations and responses to the comments, and the CSA's request for comment on a proposed securities exemption rule from the websites of CAPSA (www.capsa-acor.org), CCIR (www.ccir-ccrra.org), CSA (www.csa-acvm.ca) or the Joint Forum (www.jointforum.ca).

Sincerely,

David Wild
Chair
Joint Forum of Financial Market Regulators

Nurez Jiwani
Chair
Joint Forum Committee on Capital Accumulation Plans

CANADIAN ASSOCIATION OF PENSION SUPERVISORY AUTHORITIES

David Wild
Chair of the Joint Forum
Chair, Financial Services Commission, and Superintendent of Pensions
Saskatchewan

Nancy MacNeill-Smith
Superintendent of Pensions
Nova Scotia

Dennis Gartner
Superintendent of Financial Institutions
Alberta Finance

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Douglas Connolly
Director of Insurance and Pensions
Department of Government Services & Land
Newfoundland & Labrador

Joint Forum of Financial Market Regulators

Forum conjoint des autorités de réglementation du marché financier

Guidelines for Capital Accumulation Plans

May 28, 2004

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SECTION 1: INTRODUCTION

These guidelines reflect the expectations of regulators regarding the operation of a capital accumulation plan, regardless of the regulatory regime applicable to the plan. They are intended to support the continuous improvement and development of industry practices. Shaded text within the document is included as elaboration and clarification of the guidelines for the purpose of assisting the user.

1.1 - DEFINITIONS

1.1.1 Capital Accumulation Plan

In these guidelines, a capital accumulation plan (CAP or plan) is a tax assisted investment or savings plan that permits the members of the CAP to make investment decisions among two or more options offered within the plan. A CAP may be established by an employer, trade union, association or any combination of these entities for the benefit of its employees or members.

Examples of a CAP may include a defined contribution registered pension plan; a group registered retirement savings plan or registered education savings plan; and a deferred profit sharing plan.

1.1.2 CAP Sponsors

In these guidelines, the employers, trade unions, associations or combinations of these entities that establish CAPs are referred to as “CAP sponsors”.

If the CAP is a registered pension plan, many of the responsibilities of the CAP sponsor described in these guidelines are those of a pension plan administrator. In such cases, these guidelines should be interpreted considering the different roles of employers and pension plan administrators under applicable pension benefits standards legislation.

1.1.3 Service Providers

In these guidelines, “service providers” include any provider of services or advice required by the CAP sponsor in the design, establishment and operation of a CAP.

1.1.4 CAP Members

In these guidelines, “CAP members” are individuals who have assets in a CAP.

These individuals may include active or former employees; trade union or association members; and in certain cases, their spouses or common law partners.

1.1.5 Investment Funds

In these guidelines, an “investment fund” means a mutual fund, pooled fund, segregated fund or similar pooled investment product.

1.2 - THE INTENT OF THE GUIDELINES

The intent of these guidelines is to:

- outline and clarify the rights and responsibilities of CAP sponsors, service providers and CAP members; and,
- ensure that CAP members are provided the information and assistance that they need to make investment decisions in a capital accumulation plan.

1.2.1 Application of the Guidelines

These guidelines apply to all capital accumulation plans and supplement any legal requirements applicable to these plans. They do not replace any legislative requirements.

CAP sponsors are responsible for meeting any applicable legal requirements, including any requirements that may extend beyond the scope of these guidelines.

1.3 - IMPLICATIONS FOR THE CAP SPONSOR, SERVICE PROVIDERS, AND CAP MEMBERS

1.3.1 The CAP Sponsor

When CAP sponsors decide to establish a plan, they assume certain responsibilities in their role as CAP sponsor. CAP sponsors may delegate their responsibilities within a CAP to a service provider.

The CAP sponsor is responsible for:

- setting up the plan;
- providing investment information and decision-making tools to CAP members;
- introducing the plan to members;
- providing on-going communication to members;
- maintaining the plan; and,
- ensuring that termination of the plan or the membership of an individual within the plan is done in accordance with the terms of the CAP.

Many of the responsibilities of the CAP sponsor relate to the provision of information and documents to CAP members. Information and documentation that the CAP sponsor provides to CAP members should be prepared using plain language and in a format that assists in readability and comprehension.

The CAP sponsor should ensure that decisions about establishing and maintaining the plan and information about how those decisions are made, are properly documented and that the documents are retained.

1.3.2 Service Providers

To the extent that the responsibilities of the CAP sponsor are delegated to a service provider, the service provider is responsible for following these guidelines and any applicable legal requirements.

Service providers engaged by the CAP sponsor should have the appropriate level of knowledge and skill to perform the tasks delegated and to provide any advice within their area of expertise requested by the CAP sponsor.

1.3.3 CAP Members

CAP members are responsible for making investment decisions within the plan and for using the information and decision-making tools made available to assist them in making those decisions.

Examples of decisions made by CAP members include:

- how much to contribute (where the member can make this choice);
- how much they should contribute to any particular investment option; and,
- whether an investment in a particular option should be moved to another option.

CAP members should also consider obtaining investment advice from an appropriately qualified individual in addition to using any information or tools the CAP sponsor may provide.

SECTION 2: SETTING UP A CAP

2.1 - GENERAL

2.1.1 Defining the Purpose of a CAP

CAP sponsors should clearly define and document why the capital accumulation plan is being established. The terms of the plan should be consistent with its purpose and what CAP members are told.

Some of the purposes for which a CAP sponsor may establish a capital accumulation plan are:

- retirement savings;
- tax efficient compensation;
- profit sharing; and,
- savings for other financial goals such as education, home purchase, etc.

If the CAP sponsor decides to modify the purpose of a capital accumulation plan, the modified terms of the plan should be consistent with the modified purpose of the CAP.

The decision to change the purpose of the plan and the modified purpose of the plan should be documented. Information on the decision and the impact the decision will have on CAP members should be provided to the members before the decision takes effect.

2.1.2 Deciding whether to use Service Providers

The CAP sponsor should decide if it has the necessary knowledge and skills to carry out the responsibilities set out in these guidelines and all relevant legal requirements. The CAP sponsor should also decide whether and how service providers should be used.

Where the CAP sponsor does not have the necessary knowledge and skills to carry out its responsibilities, service providers should be used.

2.1.3 Selecting Service Providers

The CAP sponsor should establish criteria for the selection of service providers and use these criteria to select any service providers it engages.

Factors for the CAP sponsor to consider when establishing criteria for selecting service providers may include:

- professional training;
- experience;
- specialization in the type of service to be provided;
- cost of the service;
- understanding of employee benefits, pension legislation and other related rules;
- consistency of service offered in all geographical areas in which members reside; and,
- quality, level and continuity of services offered.

Where the CAP sponsor delegates responsibilities to a service provider, the CAP sponsor should ensure that the applicable roles and responsibilities of the CAP sponsor and service provider are carefully documented.

2.2 - INVESTMENT OPTIONS

2.2.1 Selecting Investment Options

The CAP sponsor should select investment options to be made available in the plan. The investment options for CAPs may be limited by legislation. CAP sponsors must comply with all applicable legislative requirements when choosing investment options.

Examples of investment options include:

- investment funds;
- guaranteed investment certificates (GICs);
- annuity contracts;
- employer securities;
- government securities;
- other securities; and,
- cash.

The CAP sponsor should ensure a range of investment options is made available taking into consideration the purpose of the CAP.

In some cases the choice of a service provider will define or limit the type of investment options available to a plan.

Factors a CAP sponsor should consider when choosing investment options, including any default option that may be selected by the CAP sponsor (see Section 2.2.4), include:

- the purpose of the CAP;
- the number of investment options to be made available;
- the fees associated with the investment options;
- the CAP sponsor's ability to periodically review the options;
- the diversity and demographics of CAP members;
- the degree of diversification among the investment options to be made available to members;
- the liquidity of the investment options; and,
- the level of risk associated with the investment options.

The degree of diversification and liquidity, and the level of risk associated with the investment options are particularly relevant for capital accumulation plans that are established for retirement purposes.

2.2.2 Selecting Investment Funds

If the investment options chosen by the CAP sponsor include investment funds, the following factors should also be taken into account when selecting the funds that are to be made available:

- the attributes of the investment funds such as the investment objectives, investment strategies, investment risks, the manager(s), historical performance, and fees; and,
- whether the investment fund(s) selected provide CAP members with options that are diversified in their styles and objectives.

If investment funds are offered in a CAP that is a registered pension plan, the funds must comply with the investment rules under applicable pension benefits standards legislation.

If the investment fund is a mutual fund under securities law, the funds must comply with the investment rules that govern conventional public mutual funds.

As at the date of publication, if the investment fund is a mutual fund, it must comply with the investment rules under National Instrument 81-102 Mutual Funds.

If the investment fund is an insurance product, the funds must comply with:

- the investment rules applicable to individual variable insurance contracts; or
- the investment rules that govern conventional public mutual funds; or
- the investment rules under applicable pension benefits standards legislation.

2.2.3 Transfers Among Investment Options

CAP members should be allowed reasonable opportunities to transfer among the investment options available in the plan. Administrative costs incurred in making the transfer may be charged to members.

The CAP sponsor may restrict the number of transfers a member can make, but members should have an opportunity to transfer among options on at least a quarterly basis.

Factors for the CAP sponsor to consider when determining how often CAP members can make transfers among investment options may include:

- the purpose of the CAP;
- the liquidity of investment options;
- the number of options that are available; and,
- the risks associated with the investment options.

Restrictions on the number of transfers each individual member can make might be appropriate to limit costs borne by the CAP sponsor or collectively by all members, for transfers by individual members. Restrictions may include limiting the number of transfers by members or imposing fees if the established limit is exceeded.

2.2.4 Policy Regarding Failure to Make Investment Choices

The CAP sponsor should establish a policy that outlines what happens if a CAP member does not make an investment choice. The policy should be provided to the member before any action is taken under the policy.

The policy may involve setting a default option to be applied if a member does not make an investment choice within a given period of time. If the policy includes imposing a default option, the CAP sponsor should provide the member with information about the default option (see Section 4.2) when the policy is provided.

2.3 – MAINTENANCE OF RECORDS

The CAP sponsor should prepare and maintain the records of the CAP, either internally or through a service provider. The CAP sponsor should also establish a document retention policy for the plan.

The contents of a document retention policy include:

- a description of the types of documents to be retained;
- how long various types of documents should be retained; and,
- who can access the documents.

SECTION 3: INVESTMENT INFORMATION AND DECISION-MAKING TOOLS FOR CAP MEMBERS

The CAP sponsor should provide investment information and decision-making tools to assist CAP members in making investment decisions in the plan.

Costs associated with basic investment information or decision-making tools should be structured so that there is no disincentive for members to use them.

3.1 - GENERAL

To decide which types of information and decision-making tools to provide to CAP members, the CAP sponsor should consider:

- the purpose of the plan;
- what types of decisions members must make;
- cost of the information and decision-making tools;
- the location, diversity and demographics of the members; and,
- the members' access to computers and the internet.

For example, members of a retirement plan should be provided with information and tools that focus on retirement planning.

Information, decision-making tools and guidance provided by the CAP sponsor need not address the entire financial circumstances and planning needs of the CAP member.

3.2 - INVESTMENT INFORMATION

The CAP sponsor should provide CAP members with investment information to assist the members in making investment decisions within the plan.

Examples of investment information include:

- glossaries explaining terms used in the investment industry;
- information about how investment funds work;
- information about investing in different types of securities (e.g., equities, bonds);
- information regarding the relative level of expected risk and return associated with different investment options;
- product guides; and,
- performance reports for any investment funds offered in the CAP.

3.3 - INVESTMENT DECISION-MAKING TOOLS

The CAP sponsor should provide CAP members with investment decision-making tools to assist the members in making investment decisions within the plan.

Examples of decision-making tools include:

- asset allocation models;
- retirement planning tools (if applicable);
- calculators and projection tools to help members determine contribution levels and project future balances; and,
- investor profile questionnaires.

3.4 - INVESTMENT ADVICE

In addition to providing investment information and decision-making tools, a CAP sponsor may choose to enter into an arrangement with a service provider, or refer the members to a service provider, who can provide the members with advice about their investment decisions.

3.4.1 Selecting Service Providers to Provide Investment Advice

If the CAP sponsor chooses to enter into an arrangement with a service provider, or to refer CAP members to a service provider, who can provide investment advice to the members, the CAP sponsor should establish criteria to be used in selecting the service provider and use the criteria to select the service provider.

Factors for the CAP sponsor to consider when establishing criteria for selecting service providers to provide investment advice to members include:

- the criteria used to select service providers generally;
- any real or perceived lack of independence of the service provider relative to other service providers, the CAP sponsor and its members;
- any legal requirements that individuals must meet before they can provide investment advice; and,
- any complaints filed against the advisor or his or her firm and any disciplinary actions taken (if known).

SECTION 4: INTRODUCING THE CAPITAL ACCUMULATION PLAN TO CAP MEMBERS

When an individual becomes eligible to enrol in a capital accumulation plan, the CAP sponsor should provide information regarding the purpose of the plan and the information outlined in this section.

4.1 - GENERAL

4.1.1 Information on the Nature and Features of the CAP

The CAP sponsor should provide CAP members with current information on the nature and features of the plan.

Information provided to CAP members should include:

- contribution levels (if applicable);
- investment options available, how to choose investments, how choices can be changed, and how long it will take for choices to be implemented;
- the policy regarding failure to make investment choices (see Section 2.2.4) and,
- names of service providers with whom CAP members interact, if applicable.

4.1.2 Outlining the Rights and Responsibilities of CAP Members

The CAP sponsor should provide CAP members with information outlining their rights and responsibilities under the CAP.

Information provided to members should include:

- members' right to access information about the nature and features of the plan;
- members' right to request paper copies of their member statements if the statement is normally provided in another format (see Section 5.1);
- members' responsibility for making investment decisions and that those decisions will affect the amount of money accumulated in the plan;
- members' responsibility for informing themselves about the plan, using the documents, information and tools available to them; and,
- the recommendation that members ought to obtain investment advice from an appropriately qualified individual, in addition to using any information or tools the CAP sponsor may provide.

4.2 - INVESTMENT OPTIONS

The CAP sponsor should provide CAP members with sufficient detail about the investment options available in the plan so they can make informed investment decisions.

4.2.1 Investment Funds

For each investment fund that is an investment option available in the plan, the CAP sponsor should provide CAP members with the following information:

- the name of the investment fund;
- names of all investment management companies responsible for the day-to-day management of fund assets;
- the investment objective of the fund;
- the types of investments the fund may hold;
- a description of the risks associated with investing in the fund;
- where a member can obtain more information about the fund's portfolio holdings, and other detailed disclosure about the fund; and,
- whether the fund is considered foreign property for income tax purposes and if so, a summary of the implications of that status for a member who invested in the fund.

4.2.2 Employer Securities

When securities of the employer or a related party of the employer are included as an investment option in the plan, the CAP sponsor should provide at least the following information to CAP members:

- name of the issuer and the security;
- relationship between issuer and employer **-** if the issuer of the security is different from the employer of the CAP members, a description of the relationship between the issuer and the employer should be provided;
- risks associated with investing in a single security; and,
- whether the security is considered foreign property and, if so, the implications for members.

4.2.3 Other Investment Options

When investment options other than investment funds or employer securities are included as investment options in the plan, the CAP sponsor should provide the following information to CAP members:

- a description of the investment including its name;
- the type of investment;
- the investment objective;
- risks associated with the option; and,
- whether the option is considered foreign property and, if so, the implications for members.

4.3 - TRANSFER OPTIONS

The CAP sponsor should provide CAP members with information about how to make transfers among investment options. This information should include:

- any forms that are required and where they must be sent;

- whether there are other methods available for making transfers (for example, on the website provided by a service provider);
- any costs that may be incurred for transferring among options; and,
- any restrictions on the number of transfers among options a member is permitted to make within a given period, including any maximum limit after which a fee would be applied.

The CAP sponsor should provide CAP members with a description of possible situations where transfer options may be suspended. In the event of a suspension, the CAP sponsor should provide CAP members with the reason why transfers will be suspended and details on the restrictions associated with the suspension should be provided before the suspension occurs (where possible).

Examples of situations where the CAP sponsor may temporarily suspend transfers are where:

- investment options are being changed by the CAP sponsor;
- a service provider is being changed by the CAP sponsor; or,
- there are changes at the existing service provider (e.g., introduction of new systems).

4.4 - DESCRIPTION OF FEES, EXPENSES AND PENALTIES

The CAP sponsor should provide CAP members with the description and amount of all fees, expenses and penalties relating to the plan that are borne by the members, including:

- any costs that must be paid when investments are bought or sold;
- costs associated with accessing or using any of the investment information, decision-making tools or investment advice provided by the CAP sponsor;
- investment fund management fees;
- investment fund operating expenses;
- record keeping fees;
- any costs for transferring among investment options (including penalties, book and market value adjustments, tax consequences);
- account fees; and,
- fees for services provided by service providers.

Investment fund operating expenses include audit, legal and custodial fees, cost of financial statements and other reports or filings, taxes, transfer agency fees, pricing and bookkeeping fees.

Where appropriate, these fees, expenses and penalties may be disclosed on an aggregate basis, provided the nature of the fees, expenses and penalties is disclosed. Where fees, expenses and penalties are incurred by members by virtue of member choices (e.g., transfer fees, additional investment information or tools, etc.) such fees, expenses and penalties should not be aggregated.

4.5 - ADDITIONAL INFORMATION

The CAP sponsor should provide the CAP members with an outline of how they can access additional information related to the plan and a description of the type of information that is available.

SECTION 5: ONGOING COMMUNICATION TO MEMBERS

The CAP sponsor should regularly provide CAP members with information on their CAP account and the performance of the investment funds available in the plan. The CAP sponsor should also provide access to additional information upon the request of members.

5.1 - MEMBER STATEMENTS

The CAP sponsor should provide CAP members with a statement of their CAP account at least annually. Paper copies of the statement should be available to members upon request if another format is standard.

The member statement should include:

- summary of investments - listing of the investments by option type (e.g., investment funds, other securities, GICs);
- investment activity - the opening balance, contributions, withdrawals, net change in the value of the investments and closing balance;
- investment funds – name of fund, number of units, value of each unit, total investment value, per cent of total investments;
- summary of transactions; and,
- how to get specific information on each investment option, fees and expenses, transaction details, transfer options, and other information.

If a statement includes the calculation of a personal rate of return for CAP members, the method used to produce the calculation should be described, along with information about where the members can get a more detailed explanation of the calculation (if it is not shown on the statement). A personal rate of return should also be distinguished from any rate of return for an investment option (e.g., investment fund rate of return) disclosed in the statement.

5.2 - ACCESS TO INFORMATION

5.2.1 Other information available to CAP members

The CAP sponsor should provide members with access to additional information regarding their CAP account.

If not included in the member statement, the following information should be made available to CAP members upon request:

- details on investment funds – where to get fund holdings, financial statements and continuous disclosure information for each investment fund;
- transaction details - investment description: date of transaction, transaction type (e.g., inter-fund transfer), amount, unit value (if applicable), units purchased or withdrawn;
- details on GICs and other fixed term investment options such as term of investment, date of maturity, interest rate, current book value plus accrued interest;
- details on each of the other investment options (see Section 4.2);
- contribution details - option description, percentage of contribution to be allocated to option, type of contribution (member voluntary, member required, employer, transfer in);
- details on fees and expenses (see Section 4.4); and,
- information on transfer options (see Section 4.3).

5.2.2 Report on Significant Changes in Investment Options

The CAP sponsor should provide advance notice to CAP members when there are significant changes in investment options.

The notice to members should include:

- the effective date of the change;
- a brief description of the change and the reasons for the change;

- how the change could affect the member's holdings in the plan (e.g., if the change affects the level of risk of an investment option, this should be described);
- the manner in which assets will be allocated to new investment options (where applicable);
- details of any penalties or special transaction fees that may apply to the change;
- a summary of the tax consequences that may arise as a result of the change;
- where to get more detailed information about the change;
- details on what the members must do (if action is required) and the consequences of not taking action; and,
- a reminder to the members to evaluate the impact of the change on their current holdings in the plan.

Significant changes in investment options include:

- changes to the nature or operation of existing investment options, including the method of making transfers;
- adding investment options;
- removing or replacing investment options;
- changes in fees and expenses (the expected or actual level of fees and expenses associated with an investment option or ongoing administration and record keeping that are paid by CAP members); or,
- change in service provider.

5.2.3 Adding an Investment Option

If an investment option is added, the CAP sponsor should provide CAP members with the information listed in Section 4.2 and the information about transfer options in Section 4.3. Members should also be informed of the date when the new investment option will be available.

5.2.3 Removing or Replacing an Investment Option

If an investment option is removed, the CAP sponsor should provide CAP members with information regarding what must be done with their investments in that option. Information on any deadlines for member action and how assets will be allocated to new investment options in the event that the member takes no action, should also be provided.

If an investment option is replaced, information about the impact of liquidating one investment option and re-investing in a replacement investment option should be provided.

Examples of information to be provided include: market value adjustments, early withdrawal penalties, tax consequences, and transaction fees.

5.3 - PERFORMANCE REPORTS FOR INVESTMENT FUNDS

The CAP sponsor should provide performance reports for each investment fund to the CAP member at least annually.

The performance report for each investment fund should include:

- the name of the investment fund for which performance is being reported;
- if there is one, the name and description of the benchmark for the investment fund (if the benchmark is permitted by law to be composed of several indices, this should be explained);
- if used, corresponding returns for the benchmarks;
- the performance of the fund, including historical performance for one, three, five and 10 years if available;
- whether the investment performance is gross or net of investment management fees and fund expenses;

- identification of the method used to calculate the fund performance return calculation, along with directions on where to find a more detailed explanation; and,

- a statement that past performance of a fund is not necessarily an indication of future performance

For example, the S&P/TSX Composite Index for a Canadian Equity Fund.

SECTION 6: MAINTAINING A CAP

The CAP sponsor should periodically review all service providers it engages, investment options available in the plan, records maintenance, and decision-making tools provided to members.

6.1 - REVIEWING SERVICE PROVIDERS

The CAP sponsor should establish criteria for the periodic review of service providers and use these criteria to review the service providers it engages.

Factors for the CAP sponsor to consider when establishing criteria for the periodic review of service providers include:

- the criteria used to select the service provider; and

- the frequency and/or triggering events for the review.

If a service provider fails to meet the criteria established, the CAP sponsor should decide what action to take.

Factors for the CAP sponsor to consider when deciding on what action to take include:

- the length of time the criteria have not been met;

- any complaints arising from the members (where applicable);

- the effect that taking such action would have on the members; and,

- the availability of alternative service providers.

6.2 - REVIEWING SERVICE PROVIDERS WHO PROVIDE INVESTMENT ADVICE

Where applicable, a CAP sponsor should periodically review service providers with whom the CAP sponsor has an arrangement or to whom the CAP sponsor has referred CAP members to help them make their investment decisions. As with other service providers, the CAP sponsor should establish criteria for the periodic review and use these criteria to conduct the review

Because the primary relationship of a service provider who provides investment advice is with each member, it will not be possible or practical for the CAP sponsor to directly review the quality of the advice being provided.

Factors for the CAP sponsor to consider when establishing criteria for the periodic review of service providers include:

- criteria used to select the service provider;

- any complaints arising from the members; and,

- any complaints arising from the CAP sponsor or other service providers employed by the CAP sponsor.

6.3 - REVIEWING INVESTMENT OPTIONS

The CAP sponsor should establish criteria for the periodic review of each of the investment options in the plan. Review of the investment options should be conducted at least annually.

Factors for the CAP sponsor to consider when establishing criteria for the periodic review of investment options include:

- the criteria used to select the investment options; and

- the frequency and/or triggering events for the review.

If an investment option no longer meets the criteria used for reviewing the option, the CAP sponsor should decide what action to take.

Factors for the CAP sponsor to consider when deciding on what action to take include:

- the length of time the criteria have not been met;
- any other deficiencies in how the investment option operates;
- any complaints arising from the members;
- the effect taking such action would have on the members (e.g., whether there would be tax consequences);
- remaining investment options available in the CAP; and,
- the availability of equivalent investment options.

6.4 - REVIEWING MAINTENANCE OF RECORDS

The CAP sponsor should periodically review how well the plan's records are maintained.

If the records are maintained internally, quality may be reviewed by:

- reviewing CAP members' complaints about the records; and
- periodic audit; or,
- review by a service provider.

If a service provider maintains the records, quality may be reviewed by:

- reviewing the members' complaints about the records; and,
- periodic audit; or
- requiring an annual certification regarding the appropriateness of the controls, processes and systems employed; or,
- review by an unrelated service provider.

The CAP sponsor should promptly take any corrective action required as a result of the review.

6.5 - REVIEWING DECISION-MAKING TOOLS

The CAP sponsor should periodically review any decision-making tools provided to CAP members or that the members are encouraged to use.

Factors for the CAP sponsor to consider when periodically reviewing decision-making tools include:

- the purpose of the plan;
- what types of decisions members must make;
- cost of the decision-making tools;
- the location, diversity and demographics of the members; and,
- the members' access to computers and the internet.

The CAP sponsor should make any changes required in the decision-making tools as a result of the review.

SECTION 7: TERMINATION

7.1 - TERMINATING A CAP

The termination of a CAP should be done in accordance with the terms of the plan and any applicable legal requirements.

7.1.1 Communicating the Termination of a Plan to CAP Members

If a capital accumulation plan is terminated, the CAP sponsor should promptly provide information to CAP members regarding:

- the options available to each member;
- any actions that are required in respect of the members' options;
- any deadlines for member action;
- the manner in which assets will be liquidated or distributed;
- any default options that may apply if no action is taken; and,
- the impact termination of the plan will have on each investment option.

Examples of the impact of the termination of the plan may include tax consequences, any market value adjustments, early withdrawal penalties or associated fees.

7.2 - TERMINATING A CAP MEMBER'S PARTICIPATION IN THE PLAN

The termination of a CAP member's participation in the CAP should be done in accordance with the terms of the plan and any applicable legislative requirements.

7.2.1 Communicating to CAP Members on Termination of Participation

If a CAP member terminates from a plan (e.g., because of termination of employment, retirement or death), the CAP sponsor should provide information about:

- the options available to the member;
- any actions the member must take;
- any deadlines for member action;
- any default options that may be applied if no action is taken; and,
- the impact that the termination of plan membership will have on each investment option

Examples of the impact of the termination of plan membership may include tax consequences, any market value adjustments, early withdrawal penalties or associated fees.

In the event that a CAP member dies and ceases to participate in the plan, this information should be provided to the member's designated beneficiary or personal representative.

Joint Forum of Financial Market Regulators

Forum conjoint des autorités de réglementation du marché financier

Summary of Stakeholder Comments and Regulators Responses From Consultations on Proposed Guidelines for Capital Accumulation Plans

May 28, 2004

1. INTRODUCTION

On April 25, 2003, the Joint Forum of Financial Market Regulators (Joint Forum) published proposed *Guidelines for Capital Accumulation Plans* (*Guidelines*). The *Guidelines* describe the rights and responsibilities of CAP sponsors, service providers and CAP members. They also outline the type of information and assistance that should be provided to CAP members to assist them in making investment decisions within a CAP.

The *Guidelines* were developed by the Joint Forum Committee on Capital Accumulation Plans (Committee) with the assistance of a stakeholders task force drawn from the membership of insurance, pension and securities industry associations as well as employer, consumer, labour and retiree groups.

2. COMMENTS RECEIVED

During the comment period, which expired on August 31, 2003, the Joint Forum received 26 submissions (a complete list can be found in Appendix 1). We would like to thank everyone who took the time to provide us with their comments.

Copies of the comment letters may be viewed in their entirety at any of the following websites:

- Canadian Council of Insurance Regulators (www.ccir-ccra.org under “Joint Forum of Financial Market Regulators\Joint Forum News\Stakeholder Submissions Regarding the Proposed Guidelines for Capital Accumulation Plans”);

- Canadian Association of Pension Supervisory Authorities (www.capsa-accor.org under “News from the Joint Forum of Financial Market Regulators\View Documents\ Stakeholder Submissions Regarding the Proposed Guidelines for Capital Accumulation Plans”); or

- Ontario Securities Commission (www.osc.gov.on.ca under "Rules & Regulation\ Rulemaking & Notices\ CSA Notices").

The Joint Forum also held 12 focus group sessions across the country. A total of 126 sponsors, service providers and pension plan members participated in these sessions. Comments were also received in separate but parallel consultations in Quebec.

3. SUMMARY OF REVISIONS TO THE GUIDELINES

The Committee reviewed the comment letters that were received. Each comment was carefully considered and, where appropriate, revisions were made to the *Guidelines*, which include the following:

- The format of the document has been changed to improve readability.

- The length of the document has been reduced by eliminating repetition.

- The definition of CAPs has been revised to clarify what types of plans are covered by the guidelines.

- Those parts of the *Guidelines* that created uncertainty have been crystallized.

- Revisions have been made to rectify ambiguities and inconsistencies in some areas of the *Guidelines*.

- Uncertainty regarding which investment rules regime applies has been addressed.

- Any language suggesting mandatory requirements has been eliminated to reduce confusion regarding the voluntary nature of the *Guidelines*.

- Expectations surrounding the monitoring of service providers and investment options have been clarified.

A final revised version of the *Guidelines* can be found at www.jointforum.ca.

4. SUMMARY OF PUBLIC COMMENTS

General Support for the Project

The Joint Forum received strong support from most commenters for its efforts to develop guidelines for CAPs. Highlights of those comments are as follows:

- The initiative is both timely and a significant step in the right direction to satisfy the needs of CAP sponsors, CAP members and service providers.
- The *Guidelines* will provide a great deal of assistance to employers and administrators in an area where there have been few clearly articulated rules, standards or practices.
- The *Guidelines* represent a framework of flexible standards that will accommodate the varying circumstances of employers and other sponsors and maintain CAPs as a viable employee benefit.
- The *Guidelines* form a useful resource in a shared effort to enhance consistency, integrity and accountability in the CAP marketplace.
- CAPs should be administered with high standards and best practices and by publishing the proposed *Guidelines*, the Joint Forum has set out examples of what those high standards should be.
- The Joint Forum's work in attempting to rationalize and harmonize the rules applicable to CAPs generally across the pension, securities and insurance regulatory regimes should be applauded. The elimination of conflicts and inconsistencies between CAP standards and those applicable to pensions and/or underlying products is essential. A uniform approach across jurisdictions will be of great benefit to the industry.
- If followed properly, the *Guidelines* will provide a reasonable due diligence defence for employers/administrators against actions by members in the event of disappointing investment performance.
- The proposed *Guidelines* are required reading for CAP sponsors. They are written in a practical manner and broadly address the major issues that are involved in governing, managing and operating a CAP.
- The *Guidelines* make significant strides in achieving their stated purposes, which include describing the rights and responsibilities of CAP sponsors, service providers and CAP members, ensuring that CAP members have enough information and assistance to make investment decisions and finally, ensuring that there is a similar regulatory result for CAP products and services regardless of the regulatory regime that applies to them.
- The Joint Forum should be commended for its work in bringing harmony, clarity and transparency to the regulation of CAPs. The Guidelines represent welcome progress on simplifying the confusing – and sometimes conflicting – rules that try to govern the investment of CAP assets.

Commenters also commended the Joint Forum on the collaborative and inclusive nature of the process undertaken in the development process. In addition, commenters appreciated the extensive consultation that was conducted. Particular mention was made of the focus group sessions that were conducted over the summer months in an effort to gain substantial input from all stakeholder groups across the country.

The Joint Forum acknowledges the support of commenters. The Joint Forum would also like to reiterate the importance that it attaches to conducting open and inclusive consultations.

Specific Comments Regarding the Guidelines

The following chart provides a summary of the comments received from stakeholders, together with the regulators' responses. Please note that we have not responded to each and every comment we received.

Issue	Comment	Response
Clarification of CAP Definition	Further clarification is required regarding whether or not the Guidelines are intended to apply to plans such as flex plans, stock purchase plans, voluntary contributions, CAPs in which employees either do not contribute or do not make investment decisions, and flexible contribution modules related to defined benefits plans where employees choose investments.	We have reviewed the definition of a CAP and have amended it to clarify what types of plans are intended to be covered by the Guidelines.
Expansion of CAP Definition	The Guidelines should apply to all capital accumulation plans, except stock purchase plans, regardless of whether an investment choice is offered.	The project mandate for the Guidelines is limited to CAPs that offer members investment choice.
Application of Guidelines to Individual RRSPs	Individual RRSPs should be subject to the same requirements as Group RRSPs and the guidelines should also apply to financial institutions that provide individual RRSPs. For the latter, however, some adjustments might be necessary since those plans do not involve an employer.	We do not agree that the Guidelines should be extended to individual RRSPs.
Linking the CAPs Project to CAPSA's Pension Plan Governance Initiative	The Joint Forum's initiative on CAPs should be linked with CAPSA's initiative on the governance of pension plans.	CAPSA is represented on the Joint Forum and on the Joint Forum Committee that developed the Guidelines. This has allowed CAPSA to take advantage of linkages between the two initiatives.
Providing CAP Members With Investment Information and Decision-Making Tools	From the Guidelines it is apparent that the Joint Forum realizes the importance of providing CAP plan members with investment information and decision-making tools. From this perspective the Guidelines are both appropriate and useful.	We acknowledge the support of the commenters.
Reviewing Decision-Making Tools	The Guidelines should address the need for CAP sponsors to determine whether investment information and decision-making tools provided to CAP members are effective in assisting members in making informed investment decisions. It would be useful for the Joint Forum to suggest a maximum period after which the sponsor must have reviewed the various tools available to members.	As part of their implementation plan, regulators expect the Guidelines to be followed by December 31, 2005. In 2006, the Joint Forum plans to assess the implementation of the Guidelines, including to what extent CAP members are provided with the decision-making tools they need to make investment decisions.
Informing CAP Members About Risk	The Guidelines underplay the aspect of risk. CAP sponsors should be required to sensitize members to risk factors.	We agree that CAP members should be aware of risks associated with their plan. However, we believe the Guidelines adequately address this matter given that several sections, notably section 4.2, include information regarding risk.

Issue	Comment	Response
Removing DC Plans From Legislation Governing DB Plans	Defined contributions plans should be removed from the legislation governing defined benefit plans and a new set of legislation/regulations specifically designed for CAPs (including DC plans and Group RRSPs) should be created. Such an approach would be consistent with the Joint Forum's views that these types of plans should be treated in a similar manner.	The suggestion outlined would require legislative changes which are beyond the scope of this project. Our approach all along has been to develop voluntary guidelines for CAPs.
Adopting the Guidelines as a Statement of Best Practices	The Guidelines should be implemented as a statement of best practices as opposed to pursuing a prescriptive regulatory approach. The resulting compliance obligations of the latter approach would likely dissuade sponsors from offering CAP benefits.	The regulators' intention is to pursue a voluntary approach at this point in time.
Adopting Guidelines as a Regulatory Requirement	Regulators could adopt the CAP Guidelines through their policy-making powers and thereby elevate the status of the Guidelines to a regulatory requirement. Even if the CAP Guidelines are not adopted by the provincial regulators, they represent a credible description of best practices and courts may turn to the CAP Guidelines to help settle disputes that arise under a CAP.	The Guidelines represent sound principles that should be followed by all CAP sponsors in order to ensure a soundly managed CAP but regulators have no intention of pursuing a regulatory approach at this point in time. The expectation is that the Guidelines will be followed as best practices.
Use of Terms "Give" and "Provide"	The Guidelines contain several sections which impose upon the sponsor a duty to "give" or "provide" members with certain information. As an alternative, these words could be changed to 'make available'. A duty to give information may actually impose an obligation to ensure that the material is received by the individual. A duty to make information available may be more in line with practice.	Revisions have been made to the Guidelines so that there is consistent use of the term "provide" in all situations where CAP members are to receive information.
Inconsistency in Investment Rules	According to the Guidelines, investment funds offered in a CAP would have to comply with the IVIC investment rules if the investment fund is an insurance product, or with the NI 81-102 investment rules if the fund is a mutual fund under securities law. The result of these provisions is that a fund that is technically an insurance product (for example, a segregated fund wrapped around a mutual fund or funds), would have to comply with both NI 81-102 investment rules in the underlying investments and IVIC investment rules, since the investment fund distributed to the CAP member would be an insurance product. While the goals of the regulations may be common, each set has its own unique approach to achieving these goals. This reality makes it exceedingly difficult and prohibitively expensive for a single fund in a CAP to be managed in such a way that it simultaneously satisfies the different rules.	We recognize this as a valid concern. The Guidelines have been revised to clarify the requirements for insurance products (see s.2.2.2). As part of the implementation of the Guidelines, the Joint Forum will address issues identified by stakeholders related to the differences in investment rules applicable under the pensions, securities and insurance regimes.

Issue	Comment	Response
Use of Plain Language	The concept of "plain and simple language" would be better addressed in a general paragraph that applies to the Guidelines in general instead of being repeated throughout the document.	We agree with this comment and have adopted this approach in the revised document.
Clear and Understandable Member Communications	The CAP sponsors' execution of the guidelines should result in member communications and information that is clear and easy to understand for members. Such a requirement is not explicit in the Guidelines.	We agree that members should have access to information that is clear and easy to understand. We believe that the clarification we have made with respect to the CAP sponsor's responsibilities in this area will lead to the intended result.
Securities Exemption for plans that adopt the Guidelines	The implementation model should result in the creation of a uniform exemption from securities legislation for CAPs that follow the Guidelines. This approach would be preferable to an approach that would require amendments to multiple local rules.	The Canadian Securities Administrators (CSA) will be considering exemptive relief from securities legislation as part of the implementation of the Guidelines.
Timing of Implementation	The application of the Guidelines to non-pension CAPs may take some time since employers will need to develop compliance procedures for the Guidelines for the first time. Furthermore, although most pension plans, or their providers on their behalf, comply with many aspects of the Guidelines, there are areas where compliance will take a little longer. For these reasons a reasonable time period should be given prior to expecting full compliance with the Guidelines. One suggestion for an implementation timetable was substantial compliance by the end of 2004 and full compliance by July, 2005. Another suggestion was 12 months from the date final guidelines are published/adopted.	We agree that the implementation phase should provide generous lead-time for CAP sponsors to assess their current practices and make any necessary improvements to those practices.
Repetition/Length of Guidelines	Although the Guidelines are comprehensive and well written, there is some repetition in terms of content. In addition, at 29 pages in length, the Guidelines are rather overwhelming. Consolidating some of the sections could help shorten the document.	We agree with the comment made. As a result we have eliminated any unnecessary repetition and have created a document that is substantially shorter while still being comprehensive.
French Translation of Guidelines	The French version of the Guidelines contains some areas that could be interpreted differently from the English version.	We acknowledge this concern and will ensure that the issue is dealt with in the context of the finalized Guidelines.
Transparency of Information Pertaining to Fees	There should be complete transparency regarding costs, especially in the area of fees. Expenses and penalties should not be aggregated. Plan members should know what they are paying for each service.	The guidelines state that all fees, expenses and penalties should be disclosed. In some circumstances, aggregated fees, expenses and penalties may be appropriate.
Application of the Guidelines to Terminated Members	It is unclear how the Guidelines are intended to apply in the case of terminated members. It can be difficult to track these individuals and having to provide them with information about changes to the plan and plan investments will be onerous, if not impossible.	It is intended that the Guidelines would apply to all CAP members who have assets in the plan.

Issue	Comment	Response
Post-Implementation Assessment of the Guidelines	The Joint Forum should develop a plan to review industry experience with the Guidelines a year after implementation.	In 2006, the Joint Forum plans to evaluate the success of the Guidelines.
Periodic Review and Update of Guidelines	There is some ambiguity around the ongoing monitoring of the Guidelines. For example, it is unclear whether a governing body will be established to periodically review and update the Guidelines.	Same as above.
Taking Member Preferences Into Account When Selecting Investment Options	The Guidelines state that, in selecting investment options, plan sponsors should take into account "any preferences voluntarily indicated by members." This would place a CAP sponsor in the position of accommodating the wishes of a few vocal CAP members at the expense of the general membership who may rightfully assume that the investment option available are suitable and meeting all requirements.	The Guidelines have been revised to remove the reference to taking member preferences into account when selecting investment options. Instead, CAP sponsors are asked to consider member complaints in deciding what action to take as a result of their review of the investment options made available to CAP members.
Monitoring and Oversight of Service Providers	The extent to which a plan sponsor monitors a service provider needs to be clarified, along with how this is practically achieved, given that the resources and sophistication vary greatly from one plan sponsor to another.	The Guidelines have been revised to state that periodic reviews of service providers should be conducted based on criteria established by the sponsor. Some guidance as to possible criteria CAP sponsors may want to consider has also been included.
Selection and Monitoring of investment Funds	Certain areas of the Guidelines will present significant challenges for all CAP stakeholders. The Guidelines may have a chilling effect as organizations grapple with the on-going need for independent advice and the costs of such advice. The Guidelines involve investment fund selection and monitoring. Investment fund offerings of financial institutions that offer bundled CAP services have multiplied significantly over recent years. Consequently, the complexities of selecting funds that are appropriate and of monitoring those funds relative to similar funds that are available has grown significantly.	Monitoring has been replaced with periodic review based on criteria established by the CAP sponsor.
Expanding Role of Service Providers Expanding Role of Service Providers	The expanding role of service providers mandated by the Guidelines will result in an inevitable reliance by plan sponsors on those providers. The Guidelines provide no clear direction on the allocation of responsibilities between sponsors and providers where the sponsor makes such reliance. This will require sponsors and providers to expend significant energy, time and resources in developing acceptable allocations of the related risks between them, which is likely to result in higher costs for providers. Those cost increases will, either in the short term or long term, almost certainly be borne by plan sponsors and members.	The Guidelines do not mandate the use of service providers. Instead, they recognize that service providers play a large role in the operation of most CAPs.

Issue	Comment	Response
Electronic Delivery of Information to CAP Members	Communication is a major component of the Guidelines, but the issue of which methods of delivery are acceptable is not addressed. Examples of acceptable forms of communication should be explicitly identified. In particular, the provision of information through electronic means should be encouraged.	This comment deals with an issue that falls outside the scope of the Guidelines.
Information vs. Education	The distinction between information and education should be clarified. For example, is there a hidden assumption that a plan sponsor would "test" the investment knowledge of its plan members?	The Guidelines do not mandate the provision of CAP member education by CAP sponsors.
Use of Inconsistent and Ambiguous Language	The Guidelines incorporate a variety of words and phrases to describe the CAP sponsors' responsibilities in respect of a disclosure of information to CAP members. In the absence of consistency of usage and precision of definitions, each reader is left to interpret the document in his or her own way. No guidance is provided in discerning the meaning behind different wordings. For instance, it is difficult to determine the difference in the responsibility to "provide" versus "give" or "communicate" versus "inform". Similarly, certain activities "must" be undertaken, but the Guideline then describes what those activities "should" include.	We agree that the Guidelines contained potential inconsistencies and ambiguities in some areas that could result in confusion. The text has been revised to ensure clarity and consistency throughout the document.
Potential for Increased Costs for CAP Sponsors	With the increased obligation on sponsors resulting in significant increase in work involved to comply with the Guidelines, use of service providers to meet those obligations could result in potentially significant cost increases to sponsors.	The Guidelines were developed by the Joint Forum Committee with the assistance of an industry task force and reflect current industry best practices. Where those best practices are not currently followed, there may be some costs associated with establishing review procedures and governance processes. The costs involved, however, should not be significant.
Employer Withdrawal from Offering CAPs	The expansion of the CAP principles and guidelines into areas and types of plans where no such rules previously existed, without sufficient certainty and clarity to enable sponsors to implement the new rules in an efficient and cost effective manner, will act as a disincentive to sponsors in providing such plans. Alternatively, the Guidelines may encourage CAP sponsors to modify their existing CAPs in order to fall outside the scope of Guidelines. For example, they may consider the removal of choice in investment options for members.	The CAP definition has been changed to focus on tax assisted plans with member choice. The Guidelines have also been revised to provide clarity and certainty.

Issue	Comment	Response
Lack of Specifics Regarding Implementation	The Guidelines encompass broad directives without any specifics on implementation. As a result of the broad nature of many of the provisions, it would be very difficult for a sponsor to determine with some certainty whether they are in compliance or not. Given that many area of the Guidelines use terminology such as “reasonable”, “prudent” and “appropriate” it would be useful to provide clarification, including examples referencing actions that would meet these criteria. This would help provide CAP sponsors with the guidance they need in order to address implementation of the Guidelines. Finally, the use of vague and open-ended terminology (such as “prudent”, “appropriate”, “reasonable”, “properly” and “sufficient”) provides little certainty or clarity for plan sponsors in how to actually implement the Guidelines.	In an effort to provide further guidance to CAP sponsors, we have added shaded text boxes throughout the document. This text adds further elaboration and clarification of the guidelines which should be of assistance to all users of the document. We have also eliminated the usage of potentially vague and open-ended terminology.
Impact on Small Business	The Guidelines are not adapted to the realities of small business. They impose administrative duties and costs that are unfairly burdensome for small businesses.	The Guidelines were developed by the Joint Forum Committee with the assistance of an industry task force and reflect current industry best practices. Feedback was also sought from plan sponsors, including small businesses, during focus group sessions held across Canada. Where CAPs are sponsored by small business, most of the responsibilities of the CAP sponsor outlined in the Guidelines are allowed to be, and currently are, delegated to service providers who follow industry best practices.
Safe Harbour	If the Guidelines are adopted as drafted, the result may be a raising of standards to which CAP sponsors could be held, with a corresponding increase in the uncertainty of how to satisfy such standards. Accordingly, a due diligence defence from CAP member lawsuits based on compliance with the guidelines should be included in the Guidelines.	Safe harbour cannot be provided in the context of voluntary guidelines.
Extension of Fiduciary Duties	The Guidelines will produce a significant extension of fiduciary-like responsibilities for CAP sponsors where no fiduciary duties currently exist under law. They will likely become the de facto standard of care and therefore result in additional due diligence obligations for sponsors and administrators. Plan sponsors will assess whether it is worth offering such plans, not only due to increased cost, but also due to increased risk of legal exposure.	There is no intention to expand the fiduciary duties of CAP sponsors. Instead, the Guidelines have been developed to support the continuous improvement and development of industry practices in the operation of CAPs.

Issue	Comment	Response
Performance Reports	CAP sponsors should not be required to circulate performance reports more than once per year. CAP members, however, should be able to request and get the most recent performance measures that are available to the sponsor.	The Guidelines say that performance reports should be provided at least annually. Where reports are available on a more frequent basis it is likely that they would be made available to members.
Disclosing Non-Financial Objectives of Funds Available as Investment Choices	Given that fund objectives must be made known to plan members, any non-financial objectives should also be disclosed.	The approach taken by regulators in the development of the Guidelines was to provide broad guidance to support the continuous development and improvement of industry practices rather than detailed specific rules.
Availability of Proxy Voting Policies and Records	Proxy voting polices and records should be made available to CAP members.	Same as above.
Conversions of Accumulations to Income Streams	The Guidelines should require that information and assistance be provided to CAP members about options available to them at the time CAP accumulations are being converted to income.	This suggestion is outside the scope of the CAP project. Our focus is to develop guidelines that deal with providing information and assistance to CAP members during the accumulation period.

APPENDIX 1 – LIST OF COMMENTERS

Date	Party	Organization
August 2003	Bill Turnbull	Co-operative Superannuation Society Pension Plan
August 2003		Manulife Financial
August 2003	Robert J. Lesperance	Canada's Association For The Fifty-Plus (CARP)
August 2003		FADOQ - Mouvement des Aînés du Québec
August 26, 2003	Don Panchuck	Phillips Hager North Investment Management Ltd.
August 26, 2003	Brian Hayhoe	Acquaint Financial
August 26, 2003	Steve Howard	Advocis
August 28, 2003	Dr. Stan Hamilton	UBC Faculty Pension Plan
August 28, 2003	Shirley McIntrye	TransAtla Corporation
August 28, 2003	Robert H. Stapleford	Mercer Human Resource Consulting and Mercer Investment Consulting
August 28, 2003	John Mountain	Investment Funds Institute of Canada (IFIC)
August 28, 2003	Bill Gleberzon	Canada's Association For The Fifty-Plus (CARP)
August 29, 2003	Tony Paine	
August 29, 2003	Claude Garcia	Standard Life
August 29, 2003	Jean-Francois Gariepy	Aon Consulting
August 29, 2003	Patricia A. Sihvon	ATCO Group
August 29, 2003	Christopher A. Brown	Bennett Jones
August 31, 2003	Roberta Wilton	Canadian Securities Institute (CSI)
September 3, 2003	Henri Masse	Fédération des travailleurs et travailleuses du Québec (FTQ)
September 5, 2003	Priscilla Healy, Paul Litner & Keith Douglas	ACPM/PIAC
September 5, 2003		Normandin Beaudry, Actuaires Conseil Inc.
September 8, 2003	Ron Sanderson	Canadian Life and Health Insurance Association (CLHIA)
September 12, 2003	Terry M. Campbell	Canadian Bankers Association (CBA)
September 15, 2003	Eugene Ellmen	Social Investment Organization (SIO)
October 1, 2003	Kevin J. Aselstine	Toronto Retirement Business Leader
October 7, 2003	Richard Fahey	Fédération canadienne de l'enterprise indépendante (FCEI)

1.1.4 OSC Notice - Consequential Amendments Related to National Instrument 51-102 Continuous Disclosure Obligations - Amendments to National Policy 31 Change of Auditor of a Reporting Issuer that is an Investment Fund and National Policy 51 Changes in the Ending Date of a Financial Year and in Reporting Status of an Investment Fund

ONTARIO SECURITIES COMMISSION NOTICE CONSEQUENTIAL AMENDMENTS RELATED TO NATIONAL INSTRUMENT 51-102 CONTINUOUS DISCLOSURE OBLIGATIONS

AMENDMENTS TO NATIONAL POLICY 31 *CHANGE OF AUDITOR OF A REPORTING ISSUER THAT IS AN INVESTMENT FUND* AND NATIONAL POLICY 51 *CHANGES IN THE ENDING DATE OF A FINANCIAL YEAR AND IN REPORTING STATUS OF AN INVESTMENT FUND*

On December 9, 2003, the Commission made amendments to National Policy 31 *Change of Auditor of a Reporting Issuer* (NP 31) and National Policy 51 *Change in the Ending Date of a Financial Year and in Reporting Status* (NP 51). The amendments to the national policies were made in conjunction with the implementation of National Instrument 51-102 *Continuous Disclosure Obligations*. The amendments to NP 31 and NP 51 were originally published at (2003) 26 OSCB (Supp-3) 61 and came into force on March 30, 2004.

A consolidated version of the amendments is published in Chapter 5 of the OSC Bulletin.

1.3 News Releases

1.3.1 OSC Issues Management Cease Trade Order against Certain Insiders of Argus Corporation Limited

FOR IMMEDIATE RELEASE
May 26, 2004

OSC ISSUES MANAGEMENT CEASE TRADE ORDER AGAINST CERTAIN INSIDERS OF ARGUS CORPORATION LIMITED

TORONTO – Staff of the Ontario Securities Commission has yesterday made a temporary order under paragraph 2 of subsection 127(1) and subsection 127(5) of the Ontario Securities Act that all trading by certain directors, officers and insiders of Argus Corporation Limited in securities of Argus Corporation Limited shall cease, subject to certain exceptions contained in the order. A hearing to continue the temporary order will be held at the offices of the Commission on June 3, 2004 commencing at 10:00 a.m.

For further information, please see the Temporary Order, Statement of Allegations and Notice of Hearing at **www.osc.gov.on.ca**.

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

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

1.3.2 OSC Approves the Settlement between Staff and Michael Hersey in the Saxton Matter

FOR IMMEDIATE RELEASE
May 28, 2004

ONTARIO SECURITIES COMMISSION APPROVES THE SETTLEMENT BETWEEN STAFF AND MICHAEL HERSEY IN THE SAXTON MATTER

TORONTO – On May 26, 2004, the Ontario Securities Commission approved the settlement between Staff of the Commission and Michael Hersey. Hersey has never been registered with the Commission. During the material time, Hersey was a licensed insurance agent.

Over 3 ½ years, Hersey participated in three illegal distributions, and engaged in unregistered trading of securities. Between 1995 and 1998, various Saxton companies issued securities. The sale of such securities raised approximately $37 million from investors. The distributions of the Saxton securities did not comply with Ontario securities law. Between April 1995 and April 1996, Hersey sold in excess of $2 million worth of the Saxton securities to over 30 Ontario investors. Among other things, Hersey misrepresented the nature and quality of the Saxton securities to his clients.

In 1996, Hersey incorporated SecurCorp Financial Inc, which purported to offer investors high yield guaranteed investment products. Hersey sold in excess of $700,000 worth of such securities to Ontario investors. The return promised to investors was premised only on Hersey's expectation that by the time the investment matured, the SecurCorp businesses in Cuba would be sufficiently profitable. The distribution of the SecurCorp securities contravened Ontario securities law.

Between May and September 1998, Hersey sold Sussex International securities to his clients. The distribution of the Sussex International securities did not comply with Ontario securities law.

The Commission settlement hearing panel issued a 20 year cease trade order against Hersey (with the exception of certain trading in Hersey's personal accounts after 5 years). Hersey is prohibited from becoming or acting as an officer or a director of any issuer for 20 years.

Copies of the approved Settlement Agreement, Amended Notice of Hearing and Amended Statement of Allegations of Staff of the Commission are available on the Commission's website (**www.osc.gov.on.ca**).

For Media Inquiries: Eric Pelletier
Communications
416-595-8913

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

1.3.3 OSC Commissioners Continue Management Cease Trade Order against Nortel Insiders

FOR IMMEDIATE RELEASE
May 31, 2004

OSC COMMISSIONERS CONTINUE MANAGEMENT CEASE TRADE ORDER AGAINST NORTEL INSIDERS

TORONTO – Following a hearing held today, a panel of Ontario Securities Commission (OSC) Commissioners has made a final order under paragraph 2 of subsection 127(1) of the *Securities Act* that all trading by certain directors, officers and insiders of Nortel Networks Corporation and Nortel Networks Limited in securities of Nortel Networks Corporation and Nortel Networks Limited cease until two full business days following the receipt by the Commission of all filings, including financial statements, the corporations are required to make pursuant to Ontario securities law. This order continues the temporary order made by the Director on May 17, 2004.

For further information, please see the Order on the OSC's web site (**www.osc.gov.on.ca**).

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

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

1.3.4 OSC Issues Management Cease Trade Orders against Certain Insiders of Hollinger Companies

FOR IMMEDIATE RELEASE
June 1, 2004

OSC ISSUES MANAGEMENT CEASE TRADE ORDERS AGAINST CERTAIN INSIDERS OF HOLLINGER COMPANIES

TORONTO – Following a hearing held today, a panel of Commissioners of the Ontario Securities Commission made three final orders under paragraph 2 of subsection 127(1) of the *Securities Act* (Ontario). Subject to certain exceptions contained in the orders, all trading in securities of each of the three companies noted below by the directors, officers and insiders named in the orders shall cease until two full business days following the receipt by the Commission of all filings, including financial statements, that each company is required to make pursuant to Ontario securities law:

- Hollinger Inc.
- Hollinger International Inc.
- Hollinger Canadian Newspapers, Limited Partnership

These orders continue the temporary orders made by the Director on May 18, 2004 respecting Hollinger Inc. and Hollinger International Inc., and on May 21, 2004 respecting Hollinger Canadian Newspapers, Limited Partnership.

For further information, please see the Orders on the Commission website (**www.osc.gov.on.ca**).

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

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

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Allstream Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief granted from the requirement to provide historical financial statements of a business to be acquired in an information circular. Historical financial statements not available for business to be acquired as it was recently created by way of plan of arrangement and reorganization completed under CCAA proceedings. Relief granted provided a description of the business, MD&A and historical financial statements of the issuer's predecessor are incorporated by reference into the circular.

Applicable Ontario Rules

OSC Rule 44-101 – Short Form Prospectus Distributions – ss. 4.4 and 4.6.
OSC Rule 54-501 – Prospectus Disclosure – ss. 2.1, 2.2 and 3.1.

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

AND

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

AND

IN THE MATTER OF
ALLSTREAM INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "**Decision Maker**") in each of British Columbia, Alberta, Saskatchewan, Ontario, Québec, Nova Scotia and Newfoundland and Labrador (the "**Jurisdictions**") has received an application from Allstream Inc. ("**Allstream**"), for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") that the requirements contained in the Legislation to provide historical financial statements of issuers in information circulars (the "**Historical Financial Statements Disclosure Requirements**") shall not apply to the incorporation by reference of certain historical financial statements of Allstream in the management information circular of Allstream (the "**Circular**") to be delivered in connection with the meeting (the **"Meeting"**) of securityholders of Allstream to be held on May 12, 2004 to consider the acquisition (the **"Acquisition"**) of Allstream by Manitoba Telecom Services Inc. ("**MTS**");

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 Agence nationale d'encadrement du secteur financier Notice 14-101;

AND WHEREAS Allstream has represented to the Decision Makers that:

1. The head and registered office for Allstream is located in Toronto, Ontario.

2. Allstream's authorized capital consists of an unlimited number of Class A voting shares (the "**Class A Shares**") and an unlimited number of Class B limited voting shares (the "**Class B Shares**"), of which 685,082 Class A Shares and 19,139,997 Class B Shares were outstanding on March 26, 2004. The Class A Shares and the Class B Shares (collectively, the "**Allstream Shares**") trade on the Toronto Stock Exchange (the "**TSX**") and the Nasdaq National Market System.

3. Allstream is a reporting issuer, or the equivalent, in each of the Jurisdictions and is not in default of its obligations as a reporting issuer. Allstream has filed a current Annual Information Form for the purposes of National Instrument 44-101 – Prospectus Disclosure Requirements of the Canadian Securities Administrators ("**NI 44-101**").

4. On October 15, 2002, AT&T Canada Inc., the predecessor to the business of Allstream (the "**Predecessor**"), and certain of its subsidiaries (collectively, the "**AT&T Canada Companies**"), filed an application for creditor protection under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") with the Superior Court of Justice (Ontario) and obtained an order from the Bankruptcy Court in the Southern District of New York under Section 304 of the U.S. Bankruptcy Code to recognize the CCAA proceedings in the United States (the "**CCAA Proceedings**").

5. As part of the CCAA Proceedings, the Predecessor formulated a consolidated Plan of Arrangement and Reorganization (the "**CCAA Plan**"). The purpose of the CCAA Plan was to restructure the balance sheet and equity of the AT&T Canada Companies, provide for the compromise, settlement and payment of liabilities of certain creditors of the AT&T Canada Companies, simplify the operating corporate structure of the AT&T Canada Companies and create a new entity, New AT&T Canada Inc. (now Allstream).

6. The Predecessor implemented the CCAA Plan and emerged from creditor protection under the CCAA on April 1, 2003. On June 18, 2003, New AT&T Canada Inc. changed its name to Allstream Inc.

7. As a result of the implementation of the CCAA Plan, the Predecessor became a wholly-owned subsidiary of Allstream.

8. MTS is the successor to The Manitoba Telephone System, a Crown corporation incorporated by special statute of the Province of Manitoba on April 28, 1933. On January 7, 1997, MTS was reorganized and continued as a share capital corporation pursuant to *The Manitoba Telephone System Reorganization and Consequential Amendments Act*. MTS subsequently was continued as a corporation under the *Corporations Act* (Manitoba) ("**MCA**") pursuant to a Certificate and Articles of Continuance dated April 5, 2000. MTS's articles, as amended, were restated by a Certificate and Restated Articles of Incorporation dated May 15, 2001.

9. MTS is a reporting issuer, or the equivalent, in each of the provinces of Canada and is not in default of its obligations as a reporting issuer. MTS's common shares are listed on the TSX.

10. The Acquisition is proposed to be effected by way of a plan of arrangement (the "**Arrangement**") under section 192 of the *Canada Business Corporations Act* ("**CBCA**"), involving Allstream, its shareholders and MTS, pursuant to which MTS will become the owner of all of the outstanding Allstream Shares.

11. Under the Arrangement, each Allstream Share (other than those Allstream Shares held by MTS or its subsidiaries or held by a shareholder of Allstream who properly exercises his, her or its right of dissent from the terms of the Arrangement) will be transferred to MTS in exchange for (i) cash and (ii) either common shares of MTS or preference shares of MTS.

12. Allstream has received, pursuant to the CBCA, an interim order dated April 8, 2004 (the **"Interim Order"**) of the Superior Court of Justice (Ontario) setting out certain procedural requirements relating to the approval of the Arrangement by the holders of Allstream Shares ("**Allstream Shareholders**"). Pursuant to the Interim Order, the Arrangement will require approval by a majority of not less than 66 2/3% of the votes cast by all holders of Allstream Shares voting together as a single class.

13. The Circular will be furnished to Allstream Shareholders in connection with the solicitation of proxies by and on behalf of the management of Allstream. In accordance with the Historical Financial Statements Disclosure Requirements, the Circular is required to include the disclosure (including financial statements disclosure) for MTS prescribed by the form of prospectus MTS would be eligible to use if the Circular were a prospectus of MTS, which in this case would be a short form prospectus under NI 44-101.

14. The Acquisition will represent a "significant probable acquisition" for MTS, having a level of significance of 50% or greater. Subject to the relief granted herein, the Circular will contain prospectus-level disclosure of the business and affairs of Allstream and MTS, and of the particulars of the Acquisition and the Arrangement.

15. Pursuant to the Historical Financial Statements Disclosure Requirements, Allstream is required to incorporate by reference in the Circular: (i) statements of income, retained earnings and cash flows for each of its three most recently completed financial years ended more than 90 days before the date of the Circular; and (ii) a balance sheet as at the date on which each of its two most recently completed financial years ended more than 90 days before the date of the Circular.

16. Allstream would be required to incorporate by reference in the Circular: (i) audited consolidated statements of income, retained earnings and cash flows for the years ended December 31, 2003, 2002 and 2001; and (ii) audited consolidated balance sheets as at December 31, 2003 and 2002. However, this information is not available in respect of Allstream as it did not exist in 2002 and only became a reporting issuer on the implementation date of the CCAA Plan on April 1, 2003.

17. As Allstream was created as part of the CCAA Proceedings, Allstream's operating history only began shortly before the implementation date of the CCAA Plan. However, as the Predecessor is a wholly-owned subsidiary of Allstream, its assets and liabilities on the implementation date of the CCAA Plan were indirectly also assets and liabilities of Allstream. Accordingly, the audited consolidated financial statements of the Predecessor, as at and for the two years ended

December 31, 2002, and the unaudited consolidated financial statements of the Predecessor for the three months ended March 31, 2003 (collectively, the "**Available Statements**"), are the only financial statements available in respect of the business and assets of Allstream for such periods.

18. Pursuant to the CCAA Plan, there was a substantial realignment in the equity interests and capital structure of the Predecessor. The reorganization and opening balance sheet of Allstream as at April 1, 2003 were accounted for under the provisions of The Canadian Institute of Chartered Accountants' Handbook Section 1625, Comprehensive Revaluation of Assets and Liabilities ("fresh start accounting"). Due to the significant changes in the financial structure of Allstream and the application of fresh start accounting, the consolidated financial statements of Allstream subsequent to the CCAA Plan implementation are not directly comparable with the Available Statements.

19. While the Available Statements are not directly comparable to the consolidated financial statements of Allstream, they do provide certain relevant information relating to the business, assets and operations of Allstream in respect of such periods in that they apply to the Predecessor which in a wholly-owned subsidiary of Allstream and carried on the business of Allstream prior to the implementation date of the CCAA plan. Further, the Available Statements are the only statements available in respect of the periods covered thereby.

20. The Circular discloses that the Available Statements are not directly comparable to the consolidated financial statements of Allstream.

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

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

THE DECISION of the Decision Makers under the Legislation is that Allstream is exempt from the Historical Financial Statements Disclosure Requirements with respect to the Circular, provided that:

(i) Allstream incorporates by reference in the Circular:

(a) the audited consolidated financial statements of Allstream for the period from April 1, 2003 to December 31, 2003;

(b) the unaudited consolidated financial statements of the Predecessor for the three months ended March 31, 2003;

(c) the audited consolidated financial statements of the Predecessor as at and for the two years ended December 31, 2002 (excluding the Predecessor's balance sheet as at December 31, 2001); and

(d) in lieu of information in respect of Allstream, the description of the business, financial information and management's discussion and analysis of financial condition and results of operation in respect of the Predecessor for periods pre-dating the implementation date of the CCAA Plan to the extent that such information would otherwise be required by NI 44-101 in respect of the Predecessor;

(collectively, the "Incorporated Information")

and

(ii) the Circular includes a statement that the Incorporated Information is available to Allstream Shareholders upon request and without charge.

May 12, 2004.

"Ralph Shay"

2.1.2 Aventura Energy Inc. - MRRS Decision

Headnote

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

Applicable Ontario Statutory Provisions

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

May 18, 2004

Osler, Hoskin & Harcourt LLP
Suite 1900, Toronto Dominion Square,
333 – 7th Avenue S.W.,
Calgary, AB T2P 2Z1

Attention: Ms. Andrée Blais

Dear Madame:

Re: Aventura Energy Inc. (the "Applicant") - Application to Cease to be a Reporting Issuer under the securities legislation of Alberta and Ontario (the "Jurisdictions")

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

As the Applicant has represented to the Decision Makers that,

1. the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada;

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

3. the Applicant is applying for relief to cease to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and

4. the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is deemed to have ceased to be a reporting issuer in the Jurisdictions.

"Patricia M. Johnston"

2.1.3 Equinox Minerals Limited - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief granted from certain provisions of National Instrument 43-101 to permit an economic analysis of a mineral project contained in a technical report to include inferred mineral resources, provided that references in prospectus and AIF contain cautionary language.

Rules Cited

National Instrument 43-101 - Standards of Disclosure for Mineral Projects, ss. 2.3(1), 4.1(1), (2), 4.3 and 9.1, Form 43-101F1 - Technical Report, Item 25(h).

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

AND

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

AND

IN THE MATTER OF
EQUINOX MINERALS LIMITED

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, Newfoundland and Labrador, Yukon Territory, Northwest Territories and Nunavut (the Jurisdictions) has received an application (the Application) from Equinox Minerals Limited (the Filer) for a decision pursuant to subsection 9.1(1) of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (the National Instrument) that the Filer is exempt from:

(a) the requirement in sections 4.1(1), (2) and 4.3 of the National Instrument and item 25(h) of Form 43-101F1 – *Technical Report* that only proven and probable mineral reserves be used in an economic analysis of a mineral project (the Report Requirement); and

(b) the prohibition in section 2.3 of the National Instrument against making any disclosure of results of an economic

evaluation which uses inferred mineral resources (the Disclosure Prohibition);

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 Filer has represented to the Decision Makers that:

Equinox Minerals Limited and Equinox Resources Limited

1. The Filer is a company incorporated under the *Canada Business Corporations Act* with its registered office in Toronto, Ontario, and has been incorporated for the purposes of entering into a restructuring transaction with Equinox Resources Limited (Equinox), a company incorporated under the *Company Act* (Australia) with its head office in Perth, Australia.

2. Equinox is an international mineral exploration company with exploration properties in Zambia, Australia and Sweden. Equinox's securities are listed and traded on the Australian Stock Exchange (the ASX) under the symbol "EQR".

3. Neither the Filer nor Equinox is a reporting issuer or its equivalent in any of the Jurisdictions, nor does either company have securities listed or posted for trading on any stock exchange in Canada.

4. The Filer intends to become a reporting issuer or its equivalent in each of the Jurisdictions by way of an initial public offering of its common shares (the Offering).

5. The authorized capital of the Filer consists of an unlimited number of common shares and an unlimited number of preferred shares issuable in series, of which there are currently no shares outstanding.

6. The authorized capital of Equinox consists of an unlimited number of ordinary shares, of which 215,300,790 shares were issued and outstanding as of February 20, 2004.

The Lumwana Project and Bankable Feasibility Study

7. In October, 2003, Equinox completed a two-year, US$13 million bankable feasibility study (the Bankable Feasibility Study) in respect of the Lumwana Project. The Lumwana Project is located in the North western Province of Zambia and includes the Malundwe and Chimiwungo deposits. It is primarily a copper resource with potential by-products of cobalt, gold and sulphuric acid. Currently, Equinox has a 53% interest in the Lumwana Project, which it has earned pursuant to the terms of a joint venture agreement with Phelps Dodge Mining (Zambia) Limited, which holds the remaining 47%. Equinox is the operator of the Lumwana Project.

8. The principal consultants which prepared the Bankable Feasibility Study were Kvaerner E&C Australia Pty Ltd on management, processing and engineering aspects, and Golder Associates Pty Ltd (Golder) on all geoscientific, environmental and tailings dam studies.

9. The Bankable Feasibility Study included a two phase drilling program (which, together with previously collected drilling and assay data, created a database of 961 holes and approximately 130,000 metres), including resource, geotechnical and hydrogeological drill programs and the collection of metallurgical samples, mine design, an extensive metallurgical testwork program, detailed processing plant design, a metals marketing review, an environmental impact assessment study and estimation of capital and operating costs.

10. As part of the Bankable Feasibility Study, Golder prepared a mine plan which includes inferred resources within the defined open pit areas. The estimation allowed for dilution, realistic mining conditions and the likely continuity of the ore body and was followed by optimization, mine planning and financial analysis.

11. Based on its analysis of the data collected, Golder concluded that the Malundwe and Chimiwungo deposits are very large, simple deposits which are geologically well-understood and display a high continuity of copper mineralization for which inferred resources were deemed appropriate to be included in the mine plan for the project.

12. Golder estimates that, including inferred resources, the Lumwana Project contains a mineral resource of 901 Mt of which 348 Mt is classified in the mining reserve and resource category. The mining plan set out in the Bankable Feasibility Study contemplates a long-life operation of greater than 20 years. Inferred resources constitute approximately 41% of material included in the mine plan, but will largely be mined only in the latter stages of the project (years 13 to 20). Five pits are scheduled to be developed under the mining plan and approximately 80% of the mining within the first 12 years of operations will come from proven and probable reserves from three of the five pits. A discounted cash flow to year 12 will result in a positive cash flow for the operations. The Filer plans to continually upgrade the inferred

resources by drilling, which would extend the mine plan to at least 20 years (as projected by Golder).

The Restructure Transaction

13. The Filer was established for the purpose of becoming the Canadian holding company of Equinox pursuant to a court-approved scheme of arrangement under Australian law (the Scheme) and an implementation agreement between the Filer and Equinox (the Implementation Agreement, and together with the Scheme, the Restructure).

14. Pursuant to the Restructure, security holders of Equinox will exchange their securities for CHESS Depository Instruments or common shares issued by the Filer (the Equity Securities). Upon the Restructure becoming effective: (i) Equinox will become a wholly-owned subsidiary of the Filer, (ii) the ordinary shares of Equinox shall be delisted from the ASX, (iii) the shareholders of Equinox shall receive the Equity Securities in exchange for ordinary shares of Equinox, and (iv) the Equity Securities will be listed on the ASX. It is anticipated that the Restructure will become effective in early June, 2004, subject to obtaining the necessary shareholder, court and regulatory approvals.

The Offering

15. The Filer intends to make the Offering in each of the Jurisdictions**.** It is anticipated that the Offering will be completed in conjunction with the completion of the Restructure.

16. In connection with the Offering, the Filer will file with the Decision Makers:

    (i) a technical report in the prescribed Form 43-101F1 (the Technical Report) and

    (ii) a preliminary and final prospectus prepared in connection with the Offering (collectively, the Prospectus) which shall contain a summary of the Technical Report.

17. Upon the filing of the Prospectus, the Filer will become a reporting issuer or the equivalent thereof in each of the Jurisdictions and shall be required to file an annual information form, prepared in accordance with Form 51-102F2 prescribed by National Instrument 51-102 – *Continuous Disclosure Obligations* (the AIF), which shall contain a summary of the Technical Report.

18. The reserve calculations in the Technical Report were prepared in accordance with the requirements of the ASX and the Australasian Code for Reporting of Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institution of Geoscientists and Mineral Council of Australia, as amended and supplemented (the JORC Code), which prescribes the content of disclosure of scientific or technical information in respect of mineral projects, and shall be reported in the Prospectus in accordance with the applicable definitions contained in the JORC Code and recognized by the Canadian Institute of Mining, Metallurgy and Petroleum.

19. The Technical Report has been prepared by Michael Richards of Equinox and Dr. Sia Khosrowshahi and Ross Bertinshaw of Golder, each of whom qualifies as a "qualified person" for the purposes of the National Instrument. Each such person possesses greater than five years of relevant mining and geological surveying experience and is a registered member of a professional organization recognized by statute in Australia.

20. The mineral resources and reserves of the Lumwana Project reported in the Technical Report and Prospectus and the economic evaluation of the resources and reserves provided therein is based on the Bankable Feasibility Study and includes inferred mineral resources.

AND WHEREAS the Filer has requested that the Decision (as defined below) and the Application be held in confidence for up to 120 days from the date of the Decision;

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

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

THE DECISION of the Decision Makers under the National Instrument is that the Filer is exempt from the Report Requirement and Disclosure Prohibition in respect of the Technical Report, the Prospectus, and the AIF, provided that the Prospectus and the AIF include a proximate statement that the economic evaluation of the mineral resources and reserves of the Lumwana Project contained in the Technical Report includes inferred mineral resources that are considered not to be defined in sufficient detail to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is currently no certainty that the economic analysis proposed will be achieved.

AND THE FURTHER DECISION of the Decision Makers under the securities legislation of the Jurisdictions is that the Application and the Decision shall be held in confidence by the Decision Makers until the earlier of (a) the date on which the Decision Makers have issued an

MRRS decision document acknowledging receipt of the preliminary Prospectus and (b) the date that is 120 days from the date of the Decision.

April 27, 2004.

"Erez Blumberger"

2.1.4 Sleeman Breweries Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System – Take-over bid – Relief from the prohibition against collateral benefits. Consulting, non-competition and employment agreements entered into with three selling security holders who are also senior officers or employees of target company. Agreements negotiated at arm's length and on commercially reasonable terms. Agreements entered into for reasons other than to increase the value of the consideration paid to the selling security holders for their shares. Agreements may be entered into despite the prohibition against collateral benefits. Offeror agrees to obtain minority approval of subsequent going private transaction.

Statute Cited

Securities Act R.S.O. 1990, c. S.5, as amended, ss. 97(2) and 104(2)(a).

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

AND

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

AND

IN THE MATTER OF
SLEEMAN BREWERIES LTD.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "**Decision Maker**") in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia and Newfoundland and Labrador (the "**Jurisdictions**") has received an application (the "**Application**") from Sleeman Breweries Ltd. ("**Sleeman**") for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") that agreements with certain employees of Unibroue Inc. ("**Unibroue**") who own or control multiple voting shares of Unibroue ("**MVS**") and subordinate voting shares of Unibroue ("**SVS**", and together with the MVS, the "**Unibroue Shares**") or options to purchase Unibroue Shares (the **"Options"**) are being made for reasons other than to increase the value of the consideration paid for those Unibroue Shares that are owned or controlled by such employees and may be entered into notwithstanding the requirements contained in the Legislation which prohibits, in the context of a take-over bid, the entering into of any collateral agreement with any holder or beneficial owner of securities of the offeree issuer that has the effect of providing to the holder or owner a consideration of

greater value than that offered to holders of the same class of securities (the "**Prohibition on Collateral Agreements**");

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "**System**"), the Ontario Securities Commission is the Principal Regulator for the Application;

AND WHEREAS unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions or in Agence nationale d'encadrement du secteur financier Notice 14-101;

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

1. Sleeman is a corporation continued under the federal laws of Canada and has its head office at 551 Clair Road West, Guelph, Ontario N1L 1E9.

2. Sleeman is a reporting issuer in all the provinces of Canada and is not in default of any requirements of the Legislation. Sleeman's common shares are listed on the Toronto Stock Exchange (the **"TSX"**).

3. Unibroue is a corporation incorporated under the federal laws of Canada and has its head office at 80 rue Des Carrières, Chambly, Québec J3H 2H6.

4. Unibroue is a reporting issuer in the provinces of Québec and Ontario and is not in default of any requirements of either of these jurisdictions. The SVS are listed on the TSX. The MVS are not listed on the TSX or any other market.

5. The authorized capital of Unibroue consists of an unlimited number of MVS, an unlimited number of SVS and an unlimited number of first-ranking preferred shares. Based on the public disclosure record of Unibroue, 4,143,254 MVS, 1,715,054 SVS and no first-ranking preferred shares were issued and outstanding as at March 12, 2004 and there were outstanding Options to purchase 166,500 SVS under Unibroue's stock option plan as at December 31, 2003.

6. Sleeman or its wholly owned subsidiary (collectively, the "**Offeror**") proposes to make an offer (the "**Offer**") to acquire all of the Unibroue Shares at $5.25 per Unibroue Share.

7. The Offer will be made by way of a take-over bid circular mailed to all holders of Unibroue Shares and prepared in accordance with the Legislation.

8. The Offer will be conditional on, among other things, there being validly deposited under the Offer and not withdrawn at the expiry time of the Offer, the greater of: (a) such number of Unibroue Shares as represents at least 66⅔% of the issued and outstanding SVS (on a fully-diluted basis) after giving effect to the deemed conversion of all MVS; and (b) the number of Unibroue Shares required to ensure minority approval of a subsequent going private transaction involving Unibroue.

9. Sleeman and Unibroue have entered into a support agreement pursuant to which the Offeror has agreed to make the Offer and Unibroue has agreed to, among other things, recommend that its shareholders (the **"Unibroue Shareholders"**) deposit their Unibroue Shares under the Offer.

10. Sleeman has also entered into a lock-up agreement with André Dion, Andrée Marcil Dion, Jean-François Dion, Sébastien Dion, Robert Charlebois, Laurence Charlebois, Jérôme Charlebois, Victor Charlebois, Serge Racine and their respective controlled entities (collectively, the "**Sellers**"), pursuant to which the Sellers have agreed to deposit or cause to be deposited all of their Unibroue Shares under the Offer.

11. As an integral part of the transaction: (i) André Dion, the founder, President and Chief Executive Officer of Unibroue, has entered into a consulting agreement (the "**Consulting Agreement**") with Unibroue and Sleeman and a non-competition and non-solicitation agreement (the "**Non-Competition Agreement**") with Sleeman; (ii) Sébastien Dion, Unibroue's Vice President, Finance and Administration, has entered into an employment agreement (the "**SD Employment Agreement**") with Unibroue; and (iii) Paul Arnott, Unibroue's master brewer, has entered into an employment agreement (the "**PA Employment Agreement**") with Unibroue.

12. Pursuant to the Consulting Agreement, André Dion has agreed to assist in the transition of the business to the new ownership for a period of one year for a total fee of $250,000. The fee is payable quarterly.

13. Pursuant to the Non-Competition Agreement, André Dion has agreed to certain non-competition and non-solicitation covenants in favour of Sleeman for a period of three years following termination of the Consulting Agreement and, in consideration therefore, Sleeman will pay to André Dion the sum of $250,000 for, and payable at the beginning of, each such year.

14. Pursuant to the SD Employment Agreement, Sébastien Dion has agreed to continue his employment with Unibroue for a period of two years at a salary of $100,000 per year. In addition, Sébastien Dion will be entitled to receive a bonus of $15,000 on July 1, 2005 for his assistance in the transition of the business to new ownership and to participate in Sleeman's group health benefit plan and annual incentive plan which may entitle him to receive an additional

annual bonus of $20,000 provided all performance targets are met.

15. Pursuant to the PA Employment Agreement, Paul Arnott has agreed to continue his employment with Unibroue until September 1, 2006 at a salary of $105,000 per year. In addition, Paul Arnott will be entitled to receive the same bonus and participate in the same benefit and incentive plans as Sébastien Dion.

16. André Dion personally owns 39,500 SVS and controls 2,862,176 MVS held by Gestion André Dion Ltée. ("**Holdco**"). André Dion holds a 60% voting and equity interest in Holdco. Sébastien Dion personally owns 1,000 SVS and holds a 20% voting and equity interest in Holdco. Paul Arnott does not beneficially own or control any of the outstanding Unibroue Shares, but holds Options to acquire 15,000 Unibroue Shares.

17. The value of the collateral benefit to each of André Dion, Sébastien Dion and Paul Arnott (the **"Key Personnel"**) pursuant to their respective agreements is minimal in comparison to the value that each is entitled to receive under the Offer.

18. André Dion has agreed to the Consulting Agreement, and Sébastien Dion has agreed to the SD Employment Agreement, to ensure the integration of Unibroue into Sleeman's Québec operations and that the continuation of the combined Québec operations will be as successful as possible following completion of the Offer.

19. The Non-Competition Agreement with André Dion is of significant value to Sleeman. Sleeman believes that it is important to the success and growth of its Québec business that André Dion does not compete with Sleeman for the term of the Non-Competition Agreement.

20. The purpose of entering into the Consulting Agreement, the Non-Competition Agreement, the SD Employment Agreement and the PA Employment Agreement is to provide incentives to certain Unibroue employees to continue their involvement with the business of Unibroue and thereby improve the performance of the Unibroue business after its acquisition by the Offeror and assist in managing and expanding the Sleeman business in Québec, which business includes Unibroue following the acquisition.

21. Sleeman required the Key Personnel to enter into the Consulting Agreement, the Non-Competition Agreement, the SD Employment Agreement and the PA Employment Agreement as a precondition to the making of the Offer because each of them has been critical to the successful operation of the business of Unibroue to date and will be critical in the transition of the business to its new ownership.

22. The terms of the Consulting Agreement, the Non-Competition Agreement, the SD Employment Agreement and the PA Employment Agreement have been negotiated with the applicable parties at arm's length and are on terms and conditions that are commercially reasonable.

23. Each of the payments under the Consulting Agreement, the Non-Competition Agreement, the SD Employment Agreement and the PA Employment Agreement is commensurate with the total annual compensation of employees of Sleeman with similar level of seniority and/or responsibility.

24. Sleeman believes that it was a prudent and commercially reasonable business decision on its part to insist on a non-competition agreement with André Dion. In other transactions in which Sleeman has acquired businesses, it has been Sleeman's practice to obtain non-competition covenants from the vendors of the business, and Sleeman believes that other purchasers of businesses in this industry would similarly require such non-competition covenants from sellers.

25. The Consulting Agreement, the Non-Competition Agreement, the SD Employment Agreement and the PA Employment Agreement have been made for valid business reasons unrelated to the Key Personnel's holdings of Unibroue Shares or Options and not for the purpose of conferring an economic or collateral benefit that the other Unibroue Shareholders do not enjoy or to increase the value of the consideration to be paid to such employees for their Unibroue Shares tendered under the Offer.

26. The receipt by the Key Personnel of compensation pursuant to the terms of the Consulting Agreement, the Non-Competition Agreement, the SD Employment Agreement and the PA Employment Agreement is not conditional upon their support of the Offer.

27. Full particulars of the material terms of the Consulting Agreement, the Non-Competition Agreement, the SD Employment Agreement and the PA Employment Agreement will be disclosed in the take-over bid circular of Sleeman and the directors' circular of Unibroue.

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

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

THE DECISION of the Decision Makers in the Jurisdictions under the Legislation is that, in connection

with the Offer, entering into of the Consulting Agreement, the Non-Competition Agreement, the SD Employment Agreement and the PA Employment Agreement with the Key Personnel is being made for reasons other than to increase the value of the consideration paid for the Unibroue Shares or Options that are owned or controlled by the Key Personnel and may be entered into notwithstanding the Prohibition on Collateral Agreements.

May 14, 2004.

"Paul M. Moore" "Paul K. Bates"

2.1.5 Sleeman Breweries Ltd. - MRRS Decision

Headnote

Rule 61-501 – Going private transactions – Consulting, non-competition and employment agreements entered into with three selling security holders who are also senior officers or employees of target company. Target company permitted to count selling security holders' securities as part of minority vote required in connection with going private transaction. Value of net benefits payable to two shareholders is minimal in comparison to the value of consideration to be received by them for their securities. If other key shareholder exercised his options, would own less than one percent of target's shares. Benefits not conditional on support of transaction and reasonably consistent with customary industry practice.

Applicable Ontario Rules

Rule 61-501 – Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions, ss. 4.7, 4.8 and 9.1.

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO AND QUÉBEC

AND

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

AND

IN THE MATTER OF
SLEEMAN BREWERIES LTD.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "**Decision Maker**") in each of the provinces of Ontario and Québec (the "**Jurisdictions**") has received an application (the "**Application**") from Sleeman Breweries Ltd. ("**Sleeman**") for a decision under Ontario Securities Commission Rule 61-501 - *Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions* and Policy Q-27 of the Agence nationale d'encadrement du secteur financier (collectively, the **"Legislation"**) that the votes attached to multiple voting shares of Unibroue ("**MVS**") and subordinate voting shares of Unibroue ("**SVS**", and together with the MVS, the "**Unibroue Shares**") that may be tendered by André Dion, Sébastien Dion and Paul Arnott (the **"Key Personnel"**) under the offer (the **"Offer"**) to be made by Sleeman to acquire all of the Unibroue Shares may be included as votes in favour of a subsequent going private transaction in the determination of whether the requisite minority approval has been obtained, notwithstanding the entering into of the Agreements (as defined below) by the Key Personnel;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "**System**"), the Ontario Securities Commission is the Principal Regulator for the Application;

AND WHEREAS unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 - *Definitions* or in Agence nationale d'encadrement du secteur financier Notice 14-101;

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

1. Sleeman is a corporation continued under the federal laws of Canada and has its head office in Guelph, Ontario.

2. Sleeman is a reporting issuer in all the jurisdictions of Canada and is not in default of any requirements under the securities legislation of such jurisdictions. Sleeman's common shares are listed on the Toronto Stock Exchange (the **"TSX"**).

3. Unibroue is a corporation incorporated under the federal laws of Canada and has its head office in Chambly, Québec.

4. Unibroue is a reporting issuer in the Jurisdictions and is not in default of any requirements of the Jurisdictions. The SVS are listed on the TSX. The MVS are not listed on the TSX or any other market.

5. The authorized capital of Unibroue consists of an unlimited number of MVS, an unlimited number of SVS and an unlimited number of first-ranking preferred shares. Based on the public disclosure record of Unibroue, 4,143,254 MVS, 1,715,054 SVS and no first-ranking preferred shares were issued and outstanding as at March 12, 2004 and there were outstanding options to purchase 166,500 SVS under Unibroue's stock option plan as at December 31, 2003.

6. Sleeman or its wholly owned subsidiary (collectively, the "**Offeror**") proposes to make the Offer to acquire all of the Unibroue Shares at $5.25 per Unibroue Share.

7. The Offer will be made by way of a take-over bid circular mailed to all holders of Unibroue Shares and prepared in accordance with applicable securities legislation.

8. The Offer will be conditional on, among other things, there being validly deposited under the Offer and not withdrawn at the expiry time of the Offer, the greater of: (a) such number of Unibroue Shares as represents at least 66⅔% of the issued and outstanding SVS (on a fully-diluted basis) after giving effect to the deemed conversion of all MVS; and (b) the number of Unibroue Shares required to ensure minority approval of a subsequent going private transaction involving Unibroue.

9. Sleeman and Unibroue have entered into a support agreement pursuant to which the Offeror has agreed to make the Offer and Unibroue has agreed to, among other things, recommend that its shareholders (the **"Unibroue Shareholders"**) deposit their Unibroue Shares under the Offer.

10. Sleeman has also entered into a lock-up agreement with André Dion, Andrée Marcil Dion, Jean-François Dion, Sébastien Dion, Robert Charlebois, Laurence Charlebois, Jérôme Charlebois, Victor Charlebois, Serge Racine and their respective controlled entities (collectively, the "**Sellers**"), pursuant to which the Sellers have agreed to deposit or cause to be deposited all of their Unibroue Shares under the Offer.

11. As an integral part of the transaction: (i) André Dion, the founder, President and Chief Executive Officer of Unibroue, has entered into a consulting agreement (the "**Consulting Agreement**") with Unibroue and Sleeman and a non-competition and non-solicitation agreement (the "**Non-Competition Agreement**") with Sleeman; (ii) Sébastien Dion, Unibroue's Vice President, Finance and Administration, has entered into an employment agreement (the "**SD Employment Agreement**") with Unibroue; and (iii) Paul Arnott, Unibroue's master brewer, has entered into an employment agreement (the "**PA Employment Agreement**") with Unibroue (the four agreements are collectively referred to as the **"Agreements"**).

12. Pursuant to the Consulting Agreement, André Dion has agreed to assist in the transition of the business to the new ownership for a period of one year for a total fee of $250,000. The fee is payable quarterly.

13. Pursuant to the Non-Competition Agreement, André Dion has agreed to certain non-competition and non-solicitation covenants in favour of Sleeman for a period of three years following termination of the Consulting Agreement and, in consideration therefore, Sleeman will pay to André Dion the sum of $250,000 for, and payable at the beginning of, each such year.

14. Pursuant to the SD Employment Agreement, Sébastien Dion has agreed to continue his employment with Unibroue for a period of two years at a salary of $100,000 per year. In addition, Sébastien Dion will be entitled to receive a bonus of $15,000 on July 1, 2005 for his assistance in the transition of the business to new ownership and to participate in Sleeman's group health benefit plan and annual incentive plan which may entitle him to receive an additional

annual bonus of $20,000 provided all performance targets are met.

15. Pursuant to the PA Employment Agreement, Paul Arnott has agreed to continue his employment with Unibroue until September 1, 2006 at a salary of $105,000 per year. In addition, Paul Arnott will be entitled to receive the same bonus and participate in the same benefit and incentive plans as Sébastien Dion.

16. André Dion was paid a salary and bonus in the aggregate amount of $175,776 in 2003 in his capacity as President and Chief Executive Officer of Unibroue. Sébastien Dion was paid a salary and bonus in the aggregate amount of $86,665 in 2003 in his capacity as Vice President, Finance and Administration, of Unibroue. Paul Arnott was paid a salary and bonus in the aggregate amount of $101,000 in 2003 in his capacity as master brewer at Unibroue.

17. Over the four year term of the Consulting Agreement and the Non-Competition Agreement, André Dion will receive an aggregate amount of $296,896 in excess of his 2003 compensation. Over the two year term of the SD Employment Agreement, Sébastien Dion will receive an aggregate amount of $81,670 in excess of his 2003 compensation. Under the PA Employment Agreement, Paul Arnott will receive an annual aggregate amount of less than $4,000 in excess of his 2003 compensation.

18. André Dion personally owns 39,500 SVS and controls the 2,862,176 MVS held by Gestion André Dion Ltée. ("**Holdco**") through his holding of a 60% voting and equity interest in Holdco. Sébastien Dion personally owns 1,000 SVS and holds a 20% voting and equity interest in Holdco. Paul Arnott does not beneficially own or control any of the outstanding Unibroue Shares, but holds options to acquire 15,000 Unibroue Shares.

19. The value of the collateral benefit to each of the Key Personnel pursuant to their respective agreements is minimal in comparison to the value that each is entitled to receive under the Offer.

20. Based on his personal SVS ownership, and attributing 60% of the consideration payable to Holdco under the Offer to him, André Dion will receive approximately $9.2 million as consideration under the Offer. Based on his personal SVS ownership and attributing 20% of the consideration payable to Holdco under the Offer to him, Sébastien Dion will receive approximately $3.0 million as consideration under the Offer. If Paul Arnott were to exercise his options, he would own less than one percent of the Unibroue Shares and would receive $80,000 as consideration if he tendered the shares under the Offer.

21. André Dion has agreed to the Consulting Agreement, and Sébastien Dion has agreed to the SD Employment Agreement, to ensure the integration of Unibroue into Sleeman's Québec operations and that the continuation of the combined Québec operations will be as successful as possible following completion of the Offer.

22. The Non-Competition Agreement with André Dion is of significant value to Sleeman. Sleeman believes that it is important to the success and growth of its Québec business that André Dion does not compete with Sleeman for the term of the Non-Competition Agreement. It is currently expected that the payments under the Non-Competition Agreement would represent a significant portion of André Dion's employment income for the term of the Non-Competition Agreement.

23. The purpose of entering into the Agreements is to provide incentives to certain Unibroue employees to continue their involvement with the business of Unibroue and thereby improve the performance of the Unibroue business after its acquisition by the Offeror and assist in managing and expanding the Sleeman business in Québec, which business includes Unibroue following the acquisition.

24. Sleeman required the Key Personnel to enter into the Agreements as a precondition to the making of the Offer because each of them has been critical to the successful operation of the business of Unibroue to date and will be critical in the transition of the business to its new ownership.

25. The terms of the Agreements have been negotiated with the applicable parties at arm's length and are on terms and conditions that are commercially reasonable.

26. Each of the payments under the Agreements is commensurate with the total annual compensation of employees of Sleeman with similar level of seniority and/or responsibility.

27. Sleeman believes that it was a prudent and commercially reasonable business decision on its part to insist on a non-competition agreement with André Dion. In other transactions in which Sleeman has acquired businesses, it has been Sleeman's practice to obtain non-competition covenants from the vendors of the business, and Sleeman believes that other purchasers of businesses in this industry would similarly require such non-competition covenants from sellers.

28. The Agreements have been made for valid business reasons unrelated to the Key Personnel's holdings of Unibroue Shares or options and not for the purpose of conferring an economic or collateral benefit that the other

Unibroue Shareholders do not enjoy or to increase the value of the consideration to be paid to such employees for their Unibroue Shares tendered under the Offer.

29. The receipt by the Key Personnel of compensation pursuant to the terms of the Agreements is not conditional upon their support of the Offer.

30. Full particulars of the material terms of the Agreements will be disclosed in the take-over bid circular of Sleeman and the directors' circular of Unibroue.

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

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

THE DECISION of the Decision Makers in the Jurisdictions under the Legislation is that the votes attached to the Unibroue Shares tendered by Key Personnel under the Offer may be included as votes in favour of a subsequent going private transaction in the determination of whether the requisite minority approval has been obtained, provided that Sleeman complies with the other applicable provisions of the Legislation.

May 14, 2004.

"Ralph Shay"

2.1.6 Canada Life Financial Corporation et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Exemption from the requirements to file annual certificates and interim certificates under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings granted to a capital trust sponsored by an insurance company, subject to specified conditions, where the trust had previously been exempted from the requirements to file financial statements, MD&A and AIFs.

Applicable Instruments

Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.
National Instrument 51-102 Continuous Disclosure Obligations.

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

AND

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

AND

IN THE MATTER OF
CANADA LIFE FINANCIAL CORPORATION

AND

IN THE MATTER OF
THE CANADA LIFE ASSURANCE COMPANY

AND

IN THE MATTER OF
CANADA LIFE CAPITAL TRUST

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker", and collectively the "Decision Makers") in each of Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, Newfoundland and Labrador, the Northwest Territories and Nunavut (the "Jurisdictions") has received an application from Canada Life Financial Corporation ("CLF"), The Canada Life Assurance Company ("CLA") and Canada Life Capital Trust (the "Trust") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation"), that the requirements contained in the Legislation to:

(a) file annual certificates ("Annual Certificates") with the Decision Makers under section 2.1 of Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("MI 52-109"); and

(b) file interim certificates ("Interim Certificates" and together with the Annual Certificates, the "Certification Filings") with the Decision Makers under section 3.1 of MI 52-109;

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

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

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

AND WHEREAS pursuant to a Mutual Reliance Review System ("MRRS") decision document dated May 14, 2002 (the "Previous Decision"), the Trust is exempted, on certain terms and conditions, from the requirements of the securities legislation in the jurisdictions of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and Newfoundland and Labrador (the local securities regulatory authorities or regulators in such jurisdictions, collectively, the "Previous Decision Makers") concerning the preparation, filing and delivery of (i) interim and annual financial statements with the Previous Decision Makers; (ii) an annual filing with the Previous Decision Makers in lieu of filing an information circular, where applicable; (iii) an annual report and an information circular with the Decision Maker in Quebec and delivery of such report or information circular to the security holders of the Trust resident in Quebec; and (iv) an annual information form ("AIF") and management's discussion and analysis ("MD&A") with the Decision Makers in Ontario, Quebec and Saskatchewan;

AND WHEREAS the Trust will file a notice with the applicable securities regulatory authorities or regulators under section 13.2(2) of National Instrument 51-102 - *Continuous Disclosure Obligations* stating that it intends to rely on the Previous Decision to the same extent and on the same conditions as contained in the Previous Decision;

AND WHEREAS CLF, CLA and the Trust represented to the Decision Makers that:

CLF

1. CLF was incorporated under the *Insurance Companies Act* (the "ICA"), is a reporting issuer, or the equivalent, in each of the provinces and territories of Canada that provides for a reporting issuer regime and to the best of its knowledge is not in default of any applicable requirements under the securities legislation thereunder.

CLA

2. CLA is a Canadian insurance company incorporated under the ICA, is a reporting issuer, or the equivalent, in each of the provinces and territories of Canada that provides for a reporting issuer regime and to the best of its knowledge is not in default of any applicable requirements under the securities legislation thereunder.

Canada Life Capital Trust

3. The Trust is an open-end trust established under the laws of the Province of Ontario by The Canada Trust Company ("Trustee"), as trustee, pursuant to a declaration of trust made as of February 6, 2002, (the "Declaration of Trust").

4. The beneficial interests of the Trust are divided into two classes of units, issuable in series, designated as Canada Life Capital Securities ("CLiCS") and Special Trust Securities ("Special Trust Securities" and, collectively with CLiCS, "Trust Securities"). The Special Trust Securities are held in their entirety by CLA.

5. The Trust was established solely for the purpose of effecting offerings of securities in order to provide CLA (and, indirectly, CLF) with a cost effective means of raising capital for Canadian insurance company regulatory purposes. The Trust does not and will not carry on any operating activity other than in connection with those offerings.

CLiCS

6. The Trust issued two series of CLiCS, CLiCS - Series A and CLiCS - Series B under a prospectus dated March 7, 2002 (the "Prospectus"). The Trust is a reporting issuer, or the equivalent, in each of the provinces and territories of Canada that provides for a reporting issuer regime and is not, to its knowledge, in default of any applicable requirements under the securities legislation thereunder.

7. The Trust also issued 1,000 Special Trust Securities to CLA in connection with the offering of CLiCS.

8. The business objective of the Trust is to acquire and hold debentures, issued by CLA, which generate income for distribution to holders of the Trust Securities. The Trust currently holds a senior debenture issued by CLA in respect of the CLiCS - Series A and a senior debenture issued by CLA in respect of the CLiCS - Series B.

9. Except to the extent that distributions are payable to CLiCS holders and, other than in the event of termination of the Trust (as set forth in the Declaration of Trust), CLiCS holders have no claim or entitlement to the income of the Trust or the assets held by the Trust.

10. Because of the terms of the Trust, the return to a CLiCS holder depends upon the financial condition of CLF and not that of the Trust.

11. The Certification Filings are intended to improve the quality and reliability of (i) an issuer's interim financial statements and interim MD&A (collectively, the "Interim Filings") and (ii) an issuer's AIF, annual financial statements and annual MD&A (collectively, the "Annual Filings").

12. The Previous Decision exempts the Trust from making its own Interim and Annual Filings, provided that CLF makes its Interim and Annual Filings on the Trust's SEDAR profile, and therefore, it would not be meaningful or relevant for the Trust to have to make its own Certification Filings.

13. Investors in CLiCS are ultimately concerned about the affairs and financial performance of CLF, as opposed to that of the Trust itself, and therefore, it is appropriate that CLF's Certification Filings be available to them on the same basis as the Interim and Annual Filings of CLF.

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

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

THE DECISION of the Decision Makers under the Legislation is that the requirement contained in the Legislation:

(a) to file Annual Certificates with the Decision Makers under section 2.1 of MI 52-109; and

(b) to file Interim Certificates with the Decision Makers under section 3.1 of MI 52-109;

shall not apply to the Trust for so long as:

(i) the Trust does not file its own Interim Filings and Annual Filings and CLF files its Interim Filings and Annual Filings on the Trust's SEDAR profile in accordance with the Previous Decision;

(ii) CLF files with the Decision Makers, in electronic format under the Trust's SEDAR profile, the documents listed in clauses (a) and (b) above of this Decision, at the same time as they are required under the Legislation to be filed by CLF;

(iii) CLF and CLA remain reporting issuers, or the equivalent, under the Legislation;

(iv) all outstanding securities of the Trust are either CLiCS or Special Trust Securities;

(v) the rights and obligations of additional series of Canada Life Capital Trust Securities are the same in all material respects as the rights and obligations of the holders of the CLiCS at the date hereof;

(vi) CLA or its affiliates are the beneficial owners of all Special Trust Securities and CFL or its affiliates are the beneficial owners of all the issued and outstanding voting shares of CLA;

(vii) the Trust pays all applicable filing fees that would otherwise be payable by the Trust in connection with the filing of the documents referred to in clauses (a) and (b) above of this Decision;

and provided that if a material adverse change occurs in the affairs of the Trust, this Decision shall expire 30 days after the date of such change.

May 28, 2004.

"Erez Blumberger"

2.1.7 TD Investment Services Inc. et al. - MRRS Decision

Headnote

Mutual Reliance Review System Application in all Canadian jurisdictions except Quebec. Relief from requirement under Multilateral Instrument 33-109 – Registration Information to file Notice of changes within prescribed time.

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

AND

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

AND

IN THE MATTER OF
TD INVESTMENT SERVICES INC.,
TD WATERHOUSE CANADA INC.,
TD SECURITIES INC.,
TD ASSET MANAGEMENT INC. AND
TD SECURITIES (USA) INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the Decision Maker) in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, the Yukon Territory, the Northwest Territories and Nunavut (the Jurisdictions) has received an application from TD Investment Services Inc., TD Waterhouse Canada Inc., TD Securities Inc., TD Asset Management Inc. and TD Securities (USA) Inc. (collectively, the Applicants) for a decision pursuant to Part 7 of Multilateral Instrument 33-109 *Registration Information* (MI 33-109) exempting the Applicants from certain filing requirements under MI 33-109 so as to permit extended time periods for the filing of notices respecting a change of head office location and address for service for individual representatives of the Applicants;

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

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

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

1. TD Investment Services Inc. is currently registered as a mutual fund dealer or its equivalent in all provinces and territories of Canada, and as a limited market dealer in the provinces of Ontario and Newfoundland and Labrador, and it is a member of the Mutual Fund Dealers Association of Canada.

2. TD Waterhouse Canada Inc. is currently registered as an investment dealer or its equivalent in all provinces and territories of Canada and it is a member of the Investment Dealers Association of Canada.

3. TD Securities Inc. is currently registered as an investment dealer or its equivalent in all provinces and territories of Canada, and as a futures commission merchant under the *Commodity Futures Act* (Ontario), and it is a member of the Investment Dealers Association of Canada.

4. TD Asset Management Inc. is currently registered as a an investment counsel/portfolio manager or their equivalent in all provinces and territories, as a mutual fund dealer in Quebec and Nova Scotia, as a limited market dealer in Ontario and Newfoundland and Labrador and as a commodity trading manager under the C*ommodity Futures Act* (Ontario).

5. TD Securities (USA) Inc. is currently registered as a broker-dealer with the U.S. Securities and Exchange Commission, as an international dealer in the province of Ontario, and as a full service dealer in the province of Quebec, and it is a member of the National Association of Securities Dealers.

6. Each of the Applicants, other than TD Securities (USA) Inc., is a corporation incorporated under the *Business Corporations Act* (Ontario) and TD Securities (USA) Inc. is a corporation incorporated under the laws of the State of Delaware.

7. The head office address for each of the Applicants, other than TD Securities (USA) Inc., and the address for service in Ontario for each of the Applicants, is the TD Bank Tower, P.O. Box 1, Toronto-Dominion Centre, Toronto, Ontario, M5K 1A2.

8. The address for each of the Applicants' head office and location for service in Ontario, as applicable, is expected to change effective May 17, 2004 (the Address Change) triggering certain notice requirements for registered and non-registered individuals (Registrants) of the Applicants under MI 33-109.

9. The Applicants are required, pursuant to Multilateral Instrument 31-102 *National Registration Database* (MI 31-102), to submit completed Forms 33-109F4 for Registrants who have not yet filed Forms 33-109F4 within specified time periods, and in any event by no later than March 31, 2006. The Applicants have approximately 3,000 Registrants for whom such completed Forms 33-109F4 have not yet been filed (the Non-NRD Registrants) and approximately 6,300 Registrants for whom such completed Forms 33-109F4 have been filed (the NRD Registrants).

10. MI 33-109 requires the Non-NRD Registrants to file a completed Form 33-109F5 in paper format within five business days of the Address Change. Given the large number of Non-NRD Registrants, the filing by the Applicants in paper format or NRD format, as the case may be, of completed Forms 33-109F5 and Forms 33-109F4 within the applicable time periods would be burdensome if not impossible for the Applicants.

11. MI 33-109 requires the NRD Registrants to notify the regulator in accordance with MI 31-102 within five business days of the Address Change. The Applicants are currently in discussions with The Canadian Depository for Securities Limited (CDS) regarding the possibility of CDS submitting the Address Change for all NRD Registrants on a blanket basis.

12. If CDS does not submit the Address Change for all NRD Registrants on a blanket basis, the Applicants will be required to file the Address Change on the National Registration Database (the NRD) for each NRD Registrant. Given the large number of NRD Registrants, the filing of such Address Change within the applicable time periods would be burdensome if not impossible for the Applicants.

13. The Applicants will file the Address Change for:

    (a) Non-NRD Registrants as part of the Forms 33-109F4 that must be filed in accordance with the time periods prescribed by MI 31-102; and

    (b) NRD Registrants on a blanket basis through CDS.

14. The Applicants, to the best of their knowledge, are not in default of any of the requirements of the securities legislation of the Jurisdictions.

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

AND WHEREAS each of the Decision Makers is satisfied that the tests contained in MI 33-109 that provide the Decision Maker with the jurisdiction to make the Decision have been met;

THE DECISION of the Decision Makers pursuant to MI 33-109 is that the following requirements of MI 33-109 shall not apply to the Applicants or the Registrants, as the case may be, in respect of the Address Change:

(i) the requirement under sections 8.5 and 8.7 of MI 33-109, as applicable, in respect of Non-NRD Registrants to notify the Decision Makers of the Address Change by submitting a completed Form 33-109F5 in paper format within five business days of the Address Change, provided that the Change of Address is reflected in the Forms 33-109F4 filed in accordance with the time periods prescribed by MI 31-102; and

(ii) the requirement under sections 4.1 and 5.1 of MI 33-109, as applicable, in respect of NRD Registrants to notify the Decision Makers of the Address Change within five business days of the Address Change, provided that the Applicants shall arrange for the required notices to be filed when it becomes possible to do so on a blanket basis through CDS, and in any event no later than December 31, 2004.

May 25, 2004.

"David M. Gilkes"

2.1.8 TD Waterhouse Canada Inc. - MRRS Decision

Headnote

MRRS – Relief granted, subject to certain conditions, from the requirement of section 36 of the Securities Act (Ontario) that a registrant deliver trade confirmations to clients of its wrap account program.

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

AND

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

AND

IN THE MATTER OF
TD WATERHOUSE CANADA INC.

MRRS DECISION DOCUMENT

1. WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, Yukon Territory, Northwest Territories and Nunavut (the "Jurisdictions") has received an application from TD Waterhouse Canada Inc. ("TDW") for a decision under the securities legislation of the Jurisdictions (the "Legislation"), that:

   (a) except in Prince Edward Island, the requirement contained in the Legislation that a registered dealer send to clients a written confirmation of the trade setting out certain information specified in the Legislation (the "Confirmation Requirement"), does not apply to TDW for transactions conducted under current and future wrap account programs created by TDW, including the TD Advantage Third Party Managers Program (collectively, the "Programs"); and

   (b) except in Ontario, the requirement contained in the Legislation to be registered as an adviser (the "Registration Requirement") does not apply to certain portfolio managers (the "Advisers") who provide portfolio management services for the benefit of TDW's clients (the "clients") participating in the Program.

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

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

4. AND WHEREAS TDW has represented to the Decision Makers that:

   1. it is an investment dealer registered under the Legislation, and is a member of the Investment Dealers Association of Canada;

   2. it offers its clients a discretionary asset management service through which clients may invest in a portfolio of securities based on the investment advice of and management by Advisers through arrangements its affiliate, TD Asset Management Inc. ("TDAM") has made with those Advisers;

   3. a client must:

      (a) open an account (an "Account");

      (b) enter into a written client agreement with TDW (a "Client Agreement"); and

      (c) provide TDW with information regarding the client's investment objective and other information necessary to enable TDW to prepare, along with the client, a written investment policy statement;

   4. it will assist the client in selecting one or more Advisers to manage or provide advice with respect to all or a portion of the assets in the Account according to:

      (a) the client's investment policy statement; and

      (b) the expertise and investment style of the Adviser;

   5. under the Client Agreement:

      (a) TDAM is appointed by each client to act as portfolio manager with discretionary authority for the Account,

including the right to delegate to an Adviser management and/or the power to provide investment advice over all or a portion of the assets in the Account;

(b) unless otherwise requested by the client, the client will waive receipt of trade confirmations as required under applicable Legislation; and

(c) the client will agree to pay a fee to TDW based on the market value of the Account at the end of each applicable period, which fees will include all custodial, transaction and brokerage fees and commissions and professional or other fees of the Advisers; and

6. it will provide the client with a statement of account with information required under the applicable Legislation including a list of all transactions during the period and a statement of portfolio at the end of such period;

7. it will provide trade confirmations as required under the applicable Legislation to the Adviser;

8. with respect to any Adviser which is not appropriately registered as a portfolio manager in the Applicable Jurisdiction to provide the services contemplated under the Programs to a client, TDW and TDAM will agree to be responsible for any loss that arises out of the failure of an Adviser:

(a) to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of TDW, TDAM and the client for whose benefit the investment advice is or portfolio management services are to be provided, or

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

(c) and acknowledges that it cannot be relieved by its clients from this responsibility (collectively, the "Assumed Obligations");

9. TDAM will enter into a written portfolio advisory agreement or similar agreement (the "Advisory Agreement") with each Adviser, setting out the terms and conditions governing the relationship between TDAM, the Adviser and the clients and the rights, obligations and duties of the parties;

10. under the Advisory Agreement:

(a) the Adviser will assist TDAM by providing advice or managing the client's assets that are designated to that Adviser, based on the client's investor profile and investment policy statement;

(b) the Adviser will communicate appropriate trading instructions to TDAM or to another party with the consent of TDAM and otherwise participate or assist TDW in providing periodic performance reports or other related information to the clients;

11. a client must obtain all advice and information and give all instructions and directions through TDW;

12. if there is any direct contact between the client and the Adviser, a registered representative of TDW will at all times be present, either in person or by telephone;

13. each Adviser will be licensed, qualified or registered as a portfolio manager or investment counsel in either the United States, the United Kingdom, one of the Jurisdictions or elsewhere to provide discretionary investment counselling and portfolio management services; and

14. Advisers who are not otherwise registered in Ontario will not be required to register as advisers under the *Securities Act* (Ontario) as they can rely on exemptions from registration in Ontario Rule 35-502 *Non-Resident Advisers.*

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

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

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

(a) the Confirmation Requirement shall not apply to TDW in respect of a client's Account in which TDW acts as principal or agent in connection with the associated trade.

(b) except in Ontario, the Registration Requirement does not apply to the Advisers who provide investment counseling and portfolio management services for the benefit of clients in connection with the Programs, provided that:

(i) the obligations and duties of each of the Advisers is set out in an Advisory Agreement;

(ii) each of TDW and TDAM contractually agrees with each client that it will be responsible for the Assumed Obligations;

(iii) TDW and TDAM are not relieved of the Assumed Obligations by clients;

(iv) TDW is registered under the Legislation as an investment dealer in the Jurisdictions in which clients are resident and TDAM is registered under the Legislation as a portfolio manager in the jurisdictions in which clients are residents; and

(v) in Manitoba, the relief is available only to Advisers who are not registered in any Canadian jurisdiction.

May 21, 2004.

"Brenda Leong"

2.1.9 Caterpillar Financial Services Corporation and Caterpillar Financial Services Limited - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – issuer's medium term notes fully guaranteed by parent company – issuer unable to rely upon exemption for credit support issuers contained in National Instrument 51-102 and Multilateral Instrument because issuer prepares non-classified balance sheet, as permitted by Canadian GAAP – issuer exempt from continuous disclosure requirements and certification requirements, subject to conditions.

Applicable Ontario Statutory Provisions

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

Applicable Ontario Rules

National Instrument 51-102 Continuous Disclosure Obligations, ss. 11.1, 11.4.
Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, ss. 4.4, 4.5.

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

AND

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

AND

IN THE MATTER OF
CATERPILLAR FINANCIAL SERVICES CORPORATION
AND
CATERPILLAR FINANCIAL SERVICES LIMITED

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, and Newfoundland and Labrador (the "Jurisdictions") has received an application (the "Application") from Caterpillar Financial Services Corporation ("Caterpillar Financial") and its subsidiary Caterpillar Financial Services Limited (the "Issuer", and together with Caterpillar Financial, the "Filer") for a decision under securities legislation of each Jurisdiction (the "Legislation") that the Issuer (i) be exempted from the application of National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102") pursuant to section 13.1 of NI 51-102 and in Québec by a

revision of the general order that will provide the same result as an exemption order, and (ii) except in British Columbia and Québec, be exempted from the application of Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("MI 52-109") pursuant to section 4.5 of MI 52-109;

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

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

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

1. Caterpillar Financial was incorporated under the laws of the State of Delaware in 1981 and is not a reporting issuer or the equivalent in any of the Jurisdictions.

2. Caterpillar Financial has been a reporting company under the 1934 Act since 1994 with respect to its debt securities. Caterpillar Financial has filed with the SEC all filings required to be made with the SEC under sections 13 and 15(d) of the 1934 Act since it first became a reporting company.

3. As at December 31, 2003, Caterpillar Financial had approximately US$11.718 billion in medium term notes outstanding. All of Caterpillar Financial's outstanding long-term debt is rated "A" by Standard & Poor's and "A2" by Moody's Investors Service.

4. The common stock in the capital of Caterpillar Financial is owned by Caterpillar Inc. ("Caterpillar"), a publicly owned Delaware corporation.

5. Caterpillar Financial provides retail financing choices to customers of Caterpillar and its subsidiaries and to dealers world-wide for Caterpillar and non-competitive related equipment. Caterpillar Financial also provides wholesale financing to Caterpillar dealers and purchases short-term dealer receivables from Caterpillar. Caterpillar Financial's total assets at December 31, 2003 were US$19.759 billion and its net profit for the year ended December 31, 2003 was US$256 million.

6. The registered and principal office of the Issuer is in Ontario.

7. The Issuer was incorporated under the *Business Corporations Act* (Ontario) on December 12, 1985, and is an indirect wholly-owned subsidiary of Caterpillar Financial.

8. The Issuer is a direct wholly-owned finance subsidiary of Caterpillar Financial Nova Scotia Corporation ("Caterpillar Nova Scotia"), which is a direct wholly-owned subsidiary of Caterpillar Financial. Caterpillar Financial has no present intention of commencing any operations out of Caterpillar Nova Scotia or to sell any of its interest in the shares of Caterpillar Nova Scotia. The Issuer provides retail and wholesale financing of Caterpillar earthmoving, construction, and materials handling machinery, compact construction equipment and engines sold in Canada. The equipment financed or used as collateral is generally insured against physical damage.

9. The Issuer became a reporting issuer or its equivalent in the Jurisdictions by virtue of it filing a base shelf prospectus dated July 17, 2001 in each of the Jurisdictions in connection with the establishment of a prior offering of medium term notes. The Issuer is not in default of any of its obligations under the Legislation.

10. As of November 30, 2003, the Issuer had approximately Cdn. $725 million of medium term notes outstanding.

11. Because the Issuer prepares its balance sheet without segregating its assets and liabilities between current and non-current (a "Non-Classified Balance Sheet"), it cannot provide the information required by subsection 13.4(2)(g) of NI 51-102. Consequently, the Issuer cannot rely upon the exemption from NI 51-102 contained in section 13.4 of that instrument.

12. Because the Issuer cannot rely upon the exemption in section 13.4 of NI 51-102, the Issuer cannot rely upon the exemption from MI 52-109 contained in section 4.4 of that instrument.

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

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

THE DECISION of the Decision Makers under the Legislation is that the requirements of NI 51-102 shall not apply to the Issuer provided that:

(a) the Issuer is in compliance with the requirements and conditions of section 13.4 of NI 51-102, other than the requirements in subsection 13.4(2)(g);

(b) the Issuer files, in electronic format, within 120 days of the Issuer's then most recently completed financial year

beginning on or after January 1, 2004, annual comparative selected financial information for such completed financial year and the financial year immediately preceding such financial year derived from its financial statements, prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and accompanied by a specified procedures report of the auditors to the Issuer;

(c) the Issuer's annual comparative selected financial information referred to in paragraph (b), above, shall include the following line items:

(i) total revenues;

(ii) income/loss from continuing operations (if applicable), income/loss from discontinued operations (if applicable) and net income/loss;

(iii) finance receivables, together with a descriptive note on the dollar amount of the allowance for credit losses;

(iv) total assets;

(v) commercial paper;

(vi) term debt;

(vii) all other liabilities; and

(viii) total shareholders' equity;

(d) the Issuer files, in electronic format, within 60 days of its then most recently completed interim period for financial years beginning on or after January 1, 2004, interim comparative selected financial information for such interim period and for items (i) and (ii) of paragraph (e) below the corresponding interim period in the previous financial year and for items (iii) through to and including (viii) of paragraph (e) below, as at the end of the previous financial year, with all such information derived from its financial statements, prepared in accordance with GAAP;

(e) the Issuer's interim comparative selected financial information referred to in paragraph (d) above shall include the following line items:

(i) total revenues;

(ii) income/loss from continuing operations (if applicable), income/loss from discontinued operations (if applicable) and net income/loss;

(iii) finance receivables, together with a descriptive note on the dollar amount of the allowance for credit losses;

(iv) total assets;

(v) commercial paper;

(vi) term debt;

(vii) all other liabilities; and

(viii) total shareholders' equity; and

(f) the Issuer is a "venture issuer" within the meaning of NI 51-102; and

(g) this relief will remain in effect for so long as the Issuer's presentation of a Non-Classified Balance Sheet remains permissible under GAAP;

AND THE FURTHER DECISION of the Decision Makers (other than the Decision Maker in British Columbia and Québec) is that MI 52-109 shall not apply to the Issuer provided that:

(a) the Issuer is compliance with the conditions set out in paragraph (a) through (f) of the Decision above; and

(b) this relief will remain in effect for so long as the Issuer's presentation of a Non-Classified Balance Sheet remains permissible under GAAP.

May 21, 2004.

"Charlie MacCready"

2.1.10 Unilever United States, Inc. and Unilever Canada Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications — issuer organized as dual holding company – issuer to establish equity compensation plan for eligible Canadian employees – because of dual holding company structure, issuer unable to rely upon prospectus and registration exemptions in Multilateral Instrument 45-105 – prospectus and registration exemptions granted to permit trades in connection with equity compensation plan, subject to conditions.

Applicable Ontario Statutory Provisions

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

Applicable Ontario Rules

Multilateral Instrument 45-105 Trades to Employees, Senior Officers, Directors and Consultants.

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA AND ONTARIO

AND

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

AND

IN THE MATTER OF
UNILEVER UNITED STATES, INC.
AND UNILEVER CANADA INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta and Ontario (the "Jurisdictions") has received an application from Unilever United States, Inc. ("Unilever US") and Unilever Canada Inc. (collectively, the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that, subject to certain terms and conditions:

(a) the requirements contained in the Legislation to file and obtain a receipt for a preliminary prospectus and a prospectus (the "Prospectus Requirements") and to be registered to trade in a security (the "Registration Requirements") shall not apply to the distributions by the Filer of Options (as defined below) and Performance Shares (as defined below) that are made pursuant to the Unilever North America 2002 Omnibus Equity Compensation Plan (the "Omnibus Plan") to eligible employees (the "Employees") of Unilever Canada Inc. and its affiliates (collectively, "Unilever Canada") resident in the Jurisdictions;

(b) the Registration Requirements shall not apply to any trades of (i) Shares (as defined below) by the Filer to Employees, former Employees and personal representatives of, or beneficiaries under, the estate of an Employee or former Employee (collectively, "Current and Former Employees") upon exercise of the Options, (ii) Stock Awards (as defined below) by the Filer to Employees, and (iii) Shares by the Filer to Current and Former Employees upon payment of the Performance Shares;

(c) the Registration Requirements shall not apply to any trade of NV Shares (as defined below) by a Current and Former Employee; and

(d) the Registration Requirements shall not apply to trades in Options, Stock Awards, Performance Shares and Shares by a person or company when acting as an administrator (the "Administrator") under the Omnibus Plan.

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

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

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

1. Unilever NV is a corporation incorporated under the laws of the Netherlands. As at December 31, 2003, Unilever NV had issued and outstanding 571,578,300 Ordinary Shares. The Ordinary Shares of Unilever NV are listed on the stock exchanges in Amsterdam, London, New York, Belgium, France, Germany, Luxembourg and Switzerland.

2. Unilever PLC is a corporation incorporated under the laws of England in 1894. As at December 31, 2003, Unilever PLC had issued and outstanding 2,911,458,580 Ordinary Shares. The Ordinary Shares of Unilever PLC are listed on the London Stock Exchange, and as American Depositary Receipts on the New York Stock Exchange.

3. Neither Unilever NV nor Unilever PLC is a reporting issuer under the laws of any jurisdiction

of Canada. Unilever NV and Unilever PLC are subject to the "continuous disclosure" requirements of the Securities Exchange Act of 1934 (the "34 Act") of the United States. In particular, Unilever NV and Unilever PLC are not exempt from the reporting requirement of the 34 Act pursuant to Rule 13g 3-2.

4. Unilever PLC and Unilever NV are the two parent holding corporations in the Unilever group of companies, and function collectively as the parent organization for the Unilever group of companies under a structure that has been in place for over 70 years.

5. With some exceptions, Unilever PLC holds the shares in group companies in countries which formed part of the British Empire before 1939 while Unilever NV holds shares in group companies in other countries.

6. Unilever US is incorporated under the laws of Delaware and is an approximately 75% owned subsidiary of Unilever NV with the remaining approximately 25% owned by Unilever PLC.

7. Unilever Canada Inc. was amalgamated under the *Business Corporations Act* (Ontario) and is a wholly-owned indirect subsidiary of Unilever PLC.

8. Although Unilever PLC and Unilever NV are separate corporations, various arrangements have been implemented so that Unilever PLC and Unilever NV operate as nearly as practicably as a single company. By virtue of cross-share ownership, Unilever PLC and Unilever NV can collectively nominate the directors of each corporation and the two corporations accordingly have common directors. In addition, through an equalization agreement between Unilever PLC and Unilever NV, if the current profits of either company are insufficient to meet that company's preference for ordinary dividends, the other company may be required to advance the amount of the shortfall. Further, since 1983, each of Unilever NV and Unilever PLC has undertaken on request to guarantee borrowing by the other and to join in the other's guarantees of its group companies borrowings.

9. As a result of the foregoing arrangements, the annual report and accounts for each of Unilever PLC and Unilever NV contain the combined consolidated accounts of the two companies as well as that company's individual accounts.

10. Unilever NV and Unilever PLC are separate companies, with separate stock exchange listings and different shareholders. A shareholder cannot convert or exchange the shares of one for the shares of the other and the relative share prices on the various markets can, and do, fluctuate. However, over time, the prices of the NV Shares (as defined below) and the PLC Shares (as defined below) do stay in close relation to each other.

11. Unilever US has established the Omnibus Plan to aid in attracting and developing employees capable of ensuring the future success of Unilever US, Unilever Canada and their respective affiliates, by providing employees with an opportunity to have an ownership interest in Unilever NV and Unilever PLC.

12. The total number of Shares (as defined below) that may be delivered pursuant to the exercise or settlement of grants under the Omnibus Plan may not exceed (1) 40,500,000 Ordinary Shares of the New York Registry of Unilever NV (the "NV Shares") and (2) 65,500,000 American Shares, evidenced by American Depositary Receipts issued in New York (each representing four Ordinary Shares) of Unilever PLC (the "PLC Shares"). These limits may be adjusted by the Committee for a stock split, stock dividend, recapitalization, merger or reorganization, reclassification or other similar transaction or event affecting the NV Shares or the PLC Shares (collectively, the "Shares").

13. Under the Omnibus Plan the following type of grants may be made to, among others, the Employees:

    (a) stock options ("Options") that grant the right to purchase NV Shares or PLC Shares at a specified exercise price during a specified period of time;

    (b) stock awards, including matching shares ("Stock Awards") by way of a grant of NV Shares or PLC Shares that may, or may not, be subject to restrictions; and

    (c) performance share awards, including phantom shares and other awards based upon, or otherwise related to NV Shares or PLC Shares ("Performance Shares") representing the right to receive an amount of Shares based on the fair market value of a Share, the appreciation in fair market value of a Share or such other measurement base as the Committee deems appropriate.

14. Shares will be purchased on the open market and then transferred to participants to satisfy grants under the Omnibus Plan.

15. The Omnibus Plan is administered by a committee (the "Committee") appointed by the board of directors of Unilever US. In Canada, Unilever U.S., with the assistance of Unilever Canada, or a person or company retained to act as a trustee, custodian or administrator under the Omnibus

Plan (the "Administrator"), will be responsible for administering the Omnibus Plan, including the exercise of Options under the Plan.

16. Unilever U.S. intends to grant Options, Stock Awards and Performance Shares under the Omnibus Plan annually to the Employees.

17. Grants under the Omnibus Plan are not transferable by Employees except upon death or as permitted by the Committee.

18. Participation in the Omnibus Plan is voluntary and the Employees will not be induced to participate in the Omnibus Plan by expectation of employment or continued employment.

19. Since Unilever US is a subsidiary of Unilever NV and Unilever Canada is a subsidiary of Unilever PLC, Unilever Canada is not technically an "affiliated entity" of either Unilever NV or Unilever US for purposes of the Legislation and therefore:

    (a) the exemptions from the Registration Requirements and the Prospectus Requirements are not available in respect of:

        (i) the issue of Options by the Filer to Employees; or

        (ii) the grant of Performance Shares by the Filer to Employees,

    (b) the exemption from the Registration Requirements under the Legislation is not available in respect of the following trades:

        (i) the transfer of Shares by the Filer to Current and Former Employees upon exercise of the Options;

        (ii) the grant of Stock Awards by the Filer to Employees; nor

        (iii) the transfer of Shares by the Filer to Current and Former Employees upon satisfaction of performance targets established as condition precedent to the payment of the Performance Shares,

    (c) the exemption from the Registration Requirements is not available in respect of trades of the NV Shares by a Current and Former Employee; and

    (d) the exemption from the Registration Requirements is not available to the Administrator in respect of trades in Options, Stock Awards, Performance Shares and Shares.

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

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

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

1. the Registration Requirements and Prospectus Requirements shall not apply to the distribution of Options or Performance Shares by the Filer to an Employee pursuant to the Omnibus Plan;

2. the Registration Requirements shall not apply to any trades of:

    (a) Shares made by the Filer to a Current and Former Employee upon the exercise of Options;

    (b) Stock Awards made by the Filer to an Employee; or

    (c) Shares made by the Filer to a Current and Former Employee upon payment of the Performance Shares;

3. trades in NV Shares by a Current and Former Employee shall not be subject to the Registration Requirements provided that:

    (a) at the time the Options, the Performance Shares or the Stock Award, as the case may be, were issued or granted to the Current and Former Employee, Unilever NV and Unilever PLC were not reporting issuers in any jurisdiction in Canada;

    (b) at the time the Options, the Performance Shares or the Stock Awards, as the case may be, were issued to the Current and Former Employee, residents of Canada,

        (i) did not own directly or indirectly more than 10 percent of the outstanding NV Shares and PLC Shares, and

        (ii) did not represent in number more than 10 percent of the total number of owners directly or indirectly of NV Shares and PLC Shares; and

    (c) the NV Shares are traded through,

(i) an exchange, or a market, outside of Canada; or

(ii) to a person or company outside of Canada, and

4. the Registration Requirements shall not apply to any trades of Options, Stock Awards, Performance Shares and Shares by or through the Administrator provided that in respect of any trades in Shares made by the Administrator on behalf of a Current and Former Employee:

(a) at the time the Options, the Performance Shares or the Stock Awards, as the case may be, were issued to the Current and Former Employee, Unilever NV and Unilever PLC were not reporting issuers in any jurisdiction in Canada;

(b) at the time the Options, the Performance Shares or the Stock Awards, as the case may be, were issued to the Current and Former Employee, residents of Canada,

(i) did not own directly or indirectly more than 10 percent of the outstanding NV Shares and PLC Shares, and

(ii) did not represent in number more than 10 percent of the total number of owners directly or indirectly of the NV Shares and PLC Shares; and

(c) the Shares are traded through,

(i) an exchange, or a market, outside of Canada; or

(ii) to a person or company outside of Canada.

May 21, 2004.

"Susan Wolburgh Jenah" "Suresh Thakrar"

2.1.11 Citicorp and Citigroup Finance Canada Inc. - MRRS Decision

Headnote

MRRS for Exemption Relief Applications – Issuer not eligible for exemption under section 13.4 of NI 51-102 because it prepares its balance sheet without segregating its assets and liabilities between current and non-current – Issuer not eligible for exemption under section 4.4 of MI 52-109 because Issuer not eligible for exemption under section 13.4 of NI 51-102 – Issuer exempt from requirements of NI 51-102 and MI 52-109, subject to conditions.

Rules Cited

National Instrument 51-102 Continuous Disclosure Obligations, ss. 13.1 and 13.4.
Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, ss. 4.4 and 4.5.

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

AND

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

AND

IN THE MATTER OF
CITIGROUP FINANCE CANADA INC. AND CITICORP

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Newfoundland and Labrador, the Northwest Territories, and Nunavut (the "Jurisdictions") has received an application (the "Application") from Citicorp and its subsidiary Citigroup Finance Canada Inc. (the "Issuer", and together with Citicorp, the "Filer") for a decision under securities legislation of each Jurisdiction (the "Legislation") that the Issuer (i) except in the Northwest Territories, be exempted from the application of National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102") pursuant to section 13.1 of NI 51-102 and in Québec by a revision of the general order that will provide the same result as an exemption order, and (ii) except in British Columbia and Québec, be exempted from the application of Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("MI 52-109") pursuant to section 4.5 of MI 52-109;

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

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

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

1. The predecessor in interest of Citicorp was incorporated under the laws of the State of Delaware in 1967 and is a wholly-owned indirect subsidiary of Citigroup.

2. Citicorp is a reporting issuer or the equivalent in Alberta, British Columbia, Nova Scotia, Ontario, Quebec, and Saskatchewan.

3. Citicorp is a reporting company under the *Securities Exchange Act of 1934* (the "1934 Act"). Citicorp files with the United States Securities and Exchange Commission (the "SEC") the filings required to be made with the SEC under the 1934 Act.

4. As at December 31, 2003, Citicorp had approximately US$102 billion in consolidated third party long term debt outstanding.

5. Citicorp is a diversified global financial services holding company whose businesses provide a broad range of financial services to consumer and corporate customers in over 100 countries and territories.

6. Citicorp's total assets at December 31, 2003 were US$820 billion.

7. The Issuer was incorporated under the *Canada Business Corporations Act* on October 19, 1982, and is a wholly-owned indirect subsidiary of Citicorp and Citigroup. The Issuer was formerly known as Associates Capital Corporation of Canada.

8. The registered and principal office of the Issuer is in Ontario.

9. The Issuer is a reporting issuer or equivalent in each of the Jurisdictions where such status exists. The Issuer is not in default of any of its obligations under the Legislation.

10. The Issuer is engaged in commercial and consumer financing activities. The Issuer's commercial finance operations provide a variety of retail financing, leasing and wholesale financing for heavy-duty, medium-duty trucks and truck trailers; heavy-duty construction and material handling equipment, forestry, mining and machine tool equipment; and other industrial, communications and telecommunications equipment. Consumer finance operations consist of a variety of products and services, including home equity lending, personal spending and retail sales financing.

11. As of December 31, 2003, the Issuer had approximately Cdn. $4.6 billion of medium term notes outstanding.

12. Because the Issuer prepares its balance sheet without segregating its assets and liabilities between current and non-current (a "Non-Classified Balance Sheet"), it cannot provide the information required by subsection 13.4(2)(g) of NI 51-102. Consequently, the Issuer cannot rely upon the exemption from NI 51-102 contained in section 13.4 of that instrument.

13. Because the Issuer cannot rely upon the exemption in section 13.4 of NI 51-102, the Issuer cannot rely upon the exemption from MI 52-109 contained in section 4.4 of that instrument.

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

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

THE DECISION of the Decision Makers (other than the Decision Maker in the Northwest Territories) under the Legislation is that the requirements of NI 51-102 shall not apply to the Issuer provided that:

(a) the Issuer is in compliance with the requirements and conditions of section 13.4 of NI 51-102, other than the requirements in subsection 13.4(2)(g);

(b) the Issuer files, in electronic format, within 120 days of the Issuer's then most recently completed financial year beginning on or after January 1, 2004, annual comparative selected financial information for such financial year and the financial year immediately preceding such financial year derived from its financial statements, prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and accompanied by a specified procedures report of the auditors to the Issuer;

(c) the Issuer's annual comparative selected financial information referred to in paragraph (b) above shall include the following line items:

i) total revenues;

ii) income/loss from continuing operations (if applicable), income/loss from discontinued operations (if applicable) and net income/loss;

iii) finance receivables, together with a descriptive note on the dollar amount of the allowance for credit losses;

iv) operating agreements and customer lists, net of accumulated amortization;

v) goodwill, net of accumulated amortization;

vi) total assets;

vii) commercial paper;

viii) term debt;

ix) all other liabilities; and

x) total shareholders' equity;

(d) the Issuer files, in electronic format, within 60 days of its then most recently completed interim period for financial years beginning on or after January 1, 2004, interim comparative selected financial information for such interim period and for items (i) and (ii) of paragraph (e) below the corresponding interim period in the previous financial year and for items (iii) through to and including (x) of paragraph (e) below, as at the end of the previous financial year, with all such information derived from its financial statements, prepared in accordance with GAAP;

(e) the Issuer's interim comparative selected financial information referred to in paragraph (d) above shall include the following line items:

i) total revenues;

ii) income/loss from continuing operations (if applicable), income/loss from discontinued operations (if applicable) and net income/loss;

iii) finance receivables, together with a descriptive note on the dollar amount of the allowance for credit losses;

iv) operating agreements and customer lists, net of accumulated amortization;

v) goodwill, net of accumulated amortization;

vi) total assets;

vii) commercial paper;

viii) term debt;

ix) all other liabilities; and

x) total shareholders' equity;

(f) the Issuer remains a "venture issuer" within the meaning of NI 51-102; and

(g) this relief will remain in effect for so long as the Issuer's presentation of a Non-Classified Balance Sheet remains permissible under GAAP;

AND THE FURTHER DECISION of the Decision Makers (other than the Decision Maker in British Columbia and Québec) is that MI 52-109 shall not apply to the Issuer provided that:

(a) the Issuer is compliance with the conditions set out in paragraph (a) through (f) of the Decision above; and

(b) this relief will remain in effect for so long as the Issuer's presentation of a Non-Classified Balance Sheet remains permissible under GAAP.

May 31, 2004.

"Charlie MacCready"

2.1.12 AltaGas Income Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Income trust exempt from prospectus and registration requirements in connection with issuance of units to existing unitholders under a distribution reinvestment plan where distributions of income are reinvested in additional units of the trust, subject to certain conditions. First trade relief granted for additional units of trust, subject to certain conditions.

Applicable Ontario Statutory Provisions

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

Applicable Multilateral Instruments

Multilateral Instrument 45-102 Resale of Securities.

Applicable National Instruments

National Instrument 14-101 Definitions.

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

AND

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

AND

IN THE MATTER OF
ALTAGAS INCOME TRUST

MRRS DECISION DOCUMENT

1. **WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Newfoundland and Labrador, Prince Edward Island, Yukon Territory, Northwest Territories and Nunavut (the "Jurisdictions") has received an application from AltaGas Income Trust (the "Trust") for a decision, under the securities legislation of the Jurisdictions (the "Legislation"), that the requirements contained in the Legislation to be registered to trade in a security and to file a preliminary prospectus and a prospectus and obtain receipts therefor (the "Registration and Prospectus Requirements") shall not apply to certain trades in trust units ("Units") by the Trust pursuant to a Premium Distribution™, Distribution Reinvestment and Optional Trust Unit Purchase Plan of AltaGas Income Trust for Holders of Trust Units (the "Unitholder Plan") and a Premium Distribution™, Distribution Reinvestment and Optional Trust Unit Purchase Plan of AltaGas Income Trust for Holders of Class B Limited Partnership Units of AltaGas Holding Limited Partnership No. 1 and the Holder of Class B Limited Partnership Units of AltaGas Holding Limited Partnership No. 2 (the "LP Unitholder Plan") (the Unitholder Plan and the LP Unitholder Plan collectively are referred to as the "Plans") to be implemented by the Trust, and that in Québec, in order to satisfy the proposed "seasoning period" requirement contained in the resale restrictions in respect of a first trade of Units issued pursuant to the Plans, the reporting issuer history of AltaGas Services Inc. ("AltaGas"), being the predecessor of the Trust, be included in calculating the "seasoning period" or the period of time that the Trust has been a reporting issuer in Québec.

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

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

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

   4.1 AltaGas was incorporated pursuant to the *Canada Business Corporations* Act (the "CBCA") on August 30, 1993. The head and principal office of AltaGas was located at Calgary, Alberta.

   4.2 The business of AltaGas consisted of: (i) the physical gathering, processing, extracting and transporting of natural gas; (ii) the contractual marketing of natural gas and electrical power; (iii) the conversion of energy across and along the energy value chain to create higher value-added products; and (iv) the consumption of natural gas and electrical power to operate its facilities.

   4.3 AltaGas was authorized to issue an unlimited number of common shares ("Common Shares") and an unlimited number of preferred shares issuable in series.

   4.4 On March 26, 2004, there were 36,927,793 Common Shares of AltaGas outstanding and 9,000,000 participating shares (the "Participating Shares"), being the only series of preferred shares issued, of AltaGas outstanding. The Participating Shares were convertible into Common Shares at the holder's option and were redeemable at AltaGas' option after September 30, 2004. In addition,

1,384,488 Common Shares were issuable pursuant to outstanding options ("Options") to purchase Common Shares pursuant to AltaGas' stock option plan. The holders of Common Shares, Participating Shares and Options collectively are referred to as the "Securityholders".

4.5 AltaGas was a reporting issuer or the equivalent thereof in each of the provinces of Canada and had been so since September 28, 2000. To the best of its knowledge, AltaGas was not in default of any requirements of the applicable Legislation.

4.6 The Common Shares were listed and posted for trading on the Toronto Stock Exchange ("TSX") under the symbol "ALA". As at March 26, 2004, Enbridge Inc. ("Enbridge") held 9,197,500 Common Shares and 9,000,000 Participating Shares, representing 24.91% of the issued and outstanding Common Shares and all of the issued and outstanding Participating Shares, and representing approximately 38.46% of the outstanding Common Shares on a diluted basis (assuming all Options were exercised and the Participating Shares were converted on a one-for-one basis into Common Shares).

4.7 Pursuant to a court-approved plan of arrangement (the "Arrangement") under Section 192 of the CBCA involving AltaGas, the Trust, AltaGas Holding Limited Partnership No. 1 ("AltaGas LP#1"), AltaGas Holding Limited Partnership No. 2 ("AltaGas LP#2") and certain other parties, effective May 1, 2004 (the "Effective Date"), AltaGas amalgamated into AltaGas Ltd. ("AmalgamationCo") and was converted into an income trust. The Arrangement, together with certain pre and post Arrangement transactions, resulted in the reorganization of AltaGas and the creation of certain wholly-owned subsidiary entities of the Trust, including AmalgamationCo.

4.8 Pursuant to the Arrangement, holders of Common Shares and Participating Shares were entitled to receive Units for their shares on a one-for-one basis, and holders of Options were entitled to receive options to acquire Units. Taxable Securityholders resident in Canada were alternatively entitled to elect to receive a combination of Units and, in the case of Securityholders other than Enbridge, Class B limited partnership units ("LP#1 B Units") of AltaGas LP#1, and in the case of Enbridge, Class B limited partnership units of AltaGas LP#2 ("LP#2 B Units") (the LP#1 B Units and the LP#2 B Units collectively are referred to as the "Exchangeable Securities") exchangeable into Units on a one-for-one basis, for their Common Shares. There was a limit on the maximum number of Exchangeable Securities that could be issued under the Arrangement and if the elections for Exchangeable Securities exceeded this maximum, the Exchangeable Securities would be prorated among the elections and such Securityholders would receive Units in lieu of Exchangeable Securities to the extent that Exchangeable Securities were requested but not provided due to such prorating. Elections by eligible Securityholders for Exchangeable Securities were for less than the maximum number that were available under the Arrangement and accordingly, no prorating of Exchangeable Securities was required. The Exchangeable Securities are intended to be, to the greatest extent practicable, the economic and voting equivalent of the Units, being entitled to the same monthly cash distributions as Units and being entitled to vote on Trust matters with holders of Units through the special voting unit described in paragraph 4.17, below.

4.9 In connection with the Arrangement, AltaGas prepared a joint information circular dated March 26, 2004 (the "Information Circular") with respect to a special meeting (the "Meeting") of the Securityholders of AltaGas held on April 29, 2004 to consider and vote on, *inter alia*, the Arrangement. The Information Circular contained prospectus level disclosure concerning the business and affairs of AltaGas, the Trust, AltaGas LP#1, AltaGas LP#2, AmalgamationCo and certain other entities and a detailed description of the Arrangement. The Information Circular was prepared in accordance with the provisions of the CBCA and applicable securities laws and policies.

4.10 The Arrangement was subject to a number of conditions including approval by not less than 66 2/3% of the votes by the Securityholders and approval of the Court of Queen's Bench of Alberta. Collectively, holders of an aggregate of 12,250,691 Common Shares, 9,000,000 Participating Shares and 913,488 Options (including Enbridge and all of the directors and officers of AltaGas), representing 48.26% of the outstanding Common Shares on a diluted basis, agreed to vote all of the securities beneficially held by them in favour of the Arrangement. Enbridge confirmed its support of the Arrangement by entering into an agreement with AltaGas dated March 10, 2004 pursuant to which Enbridge agreed to vote the Common Shares and Participating Shares beneficially owned by it, directly or indirectly, or over which it exercised control or direction, in favour of the Arrangement. The Meeting was held as scheduled and 99.9% of the votes cast in respect of the resolution approving the Arrangement were in favour of the resolution approving the Arrangement. AltaGas received a final order from the Court of Queen's Bench of

Alberta approving the Arrangement on April 30, 2004.

4.11 The Trust is an unincorporated open-ended investment trust established under the laws of Alberta. The Trust was created pursuant to a declaration of trust (the "Declaration of Trust") dated as of March 26, 2004 between an initial holder of Units ("Unitholder") and Computershare Trust Company of Canada, as amended, supplemented or restated. The Trust was established for the purpose of investing in the securities of a holding trust, AltaGas General Partner Inc. (the "General Partner"), AmalgamationCo or any associate or affiliate thereof in the business of, or the ownership, lease or operation of assets or property in connection with the gathering, processing, transporting, extracting, buying, storing or selling petroleum, natural gas, natural gas liquids or other related products, electricity or other forms of energy and related businesses.

4.12 The Unitholders are the sole beneficiaries of the Trust. Computershare Trust Company of Canada is the initial trustee of the Trust (in such capacity, the "Trustee").

4.13 The head and principal office of the Trust is located at Calgary, Alberta.

4.14 The Trust is actively engaged through AmalgamationCo, as successor by amalgamation to AltaGas, and certain other entities in the business of, or the ownership, lease or operation of assets or property in connection with, the gathering, processing, transporting, extracting, buying, storing or selling petroleum, natural gas, natural gas liquids or other related products, power or other forms of energy and related businesses and such other investments as the Trustee may determine. On the Effective Date, AmalgamationCo contracted with, among other entities, the Trust pursuant to an administration agreement (the "Administration Agreement") whereby AmalgamationCo will provide certain administration and support services to, among other entities, the Trust and be responsible for the management and general administration of the affairs of the Trust. On the Effective Date, the General Partner contracted with the Trust and the Trustee pursuant to a delegation agreement whereby the Trustee will delegate certain of its powers and duties to the General Partner including, *inter alia,* undertaking responsibility to make all determinations, and take, or cause to be taken, all such actions as relate to the determination of distributions to Unitholders including the determination of record dates for, and payment dates of, such distributions.

4.15 The Trust intends to make monthly cash distributions ("Cash Distributions") to its Unitholders in an amount per Unit equal to: (i) all the cash amounts which are received by the Trust for, or in respect of, the month; plus (ii) the proceeds of any issuance of Units or any other securities of the Trust, net of the expenses of distribution, and if applicable, the use of proceeds of any such issuance for the intended purpose; less the sum of (iii) all amounts which relate to the redemption of Units and which have become payable in cash by the Trust in the month and any expenses of the Trust in the month; and (iv) any other amounts (including taxes) required by law or the Declaration of Trust to be deducted, withheld or paid by or in respect of the Trust in the month. The initial Cash Distribution is expected to be made on or before June 15, 2004 to Unitholders of record on May 25, 2004.

4.16 The Trust is a reporting issuer in each of the provinces of Canada.

4.17 The authorized capital of the Trust consists of an unlimited number of Units and special voting units (the "Special Voting Units"). A Special Voting Unit has been issued to Computershare Trust Company of Canada as voting and exchange trustee (the "Voting and Exchange Trustee"). The holder of a Special Voting Unit is not entitled to any interest or share in the distributions or net assets of the Trust and is only entitled to the number of votes at meetings of Unitholders that is equal to the number of Units into which the Exchangeable Securities to which such Special Voting Unit relates are exchangeable or convertible.

4.18 The Units are listed and posted for trading on the TSX under the symbol "ALA.UN".

4.19 The Trust is not a "mutual fund" under the Legislation as Unitholders are not entitled to receive on demand an amount computed by reference to the value of a proportionate interest in the whole or in part of the net assets of the Trust, as contemplated by the definition of "mutual fund" contained in the Legislation.

4.20 Each of AltaGas LP#1 and AltaGas LP#2 is a limited partnership formed under the laws of Alberta. AltaGas LP#1 was formed pursuant to a limited partnership agreement (the "AltaGas LP#1 Partnership Agreement") dated as of March 26, 2004, as amended, supplanted or restated. AltaGas LP#2 was formed pursuant to a limited partnership agreement (the "AltaGas LP#2 Partnership Agreement") dated as of March 26, 2004, as amended, supplanted or restated. The business and affairs of each of AltaGas LP#1 and AltaGas LP#2 are managed by the General Partner pursuant to the AltaGas

LP #1 Partnership Agreement and the AltaGas LP #2 Partnership Agreement, respectively. The General Partner is a direct wholly-owned subsidiary of the Trust. On the Effective Date, AmalgamationCo contracted with, among other entities, the General Partner pursuant to the Administration Agreement whereby AmalgamationCo will provide certain administration and support services to, among other entities, the General Partner.

4.21 The head and principal office of the General Partner is located at Calgary, Alberta.

4.22 The AltaGas LP #1 Partnership Agreement and the AltaGas LP #2 Partnership Agreement provide that the partners of AltaGas LP #1 and AltaGas LP #2, respectively, must at all times not be: (i) a person (within the meaning of the *Income Tax Act* (Canada) (the "Tax Act") but, for greater certainty, not including a partnership) who is not a resident of Canada for the purposes of the Tax Act; or (ii) a partnership that is not a Canadian partnership as defined in the Tax Act.

4.23 AltaGas LP#1 is authorized to issue an unlimited number of Class A limited partnership units (the "LP#1 A Units") and an unlimited number of LP#1 B Units. AltaGas LP#2 is authorized to issue an unlimited number of Class A limited partnership units (the "LP#2 A Units") and an unlimited number of LP#2 B Units. The General Partner may, in respect of each of AltaGas LP#1 and AltaGas LP#2, issue at any time units of any class or series or secured and unsecured debt obligations convertible into any class or series of units, or options, warrants, rights, appreciation rights or subscription rights relating to any class or series of units, to the General Partner, to limited partners or to any other person that is a resident in Canada for the purposes of the Tax Act and not exempt from tax under Part I of the Tax Act.

4.24 AltaGas LP#1 has outstanding LP#1 A Units, all of which are issued to and held by a holding trust (wholly-owned by the Trust) created for the purposes of the Arrangement and which are only permitted to be issued to, and held by such holding trust or an affiliate thereof. AltaGas LP#2 has outstanding LP#2 A Units, all of which are issued to and held by AltaGas LP #1 and which are only permitted to be issued to, and held by AltaGas LP #1 or an affiliate thereof.

4.25 On the Effective Date, AltaGas LP#1 issued LP#1 B Units to eligible Securityholders (other than Enbridge) who had elected to receive and were entitled to receive LP#1 B Units instead of Units in consideration for their Common Shares. On the Effective Date, AltaGas LP#2 issued LP#2 B Units to Enbridge in such number as Enbridge had elected to receive and was entitled to receive for its Common Shares (including those obtained on the conversion of Participating Shares).

4.26 The Exchangeable Securities are exchangeable for Units on a one-for-one basis at any time at the option of the holder in accordance with, *inter alia*, the AltaGas LP #1 Partnership Agreement or the AltaGas LP #2 Partnership Agreement, as the case may be. The LP#1 B Units may be redeemed by AltaGas LP#1 for Units at any time following the tenth anniversary of the Effective Date and the LP #2 B Units may be redeemed by AltaGas LP#2 for Units at any time following the fifth anniversary of the Effective Date, in either case at the discretion of the board of directors of the General Partner. In certain circumstances, AltaGas LP #1 or AltaGas LP #2, as the case may be, has the right to require redemption of the Exchangeable Securities and the right to require the exchange of Exchangeable Securities for Units prior to the applicable anniversary.

4.27 The Exchangeable Securities may only be transferred in accordance with the AltaGas LP#1 Partnership Agreement or the AltaGas LP#2 Partnership Agreement, as the case may be, and applicable securities laws. The AltaGas LP#1 Partnership Agreement and the AltaGas LP#2 Partnership Agreement each provide, among other things, that the Exchangeable Securities may not be transferred by a holder thereof:

4.27.1 unless the General Partner has been provided with evidence acceptable to it in its sole discretion that the prospective transferee, and all persons acting jointly or in concert with such transferee, are eligible to hold such Exchangeable Securities; and

4.27.2 except pursuant to an offer in accordance with applicable securities legislation to purchase Exchangeable Securities which offer is made by the transferee on identical terms to all Unitholders and all holders of Exchangeable Securities.

4.28 In addition, the Exchangeable Securities are not transferable except pursuant to applicable exemptions from the Registration and Prospectus Requirements.

4.29 The holders (the "LP#1 Unitholders") of the LP#1 B Units and the holder (the "LP#2 Unitholder") (the LP#1 Unitholders and the LP#2 Unitholder collectively are referred to as the "LP Unitholders") of the LP#2 B Units are entitled to receive, and AltaGas LP #1 or

AltaGas LP #2, as applicable, will, subject to applicable law, on each date on which the Trustee makes a distribution on the Units, make a loan (the "Non-Interest Bearing Loans") in respect of each Exchangeable Security:

4.29.1 in the case of a Cash Distribution declared on the Units, in an amount in cash for each Exchangeable Security equal to the Cash Distribution declared on each Unit; and

4.29.2 in the case of a distribution declared on the Units in securities or property other than cash or Units, by a distribution in such type and amount of securities or property as is the same as, or economically equivalent to, the type and amount of property declared as a distribution on each Unit.

4.30 The Non-Interest Bearing Loans will be payable by the holders of Exchangeable Securities without interest to AltaGas LP #1 or AltaGas LP #2, as applicable, on the earlier of a series of specified dates. On the date on which a Non-Interest Bearing Loan becomes payable, AltaGas LP #1 or AltaGas LP #2, as applicable, will make a distribution in respect of each Exchangeable Security equal to the amount of the Non-Interest Bearing Loans outstanding in respect thereof. AltaGas LP #1 or AltaGas LP #2, as applicable, will set off and apply the amount of any such distribution against the obligations of any holder of Exchangeable Securities under any Non-Interest Bearing Loans outstanding in respect thereof and each holder of Exchangeable Securities will have the right to set off and apply such amount owed by such holder of Exchangeable Securities under any Non-Interest Bearing Loans outstanding in respect thereof against the amount of the distribution.

4.31 The LP Unitholders are entitled to receive notice of and attend any meetings of the Unitholders of the Trust and to vote at any such meeting. The Special Voting Unit issued to the Voting and Exchange Trustee by the Trust entitles the holders of Exchangeable Securities to one vote at meetings of Unitholders for each Exchangeable Security held, but will have none of the other rights attached to the Units. The Voting and Exchange Trustee will send to the holders of Exchangeable Securities the notice of each meeting at which the Unitholders are entitled to vote, together with the related meeting materials and a statement as to the manner in which the holder may instruct the Voting and Exchange Trustee to exercise the votes attaching to the Special Voting Unit, at the same time as the Trust sends such notice and materials to the Unitholders. The holders of Exchangeable Securities will not be entitled to receive notice of or attend any meetings of the partners of AltaGas LP #1 or AltaGas LP #2, as the case may be, or to vote at any such meeting.

4.32 The Voting and Exchange Trustee also sends to the LP Unitholders copies of all information statements, interim and annual financial statements, reports and other materials sent by the Trust to Unitholders. To the extent such materials are provided to the Voting and Exchange Trustee, the Voting and Exchange Trustee also sends to the LP Unitholders all materials sent by third parties to the Unitholders, including dissident proxy circulars and tender and exchange offer circulars, as soon as possible after such materials are first sent to Unitholders.

4.33 The Exchangeable Securities are not listed or posted for trading on any stock exchange.

4.34 On the Effective Date, AltaGas amalgamated with certain other entities including certain existing subsidiaries of AltaGas pursuant to the CBCA to form AmalgamationCo.

4.35 The head and principal office as well as the registered office of AmalgamationCo is located at Calgary, Alberta.

4.36 AmalgamationCo owns, directly or indirectly, all of the assets of AltaGas owned by AltaGas prior to the Arrangement and retains, directly and indirectly, all of the liabilities of AltaGas, including liabilities relating to corporate and income tax matters.

4.37 AmalgamationCo (along with certain subsidiary entities) carries on the business of AltaGas being: (i) the physical gathering, processing, extracting and transporting of natural gas; (ii) the contractual marketing of natural gas and electrical power; (iii) the conversion of energy across and along the energy value chain to create higher value-added products; and (iv) the consumption of natural gas and electrical power to operate its facilities.

4.38 AmalgamationCo is a wholly-owned subsidiary of the Trust.

4.39 AmalgamationCo continues to be a reporting issuer in certain Canadian jurisdictions. AmalgamationCo has applied for exemptive relief from reporting requirements contained in the applicable Legislation.

4.40 The Trust intends to establish:

4.40.1 the Unitholder Plan pursuant to which eligible Unitholders may direct that

Cash Distributions payable by the Trust in respect of their existing Units be applied to the purchase of Units ("Unitholder DRIP Units") and, at their option, either: (A) direct that the Unitholder DRIP Units be held for their account (the "Unitholder Reinvestment Option"); or (B) authorize and direct the trust company that is appointed as plan agent under the Unitholder Plan to pre-sell, through a designated broker, for the account of such Unitholders so electing, that number of Units approximately equal to the number of Unitholder DRIP Units issuable on such reinvestment of Cash Distributions and to settle such pre-sales by transferring the Unitholder DRIP Units issued on the applicable distribution payment date in exchange for a cash payment to the Plan Agent for the account of such Unitholders equal to 102% of the reinvested Cash Distributions (the "Unitholder Premium Distribution™ Option"); and

4.40.2 the LP Unitholder Plan pursuant to which eligible LP Unitholders may direct that Non-Interest Bearing Loans payable by the AltaGas LPs in respect of their existing Exchangeable Securities be applied to the purchase of Units ("LP Unitholder DRIP Units") (the Unitholder DRIP Units and the LP Unitholder DRIP Units collectively are referred to as the "DRIP Units") and, at their option, either: (A) direct that the LP Unitholder DRIP Units be held for their account (the "LP Unitholder Reinvestment Option") (the Unitholder Reinvestment Option and the LP Unitholder Reinvestment Option collectively are referred to as the "Reinvestment Option"); or (B) authorize and direct the trust company that is appointed as plan agent under the LP Unitholder Plan to pre-sell, through a designated broker, for the account of such LP Unitholders so electing, that number of Units approximately equal to the number of LP Unitholder DRIP Units issuable on such investment of Non-Interest Bearing Loans and to settle such pre-sales by transferring the LP Unitholder DRIP Units issued on the applicable distribution payment date in exchange for a cash payment to the Plan Agent for the account of such LP Unitholders equal to 102% of the invested Non-Interest Bearing Loans (the "LP Unitholder Premium Distribution™ Option") (the Unitholder Premium Distribution™ Option and the LP Unitholder Premium Distribution™ Option collectively are referred to as the "Premium Distribution™ Option").

4.41 The Trust will appoint the same trust company as plan agent (the "Plan Agent") under both the Unitholder Plan and the LP Unitholder Plan. The Trust and the Plan Agent will designate the same broker (the "Plan Broker") under both the Unitholder Plan and the LP Unitholder Plan.

4.42 The Plan Broker will be entitled to retain for its own account the difference between the proceeds realized in connection with the pre-sales of Units and the cash payment to the Plan Agent in an amount equal to 102% of the reinvested Cash Distributions and the invested Non-Interest Bearing Loans (such Cash Distributions and Non-Interest Bearing Loans collectively are referred to as the "Reinvested Amount").

4.43 Eligible Unitholders ("Unitholder Participants") that have elected to have their Cash Distributions reinvested in Unitholder DRIP Units under either the Unitholder Reinvestment Option or Unitholder Premium Distribution™ Option may also purchase additional Units under the Unitholder Plan by making optional cash payments ("Optional Cash Payments") within certain established limits (the "Unitholder Cash Payment Option"). Eligible LP Unitholders ("LP Unitholder Participants") (the Unitholder Participants and the LP Unitholder Participants collectively are referred to as the "Participants") that have elected to have their Non-Interest Bearing Loans invested in LP Unitholder DRIP Units under either the LP Unitholder Reinvestment Option or LP Unitholder Premium Distribution™ Option may also purchase additional Units under the LP Unitholder Plan by making Optional Cash Payments within certain established limits (the "LP Unitholder Cash Payment Option") (the Unitholder Cash Payment Option and the LP Unitholder Cash Payment Option collectively are referred to as the "Cash Payment Option"). The Trust shall have the right to determine from time to time whether the Cash Payment Option will be available.

4.44 All DRIP Units purchased under the Plans will be purchased by the Plan Agent directly from the Trust on the relevant distribution payment date at a price determined by reference to the Average Market Price (defined in the Plans as the arithmetic average of the daily volume weighted average trading prices of the Units on the TSX for a defined period not exceeding 20 trading days preceding the applicable distribution payment date).

4.45 DRIP Units purchased under the Reinvestment Option or the Premium Distribution™ Option will be purchased at a 5% discount to the Average Market Price. DRIP Units purchased under the Cash Payment Option will be purchased at the Average Market Price.

4.46 The Plan Broker's *prima facie* return under the Premium Distribution™ Option will be approximately 3% of the Reinvested Amount (based on pre-sales of DRIP Units having a market value of approximately 105% of the Reinvested Amount and a fixed cash payment to the Plan Agent, for the account of applicable Participants, of an amount equal to 102% of the Reinvested Amount). The Plan Broker may, however, realize more or less than this *prima facie* amount, as the actual return will vary according to the prices the Plan Broker is able to realize on the pre-sales of Units. The Plan Broker bears the entire price risk of pre-sales in the market, as Participants who have elected the Premium Distribution™ Option are entitled to a cash payment equal to 102% of the Reinvested Amount.

4.47 All activities of the Plan Broker on behalf of the Plan Agent that relate to pre-sales of DRIP Units for the account of Participants who elect the Premium Distribution™ Option will be in compliance with applicable Legislation and the rules and policies of the TSX (subject to any exemptive relief granted). The Plan Broker will also be a member of the Investment Dealers Association of Canada, and will be registered under the Legislation of any Jurisdiction where the first trade in DRIP Units issued pursuant to the Premium Distribution™ Option makes such registration necessary.

4.48 The Unitholder Plan will only be available to Unitholders who are residents of Canada and who are otherwise permitted under the Declaration of Trust to hold Units. The LP Unitholder Plan will only be available to LP Unitholders who are residents of Canada and who are otherwise permitted under the AltaGas LP#1 Partnership Agreement or the AltaGas LP#2 Partnership Agreement, as the case may be, to hold Exchangeable Securities.

4.49 Participants will be free to terminate their participation under either the Reinvestment Option or the Premium Distribution™ Option and to change their election as between the Reinvestment Option and the Premium Distribution™ Option, in each such case, by providing written notice thereof to the Plan Agent. A notice of termination or change of election received on or after a distribution record date will become effective after the distribution payment date to which such record date relates.

4.50 Under the Unitholder Cash Payment Option, a Unitholder Participant may, through the Plan Agent, purchase Unitholder DRIP Units subject to a maximum amount per month of $100,000 and a minimum amount per remittance of $1,000. Under the LP Unitholder Cash Payment Option, a LP Unitholder Participant may, through the Plan Agent, purchase LP Unitholder DRIP Units subject to a maximum amount per month of $100,000 and a minimum amount per remittance of $1,000.

4.51 The aggregate number of DRIP Units that may be purchased under the Cash Payment Option by all Participants in any financial year of the Trust will be limited to a maximum of 2% of the number of Units issued and outstanding at the start of the financial year.

4.52 No brokerage fees or service charges will be payable by Participants in connection with the purchase of DRIP Units under the Plans.

4.53 All Cash Distributions on Units enrolled in the Unitholder Plan will be automatically reinvested in Unitholder DRIP Units under the Unitholder Reinvestment Option or exchanged for a cash payment under the Unitholder Premium Distribution™ Option, as applicable, in accordance with the terms of the Unitholder Plan and the current election of the applicable Unitholder Participant. All Non-Interest Bearing Loans on Exchangeable Securities enrolled in the LP Unitholder Plan will be automatically invested in LP Unitholder DRIP Units under the LP Unitholder Reinvestment Option or exchanged for a cash payment under the LP Unitholder Premium Distribution™ Option, as applicable, in accordance with the terms of the LP Unitholder Plan and the current election of the applicable LP Unitholder Participant.

4.54 The Plans permit full investment of Cash Distributions or Non-Interest Bearing Loans, as the case may be, and Optional Cash Payments because fractions of Units, as well as whole Units, may be credited to Participants' accounts (although, in the case of beneficial Unitholders or beneficial LP Unitholders, as the case may be, the crediting of fractional Units may depend on the policies of a Participant's broker, investment dealer, financial institution or other nominee through which the Participant holds Units or Exchangeable Securities).

4.55 The Trust reserves the right to determine for any distribution payment date how many DRIP Units will be available for purchase under the Plans.

4.56 If, in respect of any distribution payment date, fulfilling all of the elections under the Plans would result in the Trust exceeding either the

limit on DRIP Units set by the Trust or the aggregate annual limit on DRIP Units issuable pursuant to the Cash Payment Option, then elections for the purchase of DRIP Units on the next distribution payment date will be accepted: (i) first, from Participants electing the Reinvestment Option; (ii) second, from Participants electing the Premium Distribution™ Option; and (iii) third, from Participants electing the Cash Payment Option. If the Trust is not able to accept all elections in a particular category, then purchases of DRIP Units on the next distribution payment date will be pro-rated among all Participants in that category according to the number of DRIP Units sought to be purchased.

4.57 If the Trust determines that no DRIP Units will be available for purchase under the Plans for a particular distribution payment date, or to the extent that the availability of DRIP Units is prorated among Participants in accordance with the terms of the Plans, then Participants will receive the usual Reinvested Amount for that distribution payment date.

4.58 The Trust reserves the right to amend, suspend or terminate the Plans at any time, provided that such action shall not have a retroactive effect which would prejudice the interests of Participants. The Trust will notify Unitholders and LP Unitholders of amendments to the Plans, suspension of the Plans or termination of the Plans in accordance with the Plans and applicable securities laws.

4.59 In the Jurisdictions except Alberta, the distribution of DRIP Units by the Trust under the Unitholder Plan cannot be made in reliance on certain registration and prospectus exemptions contained in the Legislation as the Unitholder Plan involves the reinvestment of Cash Distributions and not the reinvestment of dividends or interest of the Trust.

4.60 In the Jurisdictions, the distribution of DRIP Units by the Trust under the LP Unitholder Plan cannot be made in reliance on certain registration and prospectus exemptions contained in the Legislation as the LP Unitholder Plan involves the investment of Non-Interest Bearing Loans and not the reinvestment of dividends or interest of the Trust.

4.61 In the Jurisdictions, the distribution of DRIP Units by the Trust under the Plans cannot be made in reliance on registration and prospectus exemptions contained in the Legislation for distribution reinvestment plans of mutual funds, as the Trust is not a "mutual fund" as defined in the Legislation.

4.62 In the Jurisdictions, there are no registration and prospectus exemptions contained in the Legislation for the distribution of LP Unitholder DRIP Units by the Trust under the LP Unitholder Plan to LP Unitholders.

4.63 The Legislation in Québec does not allow the Trust to include the reporting issuer history of AltaGas, being the predecessor of the Trust, in calculating the proposed "seasoning period" requirement, being the period of time that the Trust has been a reporting issuer in Québec, contained in the resale restrictions in respect of the first trade of DRIP Units issued pursuant to the Plans.

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

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

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

7.1 the Registration and Prospectus Requirements shall not apply to the distribution by the Trust of DRIP Units pursuant to the Unitholder Plan and the LP Unitholder Plan provided that:

7.1.1 at the time of such distribution, the Trust is a reporting issuer or the equivalent in a jurisdiction listed in Appendix B of Multilateral Instrument 45-102 *Resale of Securities* ("MI 45-102") and is not in default of any requirements of the Legislation;

7.1.2 no sales charge is payable by Participants in respect of the trade;

7.1.3 the Trust has caused to be sent to the person or company to whom the DRIP Units are traded, not more than 12 months before the trade, a statement describing:

7.1.3.1 their right to withdraw from the Unitholder Plan or LP Unitholder Plan, as the case may be, and to make an election to receive the Reinvested Amount instead of DRIP Units on the applicable distribution payment date (the "Withdrawal Right"); and

7.1.3.2 instructions on how to exercise the Withdrawal Right;

7.1.4 the aggregate number of DRIP Units issued under the Cash Payment Option in any financial year of the Trust shall not exceed 2% of the aggregate number of Units outstanding at the start of that financial year;

7.1.5 the first trade of DRIP Units shall be deemed to be a distribution or a primary distribution to the public under the Legislation unless:

7.1.5.1 except in Québec, the conditions contained in section 2.6 of MI 45-102 are satisfied;

7.1.5.2 in Québec:

7.1.5.2.1 the Trust is a reporting issuer in Québec and has been a reporting issuer in Québec for the four months preceding the trade and for the purposes of determining the period of time that the Trust has been a reporting issuer in Québec, the Autorité des marchés financiers recognizes the period during which AltaGas has been a reporting issuer in Québec immediately before the Arrangement;

7.1.5.2.2 no unusual effort is made to prepare the market or to create a demand for the DRIP Units that are the subject of the trade;

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

7.1.5.2.4 if the selling securityholder of the DRIP Units is an insider or officer of the Trust, the selling securityholder has no reasonable grounds to believe that the Trust is in default of Québec securities legislation.

May 20, 2004.

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

2.1.13 The Bank of Nova Scotia and Scotiabank Capital Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Exemption from the requirements to file annual certificates and interim certificates under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings granted to a capital trust sponsored by a bank, subject to specified conditions, where the trust had previously been exempted from the requirements to file financial statements, MD&A and AIFs.

Applicable Instruments

Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.
National Instrument 51-102 Continuous Disclosure Obligations.

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

AND

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

AND

IN THE MATTER OF
THE BANK OF NOVA SCOTIA AND
SCOTIABANK CAPITAL TRUST

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Ontario, Alberta, Saskatchewan, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Northwest Territories, Nunavut and Yukon (the "Jurisdictions") has received an application from The Bank of Nova Scotia (the "Bank") and Scotiabank Capital Trust (the "Trust") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation"), that the requirements contained in the Legislation to:

(a) file annual certificates ("Annual Certificates") with the Decision Makers under section 2.1 of Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("MI 52-109"); and

(b) file interim certificates ("Interim Certificates" and together with the Annual Certificates, the "Certification Filings") with the Decision Makers under section 3.1 of MI 52-109;

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

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

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

AND WHEREAS pursuant to a Mutual Reliance Review System decision document dated July 26, 2002 (the "Previous Decision"), the Trust is exempt from the requirements of securities legislation in the jurisdictions of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, and Newfoundland and Labrador, as applicable, concerning the preparation, filing and delivery of (i) interim financial statements and audited annual financial statements, (ii) annual filings in lieu of filing an information circular, where applicable and (iii) an annual information form (an "AIF") and management's discussion and analysis of the financial condition and results of operation of the Trust ("MD&A");

AND WHEREAS the Trust has delivered a notice dated May 13, 2004 to the applicable securities regulatory authorities or regulators under subsection 13.2(2) of National Instrument 51-102 *Continuous Disclosure Obligations* stating that it intends to rely on the Previous Decision to the same extent and on the same conditions as contained in the Previous Decision;

AND WHEREAS the Bank and the Trust represented to the Decision Makers that:

1. Since the date of the Previous Decision, there have been no material changes to the representations of either the Trust or the Bank contained in the Previous Decision.

2. The Previous Decision exempts the Trust from the requirements to file its own interim financial statements and interim MD&A (collectively, the "Interim Filings") and (ii) its own AIF, annual financial statements and annual MD&A, as applicable (collectively, the "Annual Filings") and therefore, it would not be meaningful or relevant for the Trust to file its own Certification Filings.

3. Because of the terms of securities publicly offered by the Trust, and by virtue of certain agreements and covenants of the Bank in connection therewith, information regarding the affairs and financial condition of the Bank, as opposed to that of the Trust, is meaningful to holders of such securities and it is appropriate that the Bank's Certification Filings be available to such

securityholders of the Trust in lieu of the Certification Filings of the Trust.

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

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

THE DECISION of the Decision Makers under the Legislation is that the requirement contained in the Legislation:

(a) to file Annual Certificates with the Decision Makers under section 2.1 of MI 52-109; and

(b) to file Interim Certificates with the Decision Makers under section 3.1 of MI 52-109;

shall not apply to the Trust for so long as:

(i) the Trust is not required to, and does not, file its own Interim Filings and Annual Filings;

(ii) the Bank files with the Decision Makers, in electronic format under the Trust's SEDAR profile, the Bank's Annual Certificates and Interim Certificates at the same time as such documents are required under the Legislation to be filed by the Bank;

(iii) the Trust qualifies for the relief contemplated by, and is in compliance with, the requirements and conditions set out in the Previous Decision;

and provided that if a material adverse change occurs in the affairs of the Trust, this Decision shall expire 30 days after the date of such change.

May 28, 2004.

"Iva Vranic"

2.1.14 Great-West Lifeco Inc. et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Exemption from the requirements to file annual certificates and interim certificates under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings granted to a capital trust sponsored by an insurance company, subject to specified conditions, where the trust had previously been exempted from the requirements to file financial statements, MD&A and AIFs.

Applicable Instruments

Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.
National Instrument 51-102 Continuous Disclosure Obligations.

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

AND

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

AND

IN THE MATTER OF
GREAT-WEST LIFECO INC.

AND

IN THE MATTER OF
THE GREAT-WEST LIFE ASSURANCE COMPANY

AND

IN THE MATTER OF
GREAT-WEST LIFE CAPITAL TRUST

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker", and collectively the "Decision Makers") in each of Alberta, Saskatchewan, Manitoba, Ontario, Newfoundland and Labrador, Nova Scotia, the Northwest Territories and Nunavut (collectively, the "Jurisdictions") has received an application on behalf of Great-West Lifeco Inc. ("Lifeco"), The Great-West Life Assurance Company ("GWL") and Great-West Life Capital Trust (the "Trust") for a decision, pursuant to the securities legislation of the Jurisdictions (the "Legislation"), that the requirements contained in the Legislation to:

(a) file annual certificates ("Annual Certificates") with the Decision Makers under section 2.1 of Multilateral Instrument 52-109 *Certification of Disclosure in Issuer's Annual and Interim Filings* ("MI 52-109"); and

(b) file interim certificates ("Interim Certificates" and together with the Annual Certificates, the "Certification Filings") with the Decision Makers under section 3.1 of MI 52-109 ;

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

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

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

AND WHEREAS pursuant to a Mutual Reliance Review System ("MRRS") decision document dated March 19, 2003 (the "Previous Decision"), the Trust is exempted, on certain terms and conditions, from the requirements of the securities legislation in the jurisdictions of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and Newfoundland and Labrador (the local securities regulatory authorities or regulators in such jurisdictions, collectively, the "Previous Decision Makers") concerning the preparation, filing and delivery of (i) interim and annual financial statements with the Previous Decision Makers; (ii) an annual filing with the Previous Decision Makers in lieu of filing an information circular, where applicable; (iii) an annual report and an information circular with the Decision Maker in Quebec and delivery of such report or information circular to the security holders of the Trust resident in Quebec; and (iv) an annual information form ("AIF") and management's discussion and analysis ("MD&A") with the Decision Makers in Ontario, Quebec and Saskatchewan;

AND WHEREAS the Trust will file a notice with the applicable securities regulatory authorities or regulators under section 13.2(2) of National Instrument 51-102 - Continuous Disclosure Obligations stating that it intends to rely on the Previous Decision to the same extent and on the same conditions as contained in the Previous Decision;

AND WHEREAS Lifeco, GWL and the Trust have represented to the Decision Makers that:

Trust

1. The Trust is an open-end trust established under the laws of the Province of Ontario by The Canada Trust Company, as trustee, pursuant to an amended and restated declaration of trust dated as of November 29, 2002 (the "Declaration of Trust").

2. The beneficial interests of the Trust are divided into two classes of units, issuable in series of which one series of each class is currently outstanding and designated as Special Trust Securities – Series A (the "Special Trust Securities") and Great-West Life Trust Securities – Series A (the "GREATs Series A"). The Special Trust Securities and the GREATs Series A are collectively referred to herein as the "Trust Securities". The Special Trust Securities are held in their entirety by GWL.

3. The Trust was established solely for the purpose of effecting the offering of GREATs Series A and possible future offerings of securities in order to provide GWL with a cost effective means of raising capital for Canadian financial institution regulatory purposes. The Trust does not and will not carry on any operating activity other than in connection with such offerings.

4. The Trust is a reporting issuer, or the equivalent, in each of the provinces and territories of Canada that provides for a reporting issuer regime and is not, to its knowledge, in default of any applicable requirements under the securities legislation thereunder.

Lifeco

5. Lifeco was incorporated under the *Canada Business Corporations Act* on November 8, 1979. Lifeco is a reporting issuer, or the equivalent, in each of the provinces and territories of Canada that provides for a reporting issuer regime and is not, to its knowledge, in default of any applicable requirements under the securities legislation thereunder.

GWL

6. GWL is a Canadian insurance company subject to the *Insurance Companies Act* (Canada). GWL is a reporting issuer, or the equivalent, in each of the provinces and territories of Canada that provides for a reporting issuer regime and is not, to its knowledge, in default of any applicable requirements under the securities legislation thereunder.

GREATs

7. The Trust filed a prospectus dated December 17, 2002 (the "Prospectus") with each of the provinces and territories of Canada for the issuance of $350,000,000 aggregate principal amount of GREATs Series A and received receipts for the Prospectus from each of the provinces and territories of Canada.. The Prospectus also qualifies certain other related securities for

distribution in the Jurisdictions, including the Conversion Right which will allow the Trust to satisfy the Holder Exchange Right and the Automatic Exchange (each as defined in the Prospectus).

8. The Trust has also issued 2,000 Special Trust Securities to GWL in connection with the offering of GREATs Series A.

9. The business objective of the Trust is to acquire and hold a 50 year senior debenture, issued by GWL, which generates income for distribution to holders of the Trust Securities.

10. Except to the extent that distributions are payable to GREATs Series A holders and, other than in the event of termination of the Trust (as set forth in the Declaration of Trust), GREATs Series A holders have no claim or entitlement to the income of the Trust or the assets held by the Trust.

11. Because of the terms of the Trust, the return to a GREATs Series A holder depends upon the financial condition of Lifeco and GWL and not that of the Trust.

12. The Certification Filings are intended to improve the quality and reliability of (i) an issuer's interim financial statements and interim MD&A (collectively, the "Interim Filings"); and (ii) an issuer's AIF, annual financial statements and annual MD&A (collectively, the "Annual Filings").

13. The Previous Decision exempts the Trust from filing its own Interim Filings and Annual Filings, provided that Lifeco and GWL make their Interim Filings and Annual Filings on the Trust's SEDAR profile, and therefore, it would not be meaningful or relevant for the Trust to have to make its own Certification Filings.

14. Investors in GREATs are ultimately concerned about the affairs and financial performance of Lifeco and GWL, as opposed to that of the Trust itself, and therefore, it is appropriate that Lifeco's and GWL's Certification Filings be available to them on the same basis as the Interim and Annual Filings of Lifeco and GWL.

AND WHEREAS pursuant to 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 Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that the requirement contained in the Legislation:

(a) to file Annual Certificates with the Decision Makers under section 2.1 of MI 52-109; and

(b) to file Interim Certificates with the Decision Makers under section 3.1 of MI 52-109;

shall not apply to the Trust for so long as:

(i) the Trust does not file its own Interim Filings and Annual Filings and Lifeco and GWL file their Interim Filings and Annual Filings on the Trust's SEDAR profile in accordance with the Previous Decision;

(ii) Lifeco and GWL remain reporting issuers, or the equivalent, under the Legislation;

(iii) Lifeco and GWL file with the Decision Makers, in electronic format under the Trust's SEDAR profile, the documents listed in clauses (a) and (b) above of this Decision, at the same time as they are required under the Legislation to be filed by Lifeco and GWL;

(iv) the Trust pays all applicable filing fees that would otherwise be payable by the Trust in connection with the filing of the documents referred to in clauses (a) and (b) above of this Decision;

(v) all outstanding securities of the Trust are either GREATs or Special Trust Securities;

(vi) the rights and obligations of holders of additional series of GREATs are the same in all material respects as the rights and obligations of the GREATs Series A holders at the date hereof; and

(vii) all issued and outstanding Special Trust Securities continue to be directly or indirectly owned by Lifeco;

and provided that if a material adverse change occurs in the affairs of the Trust, this Decision shall expire 30 days after the date of such change.

May 28, 2004.

"Iva Vranic"

2.1.15 Schooner Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Issuer of asset-backed securities previously granted an exemption from the requirements to file financial statements, MD&A and AIFs – issuer granted an exemption from the requirement under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings to file interim certificates for the 2004 financial year.

Applicable Instruments

Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.
National Instrument 51-102 Continuous Disclosure Obligations.

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

AND

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

AND

IN THE MATTER OF
SCHOONER TRUST

MRRS DECISION DOCUMENT

WHEREAS pursuant to an MRRS decision document dated February 1, 2001, as amended by an MRRS decision document dated May 2, 2003 (the "Previous Decision"), Schooner Trust (the "Issuer") is exempted, on certain terms and conditions, from the requirements of the securities legislation in the jurisdictions of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia and Newfoundland and Labrador (the local securities regulatory authority or regulator in each such jurisdiction, collectively, the "Previous Decision Makers") concerning, *inter alia*, the preparation, filing and delivery of interim and annual financial statements ("Financial Statements");

AND WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, and Newfoundland and Labrador (collectively, the "Jurisdictions") has received an application from the Issuer for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the provisions of Multilateral Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings ("MI 52-109") concerning the filing of interim certificates ("Interim Certificates") shall not apply to the Issuer in respect of the 2004 financial year of the Issuer;

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

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

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

1. The Issuer is a special purpose trust which was established by CIBC Mellon Trust Company (the "Issuer Trustee") under the laws of the Province of Ontario pursuant to a declaration of trust dated as of July 5, 2000, the beneficiary of which is a registered charity. The only security holders of the Issuer are and will be the holders (the "Certificateholders") of its asset-backed securities ("Certificates").

2. The Issuer Trustee is located in Toronto, Ontario and the head office of The Toronto -Dominion Bank, the administrative agent of the Issuer, is located in Toronto, Ontario.

3. The financial year-end of the Issuer is December 31.

4. The Issuer filed short form prospectuses (collectively, the "Prospectus") dated October 24, 2000, August 2, 2001, December 4, 2002, May 21, 2003 and January 15, 2004 with each of the Canadian provincial securities regulatory authorities for the issuance of approximately $189,550,000, $214,660,425, $253,955,000, $430,150,000 and $437,575,000, respectively, aggregate principal amount of Commercial Mortgage Pass-Through Certificates, Series 2000-1, Series 2001-1, Series 2002-1, Series 2003-CC1 and Series 2004-CCF1, respectively, (the "Issued Certificates") and received receipts for the Prospectus from each of the Canadian provincial securities regulatory authorities.

5. The Issuer is a reporting issuer, or the equivalent, in each of the provinces of Canada that provides for a reporting issuer regime and to its knowledge is currently not in default of any applicable requirements under the securities legislation thereunder.

6. The Issuer does not carry on any activities other than issuing Certificates and purchasing assets in connection thereto (the "Assets").

7. The Issuer has no material assets or liabilities other than its rights and obligations arising from acquiring Assets and in respect of the Issued Certificates.

8. The Issuer will file a notice with the applicable securities regulatory authorities or regulators pursuant to section 13.2 of National Instrument 51-102 - Continuous Disclosure Obligations stating that it intends to rely on the Previous Decision to the same extent and on the same conditions as contained in the Previous Decision.

9. For each offering of Certificates, the Issuer and, among others, the master servicer (the "Master Servicer") for all of the Assets in a given pool, the special servicer (the "Special Servicer"), where applicable, the custodian on behalf of all Certificateholders and a reporting agent (the "Reporting Agent") will enter into a pooling and servicing agreement, or a similar agreement, (the "Pooling and Servicing Agreement") providing for, among other things, the preparation by the Master Servicer, the Special Servicer, where applicable, and the Reporting Agent of periodic reports (the "Reports") to Certificateholders containing financial and other information in respect of the applicable pool of Assets and Certificates.

10. Pursuant to the Pooling and Serving Agreement and as disclosed in the Prospectus, the Reports are prepared by the Reporting Agent based solely on information provided by the Master Servicer and the Special Servicer, where applicable.

11. Pursuant to the Pooling and Servicing Agreement in respect of the Issued Certificates and as contemplated in the Previous Decision:

    (a) the Master Servicer shall deliver annually a statement of compliance (the "Compliance Certificate") signed by a senior officer of each applicable Master Servicer or other party acting in a similar capacity on behalf of the Issuer for the applicable pool of Assets, certifying that the Master Servicer or such other party acting in a similar capacity has fulfilled all of its obligations under the related Pooling and Servicing Agreement during the year or, if there has been a default, specifying each such default and the status thereof; and

    (b) the Master Servicer shall obtain annually an accountants' report (the "Accountants' Reports") in form and content acceptable to the Previous Decision Makers prepared by a firm of independent public or chartered accountants acceptable to the Previous Decision Makers respecting compliance by the Master Servicer (or such other party acting in a similar capacity) with the Uniform Single Attestation Program (USAP) (except that the Master Servicer does not have to have in effect a fidelity bond and errors and omissions policy required under

Article VII of the USAP so long as it maintains a minimum rating of "A" (or its equivalent) from prescribed rating organizations) or such other servicing standard acceptable to the Previous Decision Makers.

12. Sections 3.1 and 5.2 of MI 52-109 require the Issuer to file, in respect of the interim periods of its 2004 financial year, the Interim Certificates in Form 52-109F2 or Form 52-109FT2.

13. Form 52-109FT2 requires the certifying officer to certify as follows:

    (a) he or she has reviewed the interim filings (as defined in MI 52-109) of the Issuer for the applicable interim period;

    (b) based on his or her knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings; and

    (c) based on his or her knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the Issuer, as of the date and for the periods presented in the interim filings.

14. "Interim filings" is defined in MI 52-109 to include interim financial statements filed under provincial and territorial securities legislation.

15. The applicable individuals acting in the capacity of officers of the Issuer cannot sign the Interim Certificates, and thus the Issuer cannot file them, because the Issuer does not file Financial Statements pursuant to the relief granted under the Previous Decision.

16. The applicable individuals acting in the capacity of officers of the Issuer are unable to certify in respect of the Reports because, as stated above and pursuant to the Pooling and Servicing Agreement, the Issuer and such officers do not participate in the preparation of the Reports other than reviewing the Reports and informing the Reporting Agent of any errors that they are aware of.

17. The Compliance Certificate and Accountants' Reports provide assurance to Certificateholders in respect of the accuracy of the Reports.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the Issuer is exempted from the requirements of MI 52-109 concerning the filing of Interim Certificates in respect of the 2004 financial year of the Issuer, provided that the Issuer is not required to prepare, file and deliver Financial Statements under the securities legislation of the Jurisdictions, whether pursuant to exemptive relief, or otherwise.

May 31, 2004.

"Erez Blumberger"

2.1.16 Reebok International Ltd. and Reebok Acquisition Inc. - MRRS Decision

Headnote

Mutual Reliance Review System – Take-over bid – Relief from the prohibition against collateral benefits. Employment agreement entered into between offeror and selling security holder who is also a senior officer and director of the offeree – agreement negotiated at arm's length and on commercially reasonable terms – agreements entered into for reasons other than to increase the value of the consideration paid to the selling security holder for his shares and that the agreement may be entered into despite the prohibition against collateral benefits.

Statute Cited

Securities Act R.S.O. 1990, c. S.5, as amended, ss. 97(2), and 104(2)(a).

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

AND

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

AND

IN THE MATTER OF
REEBOK INTERNATIONAL LTD. AND
REEBOK ACQUISITION INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions") has received an application (the "Application") from Reebok International Ltd. ("Reebok") and its wholly-owned subsidiary Reebok Acquisition Inc. ("Acquisitionco") (Reebok and Acquisitionco are collectively referred to herein as the "Applicant"), for a decision under the securities legislation of the Jurisdictions (the "Legislation"), in connection with a take-over bid announced on April 8, 2004 pursuant to which Acquisitionco will make an offer to acquire (the "Offer") all of the issued and outstanding common shares of The Hockey Company Holdings Inc. ("THCH"), including common shares issuable pursuant to (i) the exercise of options or other rights to acquire common shares or (ii) the conversion or exchange of securities convertible into or exchangeable for Common Shares (the "Common Shares"), that the employment agreement entered into on April 7, 2004 between Reebok and Mr. Matthew H. O'Toole, President and Chief Executive Officer of THCH and a holder of Common Shares (the "Employment Agreement"), was entered into for reasons other than to increase the value of the consideration paid to Mr. O'Toole for his Common Shares and may be entered into notwithstanding the provisions in the Legislation that an offeror making or intending to make a take-over bid shall not enter into any collateral agreement with any holder or beneficial owner of securities of the offeree issuer that has the effect of providing to the holder or owner a consideration of greater value than that offered to holders of the same class of securities (the "Prohibition on Collateral Agreements");

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the *Agence nationale d'encadrement du secteur financier* (also known as "Autorité des marchés financiers") is the Principal Regulator for the Application;

AND WHEREAS unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions or in Notice 14-101 of the *Agence nationale d'encadrement du secteur financier*;

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

1. Reebok is a corporation incorporated under and governed by the laws of the Commonwealth of Massachusetts. Shares of its common stock are listed for trading on the New York Stock Exchange. It is a registrant under the federal securities laws of the United States of America and is not, and has no intention of becoming, a reporting issuer in Canada. Reebok is a global company that designs and markets sports and fitness products, including footwear, apparel and accessories. It also designs and markets casual footwear, apparel and accessories for non-athletic use.

2. Acquisitionco is a wholly-owned subsidiary of Reebok and is incorporated under and governed by the *Canada Business Corporations Act*. Acquisitionco was incorporated for the sole purpose of making the Offer and is not, and has no current intention of becoming, a reporting issuer in Canada.

3. THCH is a reporting issuer in each of the provinces and territories of Canada in which the concept of "reporting issuer" exists. Its Common Shares are listed for trading on the Toronto Stock Exchange under the stock symbol "HCY". It was incorporated under and is governed by the *Canada Business Corporations Act*.

4. THCH is one of the world's largest designer, manufacturer and marketer of hockey equipment and related apparel under three of the world's most recognized hockey brand names: CCM, JOFA and KOHO. It is also a leader in the design and innovation of skates, sticks, helmets,

protective equipment products and related apparel and as being the exclusive licensee of the National Hockey League for authentic and replica jerseys.

5. The authorized share capital of THCH consists of an unlimited number of Common Shares, without par value, an unlimited number of preferred shares, without par value and issuable in series, and an unlimited number of special voting shares, without par value. As of the close of business on April 20, 2004, 5,476,202 Common Shares were issued and outstanding, 90,000 Common Shares are reserved for issuance under THCH's stock option plan and 7,930,858 Common Shares are issuable upon the conversion or exchange of exchangeable securities of a subsidiary of THCH. THCH also has 6,499,509 issued and outstanding special voting shares, but all such shares are expected to be cancelled in accordance with their terms concurrently with, or shortly after, the closing of the Offer.

6. On April 8, 2004, Reebok and THCH jointly announced that they had entered into an agreement pursuant to which Reebok agreed to make an offer, directly or through a wholly-owned subsidiary, to acquire all of the issued and outstanding Common Shares at a price of $21.25 in cash per Common Share.

7. The Offer was made by way of a take-over bid circular prepared in accordance with applicable securities laws and mailed to all shareholders of THCH on or about April 22, 2004. The Offer will be conditional upon, among other things, there being validly deposited under the Offer and not withdrawn at the expiry time at least 66 ⅔% of the issued and outstanding Common Shares (calculated on a fully-diluted basis).

8. On April 7, 2004, Reebok entered into a support agreement with THCH (the "Support Agreement") pursuant to which Reebok has agreed to make (directly or through a wholly-owned subsidiary), and THCH has agreed to support, the Offer, subject to, among other things, the right of THCH to terminate the Support Agreement upon the occurrence of certain events.

9. Also on April 7, 2004, Reebok entered into an agreement with WS Acquisition LLC, The Equitable Life Assurance Company, Phoenix Life Insurance Company, Robert Desrosiers (the Chief Financial Officer of THCH) and Mr. O'Toole (the "Lock-up Agreement") pursuant to which such shareholders have irrevocably agreed to deposit under the Offer all Common Shares held by them at the expiry of the Offer, representing approximately 41% of all of THCH's issued and outstanding Common Shares on a fully-diluted basis.

10. An employment agreement between Reebok and Mr. Matthew H. O'Toole, President and Chief Executive Officer of THCH and a holder of Common Shares (the "Employment Agreement"), was entered into on April 7, 2004 in connection with the Offer pursuant to which Mr. O'Toole agreed to accept employment by Reebok for an indefinite period and to hold the office and function as "Senior Vice-President, Reebok and President and Chief Executive Officer, The Hockey Company".

11. The Employment Agreement will come into force only upon the effective date of the closing of the Offer. If the closing of the Offer does not occur before July 1, 2004, the Employment Agreement will terminate.

12. Mr. O'Toole is currently party to an employment contract with The Hockey Company ("THC"), a subsidiary of THCH.

13. Mr. O'Toole currently owns 4,675 Common Shares and 175,000 options for non-voting exchangeable common stock THC which, upon their exercise, are ultimately exchangeable, in accordance with their terms, for Common Shares. Mr. O'Toole's Common Shares and options represent, in the aggregate, approximately 1.3% of the issued and outstanding Common Shares on a fully-diluted basis.

14. Under the Employment Agreement, Mr. O'Toole's initial base salary is set at $480,000 per year, to be adjusted annually, which is identical to his base salary under his current employment agreement with THC.

15. Mr. O'Toole is eligible for a bonus under the Employment Agreement with a target of 50% of his base salary provided certain financial measures approved by the board of directors of Reebok are met for the 2004 financial year. Under his current employment agreement with THC, Mr. O'Toole is also eligible for a bonus equal to 50% of base salary provided certain performance thresholds are achieved.

16. In addition, pursuant to the Employment Agreement Reebok has agreed to grant Mr. O'Toole, subject to the terms of Reebok's existing stock option plan, options to purchase an aggregate of 30,000 shares of Reebok's common stock at an exercise price based on the closing price of common stock on the New York Stock Exchange on the date prior to closing of the Offer. Reebok has also agreed to grant of options to Mr. O'Toole in December 2004, subject to the terms of Reebok's existing stock option plan, to purchase a number of shares of its common stock determined on the same basis as that used with respect to grants of options to other division presidents of

Reebok having met their financial targets for the 2004 financial year.

17. These option grants (i) will be made at the market price for Reebok shares at the time the options are granted, (ii) will have a seven-year term; (iii) will vest in three equal installments on the first three anniversaries of their respective grant dates, and (iv) will be subject to receipt of all required regulatory approvals.

18. Mr. O'Toole has in addition been granted eligibility to participate in Reebok's 2004 global performance incentive plan, and Reebok has agreed to make a one-time grant of 25,000 shares of restricted stock, subject to the terms of Reebok's existing stock option plan, to Mr. O'Toole upon the closing of the Offer. All such shares vest after three years of continued employment; however, the restrictions on 12,500 of such shares will lapse if Mr. O'Toole's employment is terminated for any reason, other than for cause or voluntary termination, prior to completion of the three years.

19. Under the Employment Agreement, Mr. O'Toole is also entitled to continue to participate in the general employee benefit plans offered by a wholly-owned subsidiary of THCH, and to other benefits in accordance with the Reebok's policies and practices covering executive personnel.

20. In the event of termination by Reebok of the Employment Agreement without cause, Mr. O'Toole will be entitled to severance pay in an amount equal to 12 months (24 months if Mr. O'Toole's employment is terminated without cause prior to the first anniversary of the closing of the Offer) of base salary, less appropriate deductions, and the continuation of all benefits for the same period to the extent permissible by law. Options granted to Mr. O'Toole will continue to be exercisable for a period of 90 days following termination.

21. Under the Employment Agreement, Mr. O'Toole is also subject to a non-competition clause during the period of his employment and for a period of 24 months thereafter, which period is reduced to 12 months after the first anniversary of the closing of the Offer.

22. The Employment Agreement was negotiated at arm's length between Reebok and Mr. O'Toole. In these negotiations, it was the parties' intention that Mr. O'Toole's existing benefits with THCH be maintained, and where such benefits were not offered or available on an equivalent basis within Reebok's organization, to provide for compensation in other ways.

23. Mr. O'Toole's compensation package as reflected in the Employment Agreement is in material respect comparable to his current package with THC. However, certain elements of Mr. O'Toole's compensation package, including benefits to which he is entitled as an executive officer of THCH, are not available to him on an equivalent basis, or at all, as an executive officer within the Reebok group.

24. In part to compensate for those elements in Mr. O'Toole's compensation package with THCH which could not be duplicated within Reebok, and in part as a retention mechanism, Reebok agreed to a one-time grant of 25,000 shares of restricted stock. The shares will vest in full only after three years of continued employment. The restrictions on 12,500 of such shares will lapse if Mr. O'Toole's employment is terminated for any reason, other than for cause or voluntary termination, prior to completion of the three years.

25. Reebok believes that Mr. O'Toole has been instrumental in the growth of THCH's business and its success during his tenure, that he possesses substantial experience, expertise and relationships both in THCH's organization and with its customers, and that his continued employment following the completion of the Offer is critical to the ability of Reebok to ensure the successful integration of THCH within Reebok.

26. The Employment Agreement is on commercially reasonable terms, is consistent with current industry practice and with Reebok's compensation arrangements for new executives and is designed to provide an incentive for Mr. O'Toole to continue in Reebok's employment on an ongoing basis following completion of the Offer.

27. Reebok would not have agreed to make the Offer unless satisfactory arrangements had been entered into in respect of the ongoing employment of Mr. O'Toole following the completion of the Offer.

28. The Employment Agreement has been entered into for reasons other than to increase the value of the consideration to be paid to Mr. O'Toole pursuant to the Offer.

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

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

THE DECISION of the Decision Makers under the Legislation is that in connection with the Offer, the Employment Agreement is being entered into for reasons other than to increase the value of the consideration to be paid to Mr. O'Toole for his Common Shares and that such

Employment Agreement may be entered into despite the Prohibition on Collateral Agreements.

May 26, 2004.

"Josée Deslauriers"

2.1.17 Ford Motor Credit Company and Ford Credit Canada Limited - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – issuer's medium term notes fully guaranteed by indirect parent company – issuer unable to rely upon exemption for credit support issuers contained in National Instrument 51-102 and Multilateral Instrument 52-109 because issuer prepares non-classified balance sheet, as permitted by Canadian GAAP – issuer exempt from continuous disclosure requirements and certification requirements, subject to conditions.

Applicable Ontario Statutory Provisions

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

Applicable Ontario Rules

National Instrument 51-102 Continuous Disclosure Obligations, ss. 13.1 and 13.4.
Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, ss. 4.4 and 4.5.

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

AND

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

AND

IN THE MATTER OF
FORD MOTOR CREDIT COMPANY
AND FORD CREDIT CANADA LIMITED

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Newfoundland and Labrador, Nova Scotia, Yukon, Northwest Territories and Nunavut (the "Jurisdictions") has received an application from Ford Motor Credit Company ("Ford Credit") and its subsidiary Ford Credit Canada Limited (the "Issuer", and together with Ford Credit, the "Filer") for a decision by each Decision Maker under the securities legislation of the Jurisdictions (the "Legislation") that the Issuer:

(i) except in the Northwest Territories, be exempted from the application of National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102")

pursuant to section 13.1 of NI 51-102 and in Québec by a revision of the general order that will provide the same result as an exemption order, and

(ii) except in British Columbia and Québec, be exempted from the application of Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("MI 52-109") pursuant to section 4.5 of MI 52-109;

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 Filer has represented to the Decision Makers that:

1. Ford Credit was incorporated under the laws of the State of Delaware in 1959 and is not a reporting issuer or the equivalent in any of the Jurisdictions.

2. Ford Credit has been a reporting company under the 1934 Act for more than 20 years with respect to its debt securities. Ford Credit has filed with the SEC all filings required to be made with the SEC under sections 13 and 15(d) of the 1934 Act since it first became a reporting company under the 1934 Act.

3. Ford Credit has, for a period of more than 12 months, filed its annual reports on Form 10K, quarterly reports on Form 10Q, and current reports on Form 8K in Canada under the System for Electronic Document Analysis and Retrieval ("SEDAR") established by National Instrument 13-101, under the SEDAR profile of the Issuer.

4. Ford Credit offers a wide variety of automotive financial services to and through automotive dealers throughout the world under the Ford Credit brand name and through dealers of Ford vehicles and non-Ford dealers.

5. The common stock in the capital of Ford Credit is indirectly owned by Ford Motor Company, a publicly traded Delaware corporation.

6. As at March 31, 2004, Ford Credit had in excess of US$115.5 billion in long-term debt outstanding.

7. The Issuer was incorporated under the federal laws of Canada on July 23, 1962 and was continued under the *Canada Business Corporations Act* on December 5, 1980. The Issuer is an indirect wholly-owned subsidiary of Ford Credit.

8. The registered and principal office of the Issuer is in Ontario.

9. The Issuer provides wholesale financing and capital loans to authorized Ford Motor Company of Canada, Limited vehicle dealers and purchases retail installment sale contracts and retail leases from such dealers. The Issuer also makes loans to vehicle leasing companies, the majority of which are affiliated with such dealers.

10. The Issuer is, and has been for more than 12 months, a reporting issuer or the equivalent thereof in all Jurisdictions where such status exists. The Issuer is not in default of any of its obligations under the Legislation.

11. The Issuer has established a program in Canada for the issuance of its medium term notes ("Notes") from time to time. The Notes are fully and unconditionally guaranteed by Ford Credit as to payment of principal, premium, if any, and interest, if any, such that the holders thereof will be entitled to receive payment from Ford Credit upon the failure by the Issuer to make any such payment.

12. As at May 14, 2004, the Issuer had approximately Cdn$4.74 billion of Notes outstanding.

13. The Notes currently have an Approved Rating (as defined in NI 51-102) and it is expected by the Issuer that its long-term debt will continue to receive an Approved Rating.

14. Because the Issuer prepares its balance sheet without segregating its assets and liabilities between current and non-current (a "Non-Classified Balance Sheet"), it cannot provide the information required by subsection 13.4(2)(g) of NI 51-102. Consequently, the Issuer cannot rely upon the exemption from NI 51-102 contained in section 13.4 of that instrument.

15. Because the Issuer cannot rely upon the exemption in section 13.4 of NI 51-102, the Issuer cannot rely upon the exemption from MI 52-109 contained in section 4.4 of that instrument.

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

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

THE DECISION of the Decision Makers (other than the Decision Maker in the Northwest Territories) under

the Legislation is that the requirements of NI 51-102 shall not apply to the Issuer provided that:

(a) the Issuer is in compliance with the requirements and conditions of section 13.4 of NI 51-102, other than the requirement in subsection 13.4(2)(g);

(b) the Issuer files, in electronic format, within 90 days of the Issuer's then most recently completed financial year beginning on or after January 1, 2004, annual comparative selected financial information for such completed financial year and the financial year immediately preceding such financial year derived from its financial statements, prepared in accordance with Canadian GAAP and accompanied by a specified procedures report of the auditors to the Issuer;

(c) the Issuer's annual comparative selected financial information referred to in paragraph (b), above, shall include the following line items:

(i) total financing revenues;

(ii) net income/loss and, if applicable, income/loss from continuing operations and income/loss from discontinued operations;

(iii) finance receivables, net;

(iv) allowance for credit losses (included in (iii) above and (v) below);

(v) net investment in operating leases;

(vi) all other assets;

(vii) total assets;

(viii) short-term debt;

(ix) long-term term debt;

(x) all other liabilities; and

(xi) total shareholders' equity;

(d) the Issuer files, in electronic format, within 45 days of its then most recently completed interim period for financial years beginning on or after January 1, 2004, interim comparative selected financial information for such interim period and for items (i) and (ii) of paragraph (e) below, the corresponding interim period in the previous financial year and for items (iii) through to and including (xi) of paragraph (e) below, as at the end of the previous financial year, with all such information derived from its financial statements, prepared in accordance with Canadian GAAP;

(e) the Issuer's interim comparative selected financial information referred to in paragraph (d) above shall include the following line items:

(i) total financing revenues;

(ii) net income/loss and, if applicable, income/loss from continuing operations and income/loss from discontinued operations;

(iii) finance receivables, net;

(iv) allowance for credit losses (included in (iii) above and (v) bleow);

(v) net investment in operating leases;

(vi) all other assets;

(vii) total assets;

(viii) short-term debt;

(ix) long-term term debt;

(x) all other liabilities; and

(xi) total shareholders' equity;

(f) this relief will remain in effect for so long as the Issuer's presentation of a Non-Classified Balance Sheet remains permissible under Canadian GAAP;

AND THE FURTHER DECISION of the Decision Makers (other than the Decision Makers in British Columbia and Québec) is that MI 52-109 shall not apply to the Issuer provided that:

(a) the Issuer is compliance with the conditions set out in paragraph (a) through (e) of the Decision above; and

(b) this relief will remain in effect for so long as the Issuer's presentation of a Non-Classified Balance Sheet remains permissible under Canadian GAAP.

May 21, 2004.

"Cameron McInnis"

2.1.18 Canada Southern Petroleum Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Application. Issuer exempt from certain disclosure requirements of NI 51-101 subject to conditions, including the condition to provide a modified statement of reserves data and other information relating to its oil and gas activities containing the information contemplated by, and consistent with, US Disclosure Requirements and US Disclosure Practices. Issuer exempt from requirement of NI 51-101 that reserves evaluator be independent from issuer, subject to conditions.

Applicable National Instrument

National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities.

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

AND

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

AND

IN THE MATTER OF
CANADA SOUTHERN PETROLEUM LTD.

MRRS DECISION DOCUMENT

1. **WHEREAS** the local securities regulatory authority or regulator (the Decision Maker) in each of Alberta, Ontario, Québec and Nova Scotia (the Jurisdictions) has received an application from Canada Southern Petroleum Ltd. (the Filer) for a decision under the securities legislation of the Jurisdictions (the Legislation) that the Filer be exempted from the following requirements contained in the Legislation:

   1.1 to disclose information concerning oil and gas activities in accordance with sections 2.1, 4.2(1)(a)(ii) and (iii), 4.2(l)(b) and (c), 5.3, 5.8(a), 5.15(a), 5.15(b)(i) and 5.15(b)(iv) of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (NI 51-101); and

   1.2 in Québec, to comply with National Policy Statement No. 2-B *Guide for Engineers and Geologists Submitting Oil and Gas Reports to Canadian Provincial Securities Administrators* (NP 2-B) until such time as NI 51-101 is implemented in Québec;

   (collectively, the Canadian Disclosure Requirements)

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

3. **AND WHEREAS**, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 *Definitions,* Agence nationale d'encadrement du secteur financier notice 14-101 or Appendix 1 of Companion Policy 51-101 CP;

4. **AND WHEREAS** the Filer has represented to the Decision Makers that:

   4.1 the Filer's head office is in Calgary, Alberta;

   4.2 the Filer is a reporting issuer or equivalent in each of the Jurisdictions;

   4.3 the Filer currently has registered securities under the 1934 Act;

   4.4 the Filer's common shares are listed in Canada on the Toronto Stock Exchange and in the United States on NASDAQ SmallCap Market, the Pacific Exchange and the Boston Stock Exchange;

   4.5 over 90% of the trading in the Filer's stock occur on the exchanges in the United States on where its shares are listed;

   4.6 the Filer believes that over 80% of its securities are held, or its security holders are located, outside Canada;

   4.7 the Filer understands that, for purposes of making an investment decision or providing investment analysis or advice, a significant portion of its investors, lenders and investment analysts in both Canada and the US routinely compare the Filer to US and international oil and gas issuers, and accordingly comparability of its disclosure to their disclosure is of primary relevance to market participants;

   4.8 the Filer is subject to different disclosure requirements related to its oil and gas activities under US securities legislation (US Disclosure Requirements) than under the Legislation;

   4.9 disclosure concerning oil and gas activities routinely provided by issuers in the US (US Disclosure Practices) differs from the Canadian Disclosure Requirements;

   4.10 compliance in Canada with Canadian Disclosure Requirements, and conformity in the US with US Disclosure Requirements and US Disclosure Practices, would require that the Filer either

      4.10.1 prepare two separate versions of much of its public disclosure with respect to its oil and gas activities, or

      4.10.2 file, to the extent that the SEC permits, information that differs from the US Disclosure Requirements and accompany that information with a warning addressed to the US investor;

   exposing the Filer to increased costs, resulting in information that could confuse investors and other market participants, and possibly disadvantaging the Filer in competing for investment capital in the US;

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

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

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

   7.1 The Filer is exempt from the Canadian Disclosure Requirements for so long as:

      7.1.1 Annual Filings - the Filer files with the securities regulatory authorities the following not later than the date on which it is required by the Legislation to file audited financial statements for its most recent financial year:

         7.1.1.1 a modified statement of reserves data and other information relating to its oil and gas activities containing the information contemplated by, and consistent with, US Disclosure Requirements and US Disclosure Practices, and for this purpose, US Disclosure Requirements or US Disclosure Practices include:

            7.1.1.1.1 the information required by the FASB Standard,

            7.1.1.1.2 the information required by SEC Industry Guide 2 "Disclosure of Oil and Gas Operations", as amended from time to time, and

7.1.1.1.3 any other information concerning matters addressed in Form 51-101F1 that is required by FASB or by the SEC, and

7.1.1.2 a modified report of independent qualified reserves evaluators in a form acceptable to the regulator; and

7.1.1.3 except in British Columbia, a modified report of management and directors on reserves data and other information in a form acceptable to the regulator;

7.1.2 Use of COGE Handbook - the Filer's estimates of reserves and related future net revenue (or, where applicable, related standardized measure of discounted future net cash flows (the standardized measure)) are prepared or audited in accordance with the standards of the COGE Handbook modified to the extent necessary to reflect the terminology and standards of the US Disclosure Requirements;

7.1.3 Consistent Disclosure - subject to changes in US Disclosure Requirements or US Disclosure Practices, the Filer is consistent in its application of standards relating to oil and gas information and its disclosure of such information, within and between reporting periods;

7.1.4 Non-Conventional Oil and Gas Activities

7.1.4.1 the Filer may present information about its non-conventional oil and gas activities applying the FASB Standard despite any indication to the contrary in the FASB Standard;

7.1.4.2 the Filer may present information about its non-conventional oil and gas activities in a form that is consistent with US Disclosure Practices;

7.1.5 Disclosure of this Decision and Effect - the Filer

7.1.5.1 at least annually, files on SEDAR (either as a separate document or in its annual information form) a statement:

7.1.5.1.1 of the Filer's reliance on this Decision,

7.1.5.1.2 that explains generally the nature of the information that the Filer has disclosed or intends to disclose in the year in reliance on this Decision and that identifies the standards and the source of the standards being applied (if not otherwise readily apparent), and

7.1.5.1.3 to the effect that the information that the Filer has disclosed or intends to disclose in the year in reliance on this Decision may differ from the corresponding information prepared in accordance with NI 51-101 standards (if that is the case), and explains the difference (if any); and

7.1.5.2 includes, reasonably proximate to all other written disclosure that the Filer makes in reliance on this Decision, a statement:

7.1.5.2.1 of the Filer's reliance on this Decision,

7.1.5.2.2 that explains generally the nature of the information being disclosed and identifies the standards and the source of the standards being applied (if it is not otherwise readily apparent),

7.1.5.2.3 that the information disclosed may differ from the corresponding information prepared in accordance with

NI 51-101 standards, and

7.1.5.2.4 that reiterates or incorporates by reference the disclosure referred to in paragraph7.1.5.1.3;

7.1.6 Voluntary extra disclosure - if the Filer makes public disclosure of a type contemplated in NI 51-101 or Form 51-l0lF1, but not required by US Disclosure Requirements, and:

7.1.6.1. if the disclosure is of a nature and subject matter referred to in Part 5 of NI 51-101 (other than in a provision included in the definition of Canadian Disclosure Requirements), and if there are no US Disclosure Requirements specific to that type of disclosure, the disclosure is made in compliance with Part 5 of NI 51-101,

7.1.6.2. if the disclosure includes estimates that are in substance estimates of reserves or related future net revenue in categories not required under US Disclosure Requirements,

7.1.6.2.1 the disclosure

7.1.6.2.1.1. applies the relevant categories set out in the COGE Handbook, or

7.1.6.2.1.2 sets out the categories being used in enough detail to make them understandable to a reader, identifies the source of those categories, states that those categories differ from the categories set out in the COGE Handbook (if that is the case) and either explains any differences (if any) or incorporates by reference disclosure referred to in paragraph 7.1.5.1.3 if that disclosure explains the differences,

7.1.6.2.2 if the disclosure includes an estimate of future net revenue or standardized measure, it also includes the corresponding estimate of reserves (although disclosure of an estimate of reserves would not have to be accompanied by a corresponding estimate of future net revenue or standardized measure),

7.1.6.2.3 if the disclosure includes an estimate of reserves for a category other than proved reserves (or proved oil and gas reserve quantities), it

also includes an estimate of proved reserves (or proved oil and gas reserve quantities) based on the same price and cost assumptions with the price assumptions disclosed,

7.1.6.2.4 unless the extra disclosure is made involuntarily (as contemplated in section 8.4(b) of Companion Policy 51-101 CP), the Filer includes disclosure of the same type in subsequent annual filings for as long as the information is material, and

7.1.6.2.5 for the purpose of paragraph 7.1.6.2.4 if the triggering disclosure was an estimate for a particular property, unless that property is highly material to the Filer, its subsequent annual disclosure of that type of estimate also includes aggregate estimates for the Filer and by country (or, if appropriate and not misleading, by foreign geographic area), not only estimates for that property, for so long as the information is material;

7.2 the Filer is exempt from the prospectus and annual information form requirements of the Legislation that require a Filer to disclose information in a prospectus or annual information form in accordance with NI 51-101, but only to the extent that the Filer relies on and complies with this Decision; and

7.3 in Québec,

7.3.1. until NI 51-101 comes into force in Québec, the Filer is exempt from the requirements of NP 2-B and may satisfy requirements under the Legislation of Québec that refer to NP 2-B by complying with the requirements of NI 51-101 as varied by this Decision; and

7.3.2 after NI 51-101 comes into force in Québec, the Filer is exempt from the requirements of NI 51-101 as set out above;

8. **THIS DECISION** will terminate in a Jurisdiction one year after the effective date in that Jurisdiction of any substantive amendment to the Canadian Disclosure Requirements unless the Decision Maker otherwise agrees in writing.

May 31, 2004.

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

2.1.19 The Toronto-Dominion Bank and TD Capital Trust II - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Exemption from the requirements to file annual certificates and interim certificates under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings granted to a capital trust sponsored by a bank, subject to specified conditions, where the trust had previously been exempted from the requirements to file financial statements, MD&A and AIFs.

Applicable Instruments

Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.
National Instrument 51-102 Continuous Disclosure Obligations.

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

AND

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

AND

IN THE MATTER OF
THE TORONTO-DOMINION BANK AND
TD CAPITAL TRUST II

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Ontario, Alberta, Saskatchewan, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Northwest Territories, Nunavut and Yukon (the "Jurisdictions") has received an application from The Toronto-Dominion Bank (the "Bank") and TD Capital Trust II (the "Trust") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation"), that the requirements contained in the Legislation to:

(a) file annual certificates ("Annual Certificates") with the Decision Makers under section 2.1 of Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("MI 52-109"); and

(b) file interim certificates ("Interim Certificates" and together with the Annual Certificates, the "Certification Filings") with the Decision Makers under section 3.1 of MI 52-109;

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

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

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

AND WHEREAS pursuant to a Mutual Reliance Review System decision document dated December 19, 2002 (the "Previous Decision"), the Trust is exempt from the requirements of securities legislation in the jurisdictions of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia and Newfoundland and Labrador, as applicable, concerning the preparation, filing and delivery of (i) interim financial statements and audited annual financial statements, (ii) annual filings in lieu of filing an information circular, where applicable and (iii) an annual information form (an "AIF") and management's discussion and analysis of the financial condition and results of operation of the Trust ("MD&A");

AND WHEREAS the Trust has delivered a notice dated May 13, 2004 to the applicable securities regulatory authorities or regulators under subsection 13.2(2) of National Instrument 51-102 *Continuous Disclosure Obligations* stating that it intends to rely on the Previous Decision to the same extent and on the same conditions as contained in the Previous Decision;

AND WHEREAS the Bank and the Trust represented to the Decision Makers that:

1. Since the date of the Previous Decision, there have been no material changes to the representations of either the Trust or the Bank contained in the Previous Decision.

2. The Previous Decision exempts the Trust from the requirements to file its own interim financial statements and interim MD&A (collectively, the "Interim Filings") and (ii) its own AIF, annual financial statements and annual MD&A, as applicable (collectively, the "Annual Filings") and therefore, it would not be meaningful or relevant for the Trust to file its own Certification Filings.

3. Because of the terms of securities publicly offered by the Trust, and by virtue of certain agreements and covenants of the Bank in connection therewith, information regarding the affairs and financial condition of the Bank, as opposed to that of the Trust, is meaningful to holders of such securities and it is appropriate that the Bank's Certification Filings be available to such

securityholders of the Trust in lieu of the Certification Filings of the Trust.

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

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

THE DECISION of the Decision Makers under the Legislation is that the requirement contained in the Legislation:

(a) to file Annual Certificates with the Decision Makers under section 2.1 of MI 52-109; and

(b) to file Interim Certificates with the Decision Makers under section 3.1 of MI 52-109;

shall not apply to the Trust for so long as:

(i) the Trust is not required to, and does not, file its own Interim Filings and Annual Filings;

(ii) the Bank files with the Decision Makers, in electronic format under the Trust's SEDAR profile, the Bank's Annual Certificates and Interim Certificates at the same time as such documents are required under the Legislation to be filed by the Bank;

(iii) the Trust qualifies for the relief contemplated by, and is in compliance with, the requirements and conditions set out in the Previous Decision;

and provided that if a material adverse change occurs in the affairs of the Trust, this Decision shall expire 30 days after the date of such change.

May 31, 2004.

"Cameron McInnis"

2.1.20 Royal Bank of Canada and RBC Capital Trust II - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Exemption from the requirements to file annual certificates and interim certificates under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings granted to a capital trust sponsored by a bank company, subject to specified conditions, where the trust had previously been exempted from the requirements to file financial statements, MD&A and AIFs.

Applicable Instruments

Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.
National Instrument 51-102 Continuous Disclosure Obligations.

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

AND

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

AND

IN THE MATTER OF
ROYAL BANK OF CANADA AND
RBC CAPITAL TRUST II

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Ontario, Alberta, Saskatchewan, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Northwest Territories, Nunavut and Yukon (the "Jurisdictions") has received an application from Royal Bank of Canada (the "Bank") and RBC Capital Trust II (the "Trust") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation"), that the requirements contained in the Legislation to:

(a) file annual certificates ("Annual Certificates") with the Decision Makers under section 2.1 of Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("MI 52-109"); and

(b) file interim certificates ("Interim Certificates" and together with the Annual Certificates, the "Certification Filings") with the Decision Makers under section 3.1 of MI 52-109;

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

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

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

AND WHEREAS pursuant to a Mutual Reliance Review System decision document dated August 18, 2003 (the "Previous Decision"), the Trust is exempt from the requirements of securities legislation in the jurisdictions of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, and Newfoundland and Labrador, as applicable, concerning the preparation, filing and delivery of (i) interim financial statements and audited annual financial statements, (ii) annual filings in lieu of filing an information circular, where applicable and (iii) an annual information form (an "AIF") and management's discussion and analysis of the financial condition and results of operation of the Trust ("MD&A");

AND WHEREAS the Trust has delivered a notice dated May 13, 2004 to the applicable securities regulatory authorities or regulators under subsection 13.2(2) of National Instrument 51-102 *Continuous Disclosure Obligations* stating that it intends to rely on the Previous Decision to the same extent and on the same conditions as contained in the Previous Decision;

AND WHEREAS the Bank and the Trust represented to the Decision Makers that:

1. Since the date of the Previous Decision, there have been no material changes to the representations of either the Trust or the Bank contained in the Previous Decision.

2. The Previous Decision exempts the Trust from the requirements to file its own interim financial statements and interim MD&A (collectively, the "Interim Filings") and (ii) its own AIF, annual financial statements and annual MD&A, as applicable (collectively, the "Annual Filings") and therefore, it would not be meaningful or relevant for the Trust to file its own Certification Filings.

3. Because of the terms of securities publicly offered by the Trust, and by virtue of certain agreements and covenants of the Bank in connection therewith, information regarding the affairs and financial condition of the Bank, as opposed to that of the Trust, is meaningful to holders of such securities and it is appropriate that the Bank's Certification Filings be available to such securityholders of the Trust in lieu of the Certification Filings of the Trust.

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

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

THE DECISION of the Decision Makers under the Legislation is that the requirement contained in the Legislation:

(a) to file Annual Certificates with the Decision Makers under section 2.1 of MI 52-109; and

(b) to file Interim Certificates with the Decision Makers under section 3.1 of MI 52-109;

shall not apply to the Trust for so long as:

(i) the Trust is not required to, and does not, file its own Interim Filings and Annual Filings;

(ii) the Bank files with the Decision Makers, in electronic format under the Trust's SEDAR profile, the Bank's Annual Certificates and Interim Certificates at the same time as such documents are required under the Legislation to be filed by the Bank;

(iii) the Trust qualifies for the relief contemplated by, and is in compliance with, the requirements and conditions set out in the Previous Decision;

and provided that if a material adverse change occurs in the affairs of the Trust, this Decision shall expire 30 days after the date of such change.

May 28, 2004.

"Iva Vranic"

2.1.21 GMAC Commercial Mortgage Securities of Canada, Inc./GMAC titres hypothécaires commerciaux du Canada - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Issuer of asset-backed securities previously granted an exemption from the requirements to file financial statements, MD&A and AIFs – issuer granted an exemption from the requirement under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings to file interim certificates for the 2004 financial year.

Applicable Instruments

Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.
National Instrument 51-102 Continuous Disclosure Obligations.

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

AND

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

AND

IN THE MATTER OF
GMAC COMMERCIAL MORTGAGE
SECURITIES OF CANADA, INC./
GMAC TITRES HYPOTHÉCAIRES
COMMERCIAUX DU CANADA

MRRS DECISION DOCUMENT

WHEREAS pursuant to an MRRS decision document dated October 16, 2002 (the "Previous Decision"), GMAC Commercial Mortgage Securities of Canada, Inc./ GMAC titres hypothécaires commerciaux du Canada (the "Issuer") is exempted, on certain terms and conditions, from the requirements of the securities legislation in the jurisdictions of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia and Newfoundland and Labrador (the local securities regulatory authority or regulator in each such jurisdiction, collectively, the "Previous Decision Makers") concerning, *inter alia*, the preparation, filing and delivery of interim and annual financial statements ("Financial Statements");

AND WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, Newfoundland and Labrador, the Northwest Territories and Nunavut (collectively, the "Jurisdictions") has received an application from the Issuer for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the provisions of Multilateral Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings ("MI 52-109") concerning the filing of interim certificates ("Interim Certificates") shall not apply to the Issuer in respect of the 2004 financial year of the Issuer.

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

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

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

1. The Issuer was incorporated under the laws of Canada on March 25, 2002 and is a special purpose corporation wholly-owned by GMAC Commercial Mortgage of Canada, Limited ("GMACCM Canada"). The only security holders of the Issuer, excluding GMACCM Canada, are and will be holders (the "Certificateholders") of asset-backed securities ("Certificates").

2. The head office of the Issuer is located in Toronto, Ontario.

3. The financial year-end of the Issuer is December 31.

4. The Issuer filed a short form prospectus (the "Prospectus") dated July 30, 2002 with each of the Canadian provincial securities regulatory authorities for the issuance of approximately $210,187,000 aggregate principal amount of Mortgage Pass-Through Certificates, Series 2002-FL1 (the "Issued Certificates") and received receipts for the Prospectus from each of the Canadian provincial securities regulatory authorities.

5. The Issuer is a reporting issuer, or the equivalent, in each of the provinces and territories of Canada that provides for a reporting issuer regime and to its knowledge is currently not in default of any applicable requirements under the securities legislation thereunder.

6. The Issuer does not carry on any activities other than issuing Certificates and purchasing assets in connection thereto (the "Assets").

7. The Issuer has no material assets or liabilities other than its rights and obligations arising from acquiring Assets and in respect of the Issued Certificates.

8. The Issuer will file a notice with the applicable securities regulatory authorities or regulators

pursuant to section 13(2) of National Instrument 51-102 - Continuous Disclosure Obligations stating that it intends to rely on the Previous Decision to the same extent and on the same conditions as contained in the Previous Decision.

9. For each offering of Certificates, the Issuer and, among others, the master servicer (the "Master Servicer") for all of the Assets in a given pool, the special servicer (the "Special Servicer"), the custodian on behalf of all Certificateholders and a reporting agent (the "Reporting Agent") enter into a pooling and servicing agreement (the "Pooling and Servicing Agreement") providing for, among other things, the preparation by the Master Servicer, Special Servicer and the Reporting Agent of periodic reports (the "Reports") to Certificateholders containing financial and other information in respect of the applicable pool of Assets and Certificates.

10. Pursuant to the Pooling and Serving Agreement and as disclosed in the Prospectus, the Reports are prepared by the Reporting Agent based solely on information provided by the Master Servicer and Special Servicer.

11. Pursuant to the Pooling and Servicing Agreement in respect of the Issued Certificates and as contemplated in the Previous Decision:

    (a) the Master Servicer shall deliver annually a statement of compliance (the "Compliance Certificate") signed by a senior officer of each applicable Master Servicer or other party acting in a similar capacity on behalf of the Issuer for the applicable pool of Assets, certifying that the Master Servicer or such other party acting in a similar capacity has fulfilled all of its obligations under the related Pooling and Servicing Agreement during the year or, if there has been a default, specifying each such default and the status thereof; and

    (b) the Master Servicer shall obtain annually an accountants' report (the "Accountants' Reports") in form and content acceptable to the Previous Decision Makers prepared by a firm of independent public or chartered accountants acceptable to the Previous Decision Makers respecting compliance by the Master Servicer (or such other party acting in a similar capacity) with the Uniform Single Attestation Program or such other servicing standard acceptable to the Previous Decision Makers.

12. Sections 3.1 and 5.2 of MI 52-109 require the Issuer to file, in respect of the interim periods of its 2004 financial year, the Interim Certificates in Form 52-109FT2.

13. Form 52-109FT2 requires the certifying officer to certify as follows:

    (a) he or she has reviewed the interim filings (as defined in MI 52-109) of the Issuer for the applicable interim period;

    (b) based on his or her knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings; and

    (c) based on his or her knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the Issuer, as of the date and for the periods presented in the interim filings.

14. "Interim filings" is defined in MI 52-109 to include interim financial statements filed under provincial and territorial securities legislation.

15. The applicable officers of the Issuer cannot sign the Interim Certificates, and thus the Issuer cannot file them, because the Issuer does not file Financial Statements pursuant to the relief granted under the Previous Decision.

16. The officers of the Issuer are unable to certify in respect of the Reports because, as stated above and pursuant to the Pooling and Servicing Agreement, the Issuer and its officers do not in any way participate in the preparation of the Reports.

17. The Compliance Certificate and Accountants' Report provide assurance to Certificateholders in respect of the accuracy of the Reports.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the Issuer is exempted from the requirements of MI 52-109 concerning the filing of Interim Certificates in respect of the 2004 financial year of the

Issuer, provided that the Issuer is not required to prepare, file and deliver Financial Statements under the securities legislation of the Jurisdictions, whether pursuant to exemptive relief, or otherwise.

May 20, 2004.

"Erez Blumberger"

2.2 Orders

2.2.1 Certain Directors, Officers and Insiders of Argus Corporation Limited - para 127(1)2 and ss. 127(5)

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

AND

IN THE MATTER OF
CERTAIN DIRECTORS, OFFICERS AND INSIDERS OF
ARGUS CORPORATION LIMITED
(BEING THE INDIVIDUALS AND ENTITIES LISTED
IN SCHEDULE "A" HERETO)

TEMPORARY ORDER
(Paragraph 127(1)2 and subsection 127(5))

WHEREAS it appears to a Director of the Ontario Securities Commission (the "Director") that:

1. Argus Corporation Limited ("Argus") is incorporated under the *Canada Business Corporations Act* and is a reporting issuer in the Province of Ontario.

2. Each of the individuals and entities listed in Schedule "A" (individually, a "Respondent" and collectively, the "Respondents") is, or was, at some time since the end of the period covered by the last financial statements filed by Argus, namely December 31, 2003, a director, officer or insider of Argus and during that time had, or may have had, access to material information with respect to Argus that has not been generally disclosed.

3. Argus has failed to file its interim statements (and interim Management's Discussion & Analysis related thereto) for the three-month period ended March 31, 2004 as required to be filed under Ontario securities law on or before May 15, 2004, and has not filed such statements as of the date of this order.

4. Hollinger Inc. ("Hollinger") is the principal subsidiary of Argus. Hollinger is a reporting issuer in Ontario. On April 5, 2004, Hollinger filed a material change report disclosing that it had entered into an agency agreement in respect of a proposed offering and sale of up to 20,096,919 subscription receipts (the "Subscription Receipts") of Hollinger at a price of CDN$10.50 per Subscription Receipt for gross proceeds of CDN$211 million (the "Subscription Receipt Offering"). On April 7, 2004, Hollinger issued and filed a press release and material change report announcing the closing of the offering of Subscription Receipts. As described in the above-mentioned material change reports, the gross proceeds from the sale of the Subscription Receipts will be held in escrow for a certain period following the closing of the Subscription Receipt Offering, pending the satisfaction of certain escrow conditions.

5. Hollinger International Inc. ("HLR") is the principal subsidiary of Hollinger. HLR is a reporting issuer in the Province of Ontario. HLR is currently engaged in a strategic process as described in the material change report filed by HLR on November 27, 2003 (the "Strategic Process"). The Strategic Process has been commenced by the board of directors of HLR and is being conducted through HLR's financial advisor, Lazard Frères & Co. LLC, to pursue a range of alternative strategic transactions for HLR. The Strategic Process may involve the sale or reorganization of all or a part of HLR's business and other possible transactions by means that may include asset sales, share sales or a merger, amalgamation, arrangement, business combination or other reorganization.

AND WHEREAS the Director is of the opinion that it is in the public interest to make this order;

AND WHEREAS the Director is of the opinion that the length of time required to conclude a hearing could be prejudicial to the public interest;

IT IS ORDERED pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act that, effective immediately, all trading, whether direct or indirect, by the Respondents in the securities of Argus, with the exception of

a) any trade in securities of Argus contemplated by, or in connection with, the Subscription Receipt Offering; and

b) any trade in securities of Argus contemplated by or in connection with any transaction directly or indirectly resulting or arising from the Strategic Process;

shall cease for a period of 15 days from the date of this order.

May 25, 2004.

"John Hughes"

Schedule "A"

509645 N.B. Inc.
509646 N.B. Inc.
2753421 Canada Limited
Amiel Black, Barbara
Atkinson, Peter Y.
Black, Conrad M. of Crossharbour (Lord)
Boultbee, J. A.
Burt, The Hon. Richard
Carroll, Paul A.
Colson, Daniel W.
Conrad Black Capital Corporation
Creasey, Frederick A.
Cruickshank, John
Deedes, Jeremy
Delorme, Monique
Dimma, William A.
Dodd, J. David
Duckworth, Claire F.
Healy, Paul B.
Kissinger, The Hon. Henry A.
Lane, Peter K.
Loye, Linda
Maida, Joan
McCarthy, Helen
McKeag, The Honourable W. John
Meitar, Shmuel
O'Donnell-Kennan, Niamh
Paris, Gordon
Perle, The Hon. Richard N.
Porter, Anna
Radler, F. David
The Ravelston Corporation Limited
Riley, Ronald T.
Rohmer, Richard, OC, QC
Ross, Sherrie L.
Samila, Tatiana
Savage, Graham
Seitz, The Hon. Raymond G.H.
Smith, Robert T.
Stevenson, Mark
Thompson, The Hon. James R.
Van Horn, James R.
Walker, Gordon W.
White, Peter G.

2.2.2 Certain Directors, Officers and Insiders of Nortel Networks Corporation and Nortel Networks Limited - para. 127(1)2

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

AND

IN THE MATTER OF
CERTAIN DIRECTORS, OFFICERS AND INSIDERS OF NORTEL NETWORKS CORPORATION AND NORTEL NETWORKS LIMITED
(BEING THE INDIVIDUALS AND ENTITIES LISTED IN SCHEDULE "A" HERETO)

ORDER
(Paragraph 127(1)2)

WHEREAS on May 17, 2004, each of the individuals and entities listed in Schedule "A" (individually, a "Respondent" and collectively, the "Respondents") were notified that the Director made an order (the "Temporary Order") that day under paragraph 2 of subsection 127(1) and subsection 127(5) of the Act that the Respondents cease trading in any securities of Nortel Networks Corporation ("NNC") and Nortel Networks Limited ("NNL") for a period of 15 days from the date of Temporary Order;

AND WHEREAS the Respondents were notified that a hearing would be held to determine if it would be in the public interest to make an order under paragraph 2 of subsection 127(1) of the Act that the Respondents cease trading in any securities of NNC and NNL permanently or for such period as is specified in the order;

AND WHEREAS the hearing was held on the 31st day of May, 2004;

AND UPON hearing the following evidence:

1. Each of NNC and NNL is incorporated under the *Canada Business Corporations Act* and is a reporting issuer in the Province of Ontario.

2. Each of the Respondents is, or was, at some time since the end of the period covered by the last financial statements filed by NNC and NNL, namely September 30, 2003, a director, officer or insider of NNC or NNL and during that time had, or may have had, access to material information with respect to NNC and NNL that has not been generally disclosed.

3. On April 28, 2004, NNC issued and filed on SEDAR a press release disclosing that each of NNC and NNL will restate the financial results reported in each of the quarterly periods of 2003 and for earlier periods including 2002 and 2001 and will be delayed in filing its annual financial statements for the year ended December 31, 2003 by the required filing date under Ontario securities

law, namely May 19, 2004 and its interim statements for the first quarter ended March 31, 2004 by the required filing date under Ontario securities law, namely May 15, 2004.

4. Each of NNC and NNL has failed to file its interim statements for the three-month period ended March 31, 2004 as required to be filed under Ontario securities law on or before May 15, 2004.

5. Each of NNC and NNL further failed to file its annual financial statements for the year ended December 31, 2003 as required to be filed under Ontario securities law on or before May 19, 2004.

6. As of the date of this order, NNC and NNL have not restated the financial results reported in each of the quarterly periods of 2003 and for earlier periods including 2002 and 2001 and have not filed their interim statements for the three-month period ended March 31, 2004, nor their annual financial statements for the year ended December 31, 2003.

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

IT IS ORDERED under paragraph 2 of subsection 127(1) of the Act that all trading, whether direct or indirect, by those persons listed in Schedule "A" in the securities of NNC and NNL shall cease until two full business days following the receipt by the Commission of all filings NNC and NNL are required to make pursuant to Ontario securities law.

May 31, 2004.

"Paul M. Moore" "M. Theresa McLeod" "Wendell S. Wigle"

Schedule "A"

2158-4933 Quebec Inc.
Adam, Herve
Auriol, Helene Marie Jacqueline Madeleine
Barnes, Debbie
Barrios, Alvio
Beatty, Douglas Charles
Bejar, Martha Helena
Bhatnagar, Atul
Biard, James Anthony
Bifield, Allan
Bischoff, Dr., Manfred
Biston, Alain Mathieu Pierre
Blanchard, James Johnston
Boggs, David Wood
Bolouri, Chahram
Borowiecki, Thomas Julian
Brown, Robert Ellis
Browne, Peter Eldon
Buffett, David Alan
Byrd, Richard Andrew
Callaghan, Barbara Rose
Carbone, Peter John
Casamitjana-Cucurella, Jordi
Cervantes, Victor
Champagne, Jean
Chan, Hung Cheong (Sidney)
Chronowic, Peter
Cleghorn, John Edward
Clement, Michel
Clemons, Stephen Wayne
Collins, Malcolm Kevin
Connor, Daniel
Cooper, Helen Louise
Cote, Dennis John Gerard
Cozyn, Martin Albert
Cross, Mary Mcgehee
Cuesta, George Julio
Dadyburjor, Khush Sam
Davies, Gordon Allan
Debon, Pascal
Decardenas, Alfredo Tomas
Deroma, Nicholas John
Di Giuseppe, Pierfrancesco
Dodd, Randy Kevin
Donoghue, Adrian Joseph
Donovan, William John
Doolittle, John Marshall
Dubois, Claude
Dunn, Frank Andrew
Edwards, Darryl Alexander
Elliott, Stephen Bennett
Esteridge, Winston Sylvester
Farmer, Cecil Gregory
Ferguson, Robert Lindsey Miller
Fisher, Arthur Walter
Fortier, Louis Yves
Gasnier, Michel Roger
Giamatteo, John Joseph
Gibson, David Fraser
Gigliotti, Thomas Andrew
Gold, Ashley

Gollogly, Michael Jerard
Hamilton, Douglas Alexander
Haydon, John Bradley
Hegemann, Holger
Higginbotham, Ernest Ryan
Hitchcock, Albert Roger
Hoadley, John Philip
Holmes, Robert Devon
Hudson, David Victor
Hudson, Vivian Catharine
Ingram, Robert Alexander
Joannou, Dion Constandino
Johnson, Craig Allan
Jones, Stephen Glenn
Kelly, Peter John Anthony
Kerr, William
Khadbai, Abdul Aziz
King, Elena
Kinney, James Brittain
Krebs, Laurie Ann
Langlois, Michael John
Lanier, Gayle La'verne
Lasalle, William Joseph
Lester, Monica Lynne
Lin, Yuan-Hao
Lloyd, Geoffrey James
Lo, Kai Yuen Edmond
Lockhart, Lewis Karl
Lowe, Richard Stephen
Lowe, Tonya Lee
LRW Holdings (Alberta) Ltd.
Mackinnon, Peter David
MacLaren, Peter
Maclean, Roy James
MacLeod, Ross
Manley, John Paul
Mao, Robert Yu Lang
McFadden, Brian William
McFeely, Scott Alexander
McGregor, Douglas James
McMonagle, Angela Marie
Megura, Walter
Michaelides, Douglas Walter
Milan, Norberto
Moore (Pearson), Louise Elizabeth
Morfe Jr., Claudio
Morin, Philippe
Morrison, Blair Fraser
Mumford, Donald Gregory
Murash, Barry
Murashige, David Hilliker
Murphy, Peter Michael
Newcombe, Peter James
Noble, Deborah Jean
O'Flynn, Michael Joseph
Owens, William Arthur
Pagani, Marco
Pahapill, Maryanne Elisabeth
Pangia, Michael Anthony
Pecot, Kenneth Wesley
Pierson, Alexander John Briens
Preston, Tony Keith
Pugh, Gareth Alan David
Pusey, Stephen Charles
Quinn, Gordon William
Rea, Jeffrey Leonard
Rhodes, Patrick Alan
Richardson, Clent
Safarikas, Al
Saffell Jr., Charles Raymond
Saucier, Guylaine
Schilling, Steven Leo
Shakespeare, Barry Keith
Sicotte, Luc Paul
Slattery, Stephen Francis
Sledge, Karen Elizabeth
Smith, Sherry Lee
Smith Jr., Sherwood Hubbard
Southern, Barry John
Spradley, Susan Louise
Sproule, Donald Ernest
Stark, Ryan Michael
Stevens, Mark William
Stevenson, Katherine Berghuis
Stoddard, Alan Grant
Stout, Allen Keith
Swanson, Roxann Lee
Tariq, Masood Ahmad
Taylor, Kenneth Robert Wesley
Taylor, Kevin
Tsui, Stephen
Valia, Ashoka
Vazquez Oria, Pablo Abel
Washburn, Robert Peter
Watkins, Timothy Ian
Wheatley, Randolph Osorio
Whitehurst, Jay Floyd
Whitton, Mark James Christopher
Williams, Timothy Louis
Wilson, Lynton Ronald
Wood, Robert Graham
Wood, Steven Victor
Wu, Jang-Shang (Jackson)

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 Reasons for Decision

3.1.1 Abdullah Yama Yaqeen

IN THE MATTER OF
AN APPLICATION FOR REGISTRATION OF
ABDULLAH YAMA YAQEEN

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

Date: May 26, 2004

Director: David M. Gilkes
Manager, Registrant Regulation
Capital Markets Branch

Appearances: Michael Holder — For Commission Staff
Joyce Harris — For Abdullah Yama Yaqeen

Overview

1. This decision relates to the application of Mr. Yaqeen (the **Applicant**) to transfer his registration as an Investment Dealer Salesperson to Monarch Delaney Financial Inc. Commission Staff has recommended that the Director deny this application.

Background

2. Mr. Yaqeen was registered as Investment Dealer Salesperson under the *Securities Act (Ontario)* (the **Act**).and with the Investment Dealers Association as Registered Representative (Equities and Options) sponsored by CIBC Investor Services Inc (**CIBCIS**) from December 19, 2001 until we received notice of his termination effective May 20, 2003.

3. Mr. Yaqeen had been an employee of the Canadian Imperial Bank of Commerce (**CIBC**) since 1990. In 1997 he became an account manager for CIBC. From December 2001 until he was terminated, the Applicant was an Investment Dealer Salesperson sponsored by CIBCIS as well as an account manager for CIBC. The reasons for Mr. Yaqeen's termination were related to his activities as an account manager for CIBC.

4. The notice of termination filed by CIBCIS indicated Yaqeen was terminated for cause. Commission Staff investigate the circumstances surrounding all terminations for cause and did so in this case. In a letter dated January 30, 2004, Staff advised the Applicant that they recommended the Director deny his application based on grounds that he was not suitable for registration as an Investment Dealer Salesperson.

5. After receiving the letter from Staff, Mr. Yaqeen requested the opportunity to be heard by the Director pursuant to subsection 26(3) of the Act that states:

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

6. The opportunity to be heard was done in two parts. An appearance in person (the OTBH) was held on February 26, 2004 where Commission Staff indicated further information would be provided by CIBC. A letter from CIBC dated April 30, 2004 (the CIBC letter) and a reply to the CIBC letter from Mr. Yaqeen's counsel date May 7, 2004 (Mr. Yaqeen's reply) were submitted to the Director. I have reviewed all of this information in making my decision.

The Euro Deposits

7. The circumstances that led to the Applicants termination started in April 2003 and had to do with transactions involving Mr. Mohamed Dostmohamed and one of his related companies. Mr. Dostmohamed was also an employee of CIBC and a client of Mr. Yaqeen for eight years. Mr. Dostmohamed had a number of personal bank accounts as well as several business accounts for companies that he controlled or represented.

8. On April 7, 2003 Mr. Yaqeen accepted a cheque made to Mr. Dostmohamed in the amount of €513,801.09 drawn from a bank in Germany. On April 22, 2003 Mr. Yaqeen accepted two more cheques made to Mr. Dostmohamed in the amounts of €750,776.85,and €796,098.03 drawn from the same bank in Germany. The total of the deposits in Canadian dollars was approximately $3,249,480. There was a fourth cheque in the amount of €558,017.36 (about $864,760) made to Thermal Standards, a company related to Mr. Dostmohamed. It was later discovered that these cheques were not valid.

9. According to the CIBC letter and the submission from Commission Staff, CIBC policy requires cheques such as the ones accepted by the

Applicant to be sent on a collection basis (i.e. funds were only to be released when the cheques had cleared the German bank).

10. In contravention of this policy, the Applicant placed 21-day holds on the accounts, and then contrary to the hold imposed by Mr. Yaqeen, he released funds according to instructions from Mr. Dostmohamed. The Applicant said he had clearance from CIBC's help line to accept the cheques without restriction, although he decided to impose the 21-day hold. The Applicant then decided to release the funds based on his knowledge of this client. In fact, the Applicant released $100,000 at the time the first cheque was deposited and then put the hold on the remaining funds.

11. Throughout the period when there was to have been a hold on the funds, Mr. Yaqeen authorized the hold to be removed and access granted for funds in the amounts of $15,000, $40,000 and $60,000. In effect, there was no hold on the funds and Mr. Dostmohamed removed funds and transferred funds to other accounts as he wished.

12. The two deposits received on April 22, 2003 were treated in the same manner. Mr. Yaqeen accepted the deposits and placed 21-day holds on the funds, rather than accepting them on a collection basis. Similarly, despite the holds on the funds, Mr. Yaqeen released the funds as needed for Mr. Dostmohamed. This included transfers of funds to accounts and persons in the Caribbean.

13. There was a fourth cheque in the amount of €558,017.36 (about $864,760) made to Thermal Standards, a company related to Mr. Dostmohamed. The CIBC letter and the references in the brief of documents filed by Counsel for the Applicant put the date of this cheque around April 11, 2003. Mr. Yaqeen believed it was deposited around April 22, 2003. Regardless of the date this cheque was deposited, the cheque and the funds were treated in the same manner as those described above.

14. According to the CIBC letter, the Registrant allowed $1,690,000 to be accessed by Mr. Dostmohamed or his related companies through transfers, wires or withdrawals from April 7, 2003 to April 22, 2003. At the OTBH, Commission Staff submitted that CIBC lost approximately $1,250,000 as a result of these actions.

Discovery of the Stolen and Forged Cheques

15. On Friday May 2, 2003 at 10:20 a.m., CIBC Correspondent Services sent an e-mail to Mr. Yaqeen advising that the cheque payable to Thermal Standards was being returned as it had been reported lost. At about 4:00 p.m. Mr. Yaqeen sent a reply e-mail requesting a person to contact at the bank in Germany. In its letter, CIBC asserts that the Applicant did not inform CIBC management of the dishonoured cheques until Wednesday May 7, 2003.

16. At the OTBH Mr. Yaqeen said he received the information about the cheques on the afternoon of May 2, 2003 and he notified his manager, who notified corporate security. There is no indication in the brief of documents that the Applicant contacted his manager. He contacted Mr. Dostmohamed and he contacted the German bank, on May 5 and May 6, 2003, however, there is no reference to CIBC Corporate Security or Mr. Yaqeen's manager until an e-mail dated May 8, 2003.

17. The fact that the cheques were not valid was apparently discovered in late April 2003. Barclays Bank in a telex dated May 7, 2003 refers to the four cheques above and note they were reported stolen and forged.

18. The CIBC letter referred to a letter sent by facsimile and received by Mr. Yaqeen, purportedly on the letterhead of the German bank. This letter confirmed the authenticity of the cheques, however, the facsimile header indicated that the letter had been sent from a Remax office in the (905) calling area. A copy of this document was first given to the CIBC investigator looking into this matter. The photocopy had been made to remove the header. When the investigator saw the original, the location of the facsimile became apparent. In Mr. Yaqeen's reply, he said he had not noticed the header number and that he had not provided a copy to the investigator with the header removed.

Suitability for Registration

19. The standard for suitability is based on three tenets which were presented by Commission Staff at the OTBH and have also been printed in the Ontario Securities Commission Annual Report:

> The [registration] section administers a registration system which is intended to ensure that all Applicants under the Securities Act and the Commodity Futures Act meet appropriate standards of integrity, competence and financial soundness, Ontario Securities Commission, Annual Report 1991, Page 16

20. In addition, the Director could find that the application is objectionable. Staff of the Commission noted that this could refer to conduct that while not directly related to the securities industry, affects the investor confidence in the capital markets and its participants.

21. Counsel for the Applicant provided documentation of a number of performance awards that had been presented to Mr. Yaqeen. Counsel asserted that these awards clearly demonstrated that the Applicant had both proficiency and integrity, otherwise he would not have received the awards. Counsel further asserted that the Applicant had made one mistake in an otherwise unblemished career at CIBC.

22. This matter has been reported to The Toronto Police Service. I understand that charges have been laid against Mr. Dostmohamed but there have been no charges laid against Mr. Yaqeen in relation to this matter.

Decision and Reasons

23. As an account manager the Applicant should have known that the deposits in question should have been accepted only on a collection basis. Even if, as he asserts, handling the deposits had been approved by CIBC, he surely knew that a 21-day hold meant that funds were not to be released for 21 days.

24. Mr. Yaqeen had been handling the accounts of Mr. Dostmohamed for eight years and claimed to know him and his businesses well. When asked at the OTBH what business Mr. Dostmohamed was involved in, the Applicant responded that he knew he was an accountant and did some consulting. In reference to the bank accounts, the Applicant said one account was a holding account and one was an operating account. He did not know what business Thermal Standards was engaged in.

25. The Applicant said he had never handled deposits this large for Mr. Dostmohamed. He said this is why he put the hold on the account. He would not have had any questions had the amount of the cheque been $50,000. Despite his concerns, Mr. Yaqeen accepted four cheques for large amounts in Euros and allowed Mr. Dostmohamed access to the money without regard to the 21-day holds.

26. As an account manager, the Applicant ought to have had concerns about the size of these deposits given they did not match the profile of his client. Similarly, transferring significant amounts to other accounts and persons, including those located in the Caribbean, should have raised red flags related to money laundering.

27. It does not appear that the Applicant informed his manager when he was first notified the cheques were dishonoured. It appears that he contacted Mr. Dostmohamed and the German bank before he contacted CIBC management. I note that the e-mail requesting a contact in Germany was sent at 4:00 p.m. on a Friday; with the time difference, the German bank was sure to be closed. However, the first e-mail sent to Mr. Yaqeen was sent at 10:20 a.m. when the German bank may still have been open.

28. The phony letter from the German bank is odd for a number of reasons. First, if Mr. Yaqeen had believed it to be valid, why had it not been raised until his meeting with the CIBC investigator. Second, it supposedly demonstrated that the cheques in question were authentic, not that they had cleared. Third, the letter was dated April 16, 2003, two of the cheques were not deposited until April 22, 2003. And fourth, I find it hard to believe that the Applicant had the letter in his possession for three weeks and had never noticed the telephone number in the facsimile header.

29. I find it hard to equate the actions of the Applicant with high standards of proficiency and of integrity required of a professional in the securities industry. As result, having reviewed the submissions made at the OTBH and the additional written information provided to me, I find the Applicant unsuitable to be granted registration as an Investment Dealer Salesperson.

May 26, 2004.

"David M. Gilkes"

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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
Akrokeri-Ashanti Gold Mines Inc.	27 May 04	08 Jun 04		
Albany Court Apartments Inc.	01 Jun 04	11 Jun 04		
Allican Resources Inc.	01 Jun 04	11 Jun 04		
American Resource Corporation Limited	26 May 04	07 Jun 04		
Anitech Enterprises Inc.	26 May 04	07 Jun 04		
Arcamatrix Corporation	28 May 04	09 Jun 04		
ARISE Technologies Corporation	28 May 04	09 Jun 04		02 Jun 04
AVL Ventures Inc.	25 May 04	04 Jun 04		
Bandolac Mining Company, Limited	28 May 04	09 Jun 04		
Goldstake Explorations Inc.	21 May 04	02 Jun 04	02 Jun 04	
Hedman Resources Limited	25 May 04	04 Jun 04		
Hydromet Environmental Recovery Ltd.	26 May 04	07 Jun 04		
Infocorp Computer Solutions Limited	28 May 04	09 Jun 04		
Lydia Diamond Exploration of Canada Ltd.	25 May 04	04 Jun 04		
Marine Mining Corp.	26 May 04	07 Jun 04		
Maxim Atlantic Corporation (formerly IMARK Corporation)	26 May 04	07 Jun 04		
Mercantile International Petroleum Inc.	02 Jun 04	14 Jun 04		
Mississauga Teachers Retirement Village Limited Partnership	26 May 04	07 Jun 04		
Saratoga Capital Corp.	26 May 04	07 Jun 04		
The Lodge at Kananaskis Limited Partnership	28 May 04	08 Jun 04		
The Mountain Inn at Ribbon Creek Limited Partnership	28 May 04	09 Jun 04		
TSI TelSys Corporation	31 May 04	11 Jun 04		
Vindicator Industries Inc.	26 May 04	07 Jun 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
AFM Hospitality Corporation	25 May 04	07 Jun 04			
Alegro Health Corp.	25 May 04	07 Jun 04			
Alliance Atlantis Communications Inc.	20 May 04	04 Jun 04			
Argus Corporation Limited	25 May 04	07 Jun 04			
Aspen Group Resources Corp.	20 May 04	02 Jun 04	02 Jun 04		
Atlantis Systems Corp.	25 May 04	07 Jun 04			
Cabletel Communications Corp.	25 May 04	07 Jun 04			
Hollinger Canadian Newspapers, Limited Partnership	18 May 04	01 Jun 04	01 Jun 04		
Hollinger Inc.	18 May 04	01 Jun 04	01 Jun 04		
Hollinger International Inc.	18 May 04	01 Jun 04	01 Jun 04		
McWatters Mining Inc.	26 May 04	08 Jun 04			
Nortel Networks Corporation	17 May 04	31 May 04	31 May 04		
Nortel Networks Limited	17 May 04	31 May 04	31 May 04		

Chapter 5

Rules and Policies

5.1.1 OSC Consequential Amendments Related to National Instrument 51-102 Continuous Disclosure Obligations - Amendments to National Policy 31 Change of Auditor of a Reporting Issuer that is an Investment Fund and National Policy 51 Changes in the Ending Date of a Financial Year and in Reporting Status of an Investment Fund

ONTARIO SECURITIES COMMISSION
CONSEQUENTIAL AMENDMENTS RELATED TO NATIONAL INSTRUMENT 51-102 CONTINUOUS DISCLOSURE OBLIGATIONS

AMENDMENTS TO NATIONAL POLICY 31 *CHANGE OF AUDITOR OF A REPORTING ISSUER THAT IS AN INVESTMENT FUND* AND NATIONAL POLICY 51 *CHANGES IN THE ENDING DATE OF A FINANCIAL YEAR AND IN REPORTING STATUS OF AN INVESTMENT FUND*

Introduction

On December 9, 2003, the Commission made amendments to National Policy 31 *Change of Auditor of a Reporting Issuer* (NP 31) and National Policy 51 *Change in the Ending Date of a Financial Year and in Reporting Status* (NP 51). The amendments to the national policies were made in conjunction with the implementation of National Instrument 51-102 *Continuous Disclosure Obligations*. The purpose of the amendments to NP 31 and NP 51 was to make the policies apply only to reporting issuers that are investment funds.

The amendments to NP 31 and NP 51 were originally published at (2003) 26 OSCB (Supp-3) 61 and came into force on March 30, 2004. A consolidated version of the amendments follows this notice.

Questions

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June 4, 2004.

5.1.2 National Policy No. 51 Changes in the Ending Date of a Financial Year and in Reporting Status of an Investment Fund

NATIONAL POLICY NO. 51
CHANGES IN THE ENDING DATE OF A FINANCIAL YEAR AND IN REPORTING STATUS OF AN INVESTMENT FUND

Table of Contents

NATIONAL POLICY NO. 51
CHANGES IN THE ENDING DATE OF A FINANCIAL YEAR AND IN REPORTING STATUS OF AN INVESTMENT FUND

PART 1 INTERPRETATION

In this policy statement:

"AIF" means an annual information form required under the Securities Legislation or Securities Requirements of a Jurisdiction;

"Current AIF" has the meaning ascribed to this term in NPS 47;

"Filing Issuer" means an issuer required to file financial statements under the Securities Legislation of a Jurisdiction and that is an investment fund as defined in National Instrument 51-102 *Continuous Disclosure Obligations*;

"Jurisdiction" means a province or territory of Canada;

"MD&A" means management's discussion and analysis of financial condition and results of operations required under the Securities Legislation or Securities Requirements of a Jurisdiction;

"NPS 47" means National Policy Statement No. 47 and the comparable provisions in the Securities Legislation and Securities Requirements of the Province of Québec;

"New Financial Year" means the financial year of a Filing Issuer that immediately follows its Transition Year;

"Old Financial Year" means the financial year of a Filing Issuer that immediately precedes its Transition Year;

"Part 4 Notice" means a notice that complies with the provisions of part 4 and that is filed pursuant to the requirements of part 4 or part 8;

"Reverse Take-over" means a reverse take-over as defined in section 1580 of the Handbook of the Canadian Institute of Chartered Accountants and supplemented in Abstract No. 10 issued by the Emerging Issues Committee of the Canadian Institute of Chartered Accountants;

"SEC" means the Securities and Exchange Commission of the United States of America;

"Securities Legislation" means the statutes concerning the regulation of securities markets and trading in securities in a Jurisdiction, and the regulations in respect of these statutes;

"Securities Requirements" means the blanket rulings and orders made under the Securities Legislation of a Jurisdiction, and the policy statements and written interpretations issued by the securities regulatory authority of that Jurisdiction;

"Transition Year" means the financial year of a Filing Issuer in which a change in the ending date of its financial year occurs; and

"U.S. Issuer" has the meaning ascribed to this term in National Policy Statement No. 45.

PART 2 PURPOSE

2.1 **Change in ending date of financial year** - This policy statement sets out the position of the securities regulatory authorities with respect to

(1) the periods required to be presented in, and the filing deadlines applicable to, financial statements that are required to be filed under the continuous disclosure requirements of the Securities Legislation of a Jurisdiction,

(2) the filing deadlines applicable to an AIF, and the disclosure required in the MD&A, filed with the securities regulatory authority of a Jurisdiction, and

(3) the disclosure required in, and the additional requirements applicable in the event of the filing of a prospectus or a short form prospectus with a securities regulatory authority during certain time periods,

as a result of a change in the ending date of a Filing Issuer's financial year.

2.2 **Change in reporting status** - This policy statement also sets out the position of the securities regulatory authorities with respect to the financial statements required to be filed under the Securities Legislation of a Jurisdiction by

(1) an entity that becomes a Filing Issuer, or

(2) in certain circumstances, a Filing Issuer that ceases to be a Filing Issuer.

PART 3 APPLICATION

3.1 **General application** - This policy statement applies to

(1) all financial statements required to be filed under the continuous disclosure requirements of the Securities Legislation of a Jurisdiction as a result of a change in

(a) the ending date of the financial year of a Filing Issuer, or

(b) reporting status of a Filing Issuer,

(2) any AIF filed with a securities regulatory authority in a Jurisdiction in respect of a Filing Issuer's Transition Year,

(3) any MD&A disclosure that includes a discussion of the results of the Filing Issuer for its Transition Year, and

(4) any prospectus or short form prospectus that includes, or incorporates by reference, financial statements in respect of a Transition Year and that is filed in a Jurisdiction during certain time periods by a Filing Issuer, unless otherwise specified in, or exempted by, the Securities Legislation of that Jurisdiction.

3.2 **Application to Filing Issuer registered with SEC** - The application of this policy statement to a Filing Issuer registered with the SEC is set out in part 11.

3.3 **Application to a registrant** - Although this policy statement applies only to Filing Issuers, the securities regulatory authorities take the position that registrants should review and consider the principles set out in this policy statement in the event they decide to change the ending date of their financial year to ensure their financial reporting periods are reasonable in the circumstances.

3.4 **No application where change to or from a 52-53 week financial year** - A change in the ending date of a financial year from

(1) the last day of a 12 month financial year to the last day of a 52-53 week financial year, or

(2) from the last day of a 52-53 week financial year to the last day of a 12 month financial year,

does not constitute a change in the ending date of a financial year for purposes of this policy statement or a change in the ending date of a financial year for purposes of the Securities Legislation of a Jurisdiction. In the circumstances referred to above, either of the financial years affected by the change can be as short as 359 days, or as long as 371 days (372 days in a leap year).

3.5 **Sending of financial statements** - Where a Filing Issuer changes the ending date of its financial year and the Filing Issuer

(a) is not a U.S. Issuer, the Filing Issuer is required to send its financial statements to its security holders for

(i) each interim period in its Transition Year, and

(ii) its Transition Year

concurrently with the filing of these statements under this policy statement; or

(b) is a U.S. Issuer, the Filing Issuer is required to send its financial statements to its security holders for

(i) each interim period in its Transition Year, and

(ii) its Transition Year

in accordance with the requirements of National Policy Statement No. 45.

3.6 **Examples** - Examples of the application of this policy statement have been made available for general information purposes and are set out in Appendix A. These examples are provided for illustrative purposes only and in the event of any inconsistency between the examples and the provisions of this policy statement, the provisions of the policy statement shall prevail.

PART 4 NOTICE OF CHANGE IN THE ENDING DATE OF A FINANCIAL YEAR

4.1 **Notice required** - Where a Filing Issuer elects to change the ending date of its financial year, the Filing Issuer must prepare a notice containing the information set out in section 4.3.[1]

4.2 **Filing deadline for Part 4 Notice** - All approvals required by applicable laws together with any applicable governmental or regulatory approvals must be obtained by a Filing Issuer prior to making the change in the ending date of its financial year. A Filing Issuer must file the notice required by section 4.1 forthwith upon receipt of the necessary approvals but, in any event, no later than the earlier of:

(1) the new ending date selected for its financial year, and

(2) 360 days from the end of its latest financial year that is required to have been reported on by an auditor.

If a change in the ending date of the financial year is approved by the board of directors of the Filing Issuer before the earlier of the two dates contemplated above but any additional approvals required to effect the change are not obtained before that date, the Filing Issuer must file the notice by the earlier of the two dates contemplated above. Upon receipt of the additional required approvals, the Filing Issuer must file a supplement to the notice indicating that all remaining approvals have been received and the date of their receipt.

4.3 **Information in Part 4 Notice** - The notice must indicate

(1) the intention of the Filing Issuer to change the ending date of its financial year;

(2) the reasons for the change;

(3) the approvals required to effect the change and whether each approval has been received by the Filing Issuer and, where the Filing Issuer has not received all the required approvals, the approvals that it has received, those that are still outstanding and, if known, the anticipated date of their receipt;

(4) the date or dates of:

(a) the last day of the Filing Issuer's Old Financial Year,

(b) the last day of the Filing Issuer's Transition Year, and

(c) the periods, including the comparative reporting periods, to be covered in the interim and annual financial statements to be filed for the Filing Issuer's Transition Year and its New Financial Year; reference should be made to section 6.3 for the specific provisions applicable to the information to be contained in the notice where a Filing Issuer intends to file, during its Transition Year, its interim financial statements based on the interim reporting periods in its New Financial Year; and

(5) where, due to the provisions of section 6.2, the filing deadline for the Filing Issuer's interim financial statements is 10 days after the date on which the Old Financial Year's audited financial statements are required to be filed, the due date of the interim financial statements.

PART 5 LENGTH OF TRANSITION YEAR

5.1 **Maximum length** - Provided a Filing Issuer has filed a Part 4 Notice stating its intention to change the ending date of its financial year by the date indicated in section 4.2, the Filing Issuer may have a Transition Year as long as, but no longer than,

[1] The British Columbia Securities Commission and the Ontario Securities Commission require that a Filing Issuer issue and file a press release when it elects to change the ending date of its financial year.

(1) 15 months, or

(2) if the Filing Issuer has a Current AIF, 18 months.

5.2 **Minimum length** - Provided a Filing Issuer has filed a Part 4 Notice stating its intention to change the ending date of its financial year by the date indicated in section 4.2, the Filing Issuer may have a Transition Year of less than 12 months. Reference should be made to section 7.2 for the specific provisions applicable to a Transition Year that is shorter than nine months where the Transition Year's financial statements are filed as comparatives to those for the New Financial Year.

PART 6 FINANCIAL STATEMENT FILING REQUIREMENTS DURING TRANSITION YEAR

6.1 **Audited financial statements filing deadline** - Where a Filing Issuer changes the ending date of its financial year so that its Transition Year is longer than 12 months, the Filing Issuer must file its Transition Year audited financial statements on or before the date which is the later of

(1) 90 days after the end of its Transition Year, and

(2) 140 days after the first anniversary of the ending date of its Old Financial Year.

Where a Filing Issuer changes the ending date of its financial year so that its Transition Year is less than 12 months, the filing deadline for its Transition Year audited financial statements is 140 days after the ending date of its Transition Year.

6.2 **Interim financial statements filing deadline** - Where a Filing Issuer changes the ending date of its financial year, the Filing Issuer must file its Transition Year interim financial statements within 60 days of the date to which they are made up unless this date is prior to the date on which the Old Financial Year's audited financial statements are required to be filed. In this case the filing deadline for the interim financial statements shall be 10 days after the date on which the Old Financial Year's audited financial statements are required to be filed.

6.3 **Interim reporting periods during Transition Year** - A Filing Issuer must, during its Transition Year, file interim financial statements based on the interim reporting periods in its Old Financial Year unless it clearly states in its Part 4 Notice that it will file interim financial statements based on the interim reporting periods in its New Financial Year. In the latter case, the Filing Issuer may file interim financial statements during its Transition Year based on the interim reporting periods in its New Financial Year for any interim period that ends after the filing of the Filing Issuer's Part 4 Notice with the securities regulatory authorities. Where a Filing Issuer chooses to file its interim financial statements based on the interim reporting periods in its New Financial Year, the interim reporting period that serves as the transition period between the interim reporting periods in the Old Financial Year and those in the New Financial Year cannot exceed four months in length; in addition, the periods presented due to the change in interim reporting periods must be consecutive.

6.4 **Interim reporting where interim period ends within 32 days of year end** - Provided it filed a Part 4 Notice within the time frame contemplated in section 4.2, a Filing Issuer will not be required to file interim financial statements for any interim period in its Transition Year that ends up to 32 days

(1) after the end of its Old Financial Year, or

(2) prior to the commencement of its New Financial Year.

6.5 **Interim reporting where the Transition Year is longer than 13 months** - Where a Filing Issuer changes the ending date of its financial year so that its Transition Year exceeds 13 months, the Filing Issuer must, subject to section 6.4, also file interim financial statements for the period from the commencement of the Transition Year to the end of each three month period that ends after the third interim reporting period of its Transition Year and before the end of its Transition Year. This provision applies whether the Filing Issuer prepares its interim financial statements on the basis of the interim reporting periods in its Old Financial Year or its New Financial Year.

PART 7 COMPARATIVE FINANCIAL STATEMENT REQUIREMENTS FOR TRANSITION YEAR AND NEW FINANCIAL YEAR

7.1 **Comparative audited financial statements to the Transition Year** - Where a Filing Issuer changes the ending date of its financial year, the Filing Issuer must include the audited annual financial statements for its Old Financial Year as comparatives to those for its Transition Year.

7.2 **Comparative audited financial statements to the New Financial Year** - Where a Filing Issuer changes the ending date of its financial year and the change results in a Transition Year of

(1) less than nine months, the Filing Issuer must include audited statements of income, retained earnings and changes in financial position for both its Transition Year and its Old Financial Year as comparatives to those for its New Financial Year; or

(2) nine months or more, the Filing Issuer need only include the audited statements of income, retained earnings and changes in financial position for its Transition Year as comparatives to those for its New Financial Year.

In each case, the Filing Issuer need only include as a comparative the audited balance sheet as at the ending date of its Transition Year.

7.3 **Comparative interim financial statements where no change in interim reporting periods in Transition Year** - Where, during its Transition Year, a Filing Issuer continues to file its interim financial statements based on the interim reporting periods in its Old Financial Year, the Filing Issuer must include

(1) as comparative interim financial statements to its Transition Year's

(a) three, six and nine month interim financial statements, the interim financial statements for the corresponding periods in its Old Financial Year, as appropriate; and

(b) 12 or 15 month interim financial statements, where the Filing Issuer is required to file interim financial statements for a 12 or 15 month interim period pursuant to section 6.5, the 12 month reporting period that constitutes its Old Financial Year; and

(2) as comparative interim financial statements to its New Financial Year's interim financial statements, the interim financial statements from its Transition Year or Old Financial Year, or both, as appropriate, that:

(a) cover the same number of months as the New Financial Year's interim financial statements; and

(b) cover a period which ends 11, 12 or 13 months prior to the ending date of the New Financial Year's interim reporting period.

7.4 **Comparative interim financial statements where change in interim reporting periods in Transition Year** - Where, during its Transition Year, a Filing Issuer files its interim financial statements based on the interim reporting periods in its New Financial Year, the Filing Issuer must include

(1) as comparative interim financial statements to its Transition Year's

(a) interim financial statements for its first, second and third interim reporting period, the interim financial statements for its first, second or third interim reporting periods in its Old Financial Year, as appropriate; and

(b) interim financial statements for any interim reporting period of 11 months or more, where the Filing Issuer is required to file interim financial statements for a period of 11 months or more pursuant to section 6.5, interim financial statements that cover the 12 month reporting period that constitutes its Old Financial Year; and

(2) as comparative interim financial statements to its New Financial Year's interim financial statements, the interim financial statements from its Transition Year or Old Financial Year, or both, as appropriate, that

(a) where section 6.4 does not apply to the comparative period,

(i) cover the same number of months, plus or minus one month, as the New Financial Year's interim financial statements, and

(ii) cover a period that ends 12 months prior to the ending date of the New Financial Year's interim reporting period; or

(b) where section 6.4 applies to the comparative period,

(i) cover the same number of months as the New Financial Year's interim financial statement; and

(ii) cover a period which ends 11, 12 or 13 months prior to the ending date of the New Financial Year's interim reporting period.

PART 8 FILING REQUIREMENTS AFTER A REVERSE TAKE-OVER OR STATUTORY AMALGAMATION

8.1 **Notification of transaction** - Upon the effective date of a Reverse Take-over or a statutory amalgamation involving one or more Filing Issuers, the continuing Filing Issuer shall forthwith provide the securities regulatory authorities with a notice indicating

(1) the names of the parties to the transaction;

(2) the effective date of the transaction;

(3) the approvals required to effect the transaction and the date or dates on which each approval was received by the parties to the transaction;

(4) for each party to the transaction that was a Filing Issuer immediately prior to the effective date of the transaction, the date of its last financial year end prior to the effective date of the transaction;

(5) the method of accounting for the transaction and, where appropriate, the entity that is identified as being the acquirer for accounting purposes; and,

(6) with respect to the continuing Filing Issuer

(a) the date of its first financial year end subsequent to the transaction; and

(b) the periods, including the comparative reporting periods, if any, to be covered in the interim and annual financial statements to be filed for the continuing Filing Issuer's first financial year subsequent to the transaction.

8.2 **Where change in ending date of financial year end deemed to occur** - Where the continuing Filing Issuer's financial year end is the same as the financial year end of one of the Filing Issuer's involved in the Reverse Take-Over or statutory amalgamation, the continuing Filing Issuer shall not be deemed to be changing the ending date of its financial year. Where the continuing Filing Issuer's financial year end is different than the financial year end of any of the Filing Issuer's involved in the relevant transaction, the continuing Filing Issuer shall be deemed to be changing the ending date of its financial year and must ensure that the notice filed under this part also includes all of the information set out in part 4 as being required in a Part 4 Notice and that the year end date selected complies with the requirements of this policy statement relating to a change in the ending date of a financial year.

PART 9 AIF AND MD&A REQUIREMENTS

9.1 **Filing deadline for AIF** - Where a Filing Issuer changes the ending date of its financial year, the Filing Issuer must file an AIF in respect of its Transition Year no later than the last day it is required to file its Transition Year audited financial statements under section 6.1 in order, as applicable, to

(1) continue to have a Current AIF and be eligible to make a distribution of securities under NPS 47; and

(2) satisfy any AIF filing requirement that may apply to a Filing Issuer other than a Filing Issuer filing a Current AIF under NPS 47.

9.2 **Required disclosure in MD&A** - Where a Filing Issuer has changed the ending date of its financial year, the Filing Issuer must, in addition to any other information required to be included in its MD&A, discuss the periods covered in its audited financial statements regardless of the length of its Transition Year. The MD&A must also include a discussion of any quarterly, seasonal, operational or other factors as are deemed appropriate in the circumstances to provide the reader with a clear understanding of the impact of the length of the Transition Year on the reported results.

PART 10 EFFECT OF CHANGE IN ENDING DATE OF FINANCIAL YEAR ON PROSPECTUS REQUIREMENTS

The requirements of the Securities Legislation of a Jurisdiction that the prospectus of an issuer contain a balance sheet as at a date not more that a specified number of days before the date of the receipt for the preliminary prospectus shall apply to a Filing

Issuer that changes the ending date of its financial year. However, where a Filing Issuer must, pursuant to section 6.1, file its Transition Year audited financial statements within 90 days after the end of its Transition Year, any preliminary prospectus filed after the due date or filing date of the annual audited financial statements of the Filing Issuer must include, or incorporate by reference, its Transition Year audited financial statements in the preliminary prospectus.[2]

PART 11 FILING ISSUERS REGISTERED WITH THE SEC

A Filing Issuer registered with the SEC may satisfy the requirements of parts 4 to 7, inclusive, of this policy statement by filing a Part 4 Notice and by filing with the securities regulatory authorities the financial statements, reports and other documents required by the SEC's Financial Reporting Release No. 35.

PART 12 CHANGE IN REPORTING STATUS

12.1 **Commencement of reporting status** - An entity that becomes subject to the continuous disclosure requirements under the Securities Legislation of a Jurisdiction is required to file

(1) interim financial statements for its first interim reporting period, and

(2) annual audited financial statements for its first financial year,

that ends after it becomes subject to those requirements. There are no requirements to include comparative interim financial statements to a Filing Issuer's interim financial statements for any interim period that ends within the first 12 months subsequent to the Filing Issuer becoming subject to continuous disclosure requirements.

12.2 **Termination of reporting status in event of acquisition** - Where a Filing Issuer ceases to be subject to the continuous disclosure requirements of the Securities Legislation of a Jurisdiction because it is acquired by another Filing Issuer, the Filing Issuer that has been acquired must file the financial statements otherwise required by Securities Legislation for entities that are subject to continuous disclosure requirements in the Jurisdiction, for all financial statement reporting periods, or parts thereof, up to and including the day immediately preceding the date on which it was acquired. This may result in a shorter or longer continuous disclosure reporting period in the financial statements than is normally required under Securities Legislation if the acquisition date is not the day after a usual ending date of a financial reporting period of the Filing Issuer that has been acquired. In this case, the general principles of this policy statement apply with respect to acceptable variations in the length of financial statement reporting periods.

12.3 **Termination of reporting status for mutual fund** - Where a mutual fund ceases to be subject to the continuous disclosure requirements of the Securities Legislation of a Jurisdiction, the mutual fund must file the financial statements otherwise required by Securities Legislation for mutual funds that are subject to continuous disclosure requirements in the Jurisdiction, for all financial statement reporting periods, or parts thereof, up to and including the day immediately preceding the date on which the mutual fund ceases to be subject to those requirements. This may result in a shorter or longer continuous disclosure reporting period than is normally required under Securities Legislation if the day the mutual fund ceases to be subject to continuous disclosure requirements is not the day after a usual ending date of a financial reporting period of the mutual fund. In this case, the general principles of this policy statement apply with respect to acceptable variations in the length of financial statement reporting periods.

PART 13 EXCEPTIONS

Where a Filing Issuer anticipates that it will not be in a position to comply with the requirements of this policy statement or believes that an alternate approach is more appropriate in the circumstances, the Filing Issuer is encouraged to discuss the situation with the securities regulatory authority of each Jurisdiction in which it is required to file its financial statements. For this purpose, the securities regulatory authorities will require the Filing Issuer to submit all relevant information in writing sufficiently in advance of the time by which compliance with this policy statement would otherwise be required.

PART 14 EFFECTIVE DATE

This Policy Statement is effective for financial years ending on or after August 31, 1993.

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[2] The requirements for financial statements in a preliminary short form prospectus or a short form prospectus that is filed prior to the most recent financial year's comparative financial statements having been filed pursuant to the continuous disclosure requirements of the Securities Legislation in the Jurisdiction in which the preliminary short form prospectus or short form prospectus is filed are set out in NPS 47. Those requirements also apply when the preliminary short form prospectus or short form prospectus is filed prior to the filing deadline for the Transition Year's financial statements that is set out in this part.

NATIONAL POLICY STATEMENT NO. 51
APPENDIX A

EXAMPLES OF FILING REQUIREMENTS FOR CHANGES IN THE ENDING DATE OF A FINANCIAL YEAR AND IN REPORTING STATUS

The following examples demonstrate the principles set out in the policy statement. The first four examples assume that a Filing Issuer that has had a December 31 financial year end elects to change the ending date of its financial year and files the Part 4 Notice in accordance with the policy statement on January 30, 1993. In addition, these examples assume that the last set of audited annual financial statements filed under continuous disclosure requirements with the securities regulatory authorities prior to the change in the ending date of the financial year were for the year ended December 31, 1992. Note that if the Part 4 Notice was filed after January 30, 1993 the interim reporting periods, and the comparative interim reporting periods, during the Transition Year and the New Financial Year, could be different from those set out in the examples. Readers should note that section 6.3 of this policy statement requires that a Filing Issuer file a Part 4 Notice prior to changing its interim reporting periods during the Transition Year.

Included in the examples are bracketed references to the specific sections of the policy statement that are being exemplified. This reference is in the form "[#]" where the "#" is the section reference.

In the examples, defined terms have the same meaning as in the policy statement.

APPENDIX A
EXAMPLES OF FILING REQUIREMENTS FOR CHANGES IN THE ENDING OF A FINANCIAL YEAR

Year End Changed By	Transition Year [5.1]	Comparative Annual Financial Statements To Transition Year [7.1]	Filing Deadline Transition Year (# of days after year end) [6.1]	New Financial Year	Comparative Annual Financial Statements to New Financial Year [7.2]	Interim Periods For Transition Year [6.3 to 6.5]	Comparative Interim Periods To Transition Year [7.3 and 7.4]	Filing Deadline Transition Year Interim Reports [6.2]	Interim Periods for New Financial Year	Comparative Interim Periods to New Financial Year [7.3 and 7.4]
1. up to 3 months	a) 2 months ended February 28, 1993 or	12 months ended December 31, 1992	140 days	12 months ended February 28, 1994	2 months ended February 28, 1993 and 12 months ended December 31, 1992***	Not applicable	Not applicable	Not applicable	3 months ended May 31, 1993 6 months ended August 31, 1993 9 months ended November 30, 1993	3 months ended June 30, 1992 6 months ended September 30, 1992 9 months ended December 31, 1992
	b) 14 months ended February 28, 1994	12 months ended December 31, 1992	90 days	12 months ended February 28, 1995	14 months ended February 28, 1994	a) 3 months ended March 31, 1993 6 months ended June 30, 1993 9 months ended September 30, 1993 12 months ended December 31, 1993 or if indicated in Part 4 notice	3 months ended March 31, 1992 6 months ended June 30, 1992 9 months ended September 30, 1992 12 months ended December 31, 1992	* * *	3 months ended May 31, 1994 6 months ended August 31, 1994 9 months ended November 30, 1994	3 months ended June 30, 1993 6 months ended September 30, 1993 9 months ended December 31, 1993
						b) 2 months ended February 28, 1993 5 months ended May 31, 1993 8 months ended August 31, 1993 11 months ended November 30, 1993	3 months ended March 31, 1992 6 months ended June 30, 1992 9 months ended September 30, 1992 12 months ended December 31, 1992	** * * *	3 months ended May 31, 1994 6 months ended August 31, 1994 9 months ended November 30, 1994	3 months ended May 31, 1993 6 months ended August 31, 1993 9 months ended November 30, 1993
2. 4 to 6 months	a) 6 months ended June 30, 1993 or if Filing Issuer has a Current AIF and so chooses	12 months ended December 31, 1992	140 days	12 months ended June 30, 1994	6 months ended June 30, 1993 and 12 months ended December 31, 1992***	3 months ended March 31, 1993	3 months ended March 31, 1992	*	3 months ended September 30, 1993 6 months ended December 31, 1993 9 months ended March 31, 1994	3 months ended September 30, 1992 6 months ended December 31, 1992 9 months ended March 31, 1993
	b) 18 months ended June 30, 1994	12 months ended December 31, 1992	90 days	12 months ended June 30, 1995	18 months ended June 30, 1994	3 months ended March 31, 1993 6 months ended June 30, 1993 9 months ended September 30, 1993 12 months	3 months ended March 31, 1992 6 months ended June 30, 1992 9 months ended September 30, 1992 12 months	* * * *	3 months ended September 30, 1994 6 months ended December 31, 1994 9 months ended March 31, 1995	3 months ended September 30, 1993 6 months ended December 31, 1993 9 months ended March 31, 1994

Year End Changed By	Transition Year [5.1]	Comparative Annual Financial Statements To Transition Year [7.1]	Filing Deadline Transition Year (# of days after year end) [6.1]	New Financial Year	Comparative Annual Financial Statements to New Financial Year [7.2]	Interim Periods For Transition Year [6.3 to 6.5]	Comparative Interim Periods To Transition Year [7.3 and 7.4]	Filing Deadline Transition Year Interim Reports [6.2]	Interim Periods for New Financial Year	Comparative Interim Periods to New Financial Year [7.3 and 7.4]
						ended December 31, 1993 15 months ended March 31, 1994	ended December 31, 1992 12 months ended December 31, 1992	*		
3. 7 or 8 months	7 months ended July 31, 1993	12 months ended December 31, 1992	140 days	12 months ended July 31, 1994	7 months ended July 31, 1993 and 12 months ended December 31, 1992***	a) 3 months ended March 31, 1993 or, if indicated in Part 4 Notice	3 months ended March 31, 1992	*	3 months ended October 31, 1993 6 months ended January 31, 1994 9 months ended April 30, 1994	3 months ended September 30, 1992 6 months ended December 31, 1992 9 months ended March 31, 1993
						b) 4 months ended April 30, 1993	3 months ended March 31, 1992	*	3 months ended October 31, 1993 6 months ended January 31, 1994 9 months ended April 30, 1994	3 months ended September 30, 1992 6 months ended December 31, 1992 10 months ended April 30, 1993
4. 9 to 11 months	10 months ended October 31, 1993	12 months ended December 31, 1992	140 days	12 months ended October 31, 1994	10 months ended October 31, 1993	a) 3 months ended March 31, 1993 6 months ended June 30, 1993 or, if indicated in Part 4 Notice	3 months ended March 31, 1992 6 months ended June 30, 1992	* *	3 months ended January 31, 1994 6 months ended April 30, 1994 9 months ended July 31, 1994	3 months ended December 31, 1992 6 months ended March 31, 1993 9 months ended June 30, 1993
						b) 4 months ended April 30, 1993 7 months ended July 31, 1993	3 months ended March 31, 1992 6 months ended June 30, 1992	*	3 months ended January 31, 1994 6 months ended April 30, 1994 9 months ended July 31, 1994	3 months ended December 31, 1992 7 months ended April 30, 1993 10 months ended July 31, 1993

* Interim financial statements must be filed within 60 days of the end of the Interim period

** Interim financial statements must be filed within 10 days of the due date of the annual financial statements for the Old Financial Year

*** Balance sheet required at transition year end date only

5. **Change to a 52-53 week year** - The Filing Issuer proposes to change the ending date of its financial year from December 31, 1992 to the last day of a 52 or 53 week period. So long as the 52 or 53 week period commences with January 1, 1993, this will not be deemed to be a change in the ending date of a financial year for purposes of this policy statement and no Part 4 Notice is required to be filed. [3.4]

6. **Change of year end after a Reverse Take-over** - Filing Issuer "A" enters into a transaction with Filing Issuer "B" that is accounted for as a Reverse Take-over with "A" being deemed to be the acquirer for accounting purposes. The financial year end of the (legal) continuing issuer ("B") can be any date so long as the year end selected complies with

the maximum length of year provisions in section 5.1 relative to the most recently completed financial year of "A" and "B". The continuing issuer must file the notification required by part 8 of the policy statement. [8.1] If "B" proposes to use a year end other than that of one of the predecessor Filing Issuers, the information in this notification shall be included in a Part 4 Notice. [8.2]

7. **Filings made under prompt offering qualification system** - A Filing Issuer with a Current AIF changes its financial year end to May 31 commencing in 1994 (i.e., its Transition Year is for a period of 17 months from January 1, 1993 to May 31, 1994). [5.1]

   The Filing Issuer is required to file an AIF and audited financial statements for the Transition Year within 90 days of May 31, 1994. [6.1 and 9.1] The comparative financial statements to those for the Transition Year ended May 31, 1994 will be for the Old Financial Year (i.e., the year ended December 31, 1992). [7.1]

   The MD&A included with the AIF for the Transition Year shall cover the 17 month period reported on in the Transition Year's audited financial statements. The MD&A shall include a discussion of any quarterly, seasonality, operational and other factors as are deemed appropriate in the circumstances to provide the reader with an clear understanding of the impact of the length of the financial year on the reported results. [9.2]

   The Filing Issuer's interim reporting periods, including comparative reporting periods, during the Transition Year and the New Financial Year are set out in parts 6 and 7 of this policy statement, and are illustrated elsewhere in this Appendix.

8. **Commencement of reporting status** - An entity with a year end of December 31 files an initial public offering and becomes subject to continuous disclosure requirements on May 15, 1992. At that date the entity becomes a Filing Issuer. The Filing Issuer will commence filing interim financial statements for the six month period ended June 30, 1992 and its first annual audited financial statement will be for the year ended December 31, 1992. No comparative financial statements are required to be filed to the Filing Issuer's interim financial statements for the periods ending June 30 and September 30, 1992 and March 31, 1993. [12.1]

9. **Termination of reporting status** - Filing Issuer "C" has a December 31, 1992 financial year end. On March 15, 1993 Filing Issuer "D" acquires 100% of the issued and outstanding shares of "C". On March 16, 1993, "C" ceases to be subject to continuous disclosure requirements under Securities Legislation. Notwithstanding that the termination date of reporting status for "C" is prior to the due date of the December 31, 1992 financial statements, "C" is required to file audited financial statements for its year ended December 31, 1992 and interim financial statements for the period from January 1, 1993 to March 15, 1993 to comply with the requirements of this policy statement and Securities Legislation.

5.1.3 National Policy No. 31 Change of Auditor of a Reporting Issuer that is an Investment Fund

NATIONAL POLICY NO. 31
CHANGE OF AUDITOR OF A REPORTING ISSUER
THAT IS AN INVESTMENT FUND

PART 1 INTRODUCTION AND PURPOSE

1.1 The purpose of this Policy Statement is to specify certain reporting requirements that apply when the auditor of a reporting issuer that is an investment fund as defined in National Instrument 51-102 *Continuous Disclosure Obligations* changes. These requirements will help to ensure that the public interest is served and that relevant information is disclosed to shareholders, regulators and other members of the public.

1.2 This Policy Statement replaces National Policy Statement No. 31 which was issued by the Canadian Securities Administrators in May 1991.

PART 2 APPLICATION

2.1 This Policy Statement only applies to reporting issuers that are not subject to National Instrument 51-102 *Continuous Disclosure Obligations*.

2.2 This Policy Statement does not in any way affect the rights or obligations of a reporting issuer under the laws in which it is incorporated or organized.

2.3 This Policy Statement does not apply to a change of auditor when such a change is required by statute.

2.4 This Policy Statement requires a reporting issuer to prepare a notice of change of auditor, as described in paragraph 4.6. whenever:

(a) the reporting issuer receives notification from its auditor of the auditor's resignation or refusal to stand for reappointment (a "Resignation"); or

(b) the reporting issuer decides to propose to its shareholders that the auditor be removed from office during the auditor's term of office, or there is a proposal or intention not to reappoint the auditor on the expiry of the auditor's term of office (a "Termination").

2.5 This Policy Statement requires the auditor referred to in paragraph 2.3(a) and 2.3(b) (the "former auditor") to prepare the letter referred to in paragraphs 4.7 and 4.8 and the proposed successor auditor (the "successor auditor") to prepare the letter referred to in paragraph 4.9.

2.6 A reporting issuer that is a registrant with the U.S. Securities and Exchange Commission (the "SEC") may satisfy the requirements of this Policy Statement by complying with SEC Regulation S-K, item 304, provided that the information filed with the SEC is, at the same time, filed, delivered and published this Policy Statement.

2.7 This Policy Statement is effective for Terminations or Resignations occurring after May 31, 1991.

PART 3 REPORTABLE EVENTS

3.1 The reporting obligations set out in this Policy Statement require disclosure by the reporting issuer of any reportable event which was occurred prior to a Resignation or Termination. A reportable event is an occurrence in the relationship between the reporting issuer and the former or successor auditor which may have been a contributing factor to the Resignation or Termination.

3.2 Reportable events are those that occurred in connection with:

(a) the audits of the reporting issuer's two most recently completed fiscal years; or

(b) any period subsequent to the most recently completed period for which an audit report was issued and preceding the date of the Resignation or Termination.

3.3 There are three types of reportable events: disagreements, unresolved issues and consultations.

Disagreements

3.4 Disagreements refer to any matter of audit scope, accounting principles or policies or financial statement disclosure that, if not resolved to the satisfaction of the former auditor, would have resulted in a reservation in the auditor's report.

3.5 Disagreements include both those resolved to the former auditor's satisfaction and those not resolved to the former auditor's satisfaction. Disagreements should have occurred at the decision making level, i.e. between personnel of the reporting issuer responsible for the finalization of its financial statements and personnel of the auditing firm responsible for authorizing the issuance of audit reports with respect to the reporting issuer.

3.6 The term disagreement is to be interpreted broadly. It is not necessary for there to have been an argument to have had a disagreement, merely a difference of opinion. The term disagreement does not include initial differences of opinion, based on incomplete facts or preliminary information, that were later resolved to the former auditor's satisfaction, provided that the reporting issuer and the former auditor do not continue to have a difference of opinion upon obtaining additional facts or information.

Unresolved Issues

3.7 Unresolved issues refer to matters which came to the former auditor's attention and which, in the former auditor's opinion, materially impact on the financial statements or audit reports (or which could have a material impact on them), where the former auditor has advised the reporting issuer about the matter and:

(a) the former auditor has been unable to fully explore the matter and reach a conclusion as to its implications prior to a Resignation or Termination;

(b) the matter was not resolved to the former auditor's satisfaction prior to a Resignation or Termination; or

(c) the former auditor is no longer willing to be associated with the financial statements prepared by management of the reporting issuer.

Consultations

3.8 Consultations refer to situations where the reporting issuer (or someone acting on its behalf) consulted the successor auditor regarding:

(a) the application of accounting principles to a specified transaction (either proposed or completed);

(b) the type of audit opinion that might be rendered on the reporting issuer's financial statements; or

(c) a disagreement as defined in paragraphs 3.4 to 3.6 of this Policy Statement;

and a written report or seriously considered oral advice was provided by the successor auditor to the reporting issuer.

PART 4 REPORTING OBLIGATIONS

4.1 When a Resignation or Termination occurs the reporting issuer must:

(a) prepare a notice of change of auditor (a "Notice") (see paragraph 4.6);

(b) obtain

(i) a letter from the former auditor (see paragraphs 4.7 and 4.8) and

(ii) a letter from the successor auditor (see paragraph 4.9); and,

(c) obtain written confirmation that the Notice and letters referred to in subparagraphs (a) and (b) have been reviewed by the audit committee or board of directors of the reporting issuer.

4.2 The documents mentioned in paragraph 4.1 are referred to as the Reporting Package. The reporting issuer must include a copy of the Reporting Package in the information circular accompanying the notice of any meeting of shareholders at which action is to be taken concerning a change of auditor. If such a meeting is not held because the laws in which the reporting issuer is incorporated or organized do not require a meeting of shareholders be held in

connection with a change of auditor, a copy of the Reporting Package must be included in the information circular for the first meeting of shareholders held subsequent to the change of auditor.

4.3 The reporting issuer must deliver the Reporting Package to:

(a) the securities administrators in each province or territory in which it is a reporting issuer (the "relevant securities administrators");

(b) the former auditor; and

(c) the successor auditor within the time period imposed by paragraph 4.12.

4.4 If there are any reportable events, the information contained in the Reporting Package must be described in a press release which is to be issued to appropriate media and filed with the relevant securities administrators.

4.5 If the former auditor or the successor auditor becomes aware that the required disclosures under this Policy Statement have not been made by the reporting issuer (as may happen when an auditor has not been asked to furnish the required letter), the auditor must promptly advise the reporting issuer in writing and deliver a copy of the letter to the relevant securities administrators.

Notice of Change of Auditor

4.6 The Notice must include a statement as to whether:

(a) the former auditor resigned, was asked to resign, declined to stand for reappointment or was not to be proposed for reappointment and the date of it thereof;

(b) there were any reservations in the auditor's reports for the periods specified in paragraph 3.2 of this Policy Statement, and if there were, a description of each such reservation;

(c) the Termination or the Resignation and the recommendation to appoint the successor auditor was considered or approved by the audit committee or the board of directors of the reporting issuer;

(d) there were any reportable events and, if there were, a description of each reportable event that includes the following information:

(i) for disagreements and unresolved issues:

(a) a description of each reportable event;

(b) a statement as to whether the audit committee or board of directors discussed the subject matter of each reportable event with the former auditor; and

(c) a statement as to whether the reporting issuer authorized the former auditor to respond fully to the inquiries of the successor auditor concerning the subject matter of each reportable event and, if not, a description of the nature of any limitation and the reason for it;

(ii) for consultations:

(a) identification of the issues that were the subjects of consultation;

(b) a brief description of the views of the successor auditor as expressed orally or in writing to the reporting issuer on each issue; and

(c) a statement as to whether the former auditor was consulted by the reporting issuer and, if so, provide a summary of his views; and if, in the opinion of the reporting issuer, there were no reportable events, a statement to that effect.

Letter from the Former Auditor

4.7 When a copy of the Notice is delivered to the former auditor in accordance with paragraph 4.10, the reporting issuer must request that the former auditor respond by letter. In this letter, addressed to the relevant securities administrators, the former auditor must state whether or not they agree with the information contained in the Notice, based on the

former auditor's knowledge of the information at the time. If the former auditor does not agree with the information in the Notice, the former auditor must give reasons in the letter.

4.8 If the reporting issuer is not in a position to provide the reasons for a Resignation in the Notice, the reporting issuer must request that the former auditor describe the reasons in the letter from the former auditor.

Letter from the Successor Auditor

4.9 When a copy of the Notice is delivered to the successor auditor in accordance with paragraph 4.10, the reporting issuer must request that the successor creditor respond by letter. In this letter, addressed to the relevant securities administrators, the successor auditor must state whether or not they agree with the information contained in the Notice, based on the successor auditor's knowledge of the information at the time. If the successor auditor does not agree with the information in the Notice, the successor auditor must give reasons in the letter.

Timing

4.10 Within ten calendar days of the date of the Resignation or Termination (the "Notification Date"), the reporting issuer must prepare the Notice and deliver it to the former and successor auditors.

4.11 Within twenty calendar days of the Notification Date, the former auditor must prepare the letter from the former auditor and the successor auditor must prepare the letter from the successor auditor and each deliver them to the reporting issuer and the other auditor.

4.12 Within thirty calendar days of the Notification Date, the reporting issuer must deliver the Reporting package and issue and file the press release as required in paragraphs 4.3 and 4.4.

PART 5 RESOLVING QUESTIONS

5.1 Where a reporting issuer has reporting obligations in more than one jurisdiction and the reporting issuer, the former auditor or the successor auditor need to resolve a question as to the application of this Policy Statement, the questions must be addressed to the jurisdiction which would be selected by the reporting issuer for clearing documents in accordance with National Policy Statement No. 1. Other securities administrators normally will accept the principal jurisdiction's decisions but this procedure implies no surrender of jurisdiction by any securities regulatory authority.

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Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

Exempt Financings

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

REPORTS OF TRADES SUBMITTED ON FORM 45-501F1

Transaction Date	Purchaser	Security	Total Purchase Price ($)	Number of Securities
10-May-2004	Jose Medeiros and Sian Mills	3755487 Canada Inc. - Notes	8,313,052.00	1.00
05-May-2004 07-May-2004	18 Purchasers	4209931 Canada Inc. - Special Warrants	895,500.00	2,984,999.00
03-May-2004	6 Purchasers	AGS Energy Fund L.P. - Limited Partnership Units	5,600,000.00	112.00
19-May-2004	Bank of Montreal	Ainsworth Lumber Co. Ltd. - Notes	1,505,452.00	3.00
06-May-2004	Roynat Capital Inc.	Arxx Building Products Inc. - Common Shares	2,000,297.00	3,203,052.00
06-May-2004	Roynat Capital Inc. and Roynat Canadian Diversified Fund Inc.	Arxx Building Products Inc. - Common Shares	640,000.00	2.00
11-May-2004	Strathy Investment Management	ASIF III (Jersey) Limited - Bonds	2,973,210.00	1.00
14-May-2004	4 Purchasers	BTI Photonics Systems Inc. - Notes	3,248,817.00	4.00
27-Apr-2004	7 Purchasers	Caspian Energy Ltd. - Common Shares	3,704,999.00	6,736,363.00
05-May-2004	4 Purchasers	Cellbucks Payments Limited Partnership II - Units	600,000.00	60.00
05-May-2004	5 Purchasers	Chalk Media Corp. - Units	150,000.00	500,000.00
07-May-2004	1 Purchaser	Endurance Trust - Notes	46,845.00	1.00
07-May-2004	1 Purchaser	Endurance Trust - Notes	724,393.00	1.00
07-May-2004	The Vengrowth II Investment Fund Inc. and The Business Development Bank of Canada	ENQ SEMICONDUCTOR INC. - Preferred Shares	1,732,000.00	1,250,000.00
04-May-2004	4 Purchasers	Eworxx Group Inc. The - Common Shares	250,060.00	969,231.00

04-May-2004	46 Purchasers	FactorCorp. - Debentures	3,425,000.00	46.00
30-Apr-2004	The Vengrowth Advanced Life Sciences Fund Inc.	GB Therapeutics Ltd. - Units	4,000,000.00	1.00
06-May-2004	Christopher C. Drakes and Michael R. Drake	Golden Chief Resources Inc. - Common Shares	21,500.00	215,000.00
10-May-2004	3 Purchasers	Grande Portage Resources Ltd. - Units	30,000.00	300,000.00
30-Apr-2004	Mirabaud Canada Inc.	Haussmann Holdings N.V. Reg. -B- - Common Shares	38,831.00	38,831.00
10-May-2004	RoyNat Capital Inc.	Headwater Technology Solutions Inc. - Debentures	1,000,000.00	1.00
27-May-2004	6 Purchasers	Indusmin Energy Corporation - Units	114,600.00	382,000.00
06-May-2004	CMP 2004 Resource Limited Partnership	Junex Inc. - Units	1,000,000.00	800,000.00
18-May-2004	MineralFields 2004-II Super Flow-Through Limited Partnership	Kalahari Resources Inc. - Units	250,000.00	1,388,889.00
17-May-2004	8 Purchasers	Lightning Energy Ltd. - Flow-Through Shares	6,600,000.00	1,000,000.00
06-May-2004	19 Purchasers	Lightning Energy Ltd. - Special Warrants	5,280,920.00	996,400.00
26-Mar-2004	Brian Usher-Jones and Daniel F. Hachey	Miraculins Inc. - Common Shares	85,000.00	170,000.00
05-May-2004	Patricia Funnell	North American Gem Inc. - Units	10,000.00	100,000.00
14-May-2004	5 Purchasers	Orphan Boy Resources Inc. - Units	300,000.00	300,000.00
07-May-2004	5 Purchasers	Pantranet Inc. - Notes	140,000.00	5.00
07-May-2004	2 Purchasers	Pantranet Inc. - Shares	60,000.00	42,857.00
05-May-2004	5 Purchasers	Petro Field Industries Inc. - Common Shares	207,000.00	276,000.00
11-May-2004	Sprott Asset Management Inc.	Pine Valley Mining Corporation - Common Shares	3,000,000.00	3,333,334.00
06-May-2004	3 Purchasers	Ressources Robex Inc. - Units	160,000.00	220,000.00
12-May-2004	C. E. Hermiston and Jamie Hermiston	Rupert Resources Ltd. - Common Shares	50,000.00	200,000.00
07-May-2004	Credit Union Central of Ontario Limited	SAFE Trust - Notes	968,455.00	1.00
05-May-2004	Celtic House Venture Partners Fund IIA LP and 2477671 Manitoba Limited	Sirific Wireless Corporation - Preferred Shares	4,584,931.00	9,059,266.00

05-May-2004	3 Purchasers	Sirific Wireless Corporation - Shares	5,491,347.00	10,849,442.00
07-May-2004	3 Purchasers	TLC Ventures Corp. - Units	375,000.00	300,000.00
04-May-2004	Scotia Capital Inc.	Tournigan Gold Corporation - Units	500,000.00	1,111,110.00
01-May-2004	4 Purchasers	Tower Hedge Fund L.P. - Units	578,680.00	57,069.00
10-May-2004	Robert A. Broomfield and Gerald Molnar	Triacta Power Technologies Inc. - Common Shares	40,000.00	160,000.00
29-Apr-2004	Bank of Montreal and Credit Risk Advisors	Triad Hospitals, Inc. - Notes	8,217,600.00	6,000.00
19-Apr-2004	Gerry Doyle	Trivello Ventures Inc. - Flow-Through Shares	6,000.00	40,000.00
13-May-2004	J. L. Interactive Inc.	VFM Interactive Inc. - Common Shares	3,000,000.00	8,114,546.00
11-May-2004	David Jones	Wescorp Energy Inc. - Common Shares	157,251.00	230,000.00
05-May-2004	Credit Risk Advisors	Whiting Petroleum Corporation - Notes	1,362,641.00	1.00
30-Apr-2004	9 Purchasers	World Wide Warranty Inc. - Common Shares	244,960.00	2,041,333.00
05-May-2004	Bank of Montreal	Xceed Mortgage Corporation - Common Shares	271,333.00	814,000.00
04-May-2004	TAL Global Asset Management Inc.	York University - Debentures	15,500,000.00	1.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Acclaim Energy Trust
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated May 27, 2004
Mutual Reliance Review System Receipt dated May 27, 2004
Offering Price and Description:
$150,062,500.00 - 12,250,000 Subscription Receipts, each representing the right to receive one trust unit and $75,000,000.00 -8.0% Convertible Extendible Unsecured Subordinated Debentures
Subscription Receipts
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
TD Securities Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Scotia Capital Inc.
RBC Dominion Securities Inc.
FirstEnergy Capital Corp.
Canaccord Capital Corporation
Raymond James Ltd.
Desjardins Securities Inc.
Dundee Securities Corporation
Promoter(s):
-
Project #652518

Issuer Name:
AltaGas Income Trust
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated May 27, 2004
Mutual Reliance Review System Receipt dated May 27, 2004
Offering Price and Description:
$ * - * Trust Units Price: $ * per Trust Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Clarus Securities Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Canaccord Capital Corporation
Peters & Co. Limited
Promoter(s):
-
Project #652329

Issuer Name:
Borealis Retail Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated May 27, 2004
Mutual Reliance Review System Receipt dated May 27, 2004
Offering Price and Description:
$ *
* % Convertible Unsecured Subordinated Debentures
$ *
* Units at a Price of $ * per Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Canaccord Capital Corporation
TD Securities Inc.
National Bank Financial Inc.
Scotia Capital Inc.
Raymond James Ltd.
Promoter(s):
Borealis Real Estate Management Inc.
Project #652178

Issuer Name:
Borealis Retail Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Prospectus May 28, 2004
Mutual Reliance Review System Receipt dated May 28, 2004
Offering Price and Description:
$50,000,000.00 -6.75% Convertible Unsecured Subordinated Debentures due June 30, 2014
$60,217,500.00 5,550,000 Units at a Price of $10.85 per Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Canaccord Capital Corporation
TD Securities Inc.
National Bank Financial Inc.
Scotia Capital Inc.
Raymond James Ltd.
Promoter(s):
Borealis Real Estate Management Inc.
Project #652178

Issuer Name:
Canaccord Capital Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Prospectus dated May 27, 2004
Mutual Reliance Review System Receipt dated May 27, 2004
Offering Price and Description:
$ * - * Common Shares Price: $ * per Common Share
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Cannaccord Capital Corporation
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
RBC Dominion Securities Inc.
GMP Securities Ltd.
National Bank Financial Inc.
TD Securities Inc.
Promoter(s):
-
Project #652283

Issuer Name:
Clearwater Seafoods Income Fund
Principal Regulator - Nova Scotia
Type and Date:
Preliminary Short Form Prospectus dated May 27, 2004
Mutual Reliance Review System Receipt dated May 27, 2004
Offering Price and Description:
$50,000,000.00 - 7.00% Convertible Unsecured Subordinated Debentures Price: $1,000.00 per Debenture
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
TD Securities Inc.
Beacon Securities Limited
National Bank Financial Inc.
Promoter(s):
-
Project #652389

Issuer Name:
CMJ Capital Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary CPC Prospectus dated May 31, 2004
Mutual Reliance Review System Receipt dated June 1, 2004
Offering Price and Description:
MINIMUM OFFERING: $500,000 or 2,000,000 common shares
MAXIMUM OFFERING: $1,000,000 or 4,000,000 common shares
PRICE: $0.25 per common share
Underwriter(s) or Distributor(s):
CTI Capital Inc.
Promoter(s):
Dany Girard
Project #656136

Issuer Name:
Credential Select Conservative Portfolio
Credential Select High Growth Portfolio
Credential Select Growth Portfolio
Credential Select Balanced Portfolio
Principal Regulator - British Columbia
Type and Date:
Preliminary Simplified Prospectuses dated May 28, 2004
Mutual Reliance Review System Receipt dated May 28, 2004
Offering Price and Description:
Class D Units
Underwriter(s) or Distributor(s):
Credential Asset Management Inc.
Credential Asset Management Inc.
Credential Aset Management Inc.
Promoter(s):
Ethical Funds Inc.
Project #652920

Issuer Name:
Advitech Inc. **(the corporation that will result from the amalgamation of Dupont Capital Inc. and Advitech Solutions Inc.)**
Principal Regulator - Quebec
Type and Date:
Preliminary Prospectus dated May 21, 2004
Mutual Reliance Review System Receipt dated May 26, 2004
Offering Price and Description:
$ 3,000,000.00 - * Units Price: $ * per Unit
Underwriter(s) or Distributor(s):
Desjardins Securities Inc.
Promoter(s):
-
Project #651321

Issuer Name:
Enerplus Resources Fund
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated May 27, 2004
Mutual Reliance Review System Receipt dated May 27, 2004
Offering Price and Description:
$226,380,000.00 - 6,600,000 SUBSCRIPTION RECEIPTS each representing the right to receive one Trust Unit of Enerplus Resources Fund PRICE: $34.30 per Subscription Receipt
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
National Bank Financial Inc.
TD Securities Inc.
Canaccord Capital Corporation
First Energy Capital Corp.
Desjardins Securities Inc.
Dundee Securities Corporation
Raymond James Ltd.
First Associates Investment Inc.
HSBC Securities (Canada) Inc.
Peters & Co. Limited
Promoter(s):
-
Project #652446

Issuer Name:
Ethical Monthly Income Fund
Ethical Canadian Index Fund
Principal Regulator - British Columbia
Type and Date:
Preliminary Simplified Prospectuses dated May 28, 2004
Mutual Reliance Review System Receipt dated May 28, 2004
Offering Price and Description:
Class A and D Units
Underwriter(s) or Distributor(s):
Credential Asset Management Inc.
Credential Asset Management Inc.
Promoter(s):
Ethical Funds Inc.
Project #654175

Issuer Name:
EuroZinc Mining Corporation
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated May 28, 2004
Mutual Reliance Review System Receipt dated May 28, 2004
Offering Price and Description:
130,800,000 Common Shares Issuable Upon Exercise of Special Warrants Sold at a Price of $0.60 Per Special Warrant
Price: $0.60 per Special Warrant
Underwriter(s) or Distributor(s):
Paradigm Capital Inc.
Haywood Securities Inc.
Orion Securities Inc.
Pacific International Securities Inc.
Promoter(s):
-
Project #654180

Issuer Name:
Fiber Optic Systems Technology, Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated May 25, 2004
Mutual Reliance Review System Receipt dated May 27, 2004
Offering Price and Description:
A Minimum of * Common Shares and a Maximum of * Common Shares
Price: $ * per Common Share
Underwriter(s) or Distributor(s):
Raymond James Ltd.
Promoter(s):
Gary Jolly
Project #652212

Issuer Name:
Junex Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Prospectus dated May 25, 2004
Mutual Reliance Review System Receipt dated May 28, 2004
Offering Price and Description:
$ * - * Units Price: $ * per Unit
Underwriter(s) or Distributor(s):
Dundee Securities Corporation
Promoter(s):
-
Project #653819

Issuer Name:
Mavrix Multi Series Fund. Ltd. - Explorer Series
Mavrix Multi Series Fund Ltd. - Short Term Income Series
Mavrix Multi Series Fund Ltd. - Income Series
Mavrix Multi Series Fund Ltd. - Canadian Equity Series
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated May 26, 2004
Mutual Reliance Review System Receipt dated May 28, 2004
Offering Price and Description:
(Shares and Units)
Underwriter(s) or Distributor(s):
-
Promoter(s):
Mavrix Fund Management Inc.
Project #652114

Issuer Name:
National Bank of Canada
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Shelf Prospectus dated May 28, 2004
Mutual Reliance Review System Receipt dated May 28, 2004
Offering Price and Description:
Open Sky Capital Alternative Strategy Notes $250,000,000 (Maximum)
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Promoter(s):
-
Project #653681

Issuer Name:
Railpower Technologies Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated May 31, 2004
Mutual Reliance Review System Receipt dated June 1, 2004
Offering Price and Description:
$ * - * Common Shares Price: $ * per Common Share
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Paradigm Capital Inc.
Promoter(s):
-
Project #655937

Issuer Name:
The Brick Group Income Fund
Principal Regulator - Alberta
Type and Date:
Preliminary Prospectus dated May 28, 2004
Mutual Reliance Review System Receipt dated May 28, 2004
Offering Price and Description:
$ * - * Units Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Promoter(s):
The Brick Warehouse Corporation
Project #653949

Issuer Name:
The Newport Yield Fund
The Newport International Equity Fund
The Newport U.S. Equity Fund
The Newport Canadian Equity Fund
The Newport Fixed Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuseses dated May 27, 2004
Mutual Reliance Review System Receipt dated May 28, 2004
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Newport Investment Counsel Inc.
Newport Investment Counsel Inc.
Promoter(s):
Newport Investment Counsel Inc.
Project #652216

Issuer Name:
Wi-LAN Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated May 31, 2004
Mutual Reliance Review System Receipt dated June 1, 2004
Offering Price and Description:
Up to 4,250,000 Common Shares Issuable Upon the Exercise of 1,933,100 Special Warrants
and associated Price Protection Rights Price: $2.57 per Special Warrant
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #655583

Issuer Name:
Yellow Pages Income Fund
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated May 28, 2004
Mutual Reliance Review System Receipt dated May 28, 2004
Offering Price and Description:
$743,332,590.00 - 66,666,600 Units consisting of Fully Paid Units and Instalment Receipt Units
Price: $11.15 per Fully Paid Unit $11.35 per Instalment Receipt Unit, of which $6.85 is payable on Closing
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
TD Securities Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Dundee Securities Corporation
Raymond James Ltd.
Promoter(s):
Yellow Pages Group Co.
Project #653818

Issuer Name:
AIM Trimark Dialogue Allocation Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated May 31, 2004
Mutual Reliance Review System Receipt dated June 1, 2004
Offering Price and Description:
Series A, Series SC, Series D and Series F
Underwriter(s) or Distributor(s):
AIM Funds Management Inc.
Promoter(s):
AIM Funds Management Inc.
Project #650753

Issuer Name:
Anvil Mining Limited
Principal Regulator - British Columbia
Type and Date:
Amendment #1 dated May 27, 2004 to Final Prospectus dated May 14, 2004
Mutual Reliance Review System Receipt dated May 28, 2004
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Haywood Securities Inc
Promoter(s):
Anvil Mining NL
Project #625334

Issuer Name:
Binscarth PVC Ventures Inc.
Principal Regulator - Ontario
Type and Date:
Final CPC Prospectus dated May 27, 2004
Mutual Reliance Review System Receipt dated May 31, 2004
Offering Price and Description:
$1,160,000 4,640,000 Common Shares Price: $0.25 per Common Share
Underwriter(s) or Distributor(s):
First Associates Inc.
Promoter(s):
Nelson Smith
Project #628240

Issuer Name:
First Capital Realty Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Shelf Prospectus dated June 1, 2004
Mutual Reliance Review System Receipt dated June 1, 2004
Offering Price and Description:
3,295,289 common shares issuable on exercise of warrants expiring August 31, 2008 and
$150,000.000 common shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #651162

Issuer Name:
Global Preferred Securities Trust
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated May 31, 2004
Mutual Reliance Review System Receipt dated May 31, 2004
Offering Price and Description:
Units
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.
Desjardins Securities Inc.
Raymond James Ltd.
Canaccord Capital Corporation
Dundee Securities Corporation
First Associates Investments Inc.
Berkshire Securities Inc.
Research Capital Corporation
Wellington West Capital Inc.
Promoter(s):
Fairway Advisors Inc.
Fairway Capital Management Corp.
Project #637064

Issuer Name:
imaxx Money Market Fund
imaxx Canadian Bond Fund
imaxx Canadian Fixed Pay Fund
imaxx Canadian Equity Growth Fund
imaxx Canadian Equity Value Fund
imaxx US Equity Growth Fund
imaxx US Equity Value Fund
imaxx Global Equity Value Fund
imaxx Global Sectors Fund
imaxx TOP Conservative Portfolio
imaxx TOP Balanced Portfolio
imaxx TOP RSP Balanced Portfolio
imaxx TOP Growth Portfolio
imaxx TOP RSP Growth Portfolio
imaxx TOP Aggressive Growth Portfolio
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated May 26, 2004
Mutual Reliance Review System Receipt dated May 28, 2004
Offering Price and Description:
A and F Class Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
AEGON Fund Management Inc.
Project #638415

Issuer Name:
KeySpan Facilities Income Fund
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated May 27, 2004
Mutual Reliance Review System Receipt dated May 27, 2004
Offering Price and Description:
$100,243,750.00 - 9,325,000 Units $100,000,000 6.75% Convertible Unsecured Subordinated Debentures
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.
Peters & Co. Limited
Clarus Securities Inc.
First Associates Investments Inc.
FirstEnergy Capital Corp.
Promoter(s):
-
Project #647057

Issuer Name:
Keystone AGF American Fund
Keystone AGF Bond Fund
Keystone AGF Equity Fund
Keystone AIM Trimark Canadian Equity Fund
Keystone AIM Trimark Global Equity Fund
Keystone AIM Trimark U.S. Companies Fund
Keystone Beutel Goodman Bond Fund
Keystone Bissett Canadian Equity Fund
Keystone Elliott & Page High Income Fund
Keystone Saxon Smaller Companies Fund
Keystone Conservative Portfolio Fund
Keystone Balanced Portfolio Fund
Keystone Balanced Growth Portfolio Fund
Keystone Growth Portfolio Fund
Keystone Maximum Growth Portfolio Fund
Keystone Premier Euro Elite 100 Capital Class
Keystone Premier Global Elite 100 Capital Class
Keystone Templeton International Stock Capital Class
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated May 21, 2004
Mutual Reliance Review System Receipt dated May 28, 2004
Offering Price and Description:
Series A, D, F, I , O and R Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
Mackenzie Financial Corporation
Project #633928

Issuer Name:
PDM Royalties Income Fund
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated May 28, 2004
Mutual Reliance Review System Receipt dated June 1, 2004
Offering Price and Description:
$50,676,920.00 - 5,067,692 Units Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
TD Securities Inc.
Sprott Securities Inc.
Promoter(s):
Pizza Delight Corporation Ltd.
Project #631751

Issuer Name:
Rhone 2004 Flow-Through Limited Partnership
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated May 26, 2004
Mutual Reliance Review System Receipt dated May 27, 2004
Offering Price and Description:
$50,000,000 Maximum (2,000,000 Units @ $25 per Unit)
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
First Associates Investments Inc.
Queensbury Securities Inc.
Raymond James Ltd.
Promoter(s):
Rhone 2004 Securities Ltd.
Project #626741

Issuer Name:
ROC Pref Corp.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated May 27, 2004
Mutual Reliance Review System Receipt dated May 31, 2004
Offering Price and Description:
$100,000,000 Maximum (4,000,000) @ $25.00 per Preferred Shares
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
TD Securities Inc.
Desjardins Capital Corporation
Canaccord Capital Corporation
First Associates Investments Inc.
Raymond James Ltd.
Promoter(s):
Connor, Clark & Lunn Capital Markets Inc.
Project #631931

Issuer Name:
SMTC Manufacturing Corporation of Canada
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated May 26, 2004
Mutual Reliance Review System Receipt dated May 28, 2004
Offering Price and Description:
C$40,020,000.00 - 33,350,000 Units (Each Unit consisting of one Exchangeable Share and one-half of one Warrant) To Be Issued upon the exercise of 33,350,000 Special Warrants
Underwriter(s) or Distributor(s):
Orion Securities Inc.
CIBC World Markets Inc.
GMP Securities Limited
RBC Dominion Securities Inc.
Promoter(s):
-
Project #638631

Issuer Name:
Xceed Mortgage Corporation
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated May 28, 2004
Mutual Reliance Review System Receipt dated May 31, 2004
Offering Price and Description:
$40,000,004.00 - 7,272,728 Common Shares Price: $5.50 Per Common Share
Underwriter(s) or Distributor(s):
Sprott Securities Inc.
TD Securities Inc.
GMP Securities Ltd.
Desjardins Securities Inc.
Promoter(s):
-
Project #637062

Issuer Name:
ZENON Environmental Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated June 1, 2004
Mutual Reliance Review System Receipt dated June 1, 2004
Offering Price and Description:
$90,090,000.00 - 3,960,000 Common Shares Price: $22.75 per Common Share
Underwriter(s) or Distributor(s):
GMP Securities Ltd.
Canaccord Capital Corporation
First Associates Investments Inc.
RBC Dominion Securities Inc.
Promoter(s):
-
Project #651313

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	HRUSHEWSKY INVESTMENT ADVISORS INC.	Commodity Trading Manager	May 27, 2004
Name Change	From: Julius Baer Investment Management Inc. To: Julius Baer Investment Management LLC	International Advisor and Investment Counsel & Portfolio Manager	May 3, 2004
New Registration	Loring Ward Capital Management Ltd.	Extra-Provincial Advisor (Investment Counsel and Portfolio Manager)	June 1, 2004
Name Change	From: Dynamic Mutual Fund Services Inc. To: Goodman & Company, Dealer Services Inc.	Mutual Fund Dealer	May 18, 2004

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Chapter 25

Other Information

25.1 Approvals

25.1.1 Equilibrium Capital Management Inc. - cl. 213(3)(b) of the LTCA

Headnote

Clause 213(3)(b) of the Loan and Trust Corporations Act – application by manager for approval to act as trustee of a mutual fund trust.

Statutes Cited

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

June 1, 2004

McMillan Binch LLP
BCE Place, Suite 4400
Bay Wellington Tower
181 Bay Street
Toronto, Ontario
M5J 2T3

Attention: Michael Ward

Dear Sirs/Mesdames:

Re: Equilibrium Capital Management Inc. (the Applicant)
Application pursuant to clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario) (the LTCA) for approval to act as trustee

Further to the application dated April 30, 2004 (the Application) filed on behalf of the Applicant, and based on the facts set out in the Application, pursuant to the authority conferred on the Ontario Securities Commission (the Commission) in clause 213(3)(b) of the LTCA, the Commission approves the proposal that the Applicant act as trustee of the King & Victoria RSP Fund and other pooled funds that may be established and managed by the Applicant, the securities of which will be offered pursuant to a prospectus exemption.

"Paul M. Moore" "Suresh Thakrar"

25.2 Exemptions

25.2.1 Canadian Empire Exploration Corp. - s. 13.1 of NI 51-102

Headnote

Issuer that is listed on the Regulated Unofficial Market of the Frankfurt Stock Exchange and the Unregulated Official Market of the Berlin-Bremen Stock Exchange ordered not to be excluded from definition of “venture issuer” under National Instrument 51-102 Continuous Disclosure Obligations solely due to those listings.

Rules Cited

Section 13.1(1) of National Instrument 51-102.

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

AND

NATIONAL INSTRUMENT 51-102
CONTINUOUS DISCLOSURE OBLIGATIONS

AND

IN THE MATTER OF
CANADIAN EMPIRE EXPLORATION CORP.

EXEMPTION
(Section 13.1 of NI 51-102)

UPON the Director having received an application from Canadian Empire Exploration Corp. (the Filer) for an order under section 13.1 of National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102) that the current listing of the Filer’s common shares (the Shares) on the Unofficial Regulated Market of the Berlin-Bremen Stock Exchange (the URM) and/or the future listing of the Shares on the Regulated Unofficial Market of the Frankfurt Stock Exchange (the RUM) shall not cause the Filer to be excluded from the definition of "venture issuer" solely due to those listings;

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

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

1. The Filer is a corporation incorporated under the laws of British Columbia, is a reporting issuer and an exchange issuer under the *Securities Act* (British Columbia) (the BC Act), is a reporting issuer under the *Securities Act* (Alberta) (the Alberta Act), is a reporting issuer under *The Securities Act* (Manitoba), is a reporting issuer under the *Securities Act* (Ontario) (the Ontario Act) and is not in default of any requirements of the BC Act, the Alberta Act, the Manitoba Act or the Ontario Act, or the rules and regulations pertaining to those acts.

2. A "venture issuer" is defined by NI 51-102 as a reporting issuer that, as at the applicable time, did not have any of its securities listed or quoted on any of the Toronto Stock Exchange, a U.S. marketplace or a marketplace outside of Canada and the United States of America.

3. The Filer does not fall within the definition of a venture issuer solely due to the fact that the Shares are included on the URM.

4. In all other respects, the Filer falls within the definition of venture issuer as provided by NI 51-102.

5. The Shares were included on the URM as a result of applications received from the brokerage firm Berliner Freiverkeher (Aktien) AG (BF), rather than from the Filer.

6. The Filer was not aware that BF made applications to include the Filer in the URM.

7. The URM does not have any ongoing disclosure requirements, minimum listing requirements, or maintenance requirements.

8. The Filer believes that the Shares may be listed on the RUM in the future as a result of applications from third parties.

9. No securities of the Filer are currently listed or quoted on any marketplace, as that term is defined in National Instrument 51-102, other that the URM.

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, under section 13.1 of NI 51-102, that the requirement in the definition of venture issuer in NI 51-102, that an issuer not, at the relevant time, have any of its securities listed or quoted on a marketplace outside of Canada and the United States of America, does not apply to the Filer for so long as the securities of the Filer are only listed or quoted on the URM and/or the RUM.

May 28 2004.

“Iva Vranic”

25.3 Consents

25.3.1 Goldpark China Limited - ss. 4(b) of Reg. 289

Headnote

Consent given to OBCA corporation to continue under the Business Corporations Act (British Columbia).

Statutes Cited

Business Corporations Act (Ontario), R.S.O. 1990, c. B.16, as am.
Business Corporations Act (British Columbia), S.B.C. 2002, c. 57.
Securities Act, R.S.O. 1990, c. S.5, as am.

Regulations Cited

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

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

AND

IN THE MATTER OF
GOLDPARK CHINA LIMITED

CONSENT
(Subsection 4(b) of the Regulation)

UPON the application (the Application) of Goldpark China Limited (the Applicant) to the Ontario Securities Commission (the Commission) requesting a consent from the Commission for the Applicant to continue in another jurisdiction, as required by subsection 4(b) of the Regulation;

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant intends to apply (the Application for Continuance) to the Director under the OBCA for authorization to continue under the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57 (the BCA).

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

3. The Applicant was incorporated under the OBCA on August 11, 1983 and its head office is located at Suite 1012, 28 Olive Avenue, Toronto, Ontario. The Applicant is an offering corporation under the OBCA and is a reporting issuer under the *Securities Act,* R.S.O. 1990, c. S.5, as amended (the Act). The Applicant's authorized share capital consists of an unlimited number of common shares and an unlimited number of preference shares, issuable in series.

4. The Applicant intends to remain a reporting issuer under the Act.

5. The Applicant is not in default of any of the provisions of the Act or the regulations or rules made thereunder.

6. The Applicant is not a party to any proceeding or, to the best of its knowledge, information and belief, pending proceeding under the Act.

7. The Applicant's shareholders authorized the continuance of the Applicant as a corporation under the BCA by special resolution at a meeting of shareholders held on May 21, 2004.

8. There are no residency requirements for directors under the BCA. The Applicant's management believes that the interests of the Applicant will be better served under the BCA, which provides greater flexibility in attracting experienced directors of any nationality to serve the Applicant.

9. The material rights, duties and obligations of a corporation governed by the BCA are substantially similar to those of a corporation governed by the OBCA.

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

THE COMMISSION HEREBY CONSENTS to the continuance of the Applicant as a corporation under the BCA.

June 1, 2004.

"Paul M. Moore" "Suresh Thakrar"

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