The Ontario Securities Commission

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July 2, 2004

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

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

JULY 2, 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
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20 Queen Street West
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Paul K. Bates	—	PKB
Robert W. Davis, FCA	—	RWD
Harold P. Hands	—	HPH
Mary Theresa McLeod	—	MTM
H. Lorne Morphy, Q.C.	—	HLM
Robert L. Shirriff, Q.C.	—	RLS
Suresh Thakrar	—	ST
Wendell S. Wigle, Q. C.	—	WSW

SCHEDULED OSC HEARINGS

DATE: TBA	**Ricardo Molinari, Ashley Cooper, Thomas Stevenson, Marshall Sone, Fred Elliott, Elliott Management Inc. and Amber Coast Resort Corporation** s. 127 E. Cole in attendance for Staff Panel: TBA
July 5, 2004 10:00 a.m.	**Argus Corporation Ltd.** s.127 J. Naster in attendance for Staff Panel: SWJ/RWD/ST
July 9, 2004 10:00 a.m.	**Gouveia et al** s. 127 M. Britton in attendance for Staff Panel: PMM
July 9, 2004 2:00 p.m.	**First Federal Capital Inc. and Monte Morris Friesner** s. 127 A. Clark in attendance for Staff Panel: PMM/MTM/HPH
July 30, 2004 (on or about) 10:00 a.m.	**Mark E. Valentine** s. 127 A. Clark in attendance for Staff Panel: TBD
August 26, 2004 (on or about) 10:00 a.m.	**Brian Anderson and Flat Electronic Data Interchange ("F.E.D.I.")** 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 10:00 a.m.	**ATI Technologies Inc., Kwok Yuen Ho, Betty Ho, JoAnne Chang, David Stone, Mary de La Torre, Alan Rae and Sally Daub** s. 127 M. Britton in attendance for Staff Panel: PMM/MTM/PKB

ADJOURNED SINE DIE

Global Privacy Management Trust and Robert Cranston

Philip Services Corporation

Robert Walter Harris

Andrew Keith Lech

S. B. McLaughlin

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

1.1.2 Notice of Commission Approval – Amendments to IDA By-law 2.4 - Membership

THE INVESTMENT DEALERS ASSOCIATION OF CANADA (IDA)

AMENDMENTS TO BY-LAW 2.4 RELATING TO MEMBERSHIP

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission approved amendments to By-law 2.4 relating to membership. In addition, the Alberta Securities Commission approved and the British Columbia Securities Commission did not object to the amendments. The purpose of the amendments is to increase the deposit for an application for membership from $2,000 to $10,000 and to clarify that the deposit is non-refundable. The amendment is housekeeping in nature.

The description and a copy of the amendment is contained in Chapter 13 of this Ontario Securities Commission Bulletin.

1.3 News Releases

1.3.1 OSC Settlement in the Matter of James Anderson

FOR IMMEDIATE RELEASE
June 23, 2004

OSC SETTLEMENT IN THE MATTER OF JAMES ANDERSON

TORONTO – On June 22, 2004, a panel of the Ontario Securities Commission (OSC) approved a settlement agreement entered into between Staff of the Commission and James Anderson. The Settlement Agreement related to trading engaged in by Mr. Anderson, a registrant, on behalf of funds managed by Savoy Capital Management Ltd. In particular, Mr. Anderson acknowledged that he engaged in short sales of shares of an issuer subsequent to being solicited to invest in a private placement of securities of that issuer. However, at the time of the short sales, the private placement had not been generally disclosed.

Further to the Settlement Agreement, the Commission made the following orders against Mr. Anderson, effective July 31, 2004:

- that the registration of Anderson be suspended for a period of six months, pursuant to s.127(1) clause 1 of the *Securities Act*;
- that Anderson cease trading in securities for a period of six months, with the exception of trading in his registered retirement savings account, pursuant to s.127 (1) clause 2;
- that Anderson be reprimanded, pursuant to s.127 (1) clause 6;
- that Anderson is prohibited from acting as a director or officer of an issuer for a period of six months, and that he resign any such position he may currently hold, pursuant to s.127 (1) clauses 7 and 8; and
- that Anderson be ordered to pay $15,000 as a portion of the costs related to the investigation and hearing, pursuant to s.127.1 (1) and (2).

In approving the settlement, the Commission stressed that it is fundamental to the integrity of the capital markets that registrants adhere to the highest standards when dealing with material information which has not been generally disclosed and that the conduct engaged in by Mr. Anderson undermines the level playing field which the Commission seeks to foster for all investors. The Commission also noted that ordinarily a more severe sanction would have been called for but for the mitigating factors present including: Mr. Anderson's admissions of responsibility; inexperience at the time of the conduct in question; courses taken since the conduct to improve his education; and the fact that no profit was made personally by Mr. Anderson or his employer as a result of the impugned trades.

Copies of the Commission Order and Settlement Agreement are available on the OSC's web site (**www.osc.gov.on.ca**).

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1.3.2 CSA News Release - Securities Regulators Propose Uniform Securities Transfer Act

For Immediate Release
June 24, 2004

SECURITIES REGULATORS PROPOSE UNIFORM SECURITIES TRANSFER ACT

Calgary – The Canadian Securities Administrators' (CSA) Uniform Securities Transfer Act Task Force has released for public comment a revised consultative draft of a proposed provincial *Uniform Securities Transfer Act* (USTA).

The USTA project is unrelated to the CSA's Uniform Securities Legislation project. The proposed USTA is not securities regulatory law, but is commercial property-transfer law, governing the transfer and holding of securities and interests in securities. The USTA requires conforming amendments to the common-law provincial *Personal Property Security Acts* that govern the use of securities as loan collateral. It also replaces securities settlement rules currently contained in provincial *Business Corporations Acts*.

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

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

The Task Force welcomes comments until July 30, 2004 on any aspect of the draft USTA and related material, and most specifically on the issues summarized in the Consultation Paper (under Part 3, B.). The proposed USTA is available on the web site of the Ontario Securities Commission at **www.osc.gov.on.ca** and the web site of the Alberta Securities Commission at www.albertasecurities.com.

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1.3.3 OSC Releases Decision in the Matter of RS Inc. Decision on Credit Suisse First Boston

FOR IMMEDIATE RELEASE
June 25, 2004

OSC RELEASES DECISION IN THE MATTER OF RS INC. DECISION ON CREDIT SUISSE FIRST BOSTON

TORONTO – The Ontario Securities Commission (OSC) released a decision today in the application by Credit Suisse First Boston (CSFB) to set aside a decision of Market Regulation Services Inc (RS) that had ordered the removal of Stikeman Elliott LLP as counsel to CSFB. The application was denied.

Originally, Stikeman Elliott had been retained by the Toronto Stock Exchange (TSE) to provide legal and strategic advice leading to the demutualization of the TSE, the incorporation of RS and the transfer of regulatory authority from the TSE to RS. Thereafter, CSFB retained Stikeman Elliot to represent it in connection with an investigation and proceeding initiated by RS in respect of CSFB. RS alleged that Stikeman Elliott was in a conflict of interest position in acting for CSFB in the RS proceeding due to the nature of certain of the defences raised. RS maintained that those defences should be withdrawn, failing which Stikeman Elliott could not continue to act.

In considering the conflict issue, the Commission found that there was a nexus between the issues raised by CSFB, through their counsel, in the RS proceeding and the legal matters considered by Stikeman Elliott under the TSE retainer. The panel found that Stikeman Elliott did not and could not demonstrate that they did not and would not use relevant confidential information in the CSFB retainer.

The Commission further found that the end of the solicitor-client relationship as such does not end the fiduciary duty prohibiting a lawyer from acting disloyally. The Commission agreed with the RS hearing panel that Stikeman Elliott was not prevented from acting against RS in general, but that Stikeman Elliott could not, in acting for CSFB, attack the very legal advice that it had previously provided to the TSE.

The Commission agreed with the Hearing Panel that removal was necessary to preserve public confidence in the administration of justice. The failure to so order would be viewed by the public as a failure to uphold the principle that "justice should not only be done but should be seen to be done."

Copies of the decision and of the headnote are available on the OSC's web site (**www.osc.gov.on.ca**).

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Monarch Delaney Financial Inc. - Director's Decision

IN THE MATTER OF
THE REGISTRATION OF
MONARCH DELANEY FINANCIAL INC.

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

Date: June 23, 2004

Director: David M. Gilkes
Manager, Registrant Regulation
Capital Markets Branch

Submissions:

Cynthia Huerto	
Leslie Daiter	For the Commission
Stephen Freedman	For Monarch Delaney

Background

1. Monarch Delaney Financial Inc. (**MFDI**) was first granted registration in August 1987 in the category of Mutual Fund Dealer.

2. On May 31, 2004, the sole registered officer and also compliance officer of MDFI was terminated in good standing. There were no other registered officers to take the position of compliance officer with MDFI.

3. On June 8, 2004, Commission Staff sent a letter to Mr. Stephen Freedman of MDFI advising that Staff had recommended to the Director that terms and conditions be imposed on MDFI as it no longer had a registered officer and a compliance officer.

4. The following terms and conditions were proposed by Staff:

   Monarch Delaney Financial Inc. and all its directors, officers and employees are restricted to non-trading under the *Securities Act* (Ontario).

5. After receiving the letter from Staff, Mr. Stephen Freedman of MDFI requested an 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 conducted through written submissions. MDFI provided its submission on June 14, 2004 and Staff provided their submission on June 16, 2004.

Rule 31-505, Conditions of Registration

7. The Applicant has not met the requirements of Rule 31-505, Conditions of Registration. This rule reads in part:

   (1) A registered dealer or adviser shall designate a registered partner or officer as the compliance officer who is responsible for discharging the obligations of the registered dealer or adviser under Ontario securities law.

8. MDFI does not meet this requirement of registration. For this reason, Staff proposed a term and condition that would prevent any registered person with MDFI from engaging in trading.

9. MDFI sponsored a candidate for registration as an officer. However, Staff has recommended to the Director that registration for this candidate not be granted.

10. MDFI acquired another mutual fund dealer which has a registered officer and compliance officer. MDFI submitted that it will amalgamate with this other company but it did not provide a date when this amalgamation would be completed.

Decision

11. It is required as per Rule 31-505 that a dealer must have a compliance officer. The duties of the compliance officer are described in the Rule.

    (2) The person designated under subsection (1) by a registered dealer or adviser shall also be responsible for opening each new account, supervising trades made for or with each client and supervising advice provided to each client or, if a branch manager is designated under subsection 1.4(1), for supervising the branch manager's conduct of the activities specified in subsection 1.4(2).

12. Currently MDFI does not have any person in place to take responsibility for opening new client accounts and supervising trades.

13. Without a compliance officer in place there is a risk to existing investors and new investors. In addition, it cannot provide services to clients and meet the requirements of the Act.

14. Based on the submissions I believe that MDFI should have its activities restricted. I am imposing the following terms and conditions on registration of Monarch Delaney Financial Inc.

    1. Effective immediately, Monarch Delaney Financial Inc. shall not open any new accounts.

    2. Effective immediately all salespersons sponsored by MDFI are prohibited from trading.

    3. The registration of Monarch Delaney Financial Inc. will expire at the end of business on July 30, 2004 unless it has a registered officer and compliance officer by that time.

June 23, 2004.

"David M. Gilkes"

2.1.2 Canadian Bank Note Company, Limited - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Exemption granted from requirement to include prospectus level disclosure in an information circular where redeemable preferred shares to be issued under an amalgamation – redeemable preferred shares used for tax purposes only and will be redeemed on or about the day of filing of the certificate of amalgamation, and issuer has arranged loan facilities to fund the redemption – amalgamation, in substance, a cash transaction.

Applicable National Instruments

National Instrument 51-102 – Continuous Disclosure Obligations, Form 51-102 F5 – Information Circular, Item 14.2.

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

AND

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

AND

IN THE MATTER OF
CANADIAN BANK NOTE COMPANY, 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, New Brunswick and Newfoundland and Labrador (the Jurisdictions) has received an application from Canadian Bank Note Company, Limited (the Filer) for a decision, pursuant to the securities legislation of the Jurisdictions (the Legislation), that the prospectus level disclosure requirements (Prospectus Level Disclosure Requirements) contained in the Legislation shall not apply to a management proxy circular (the Circular) to be sent to all shareholders of the Filer in connection with the proposed amalgamation (the Amalgamation) of the Filer and a corporation (Newco) to be incorporated under the *Business Corporations Act* (Ontario) (the OBCA), pursuant to sections 173 and 174 of the OBCA (the amalgamated company to be formed by the Amalgamation being referred to as Amalco).

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 that:

1. The Filer is a corporation continued under the OBCA. The common shares of the Filer (the Common Shares) are listed on the Toronto Stock Exchange. The Filer is a reporting issuer or the equivalent thereof in each province and territory of Canada.

2. Arends Holdings Inc. (Arendsco), a corporation incorporated under the laws of Ontario, holds approximately 73% of the issued and outstanding Common Shares.

3. Newco will be incorporated under the OBCA and will be a wholly-owned subsidiary of Arendsco. Newco is not a reporting issuer in any province or territory of Canada. Newco will be incorporated for the sole purpose of effecting the Amalgamation.

4. The board of directors of the Filer decided on May 31, 2004 to proceed with a going private transaction by way of the Amalgamation. The going private transaction was announced on June 1, 2004.

5. The Filer and Newco will Amalgamate on or about July 9, 2004 pursuant to an amalgamation agreement to be dated on or about July 9, 2004 between the Filer and Newco.

6. The Amalgamation will result in each holder of Common Shares (other than Arendsco and any holders of Common Shares who exercise dissent rights under section 185 of the OBCA) receiving one redeemable preferred share in the capital of Amalco (the Amalco Redeemable Shares) for each Common Share. Pursuant to the Amalgamation, Arendsco will receive common shares in the capital of Amalco in exchange for its Common Shares and its shares of Newco. On or about the day of filing of a certificate of amalgamation under the OBCA in respect of the Amalgamation, each Amalco Redeemable Share will be redeemed for $3.50 in cash (the Redemption). Upon completion of the Redemption, Arendsco will own all of the shares of Amalco. No new certificates evidencing the Amalco Redeemable Shares will be issued to the holders of Common Shares who will continue to hold their Common Share certificates until the Redemption.

7. The transaction has been structured so that rollovers provided for under the *Income Tax Act* (Canada) will be available to holders of Common Shares. The Filer is of the view that the Circular is subject to the Prospectus Level Disclosure Requirements only due to the issuance of the Amalco Redeemable Shares.

8. Loan facilities have been arranged with a Canadian chartered bank to fund the redemption proceeds payable upon the redemption of the Amalco Redeemable Shares following the Amalgamation.

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 pursuant to the Legislation is that the Prospectus Level Disclosure Requirement shall not apply to the Circular.

June 14, 2004.

"Erez Blumberger"

2.1.3 Canaccord Capital Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief granted to certain vice presidents and other nominal officers of a reporting issuer from the insider reporting requirements, subject to certain conditions – vice presidents satisfy criteria contained in Canadian Securities Administrators Staff Notice 55-306 Applications for Relief from the Insider Reporting Requirements by Certain Vice-Presidents.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 1(1), 107, 108, 121(2)(a)(ii).

Regulations Cited

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

Rules Cited

National Instrument 55-101 - Exemption from Certain Insider Reporting Requirements.

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

AND

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

AND

IN THE MATTER OF
CANACCORD CAPITAL INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Manitoba, Newfoundland and Labrador, Nova Scotia, Ontario, Québec and Saskatchewan (collectively, the "Jurisdictions") has received an application from Canaccord Capital Inc. ("CCI") for a decision pursuant to the securities legislation in the Jurisdictions (the "Legislation") that the requirements contained in the Legislation to file insider reports shall not apply to certain individuals who are insiders of CCI by reason of having a nominal vice president title (a "Nominal Title");

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 CCI has represented to the Decision Makers that:

1. CCI was incorporated on February 14, 1997 under the laws of British Columbia and its head office is located in Vancouver, British Columbia.

2. Upon completion of its initial public offering, CCI will be a reporting issuer under the securities legislation of each of the provinces and territories of Canada and CCI is not in default of any requirement under such legislation.

3. CCI has 139 persons who are considered to be insiders of CCI by reason of being a director, senior officer or a senior executive (as defined in the Legislation) of CCI or a subsidiary of CCI, of whom:

   (a) 54 are senior officers or directors of CCI and its subsidiaries who, by virtue of their positions may, in the ordinary course receive or have access to material undisclosed information concerning CCI (current and future directors and senior officers of CCI and its subsidiaries who meet the foregoing description are collectively referred to as "Subject Officers");

   (b) five are currently exempt from the Insider Reporting Requirements of the Legislation by reason of the exemption contained in 55-101 – *Exemption from Certain Insider Reporting Requirements*;

   (c) 80 are currently insiders of CCI and meet the criteria for exemption set out under CSA Staff Notice 55-306 – *Applications for Relief from the Insider Reporting Requirements by certain Vice-Presidents* and are not otherwise exempt from insider reporting requirements pursuant to National Instrument 55-101.

4. CCI has made an application to seek relief from the insider reporting requirements for current and future senior officers of CCI's subsidiaries (collectively, the "Exempt Officers") who satisfy the following criteria (the "Exempt Officer Criteria"):

   (i) they are vice-presidents;

   (ii) they are not in charge of a principal business unit, division or function of CCI or a "major subsidiary" of CCI;

(iii) they do not, in the ordinary course of business, receive or have access to information as to material facts or material changes concerning CCI before the material facts or material changes are generally disclosed; and

(iv) they are not insiders of CCI in any other capacity.

5. CCI will establish by the time of filing its final prospectus in respect of its initial public offering internal policies and procedures relating to monitoring and restricting the trading activities of certain of its insiders and other persons. CCI has provided the Decision Makers with the draft policies and procedures to be submitted to CCI's directors for approval. These include blackout period policies and requirements for pre-clearance of trades. The policies and procedures also relate to identification and handling of non-public material information and prohibit improper communication and use of such information.

6. Under supervision of CCI's corporate secretary or other designated officer, designated employees of CCI and its subsidiaries will:

(a) ensure that any employee of CCI or a subsidiary of CCI who is appointed to a Subject Officer position will be advised of the responsibility to file insider reports in respect of trades in CCI securities;

(b) implement a system to identify newly appointed insiders who meet the Exempt Officer Criteria and monitor any role changes by Exempt Officers to determine whether the Exempt Officer Criteria continues to apply to them; and

(c) review the process for determining Subject Officers and Exempt Officers annually.

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 contained in the Legislation to file insider reports in respect of securities of CCI shall not apply to insiders of CCI, existing and future, who satisfy the Exempt Officer Criteria, for so long as such insiders satisfy the Exempt Officer Criteria provided that:

(a) CCI agrees, upon the request of the Decision Makers and to the extent then permitted by law, to make available to the Decision Makers a list of all individuals who are relying on the exemption granted by this Decision;

(b) CCI maintains internal policies and procedures relating to monitoring and restricting the trading activities of certain of its insiders and other persons; and

(c) The relief granted hereby will cease to be effective on the date when National Instrument 55-101 is amended.

June 22, 2004.

"Paul M. Moore" "Suresh Thakrar"

2.2 Orders

2.2.1 Far Hills Group, LLC - s. 218 of Reg. 1015

Headnote

Application to the Commission for an order, pursuant to section 218 of Regulation 1015 of the Securities Act (Ontario), that the requirement in section 213 of the Regulation, which provides that a registered dealer that is not an individual must be a company incorporated, or a person formed or created, under the laws of Canada or a province or territory of Canada, shall not apply to Far Hills Group, LLC. The order sets out the terms and conditions applicable to a non-resident limited market dealer.

Applicable Statutes

Ontario Regulation 1015, R.R.O. 1990, sec. 213, 218.

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

AND

IN THE MATTER OF
R.R.O. 1990, REGULATION 1015,
AS AMENDED (the Regulation)

AND

IN THE MATTER OF
FAR HILLS GROUP, LLC

ORDER
(Section 218 of the Regulation)

UPON the application (the **Application**) from Far Hills Group, LLC (the **Applicant**) for an order pursuant to section 218 of the Regulation that the requirement in section 213 of the Regulation, which provides that a registered dealer that is not an individual must be a company incorporated, or a person formed or created, under the laws of Canada or a province or territory of Canada, shall not apply to the Applicant;

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is limited liability company formed under the provisions of the State of Delaware on December 10, 1996 as Far Hills Securities, LLC. The name of the Applicant was changed to Far Hills Group, LLC on March 1, 1999;

2. The Applicant is a financial services firm that specializes in the placement of alternative investment offerings to institutional investors, including endowments, foundations, banks, insurance companies, corporate pension plans, public funds, family offices, and their consultants. Investment managers typically retain the Applicant to address their marketing needs relating to institutional fund placement;

3. The Applicant is registered in the United States as a broker-dealer and is subject to the regulations of the National Association of Securities Dealers and the National Futures Association;

4. The Applicant's principal place of business is in New York, New York. The Applicant has a global practice and is seeking to provide similar services in Ontario and accordingly, seeks registration as a dealer in the category of limited market dealer in Ontario;

5. The Applicant is resident outside of Canada, will not maintain an office in Canada and will only participate in the distribution of securities in Ontario pursuant to registration and prospectus exemptions contained in the Act and Ontario Securities Commission Rule 45-501 – Exempt Distributions;

6. Without the relief requested, the Applicant would be required to (i) hire an Ontario resident to act as local trading officer, which affords little or no additional protection to Ontario investors and would burden the Applicant with unnecessary additional cost, or (ii) abandon its application and conduct registrable activities only through an Ontario registered dealer at a price which would ultimately be passed on to Ontario investors;

AND UPON the Commission being satisfied that to make this order would not be prejudicial to the public interest;

IT IS ORDERED THAT section 213 of the Regulation shall not apply to the Applicant, pursuant to section 218 of the Regulation, provided that:

1. The Applicant appoints an agent for service of process in Ontario.

2. The Applicant shall provide to each client resident in Ontario a statement in writing disclosing the non-resident status of the Applicant, the Applicant's jurisdiction of residence, the name and address of the agent for service of process of the Applicant in Ontario, and the nature of risks to clients that legal rights may not be enforceable.

3. The Applicant will not change its agent for service of process in Ontario without giving the Ontario Securities Commission 30 days' prior notice of such change by filing a new Submission to Jurisdiction and Appointment of Agent for Service of Process.

4. The Applicant and each of its registered officers or partners irrevocably and unconditionally submits to the non-exclusive jurisdiction of the judicial, quasi-judicial, and administrative tribunals of Ontario and any administrative proceedings in Ontario, in any proceedings arising out of or related to or concerning its registration under the Act or its activities in Ontario as a registrant.

5. The Applicant will not have custody of, or maintain customer accounts in relation to, securities, funds, and other assets of clients resident in Ontario.

6. The Applicant will inform the Director immediately upon the Applicant: (i) ceasing to be registered in the United States as a broker-dealer; (ii) becoming aware of its registration in any other jurisdiction not being renewed or being suspended or revoked; or (iii) becoming aware that it is the subject of an investigation or disciplinary action by any financial services or securities regulatory authority or self-regulatory authority (or of similar issues with its salespersons, officers, directors, or partners that are registered in Ontario).

7. The Applicant will pay the increased compliance and case assessment costs of the Ontario Securities Commission due to the Applicant's location outside Ontario, including the cost of hiring a third party to perform a compliance review on behalf of the Ontario Securities Commission.

8. The Applicant will make its books and records outside Ontario, including electronic records, readily accessible in Ontario, and will produce physical records for the Ontario Securities Commission within a reasonable time if requested. If the laws of the jurisdiction in which the Applicant's books and records are located prohibit production of the books and records in Ontario without the consent of the relevant client the Applicant shall, upon a request by the Commission: (a) so advise the Commission; and (b) use its best efforts to obtain the client's consent to the production of books and records.

9. The Applicant will have available a person, possibly a third party, to assist the Ontario Securities Commission in compliance and enforcement matters.

10. The Applicant and each of its registered officers or partners will comply, at the Applicant's expense, with requests under Ontario Securities Commission investigation powers and orders under the *Securities Act* (Ontario) in relation to the Applicant's dealings with Ontario clients, including producing documents and witnesses in Ontario, submitting to audit or search and seizure process or consenting to an asset freeze, to the extent such powers would be enforceable against the Applicant if the Applicant were resident in Ontario. If the laws of the Applicant's jurisdiction of residence that are otherwise applicable to the giving of evidence or production of documents prohibit the Applicant or the witnesses from giving the evidence without the consent or leave of the relevant client and any third party, including a court of competent jurisdiction, the Applicant shall: (a) so advise the Commission; and (b) use its best efforts to obtain the client's consent to the giving of the evidence.

11. The Applicant will maintain appropriate registration or SRO membership, if and where applicable, in its jurisdiction of residence.

June 15, 2004.

"Paul M. Moore" "Suresh Thakrar"

2.2.2 Choice Resources Corp. - ss. 83.1(1)

Headnote

Subsection 83.1(1) – issuer deemed to be a reporting issuer in Ontario – issuer has been a reporting issuer in British Columbia since July 14, 1987 and in Alberta since November 26, 1999 – issuer's securities are listed and posted for trading on the TSX Venture Exchange – continuous disclosure requirements of Alberta and British Columbia substantively the same as those of Ontario.

Applicable Ontario Statutory Provisions

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

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

AND

IN THE MATTER OF
CHOICE RESOURCES CORP.

ORDER
(Subsection 83.1(1))

UPON the application of Choice Resources Corp. (the "Corporation") for an order pursuant to subsection 83.1(1) of the Act deeming the Corporation to be a reporting issuer for the purposes of Ontario securities legislation;

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

AND UPON the Corporation representing to the Commission as follows:

1. The Corporation is a corporation that was incorporated under the *Companies Act*, 1973, c.18 (British Columbia) on March 9, 1977.

2. The head office of the Corporation is located in Vancouver, British Columbia.

3. The authorized share capital of the Corporation consists of 100,000,000 common shares without par value ("Common Shares").

4. As at April 23, 2004, 37,358,872 Common Shares of the Corporation were issued and outstanding.

5. The Corporation became a reporting issuer under the *Securities Act* (British Columbia) (the "B.C. Act") on July 14, 1987 and a reporting issuer under the *Securities Act* (Alberta) (the "Alberta Act") on November 26, 1999.

6. The Corporation is not in default of any requirements of the B.C. Act, the Alberta Act, or any of the rules and regulations thereunder, and is not on the lists of defaulting reporting issuers maintained pursuant to the B.C. Act and the Alberta Act;

7. The Common Shares are listed and posted for trading on the TSX Venture Exchange (the "TSX-V") under the symbol CZE. The Corporation is in compliance with all requirements of the TSX-V. The Corporation is not designated a capital pool company under the policies of the TSX-V.

8. The Corporation is not a reporting issuer in Ontario and is not a reporting issuer, or equivalent, in any jurisdiction other than Alberta and British Columbia.

9. The continuous disclosure requirements of the Alberta Act and the B.C. Act are substantially the same as the requirements under the Act.

10. The continuous disclosure materials filed by the Corporation under the Alberta Act and the B.C. Act are available on the System for Electronic Document Analysis and Retrieval.

11. The Corporation does not have a control person as described in paragraph (c) of the definition of "distribution" contained in subsection 1(1) of the Act.

12. Neither the Corporation nor any of its officers or directors has:

    (i) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority;

    (ii) entered into a settlement agreement with a Canadian securities regulatory authority; or

    (iii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision in respect of the Corporation.

13. Neither the Corporation nor any of its officers or directors has been subject to:

    (i) any known ongoing or concluded investigation by a Canadian securities regulatory authority, or a court or regulatory body, other than a Canadian securities regulatory authority, that would likely to be considered important to a reasonable investor making an investment decision in respect of the Corporation; or

(ii) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver manager or trustee, within the preceding 10 years.

14. None of the officers or directors of the Corporation is or has been at the time of such event an officer or director of any other issuer which is or has been subject to:

(i) any cease trade or similar orders, or orders that denied access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days, within the preceding 10 years; or

(ii) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver manager or trustee, within the preceding 10 years.

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

IT IS HEREBY ORDERED pursuant to subsection 83.1(1) of the Act that the Corporation be deemed a reporting issuer for the purposes of Ontario securities legislation.

June 10, 2004.

"Cameron McInnis"

2.2.3 Tyhee Development Corp. - ss. 83.1(1)

Headnote

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

Statutes Cited

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

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

AND

IN THE MATTER OF
TYHEE DEVELOPMENT CORP.

ORDER
(Subsection 83.1(1))

UPON the application of Tyhee Development Corp. ("Tyhee") for an order pursuant to subsection 83.1(1) of the Act deeming Tyhee to be a reporting issuer for the purposes of Ontario securities law;

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

AND UPON Tyhee representing to the Commission as follows:

1. Tyhee is a resource exploration company incorporated under the *Company Act* (British Columbia) with resource properties primarily in the Northwest Territories.

2. Tyhee's executive office is located in Vancouver, British Columbia.

3. The authorized share capital of Tyhee is 100,000,000 common shares ("Common Shares") of which 20,762,607 Common Shares were issued and outstanding as of June 7, 2004.

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

5. Tyhee has been a reporting issuer under the *Securities Act* (British Columbia) (the "BC Act") since October 28, 1994 and under the *Securities Act* (Alberta) (the "Alberta Act") since November 29, 1999.

6. The Common Shares have been traded on the TSX-V since October 28, 1994 when the corporation was initially listed under the name Mongolia Gold Resources Corp. After a share consolidation and name change it became listed as Tyhee Development Corp. on August 16, 1999.

7. Tyhee is not in default of any requirements under the BC Act or the Alberta Act and is not in default of any of the requirements of the TSX-V.

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

9. The continuous disclosure requirements of the BC Act and the Alberta Act are substantially the same as the requirements under the Act.

10. The continuous disclosure materials filed by Tyhee under the BC Act and the Alberta Act are available on the System for Electronic Document Analysis Retrieval (SEDAR).

11. Neither Tyhee nor any of its officers or directors, nor to the knowledge of Tyhee and its officers and directors, any controlling shareholder of Tyhee, has

    (a) been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority,

    (b) entered into a settlement agreement with a Canadian securities regulatory authority, or

    (c) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

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

    (a) any known ongoing or concluded investigations by:

        (i) a Canadian securities regulatory authority, or

        (ii) a court or regulatory body, other than a Canadian securities regulatory authority, that would be likely to be considered important to a reasonable investor making an investment decision; or

    (b) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years.

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

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

    (b) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years.

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

IT IS HEREBY ORDERED pursuant to subsection 83.1(1) of the Act that Tyhee is deemed to be a reporting issuer for the purposes of Ontario Securities Law.

June 21, 2004.

"Iva Vranic"

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
Apiva Ventures Limited	23 Jun 04	05 Jul 04		
Astaware Technologies Inc.	25 Jun 04	07 Jul 04		
CPG Capital Corp.	16 Jun 04	28 Jun 04	28 Jun 04	
Hardwood Properties Ltd.	16 Jun 04	28 Jun 04	28 Jun 04	
Wardley China Investment Trust	16 Jun 04	28 Jun 04		30 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	07 Jun 04		
Argus Corporation Limited	25 May 04	03 Jun 04	03 Jun 04		
Aspen Group Resources Corp.	20 May 04	02 Jun 04	02 Jun 04		
Atlantis Systems Corp.	25 May 04	07 Jun 04	07 Jun 04		
Cabletel Communications Corp.	25 May 04	07 Jun 04	07 Jun 04		
** Denninghouse Inc.	15 Jun 04	**28 Jun 04**	28 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	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		

**** Correction – of the Hearing Date from 25 Jun 04**

4.3.1 Issuer CTO's Revoked

Company Name	Date of Revocation
Goldstake Explorations Inc.	21 Jun 04

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
18-May-2004	F.J. Stork Holdings 2000 Ltd.	2042908 Ontario Limited - Preferred Shares	275,000.00	500,000.00
11-Jun-2004 16-Jun-2004	7 Purchasers	Acuity Pooled High Income Fund - Trust Units	8,957,116.96	912,947.00
14-Jun-2004	Frank Davis	Alhambra Resources Ltd. - Units	5,000.00	10,000.00
15-Jun-2004	3 Purchasers	Armor Holdings, Inc. - Stock Option	1,008,750.00	26,900.00
31-Dec-2003	UBS Bank Canada	Ashmore Fund of Funds - Shares	3,236,500.00	202,917.00
09-Jun-2004	10 Purchasers	Banks Ventures Ltd. - Flow-Through Shares	1,774,000.00	4,435,000.00
02-Jun-2004	4 Purchasers	Biox Corporation - Common Shares	5,999,996.00	710,900.00
07-May-2004 28-May-2004	8 Purchasers	Black Bull Resources Inc. - Common Shares	6,800,000.00	13,600,000.00
25-May-2004	AGF Funds Inc.	Blue Nile, Inc. - Shares	141,040.00	5,000.00
14-Jun-2004	National Bank Financial	CGI Group Inc. - Units	1,680,000.00	200,000.00
25-May-2004	6 Purchasers	Consolidated Ecoprogress Technology Inc. - Units	61,250.03	816,667.00
11-Jun-2004	G. Scott Paterson	CPVC Tremblant Inc. - Common Shares	50,000.00	200,000.00
04-Jun-2004	London Community Foundation	Creststreet Resource Fund Limited - Shares	27,331.81	2,046.00
21-May-2004	Ridley College Foundation	Creststreet Resource Fund Limited - Shares	5,000.00	373.00
03-Jun-2004	Amaranth Resources Limited	Dunvegan Energy Limited - Units	1,000,000.00	1,000,000.00

23-Jun-2004	7 Purchasers	Espoir Exploration Corp. - Flow-Through Shares	4,700,000.00	940,000.00
07-Jun-2004 17-Jun-2004	4 Purchasers	First Leaside Opportunities Limited Partnership - Units	307,375.00	230,021.00
09-Jun-2004	HBS Distribution Inc.	Fortius Canada Inc. - Common Shares	250,000.00	508.00
17-Jun-2004	15 Purchasers	Galleon Energy Inc. - Flow-Through Shares	6,905,000.00	69,050.00
08-Jun-2004	3 Purchasers	Gemin X Biotechnologies Inc. - Shares	2,344,654.00	1,732,290.00
08-Jun-2004	3 Purchasers	Gemin X Biotechnologies Inc. - Warrants	2,344,654.00	461,944.00
09-Jun-2004	WCC Services Inc.	Greenshield Resources Ltd. - Units	101,486.00	1,395,956.00
07-Jun-2004	Credit Trust	HSBC Bank USA - Notes	57,161,000.00	57,161,000.00
25-May-2004 31-May-2004	3 Purchasers	Integral Wealth Management Inc. - Units	330,000.00	330,000.00
04-Jun-2004	New Generation Biotech. William J. Cinclair	Ionalytics Corporation - Convertible Debentures	1,018,000.00	0.00
18-Jun-2004	3 Purchasers	Kinloch Resources Inc. - Flow-Through Shares	1,420,000.00	1,000,000.00
11-Jun-2004	Doncaster Consolidated Ltd. First Associates Investments Inc.	KIDSFUTURES INC. - Special Warrants	400,000.00	400,000.00
28-May-2004	Kevin Zych Kenton Rein	Kor Hockey Ltd. - Preferred Shares	45,000.00	45,000.00
21-Jun-2004	BPI Global Assat Management	Leadis Technology, Inc. - Stock Option	140,000.00	10,000.00
03-Jun-2004	Canada Dominion Resources 2004 LP	LongBow Energy Corp. - Units	700,000.00	3,181,818.00
04-Jun-2004	4 Purchasers	MAAX Corporation - Notes	2,405,224.36	1,750,000.00
04-Jun-2004	3 Purchasers	MAAX Holdings, Inc. - Notes	77,841,134.00	77,841,134.00
15-Jun-2004	BXR1 Holdings Inc.	Med-Emerg International Inc. - Common Shares	675,675.00	4,348,000.00
15-Jun-2004	BXR1 Holdings Inc.	Med-Emerg International Inc. - Warrants	675,675.00	11,526,980.00
04-Jun-2004	3 Purchasers	North American Oil Sands Corporation - Shares	599,997.00	199,999.00
18-Jun-2004	Paul Little	O'Donnell Emerging Companies Fund - Units	150,000.00	22,868.00

29-Apr-2004	Brant Investments # 093649001 Brant Investments # 121590001	Olameter Inc. - Common Shares	51,876.00	129,690.00
04-Jun-2004	Nicole Muzzo Basil Muzzo	Ozz Corporation - Common Shares	200,000.00	246,002.00
04-Jun-2004	23 Purchasers	Ozz Corporation - Common Shares	2,939,704.00	3,754,608.00
04-Jun-2004	Richard Campbell	Ozz Corporation - Common Shares	162,600.00	200,000.00
11-Jun-2004	3 Purchasers	PointShot Wireless - Preferred Shares	677,438.00	677,438.00
15-Mar-2004	The Manufacturers LIfe Insurance Company	QSPE-VFC Trust II - Notes	2,000,000.00	1.00
10-Jun-2004	Foragen Technologies Limited Partnership	Radient Technologies Inc. - Preferred Shares	1,000,000.00	4,000,000.00
18-Jun-2004	Nursing Homes and Related Industries Pension Plan	Real Assets US Social Equity Index Fund - Units	3,839.76	508.00
02-Jun-2004	3 Purchasers	RFG Private Equity Limited Partnership No. 1A - Limited Partnership Interest	11,999,994.00	11,999,994.00
02-Jun-2004	3 Purchasers	RFG Private Equity Limited Partnership No. 1A - Limited Partnership Interest	6.00	6.00
28-May-2004	17 Purchasers	RPFL-RFG Private Equity Limited Partnership No. 1 - Limited Partnership Units	5,250,000.00	105.00
07-Jun-2004	779 Purchasers	Second World Trader Inc. - Units	2,467,236.00	26,554.00
27-May-2004	162004 Ontario Limited	Spinrite Limited Partnership - Units	148,641.28	140.00
23-Jun-2004	The Royal Trust Company (in its capacity as trustee of PURE Trust)	The Canada Trust Company - Notes	174,359,136.00	174,359,136.00
14-Jun-2004	10 Purchasers	The Estee Lauder Companies Inc. - Stock Option	7,387,000.00	166,000.00
22-Jun-2004	38 Purchasers	TriLoch Resources Inc. - Shares	2,669,610.00	1,007,400.00
11-Jun-2004 17-Jun-2004	20 Purchasers	TVI Pacific Inc. - Units	627,999.90	4,186,666.00
07-Jun-2004 17-Jun-2004	5 Purchasers	Wimberly Apartments Limited - Notes	435,000.00	5.00
08-Jun-2004	Bank of Montreal	Xceed Mortgage Corporation - Common Shares	2,713,333.00	2,035,000.00

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Chapter 11

IPOs, New Issues and Secondary Financings

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:
Amended and Restated Preliminary Prospectus dated June 23, 2004
Mutual Reliance Review System Receipt dated June 23, 2004
Offering Price and Description:
$2,500,000 - 11,363,636 Units
Price: $0.22 per Unit
Underwriter(s) or Distributor(s):
Desjardins Securities Inc.
Promoter(s):
-
Project #651321

Issuer Name:
Ivanhoe Mines Ltd.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated June 23, 2004
Mutual Reliance Review System Receipt dated June 23, 2004
Offering Price and Description:
Cdn.$ * - * Common Shares Price: Cdn.$ * per Common Share
Underwriter(s) or Distributor(s):
GMP Securities Ltd.
Promoter(s):
-
Project #662174

Issuer Name:
Canaccord Capital Inc.
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated June 23, 2004
Mutual Reliance Review System Receipt dated June 23, 2004
Offering Price and Description:
$100,000,005.00 - 9,756,098 Common Shares Price: $10.25 per Common Share
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Canaccord 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:
Dimethaid Research Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated June 24, 2004
Mutual Reliance Review System Receipt dated June 24, 2004
Offering Price and Description:
7,285,341 Common Shares; 7,285,341 Warrants Issuable Upon Exercise of 7,285,341 Special Warrants
Underwriter(s) or Distributor(s):
McFarlane Gordon Inc.
Paradigm Capital Inc.
Promoter(s):
-
Project #659475

Issuer Name:
Dynamic Focus+ Energy Income Trust Fund
Principal Regulator - Ontario
Type and Date:
Amendment No. 2 dated June 16, 2004 to Final Simplified Prospectus and Annual Information Form dated January 22, 2004
Mutual Reliance Review System Receipt dated June 23, 2004
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Goodman & Company, Investment Counsel Ltd.
Goodman & Company, Investment Counsel Ltd.
Promoter(s):
Goodman & Company, Investment Counsel Ltd.
Project #586034

Issuer Name:
First Nickel Inc.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated June 22, 2004
Mutual Reliance Review System Receipt dated June 23, 2004
Offering Price and Description:
Maximum of $10,000,000 and a minimum of $7,500,000 through issuance of (i) Flow-Through Common Shares; and (ii) Units comprised of Common Shares and Common Share Purchase Warrants
Price: $0.50 per Flow-Through Common Share or Unit and 7,020,000 Common Shares and 6,510,000 Common Share Purchase Warrants Issuable Upon Exercise of Previously Issued Special Warrants and 1,053,000 Compensation Warrants Issuable Upon Exercise of a Previously Issued Compensation Option
Underwriter(s) or Distributor(s):
McFarlane Gordon Inc.
Dundee Securities Corporation
Canaccord Capital Corporation
Paradigm Capital Inc.
Promoter(s):
MPH Consulting Ltd.
Elizabeth J. Kirkwood
William E. Brereton
Paul Sobie
William J. Anderson
Project #648854

Issuer Name:
General Motors Acceptance Corporation of Canada, Limited
Principal Regulator - Ontario
Type and Date:
Final Short Form Base Shelf Prospectus dated June 22, 2004
Mutual Reliance Review System Receipt dated June 23, 2004
Offering Price and Description:
$8,500,000,000.00 - Unconditionally guaranteed as to principal and interest by GENERAL MOTORS ACCEPTANCE CORPORATION, a Delaware corporation
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #659581

Issuer Name:
Mackenzie Maxxum Dividend Growth Fund
Mackenzie Ivy Growth and Income Fund
Mackenzie Cundill Canadian Balanced Fund
Mackenzie Sentinel Income Fund
Principal Regulator - Ontario
Type and Date:
Amendment No. 1 dated June 18, 2004 to Final Simplified Prospectuses and Annual Information Forms dated December 15, 2003
Mutual Reliance Review System Receipt dated June 23, 2004
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
none
Quadrus Investment Services Inc.
Quadrus Investment Services Ltd.
Promoter(s):
Mackenzie Financial Corporation
Project #587479

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Surrender of Registration	BELLPORTE BLACK INVESTMENT MANAGEMENT LTD.	Investment Counsel and Portfolio Manager	June 24, 2004
New Registration	Lorian Group	Limited Market Dealer	June 24, 2004
Name Change	From: Paradigm Alternative Asset Management Inc. To: Portus Alternative Asset Management Inc.	Limited Market Dealer and Investment Counsel and Portfolio Manager	June 28, 2004

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 IDA By-laws 1.1 and 29, Conflicts of Interest and Client Priority

INVESTMENT DEALERS ASSOCIATION OF CANADA – BY-LAWS 1.1 and 29, CONFLICTS OF INTEREST AND CLIENT PRIORITY

I OVERVIEW

The proposed Rules set forth in this paper will require disclosure of pro group holdings when (i) a Member has entered into any agreement, commitment or understanding with an issuer to act as advisor, agent or underwriter or as a member of a selling group in respect of that issuer's private placement or public offering and (ii) the pro group holdings of the Member exceed ten percent of the outstanding securities of the issuer. The disclosure will need to be made to investors upon making recommendations or giving advice about the securities subject of the placement or offering and on all trade confirmations relation to such securities. The disclosure obligation shall continue until such time as the Member has fully sold its portion of the placement or offering.

The previously published rules required disclosures when a threshold was exceeded for any security held by the pro group (not just a primary distribution), and also required disclosure of pro group holdings in research reports, in addition to the times set forth above.

The proposed Rules also clarify the client priority rules and provide guidance as to how the rules work in relation to private placements. Additionally, the proposed Rules implement limitations on abridgement of statutory hold periods for private placements.

The effect of these rules is to make clients and the public aware of the pro group's ownership in an issuer in situations in which conflicts of interest would have the most serious impact.

A Background

The Association, along with other securities regulators, began working on conflicts of interest rules in 1996 with the formation of an industry group to look at conflicts that may arise in the context of emerging company financings. This group created a report (the Hagg Report) that became the basis for the rules. The rules have been through various incarnations and were last approved by the Association's Board of Directors and published for comment in 2002 (the 2002 Draft Rules). After reviewing the 2002 Draft Rules however, the Association, with input from Members, determined that changes were necessary in order to better address the most significant conflicts investors may face in emerging company financings.

B Current Rules

The Association does not currently have rules dealing with conflicts of interest. The proposed Rules are a revision of the 2002 Draft Rules, with the major changes being:

- Reducing the scope of the rule from covering all securities the pro group may hold to only those securities for which the Member is providing services related to a private placement or public offering;
- Reducing the size of the pro group by excluding relatives and spouses of a pro group member if no pro group member has any discretionary authority over their accounts;
- Including a basket clause that would require disclosure of conflicts in situations not otherwise covered in the by-law in which investors would consider the conflict significant to their investment decisions.

Policy No. 11, which became effective February 1, 2004, dealing with analyst research restrictions and disclosure requirements, contains rules that Members must follow when issuing research reports and deals with conflicts of interest in that context. There is also a common-law duty on the salesperson to act in good faith and put the client's interests ahead of his or her own.

Provincial securities legislation requires an independent underwriter where a securities dealer is in a position of influence and requires various disclosures to clients and the public when an issuer is a related issuer. In addition, in National Instrument 33-105, conflicts of interest rules related to underwritings have now been implemented, which in part, deal with situations where a professional group of a Member firm owns more than 20 percent of an issuer's equity securities, or, in certain cases, where there is cross-ownership as between the Member and the issuer.

C The issues

The Association believes that the 2002 Draft Rules would require Members to incur large costs in exchange for little investor protection.

Due to the size of the pro group, it would be nearly impossible for firms to collect accurate and complete information in a timely manner. In addition, because the group is so large, the usefulness of the required disclosure is reduced, since, for example, the disclosure may be triggered by some large holdings by employee family members, over which a pro group member has no control, which may not be an actual conflict of interest. Requiring a

disclosure in such a case may chill investor participation when no conflict exists or may misleadingly encourage investor participation in a security.

Requiring the disclosure for all securities in which a Member may deal is another serious issue. From an operational standpoint, it is impractical to require a retail salesperson to constantly inquire about pro group holdings whenever they recommend any security to a client. In terms of investor protection, the most significant potential for conflict exists with private placements and public offerings, which are situations where either no established market for the security exists or where the available market is easily manipulated or is not a reliable indicator of price. Because all salespersons have to comply with suitability and know-your-client requirements, as well as best execution, clients are already protected from situations in which the firm may be tempted to push a certain security they wish to get rid of, so such a concern need not be addressed by a conflicts of interest rule.

D Objective of proposed Rules

The proposed Rules address potential conflicts of interest in situations where the Member, its employees, affiliates and certain associates thereof hold equity and certain debt securities of an issuer and the Member also provides services to the same issuer in connection with a private placement or a public offering.

The proposed Rules are designed to assist in strengthening the integrity of the capital markets and to ensure that companies in Canada continue to obtain the equity financings needed for capital formation, by addressing the most serious actual and perceived conflicts associated with equity ownership of issuers by industry professionals.

E Effect of proposed Rules

The proposed Rules will result in improved disclosure to investors and a better balance between the opportunities of Members and their clients to participate in and benefit in the financing of emerging companies. This will improve investor confidence in the capital markets without damaging the capital raising process for companies.

The proposed Rules will have a positive impact on clients by providing a more level playing field between clients and dealers, increasing client participation in private placement financings and eliminating transactions that are engineered by and for the primary benefit of a pro group.

The proposed Rules will also have an impact on Members in that they may affect the degree and frequency of their participation in private placement financings. The requirements to report and disclose pro group holdings and adherence to the other provisions of the proposed Rules will also increase compliance costs for our Members.

II DETAILED ANALYSIS

A Relevant history

The Joint Securities Industry Committee on Conflicts of Interest (the Committee) was convened in 1996 to examine the potential conflicts of interest that occur when salespersons and Member firms participate in emerging company financings. The Committee was composed of senior industry representatives who produced the Hagg Report in September 1997 outlining a number of recommendations for changes to the rules of self-regulatory organizations and to provincial securities legislation. In September 1997, staff of the Association, The Toronto Stock Exchange, the Montreal Exchange, The Alberta Stock Exchange and the Vancouver Stock Exchange formed a working group to implement the Hagg Report's recommendations.

On August 28, 1998 the working group published for comment draft conflicts of interest rules (the 1998 Draft Rules). At the time, it was anticipated that each SRO would adopt this uniform set of conflicts of interest rules.

Based on comments received during that comment period and staff review of the 1998 Draft Rules, the Canadian Securities Administrators (the CSA) asked the Association to make a number of changes to the 1998 Draft Rules. The revised 1998 Draft Rules were presented to and approved by the Association Board in October of 1999.

The full implementation of the revised 1998 Draft Rules was delayed due to further consideration of the revised 1998 Draft Rules by the CSA.

Further revisions to the revised 1998 Draft Rules were completed as a result of meetings that commenced in the spring of 2002 among staff of the CSA, the Association, Market Regulation Services Inc., the Toronto Stock Exchange and the Bourse de Montreal (the Regulators Group).

Due to these revisions and the time that had elapsed since the 1998 Draft Rules were first published for comment, it was determined that 2002 Draft Rules, as revised by the Regulators Group should be published again for comment.

In the fall of 2002, the 2002 Draft Rules was published for comment. Due to Member concerns regarding the scope of the 2002 Draft Rules and the push to implement a policy on research restrictions and disclosure requirements, the implementation of the 2002 Draft Rules was delayed again. Once the Association's Policy No. 11 was approved, attention again turned to conflicts of interest. However, in reviewing the 2002 Draft Rules and after input from Members, the Association determined that revisions should be made to the 2002 Draft Rules to better address the most significant conflicts not addressed elsewhere in regulations that investors may face.

B Present Rules and Proposed By-Laws

"Pro Group" Definition

One of the key concepts of the Hagg Report is the aggregate calculation of the "pro group" holdings. This calculation is the basis for the Hagg Report's recommendations for disclosure of pro group holdings to clients, for client orders receiving priority over pro group orders, and for pro groups not being able to abridge hold periods and for the independent underwriter requirement. Consequently, "pro group" has been defined in the proposed Rules as including, both individually and as a group, the Member firm, employees, agents and partners, directors, officers and affiliates of the Member and their associates, if the pro group member has discretionary authority over the associate's accounts.

The definition is broader than the Hagg Report proposal in three respects. Firstly, the proposed definition includes *all Member firm employees* whereas the Hagg Report excluded unregistered employees (i.e. receptionists, cage personnel) except those engaged in corporate finance activities. The Association, after consultation with its Members, concluded that an attempt to define which employees were covered and which were not would unnecessarily complicate the proposed Rules and could lead to abuse. The proposed Rules, however, grant the Association the discretion to exclude a person's holdings from the calculation of pro group holdings or include a person's holdings in the calculation of pro group holdings.

Secondly, the 2002 Draft Rules' definition of associate conformed to definitions in most provincial securities acts and included all spouses (and spousal equivalents) and co-habitating relatives. The Association believes the definition of associate should only include spouses, spousal equivalents and co-habitating relatives if a member of the pro group has *discretionary authority* over the accounts of those persons. This change is consistent with the Hagg Report proposal and with the definition of "associated party" in *National Instrument 33-105 Underwriting Conflicts*, with one minor change. The definition used in National Instrument 33-105 does not specifically take into account partnerships in which a pro group member might have a substantial beneficial interest. The Association was concerned, however, about the possibility of accounts held in the name of a partnership in which a pro group member has a substantial beneficial interest not being captured. The Association thus determined that such a partnership should be included as an associate, and so has added "partnership" to part (ii) of the definition. The Association believes that this minor difference between the two definitions will not pose a problem for Members and the benefits of including the partnerships outweigh any increased burden.

Thirdly, the proposed definition of "associate" now includes a reference *to agents* of the Member. This change was the result of the Association's By-law 39 Principal and Agent, implemented in 2003, which permits Members to structure their business relationships as principal/agent rather than as employer/employee, provided certain conditions are satisfied. The term "agent" is intended to capture those individuals who act in a similar capacity to an employee of a Member. The inclusion of "agent" in the pro group definition recognizes these new relationships and includes them for the purposes of the proposed Rules.

It should be noted that with the inclusion of affiliates and certain associates in the definition of "pro group", accounts of these persons and companies will now be considered to be "non-client" accounts.

"Pro Group Holdings" Definition

The definition of "pro group holdings" clarifies that the pro group holdings include voting or equity securities whether or not the securities are listed on an exchange, securities held long or short, and also future issuable securities. Holdings also include subordinated and other forms of debt that qualify as capital of the issuer. There are also certain exclusions available from including holdings in the pro group.

Previous drafts allowed the Member to deem an associate or affiliate not to be a member of the pro group where an effective chinese wall was in place. This provision was originally added in response to Member concerns that the proposed definition of pro group was over inclusive and would prevent effective compliance with the disclosure and calculation requirements. This would be particularly true where the Member is part of a large corporate organization.

The proposed Rules have revised this provision somewhat to clarify that these associates or affiliates are not excluded from the definition of pro group but are excluded from the definition of pro group holdings. This ensures that affiliates and associates may be excluded for the purposes of the disclosure requirements. However, as they are still included in the definition of pro group itself, affiliates and associates are still captured in the provisions relating to client priority for private placements and the pro group hold periods.

Another exemption available under the proposed Rules is for the holdings of market makers. It is not necessarily by choice that the market maker holds some of the securities; rather they must do so in order to maintain a liquid market. For this reason, the Association believes it is not appropriate to include such holdings in the definition.

The proposed Rules also provide a *de minimis* exemption from inclusion in the definition of "pro group holdings". This provision exempts not just individual holdings, but beneficial holdings of any person or company that falls under the definition of pro group. Provided they have a market value of less than $25,000, the holdings of the pro group held outside the Member may be excluded from the pro group holdings and as such, would be exempt from the reporting and disclosure requirements of the proposed Rules.

Earlier drafts of the rules granted the Association the discretion to include a party in the pro group. A separate provision granted similar power to exclude a person. These two provisions are now combined in the definition of "pro

group holdings". The provision was also revised to no longer include or exclude a person from the *pro group* but to include or exclude them from the *pro group holdings*.

Reporting and Disclosure of Pro Group Holdings

The Hagg Report recommended disclosure of the holdings of securities of the pro group. There are four parts to this recommendation:

(1) Identifying whose holdings must be disclosed (based upon the definitions of "pro group" and "pro group holdings");

(2) Requiring members of the pro group to disclose their holdings to the Association's central system;

(3) Calculating the percentage of the outstanding securities of an issuer that the Member's pro group holds; and

(4) Disclosing to the Member's clients the percentage of outstanding securities of an issuer held by the pro group.

The Hagg Report anticipated a centralized system for the calculation and reporting of the pro group holdings. However, after studying this issue since the 2002 Draft Rules were published, and in light of the reduced scope of the proposed Rules (i.e., since it no longer covers all securities), the Association believes that the costs of creating a centralized system are not justified. Members can now easily find the information on outstanding share data, and because the disclosure is triggered off of a certain relationship with the issuer, the pro group holdings calculation will only have to be done for certain securities.

For listed issuers, a Member can find outstanding share data from the market itself or from a reliable third-party data vendor. However, if a Member knows that that information is inaccurate and has knowledge of the correct information, the Member may not rely on the information provided by the market or vendor. For unlisted securities, since the disclosure requirement is in part triggered by a special relationship with the issuer, the Member should be able to get outstanding share data from the issuer itself. This is the same situation with the subordinated debt in that Members, because of their relationship with the issuer, should be able to get the total outstanding subordinated debt from the issuer.

The proposed Rules will require disclosure when (i) a Member has entered into any agreement, commitment or understanding with an issuer to act as advisor, agent or underwriter or as a member of a selling group in respect of that issuer's private placement or public offering and (ii) the pro group holdings of the Member exceed 10 percent of the outstanding securities of an issuer. The required disclosure is to be made by Members to clients when making recommendations or giving advice related to the securities that are the subject of the placement or offering and on all trade confirmations relating to trades in the securities of the issuer that are the subject of the placement or offering.

The 2002 Draft Rules, following the Hagg Report recommendations, mandated disclosure when the pro group holdings of any class of an issuer's securities exceeded 5% (the Hagg Report's recommended threshold was 10%). The Association believed that such a requirement for all securities was too onerous and would result in little benefit for investors. The Association believes that limiting the scope of the disclosure rule to situations where either no established pricing market exists or a greater possibility of market manipulation exists would better address the more serious conflicts that investors may face.

Pricing is an issue in initial public offerings and private placements, and an investor needs to be made aware of the pro group's existing stake in the issuer so as to make a more informed judgment as to a recommendation. While suitability requirements still apply, an investor has no other means with which to judge whether a particular price is fair (unlike in an already established market where the prices can be found).

With respect to other public offerings, the issuer's securities involved may indeed already have an established market by which to compare pricing, however, the issuer's securities may be so infrequently traded that the risk of manipulation is much higher than it is in a frequently traded security. This would trigger a need for increased disclosure to protect and better inform the investor.

The effect of this proposed provision is to make clients and the public aware of the pro group's ownership in an issuer by requiring the Member to disclose pro group holdings of more than 10 percent in situations where a conflict would have the most serious consequences.

The Association has removed the requirement to disclose pro group holdings in research reports because Policy No. 11 contains comprehensive disclosure regarding conflicts related to research reports. The proposed Rules are intended to inform clients of significant holdings that the pro group may have in securities being recommended in other situations where the consequences of a conflict would be most serious.

By-law 29.28(3) clarifies the form that this disclosure should take. Disclosure of the pro group holdings shall be made in bands of 5 percent. For example, a Member would disclose that its pro group owned between 10 percent and 15 percent if its pro group holdings were anywhere within that range, and disclose holdings between 15 percent and 20 percent as the holdings increased to the range of the next band. The purpose of disclosure bands is to eliminate the need to revise the disclosure due to minor changes in holdings, personnel changes at Member firms and the exercise of options, warrants or conversion rights. This approach was the one suggested by the Hagg Report.

By-law 29.28(4) states that the obligation of a Member to make the disclosure with recommendations and on trade confirmations will continue until the Member has sold its entire portion of the private placement or public offering. During the time that the disclosure obligation continues, the

Association would likely require that the pro group holdings information for that particular security be updated on the last day of each month.

Client Priority for Private Placements

The Association's current by-laws require the Member to give priority to its clients' orders over its own orders (By-law 29.3A, the "existing client priority rule"). As a housekeeping amendment, By-Law 29.3A is being repealed and placed under By-Law 29.29 in an effort to keep the client priority rules in one place.

The Hagg Report recommended extending the client priority rule to include private placements where the Member has a contractual relationship with the issuer. A review of the existing client priority rule revealed that, as drafted, it applied not only to orders for publicly traded securities but to orders for private placements as well. Accordingly, it appeared duplicative to have a separate provision that applied the client priority rule to private placements. Instead, another provision of By-law 29.29 has been revised in the proposed Rules to set out the circumstances in which client orders may *not* have priority over pro group orders for private placements, specifically (a) where the Member is not acting as an advisor, agent or underwriter or member of the selling group for the private placement or a subsequent offering of securities by the issuer; and (b) where the pro group holdings is less than 20 percent of the issuer's outstanding securities. In all other cases, By-law 29.29(1) will apply client priority to publicly traded and to private placement securities.

The remaining provisions of By-law 29.29 are devoted to providing guidance on what Members must do to comply with the client priority rule. The necessary steps to fulfilling the requirement to make "reasonable efforts" to offer eligible clients the private placement securities must be determined by the Member based on the nature of the Member's business and client list and the nature of the issue. The proposed Rules provide some suggested minimum steps to be taken by the Member in fulfilling these requirements including: issuing a press release; setting a suitable time period between announcing the private placement and making it available to the pro group; and requiring steps to be taken to inform clients.

During consultation with Members prior to finalizing the previous drafts, some Members requested more guidance as to what constitutes "reasonable efforts" in the context of this requirement. The drafters at that time concluded that it is impossible to enumerate sufficient actions for every particular circumstance. Members will be required to formulate internal policies and procedures to carry out such reasonable efforts. The definition of "private placement" in the 2002 Draft Rules has not been revised in the proposed Rules.

By-law 29.29(1) in the proposed Rules recognizes the in-house client priority rule set out in Rule 5.3 of the Universal Market Integrity Rules ("UMIR"). The revised By-law 29.29(1) also includes a reference to regulation services providers and quotation and trade reporting systems as a result of the CSA rules regarding alternative trading systems and trading rules (National Instrument 21-101 *Marketplace Operation* and National Instrument 23-101 *Trading Rules*).

The amendment to By-Law 29.29(1) will ensure consistency with Rule 5.3 of UMIR, yet at the same time ensure that recognized exchanges or marketplaces that continue to use a client priority rule or provide another exception to the client priority rule will remain in compliance with the Association's by-laws and regulations.

In another housekeeping amendment, Regulation 1300.20 is being amended to change the reference to By-law 29.3A to By-law 29.29(1).

Abridgement of Hold Periods

The Hagg Report recommended a prohibition on the abridgement of hold periods imposed on securities owned by the pro group except in very specific circumstances. The Report stated that in order to avoid potential conflicts that can arise if Member firms and their salespersons trade their own shares shortly after a private placement, members of the pro group should be obliged to hold significant investments for the duration of the original hold period.

Consequently, earlier drafts attempted to provide that securities issued to the pro group that were initially subject to a statutory hold period cannot subsequently be qualified by a prospectus if the aggregate ownership by the pro group exceeds 20 percent, unless the issuance price paid by the pro group was accepted by an exchange and was greater than 80 percent of the prospectus price. However, subject to the consent of the applicable exchange, such securities may be disposed of pursuant to an arm's length merger or take-over bid.

Upon review of earlier drafts, the Regulators Group realized that the original drafting of the hold period provisions did not clearly achieve the objectives, as set out in the Hagg Report and re-drafted the by-law in the 2002 Draft Rules. Consequently, proposed By-law 29.30 clarifies the language in order to satisfy the Hagg recommendation. The proposed Rules have not changed the by-law in any significant way.

Basket Clause

The proposed Rules also include a general disclosure provision in 29.31 designed to catch obvious cases of conflicts of interest beyond the areas of private placements and public offerings when a reasonable client would consider the conflict important in making an investment decision. A Member Regulation Notice will give guidance as to what types of situations would be caught by the general provision, triggering disclosure. For example, disclosure would be required with respect to any security being recommended when an employee or that employee's spouse (or spousal equivalent) is a partner, director of officer of the issuer of the security.

Implementation

The Association will work with its Members and the CSA to determine the appropriate implementation of the proposed Rules. The implementation period will be at least three months.

C Issues and alternatives considered

No other issues or alternatives were considered.

D Comparison with similar provisions

The U.S. does not have any rules dealing with conflicts of interest in the same context as the proposed Rules.

NASD Rule 2720 operates in a similar way to National Instrument 33-105 in addressing underwriting conflicts. The rule prohibits a member or an associated person of the member from participating in distributions of public offerings of a company with which the member, it associated persons, its affiliates or its parent has a conflict of interest, *except* in accordance with the rule. The rule allows the participation with conditions such as using *a qualified independent underwriter* (which must also participate in the preparation of the registration statement and exercise usual standards of due diligence). Participation is also allowed if *a "bona fide independent market" exists* at the time of filing.

NASD Rule 2720 defines a conflict of interest as beneficial ownership of ten percent or more of the subordinated debt, common or preferred equity, or partnership interest. However, some situations are excluded from regulation as a conflict such as an offering of a class of securities rated in one of the four highest categories by a national rating agency or an offering of a class of securities for which there exists a "bona fide independent market". Ownership is determined by looking at the holdings of the member, its employees (and officer, partners, directors and branch managers) and its affiliates.

According to NASD Rule 2720, if an offering is within the scope of the rule, disclosure that the member owns the issuers securities must be made in the registration statement or other similar offering document. Note then that the disclosure would be made by a group composed similarly to that in the proposed Rules.

As a matter of comparison, section 13(d) of the Securities Exchange Act of 1934 requires persons acquiring more than five percent beneficial ownership of certain voting equity securities to file certain statements with the SEC, each exchange where the security is traded and with the issuer. The SEC also permits firms to determine for themselves whether to aggregate or disaggregate positions of other affiliates. The NASD and NYSE Rules contain no such aggregation relief.

E Systems impact of the by-laws

There are significant systems impacts associated with the proposed Rules as discussed above.

However, the Association also recognizes that information regarding outstanding shares of issuers currently exists so that Member firms can calculate their holdings. This information is found under the requirements of the provincial securities legislation and various exchanges. For example, under National Instrument 51-102 reporting issuers are required to disclose in financial statements each class and series of voting or equity securities of the reporting issuer that are outstanding.

The Toronto Stock Exchange requires issuers to report within ten days of month end their issued and outstanding securities. In addition, the website for TSX shows the number of shares outstanding for issuers listed on TSX and TSX Venture Exchange. This information should be current as the issuer is to advise the exchange of share issuances. Timely Disclosure requirements, such as section 2.5 of TSX Venture Exchange Policy 3.3 obligates issuers to immediately notify the exchange of any issuance of securities or any change in capital structure. In addition under section 4.2 of TSX Venture Exchange Policy 3.2 the registrar and transfer agent are obligated to send the exchange a copy of any treasury order that the issuer has sent to them and the treasury order must contain the number of issued and outstanding shares following the new issuance.

Member firms are also presently required to track the holdings of their employees for the purposes of the current requirements for priority rules and in connection with their daily and monthly review of pro (i.e. employee) trading.

However, the Association recognizes the system challenges that will be placed upon Members in order to ensure the successful implementation of the proposed Rules.

The Association welcomes comments on these challenges and proposals for various solutions.

F Best interests of the capital markets

The Association is of the view that the proposed Rules will strengthen market integrity, which in turn leads to investor confidence and as such is in the best interest of the capital markets.

G Public interest objective

The Association believes that the proposed Rules are in the public interest in that they will facilitate efficient, fair and competitive primary and secondary markets. This will be accomplished by increasing investor confidence.

Furthermore, the disclosure requirements will help to address issues of unfairness and the perceptions thereof, as well as any possible client mistreatment in the capital-raising process and therefore assist in the protection of the investing public.

In addition, the proposed Rules will help standardize industry practices where necessary for the purpose of investor protection.

Finally, the proposed Rules will help to foster efficient capital markets by continuing to permit investment by industry professionals.

III COMMENTARY

A Filing in another jurisdiction

The proposed Rules will be filed for approval in Alberta, British Columbia and Ontario and will be filed for information in Nova Scotia and Saskatchewan.

B Effectiveness

The Association believes that the proposed Rules adopt the most practical and logical solution to address conflicts of interest while ensuring consistency with the rules in the self-regulatory system and in provincial securities legislation which protect the interests of clients.

It is the position of the Association that every effort has been made to balance the benefits to clients against the additional costs associated with the proposed Rules. The increased calculation reporting and disclosure requirements and increased supervision aspects of the proposed Rules have been carefully designed and tailored to address both investor confidence and investor protection raised by the potential for conflicts of interest.

C Process

The 2002 Draft Rules have been amended as a result of comments received from the CSA, the Compliance and Legal Section Executive Committee and the Institutional Subcommittee after being published for comment in October 2002. The Association presented the proposed Rules to the Compliance and Legal Section (CLS) on May 26, 2004 for a recommendation to the Association's Board of Directors; however, the CLS voted to not recommend approval of the proposed Rules to the Board of Directors.

CLS members voiced many concerns about the proposed Rules and in general feel they are too costly for Members and go far beyond what is necessary to properly address most conflicts of interest. Among the specific concerns expressed were: the lack of a business impact assessment for the proposed Rules; lack of guidance surrounding the pro group holdings exemptions and client priority rules; and the recommendation to have Members calculate the pro group holdings themselves rather than having the IDA act as a centralized database.

The proposed Rules were approved by the Board of Directors on June 13, 2004.

IV SOURCES

- IDA By-laws 1.1 and 29
- IDA Regulations 1300.17 and 1300.20
- IDA Policy No. 11
- Investment Dealers Association of Canada / The Toronto Stock Exchange – Proposed Rules Implementing the Report of the Joint Securities Industry on Conflicts of Interest – SRO Notice August 28, 1998, 21 O.S.C.B. 5574.
- National Instrument 33-105 *Underwriting Conflicts.*
- National Instrument 51-102 *Continuous Disclosure Obligations.*
- The Toronto Stock Exchange and TSX Venture Exchange Rules and Corporate Finance Policies.
- NASD Rule 2720
- NYSE Rule 472.

V OSC REQUIREMENT TO PUBLISH FOR COMMENT

The IDA is required to publish for comment the proposed amendments so that the issue referred to above may be considered by OSC staff.

The Association has determined that the entry into force of the proposed amendments would be in the public interest. Comments are sought on the proposed amendments. Comments should be made in writing. One copy of each comment letter should be delivered within 30 days of the publication of this notice, addressed to the attention of the Gail Van Horn, Investment Dealers Association of Canada, Suite 1600, 121 King Street West, Toronto, Ontario, M5H 3T9, gvanhorn@ida.ca and one copy addressed to the attention of the Manager, Market Regulation, Ontario Securities Commission, 20 Queen Street West, Toronto, Ontario, M5H 3S8.

Questions may be referred to:

Gail Van Horn
Legal and Policy Counsel
Investment Dealers Association of Canada
(416) 943-5885

INVESTMENT DEALERS ASSOCIATION OF CANADA
CONFLICTS OF INTEREST AND CLIENT PRIORITY

THE BOARD OF DIRECTORS of the Investment Dealers Association of Canada hereby makes the following amendments to the By-laws, Regulations, Forms and Policies of the Association:

1. The definition of “associate” in By-law 1.1 is amended by repealing the definition in its entirety and replacing it as follows:

   ““associate" where used to indicate a relationship with any person, means:

   (i) Any corporation of which such person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10 percent of the voting rights attached to all voting securities of the corporation for the time being outstanding;

   (ii) Any partnership, trust or estate in which such person has a substantial beneficial interest, unless that partnership, trust or estate is managed under discretionary authority by a person or company that is not a member of any Pro Group of which the first person is also a member, or as to which such person serves as trustee or in a similar capacity;

   (iii) Any relative of that person, including his/her spouse or spousal equivalent (including an individual of the same or opposite sex cohabitating with that person in a conjugal relationship), or a relative of the spouse or spousal equivalent if

      (a) the relative has the same home as that person; and

      (b) the person has discretionary authority over the securities accounts held by the relative;

   But where the applicable District Council in respect of a Member or a holding company of a Member orders that two persons shall, or shall not, be deemed to be associates, then such order shall be determinative of their relationships in the application of the By-laws, Regulations, Rulings and Policies, with respect to that Member or holding company.”

2. By-law 1.1 is amended by adding the following definitions:

   ““private placement" means an issuance from treasury of (i) voting or equity securities, (ii) securities that are convertible or exchangeable into such securities issued for cash without prospectus disclosure, in reliance on an exempting provision of the applicable securities legislation or (iii) subordinated or other forms of debt that qualify as capital of the issuer, but does not include a rights offering in respect of voting or equity securities.

   "pro group" means a group including, individually or as a group, the following persons or companies:

   (a) the Member;

   (b) any employee of the Member;

   (c) any agent acting in a similar capacity as an employee of the Member in compliance with By-law 39;

   (d) any partner, officer or director of the Member;

   (e) any affiliate of the Member; and

   (f) any associate of any person or company described in paragraphs (a) through (d).

   "pro group holdings" means, in respect of a class of voting or equity securities of any class or of subordinated or other forms of debt that qualify as capital of an issuer, the difference between:

   (a) the total number of securities (and/or the total dollar value of subordinated or other forms of debts that qualify as capital of the issuer) of the class that are beneficially owned, directly or indirectly, by members of the pro group or that members of the pro group have a right to acquire, whether conditional or not, excluding (i) all securities held as an underwriter in the course of a distribution, (ii) indirect holdings of a pro group member over which none of the Member nor any other member of the pro group has discretionary authority and (iii) those securities held by a pro group member for which that pro group member acts as a Registered Trader (as defined in the Toronto Stock Exchange Rule Book and Policies) or in a similar capacity on another Recognized Stock Exchange; and

   (b) the total number of securities (and/or the total dollar value of subordinated or other forms of debts that qualify as capital of the issuer) of the class that are held short by members of the pro group.

   For greater certainty in subparagraph (a), securities held by an underwriter after the

distribution has closed are to be included in the calculation.

Subject to the prior approval of the Association, "pro group holdings" shall exclude

(1) holdings of an affiliate or associate where

(i) the affiliate or associate engages in a distinct business or investment activity separately from the business and investment activities of the other members of the pro group,

(ii) the affiliate or associate has a separate organizational and reporting structure from all other members of the pro group,

(iii) there are adequate controls on information flowing between the other members of the pro group and the affiliate or associate, and

(iv) the Member maintains a list of such exempted affiliates and/or associates; or

(2) the holdings beneficially owned by a member of the pro group held outside the Member that are of a market value of less than $25,000.

The Association may, for the purposes of a particular calculation, include in the pro group holdings positions of a person that would otherwise be excluded or exclude from the pro group holdings positions of a person that would otherwise be included."

3. By-law 29.3A is repealed.

4. By-law 29 is amended by adding the following:

"29.28. **Conflicts of Interest – Reporting and Disclosure of Pro Group Holdings**

(1) A Member shall report the pro group holdings of the Member in the form and at the time prescribed from time to time by the Association.

(2) Whenever a Member has entered into any agreement, commitment or understanding with an issuer to act as advisor, agent or underwriter or member of a selling group in respect of that issuer's private placement or other offering of securities, the Member (or its employees or agents, as appropriate) shall disclose the percentage that its pro group holdings represent of the outstanding securities of each class of voting or equity securities and/or the total dollar value of all outstanding subordinated and other forms of debt that qualify as capital of such issuer that exceeds 10% in the manner prescribed in By-law 29.28(3):

(a) to clients of the Member when making recommendations or giving advice (on solicited trades) relating to securities that are the subject of the private placement or public offering of that issuer; and

(b) on all trade confirmations relating to transactions in the securities that are the subject of the private placement or public offering of that issuer.

(3) The disclosure required by By-law 29.28(2) will take the form that the percentage of pro group holdings in an issuer falls within one of the following bands:

(i) 10% to 15%,

(ii) 15% to 20%, or

(iii) more than 20%.

(4) The obligation to make the disclosure required in By-law 29.28(2) shall continue until the date that the Member's entire portion of the private placement or public offering has been sold.

29.29. **Client Priority**

(1) Orders for the accounts of clients of a Member shall have priority over all other orders in respect of securities executed by or on behalf of such Member except for any trade in a security, exchange contract, futures contract or futures contract option or activity in any account of a client of a Member if such trade or activity is in compliance with the by-laws, rules or regulations of any recognized exchange, regulation services provider or quotation and trade reporting system. For the purpose of Section 29.29 "orders for the accounts of clients" shall include an order for the account of a client of any Member but shall not include an order for an account in which any member of the pro group, as defined in By-law 1.1, has an interest, direct or indirect, other than an interest in a commission charged,

unless no member of the pro group has discretionary authority over such account.

(2) Notwithstanding Section 29.29(1), clients' orders do not have priority over pro group orders for a private placement if:

(a) the Member has not entered into any agreement, commitment or understanding with the issuer to act as advisor, agent or underwriter or member of a selling group in respect of the private placement or subsequent offerings of securities; and

(b) the percentage of pro group holdings in an issuer is less than 20% of the outstanding securities of a class of voting or equity securities of that issuer.

(3) Where client priority applies pursuant to Section 29.29(1), the pro group shall not be entitled to take up part of a private placement unless reasonable efforts have been made to offer the securities to eligible clients of the Member where such an investment would be suitable for such clients.

(4) For the purposes of Section 29.29(1), a client order is valid if received from an existing client and the client qualifies to purchase the securities based upon a prospectus exemption under the applicable securities legislation.

(5) Where client priority applies pursuant to Section 29.29(1), each Member shall have in place internal policies and procedures to fulfill the requirement in paragraph (3). Such policies and procedures shall include:

(a) where permitted by applicable securities legislation, the issuance of a press release by the issuer announcing the private placement, the Member's name and the price at which the private placement may be made, in advance of the pro group taking up any part of the private placement;

(b) setting a suitable time period taking into account the type of issue and the size of the client list between the announcement of a private placement and the time at which it becomes available to the pro group; and

(c) requiring that employees of Members make reasonable efforts to inform eligible clients of the private placement and that the Member retain evidence of the efforts used for a period of two years after completion of the private placement.

29.30. **Pro Group Hold Period**

(1) The holdings of the pro group that were issued pursuant to a private placement and are subject to a statutory hold period cannot be qualified for resale by way of a prospectus unless:

(a) the holdings of the pro group are less than 20% of any class of voting or equity securities, after taking into account the issuance of the private placement securities; or

(b) the holdings of the pro group exceed 20% of any class of voting or equity securities, after taking into account the issuance of the private placement securities; and

(i) the issuance of the private placement was accepted by an exchange, and

(ii) the price at which the securities were purchased by the pro group is greater than 80% of the public offering price.

For greater certainty, the holdings of the pro group shall reflect all holdings on a fully diluted basis.

(2) Notwithstanding Section 29.30(1) these securities may be disposed of, subject to applicable securities law, pursuant to an arm's-length merger or take-over bid subject to the consent of the exchange, market or quotation and trade reporting system upon which the issuer's securities are listed.

29.31. **General Conflicts**

Every Member shall also ensure disclosure of conflicts of interest is made

to its clients in situations not addressed by the scope of this By-law or Policy No. 11 in which there is a substantial likelihood that a reasonable client would consider the conflict important in making an investment decision.

5. Regulation 1300.20 is hereby amended by deleting the reference to By-law 29.3A and inserting a reference to By-law 29.29(1) in its place.

PASSED AND ENACTED BY THE Board of Directors this 13th day of June, 2004, to be effective on a date to be determined by Association staff.

13.1.2 IDA - Amendments to By-law No. 2.4: Membership

INVESTMENT DEALERS ASSOCIATION OF CANADA – AMENDMENTS TO BY-LAW NO. 2.4: MEMBERSHIP

I Overview

A Current rules

The Entrance Fee for an applicant for membership in the Association is currently $25,000. An application for membership must be accompanied by a $2,000 deposit on account of the Entrance Fee which is not refundable if the application is not approved by the District Council or the Board of Directors.

B The issues

1. In reviewing a membership application, the Financial Compliance, Sales Compliance and Registration departments together with the Association Secretary's staff incur costs including, on occasion, outside legal costs. If the District Council or the Board of Directors does not approve the application, the $2,000 non-refundable deposit is retained by the Association to defray all costs incurred relating to the processing of the application.

   The current deposit of $2,000 does not reflect the full cost of reviewing an application. In instances of non-approval of the application, all costs related to the application review in excess of $2,000 are in effect borne by the members of the Association. If the application is successful, the balance of new membership fees in the amount of $23,000 is collected.

2. The current by-law does not address the situation in which the applicant withdraws the application before being voted upon by District Council or the Board of Directors. The Association has not returned deposits in the past where applicants withdrew an application. However, the by-law is not clear whether an applicant is entitled to a refund if the application is withdrawn.

C Objectives

1. It is an objective of the Association to collect sufficient monies relating to a new membership application to defray the costs of review. A non-refundable deposit is required from an applicant to ensure the Association staff does not commit time and resources reviewing a new membership application where the application is submitted on an experimental basis.

   To achieve this objective the following two alternatives are considered:

1. Require a deposit significantly higher than the current $2,000 be paid upon receipt of the application with the proviso that the portion of the deposit not related to costs incurred by the IDA would be returned if the application is withdrawn or is unsuccessful. This alternative would require the IDA to build an accounting infrastructure to track all costs related to a new member application across all departments involved in the process. This would be necessary, as the Association would have to provide a detailed reporting breakdown of the costs incurred for purposes of determining the amount to be refunded.

2. Require a non-refundable deposit of $10,000. This alternative reflects the same proportional increase in the new membership fee amount of $25,000 from $5,000 made in 2001. The non-refundable portion of $25,000 remained unchanged at the time of the membership fee increase and should have increased by the same five-fold amount.

The latter alternative of requiring a non-refundable deposit of $10,000 is recommended as it serves to differentiate the serious applicant and provides the most simplistic method for the Association to recover costs involved in relation to the application review in the event it is either withdrawn or unsuccessful.

It should be noted that the bylaw also provides a mechanism should the Association incur extraordinary costs in excess of the new membership fee amount. Subject to District Council approval, an applicant may be required to reimburse the Association for extraordinary costs.

2. The second objective is to clarify the by-law by removing the condition under which the deposit is non-refundable. By removing the condition, the deposit is non-refundable in all cases.

D Effect of proposed rule

In the instance that an applicant does not become a member, the proposed amendment would shift the regulatory cost from the Association's members to the unsuccessful applicant.

The proposed amendment would not change the cost of membership for successful applicants.

E Public interest issues

There is no impact on the public.

II Commentary

A Filing in other jurisdictions

These proposed amendments will be filed for approval in Alberta, British Columbia, Saskatchewan and Ontario and will be filed for information in Nova Scotia.

B Effectiveness

The proposed change would increase the Association's ability to recover regulatory costs from applicants who do not become members.

C Process

This is an internal housekeeping issue that has been reviewed by senior Association management and outside legal counsel.

III Sources

IDA By-law No. 2

IV OSC requirement to publish for comment

The Association has determined that the entry into force of this proposed amendment is housekeeping in nature. As a result, a determination has been made that this proposed rule amendment need not be published for comment.

INVESTMENT DEALERS ASSOCIATION OF CANADA

Amendments to By-law No. 2.4: Membership

Board Resolution

THE BOARD OF DIRECTORS of the Investment Dealers Association of Canada hereby makes the following amendments to the By-laws, Regulations, Forms and Policies of the Association:

1. By-law No. 2.4 is amended by deleting the third paragraph of the section:

   "An application for membership shall be accompanied by a $2,000 deposit on account of the Entrance Fee which shall not be refundable if the application is not approved by the District Council or Board of Directors as the case may be."

   and replacing it with the following:

   "An application for membership shall be accompanied by a $10,000 deposit on account of the Entrance Fee which shall not be refundable."

PASSED AND ENACTED BY THE Board of Directors this 14th day of April 2004, to be effective on a date to be determined by Association staff.

INVESTMENT DEALERS ASSOCIATION OF CANADA

Amendments to By-law No. 2.4: Membership

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2.4. An application for Membership shall be in such form and executed in such manner as the Board of Directors may prescribe and shall contain or be accompanied by such information and material as the By-laws, the Board of Directors and the applicable District Council may require.

The prescribed form shall be signed by the applicant and also by a proposer and seconder who are partners or directors of Members but not members of the Board of Directors. An Application for Membership which is not so signed by a proposer and seconder shall be eligibl for consideration or approval by a District Council or the Board of Directors but the absence of a proposer or seconder may be considered by such Council or the Board, as the case may be, in exercising their respective powers in respect of the application.

An application for membership shall be accompanied by a $10,000 deposit on account of the Entrance Fee which shall not be refundable.

In addition, if in connection with the review or consideration of any application for Membership, a District Council or the Board of Directors is of the opinion that the nature of the applicant's business, its financial condition, the conduct of its business, the completeness of the application, the basis on which the application was made or any staff review in respect of the application in accordance with the By-laws of the Association has required, or can reasonably be expected to require, excessive attention, time and resources of the Association, such District Council or the Board of Directors may require the applicant to reimburse the Association for its costs and expenses which are reasonably attributable to such excessive attention, time and resources or provide an undertaking or security in respect of such reimbursement. If an applicant is to be required to make such reimbursement of costs and expenses, the Association shall provide to the applicant a breakdown and explanation of such costs and expenses in sufficient detail to permit the applicant to understand the basis on which the costs and expenses are to be calculated.

INVESTMENT DEALERS ASSOCIATION OF CANADA

Amendments to By-law No. 2.4: Membership

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Chapter 25

Other Information

25.1 Consents

25.1.1 Vision Global Solutions Inc. - ss. 4(b) of Reg. 289

Headnote

Consent given to OBCA corporation to continue under the Nevada Revised Statutes.

Applicable Ontario Statutory Provisions

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 181.
Securities Act, R.S.O. 1990, c. S.5, as am.

Regulations Cited

Regulations made under the Business Corporations Act, R.R.O., Reg. 289/00, ss. 4(b).

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

AND

IN THE MATTER OF
VISION GLOBAL SOLUTIONS INC.

CONSENT
(Subsection 4(b) of the Regulation)

UPON the application (the "Application") of Vision Global Solutions Inc. (the "Applicant") to the Ontario Securities Commission (the "Commission") requesting a consent from the Commission to continue in another jurisdiction pursuant to subsection 4(b) of the Regulation;

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a corporation existing under the provisions of the OBCA. The registered office of the Applicant is located at 44 Victoria Street, Suite 2100, Toronto, ON, M5C 1Y2

2. The Applicant is proposing to submit an application to the Director under the OBCA for authorization to continue in another jurisdiction pursuant to Section 181 of the OBCA (the "Application for Continuance");

3. Pursuant to subsection 4(b) of the Regulation, where an applicant corporation is an "offering corporation", the Application for Continuance must be accompanied by the consent from the Commission;

4. The Applicant is an "offering corporation" under the OBCA and is a "reporting issuer" under the *Securities Act* (Ontario) (the "Securities Act"). The Applicant is not a reporting issuer in any other jurisdiction in Canada. No securities of the Applicant are listed or quoted on any market or exchange in Canada;

5. The Applicant intends to remain a reporting issuer in Ontario;

6. The Applicant is not in default of any of the provisions of the Securities Act or the rules and regulations thereto;

7. The Applicant is not a party to any proceeding or to the best of its knowledge, information and belief, pending proceeding under the OBCA or under the Securities Act;

8. The Applicant's shareholders authorized the continuance of the Applicant as a corporation under the Nevada Revised Statutes (the "Nevada Act") by special resolution at a shareholders meeting held on October 31, 2003;

9. Pursuant to section 185 of the OBCA, all shareholders of record as of the record date for the meeting are entitled to dissent rights with respect to the application for continuance. The management information circular dated September 10, 2003 provided to shareholders in connection with the meeting, advised shareholders of the Applicant of their dissent rights;

10. The continuance under the Nevada Act has been proposed because most of the Applicant's business is carried on in the United States of America (“USA”), the principal trading market for the Applicant’s shares is in the USA, and a large proportion of the shareholders live in the USA and it is now desired to be domiciled in a jurisdiction more relevant and appropriate to the Applicant’s business and its shareholders; and

11. The Applicant's material rights, duties and obligations under the Nevada Act will be substantially similar to those under the OBCA.

THE COMMISSION HEREBY CONSENTS to the continuance of the Applicant as a corporation under the Nevada Act.

June 25, 2004.

"Wendell S. Wigle" "Robert W. Davis"

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