

The Ontario Securities Commission

OSC Bulletin

July 28, 2006

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

The Ontario Securities Commission

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

JULY 28, 2006

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

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

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

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Paul K. Bates	—	PKB
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Harold P. Hands	—	HPH
David L. Knight, FCA	—	DLK
Patrick J. LeSage	—	PJL
Carol S. Perry	—	CSP
Robert L. Shirriff, Q.C.	—	RLS
Suresh Thakrar, FIBC	—	ST
Wendell S. Wigle, Q.C.	—	WSW

SCHEDULED OSC HEARINGS

July 31, 2006
10:00 a.m.
Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton

s. 127

J. Cotte in attendance for Staff

Panel: TBA

August 2, 2006
John Daubney and Cheryl Littler

10:00 a.m.
s. 127 & 127.1

G. Mackenzie in attendance for Staff

Panel: PMM

August 8, 2006
2:30 p.m.
Momentas Corporation, Howard Rash and Alexander Funt

S. 127

P. Foy in attendance for Staff

Panel: WSW/RWD/CSP

September 12, 2006
Maitland Capital Ltd et al

10:00 a.m.
s. 127 and 127.1

D. Ferris in attendance for Staff

Panel: PMM/ST

September 12, 2006
First Global Ventures, S.A. and Allen Grossman

10:00 a.m.
s. 127

D. Ferris in attendance for Staff

Panel: PMM/ST

Notices / News Releases

September 13, 2006	Limelight Entertainment Inc., Carlos A. Da Silva, David C. Campbell, Jacob Moore and Joseph Daniels	TBA	Cornwall et al
10:00 a.m.	s. 127 and 127.1		s. 127
	D. Ferris in attendance for Staff		K. Manarin in attendance for Staff
	Panel: PMM/ST		Panel: TBA
September 21, 2006	Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues)	TBA	Robert Patrick Zuk, Ivan Djordjevic, Matthew Noah Coleman, Dane Alan Walton, Derek Reid and Daniel David Danzig
10:00 a.m.	s.127 and 127.1		s. 127
	D. Ferris in attendance for Staff		J. Waechter in attendance for Staff
	Panel: SWJ/ST		Panel: TBA
October 19, 2006	Euston Capital Corporation and George Schwartz	TBA	John Illidge, Patricia McLean, David Cathcart, Stafford Kelley and Devendranauth Misir
10:00 a.m.	s. 127		S. 127 & 127.1
	Y. Chisholm in attendance for Staff		K. Manarin in attendance for Staff
	Panel: WSW/ST		Panel: TBA
October 20, 2006	Olympus United Group Inc.	TBA	Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boulton and Peter Y. Atkinson
10:00 a.m.	s.127		s.127
	M. MacKewn in attendance for Staff		J. Superina in attendance for Staff
	Panel: TBA		Panel: TBA
October 20, 2006	Norshield Asset Management (Canada) Ltd.	TBA	Philip Services Corp., Allen Fracassi**, Philip Fracassi**, Marvin Boughton**, Graham Hoey**, Colin Soule*, Robert Waxman and John Woodcroft**
10:00 a.m.	s.127		s. 127
	M. MacKewn in attendance for Staff		K. Manarin & J. Cotte in attendance for Staff
	Panel: TBA		Panel: TBA
December 5, 6, & 7, 2006	Jose Castaneda		
10:00 a.m.	s. 127 and 127.1		
	T. Hodgson in attendance for Staff		
	Panel: TBA		
TBA	Yama Abdullah Yaqeen		
	s. 8(2)		
	J. Superina in attendance for Staff		
	Panel: TBA		

* Settled November 25, 2005

** Settled March 3, 2006

TBA	Mega-C Power Corporation, Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited S. 127 T. Hodgson in attendance for Staff Panel: TBA	1.1.2 Notice of National Instrument 81-107 Independent Review Committee for Investment Funds NOTICE OF NATIONAL INSTRUMENT 81-107 INDEPENDENT REVIEW COMMITTEE FOR INVESTMENT FUNDS The Commission is publishing in today's supplement to the Bulletin: <ul style="list-style-type: none">• National Instrument 81-107 <i>Independent Review Committee for Investment Funds</i> (NI 81-107) which contains the companion policy to NI 81-107 (the Commentary);• CSA Notice of NI 81-107, the Commentary and related amendments; and• Commission Rule 81-802 <i>Implementing National Instrument 81-107 Independent Review Committee for Investment Funds</i>, 81-802CP and Notice.
TBA	Portus Alternative Asset Management Inc., Portus Asset Management Inc., Boaz Manor, Michael Mendelson, Michael Labanowich and John Ogg s. 127 M. MacKewn & T. Hodgson for Staff Panel: TBA	The documents are published in today's supplement to the Bulletin. July 28, 2006
TBA	Bennett Environmental Inc.*, John Bennett, Richard Stern, Robert Griffiths and Allan Bulckaert* J. Cotte in attendance for Staff Panel: TBA * settled June 20, 2006	
TBA	Universal Settlements International Inc. s. 127 Y. Chisholm in attendance for Staff Panel: PMM/HPH/WSW	

ADJOURNED SINE DIE

Global Privacy Management Trust and Robert Cranston

Andrew Keith Lech

S. B. McLaughlin

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

Andrew Stuart Netherwood Rankin

1.1.3 Canadian Regulators Seek Comments on Soft Dollar Arrangements

Ainsley Cunningham
Manitoba Securities Commission
204-945-4733

FOR IMMEDIATE RELEASE

**CANADIAN REGULATORS SEEK COMMENTS
ON SOFT DOLLAR ARRANGEMENTS**

Frédéric Alberro
Autorité des marchés financiers
514-940-2176

July 21, 2006 – Toronto – The Canadian Securities Administrators (CSA) are seeking comments on proposed National Instrument 23-102 - *Use of Client Brokerage Commissions as Payment for Order Execution Services or Research* (“Soft Dollar” Arrangements) and Companion Policy 23-102. The proposed instrument and companion policy clarify how advisers and registered dealers can use client brokerage commissions and include guidelines regarding disclosure of “soft dollar” arrangements.

Soft dollar arrangements refer to the advisers’ use of brokerage commission dollars to pay for trading-related goods or services, including research, advice and analytical tools in addition to trade execution costs. Such arrangements may result in conflicts of interest and obscure the adviser’s best execution.

“The goal here is to ensure that advisers manage the appearance of conflicts of interest that may develop when investors do not have complete information about how the adviser spends their money,” says Jean St-Gelais, Chair of the CSA and President & Chief Executive Officer of the Autorité des marchés financiers (Québec). *“Investors may not be aware of soft dollar practices. Enhancing disclosure requirements in this area will improve investors’ confidence.”*

The CSA Proposed National Instrument 23-102 - *Use of Client Brokerage Commissions as Payment for Order Execution Services or Research* (“Soft Dollar” Arrangements), - and Companion Policy 23-102 are available on several CSA members’ websites. The comment period ends on October 19th, 2006.

The CSA, the council of the securities regulators of Canada’s provinces and territories, co-ordinates and harmonizes regulation for the Canadian capital markets.

For more information:

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Ontario Securities Commission
416-595-8913

Andrew Poon
British Columbia Securities Commission
604-899-6880

Tamera Van Brunt
Alberta Securities Commission
403-297-2664

Barbara Shourounis
Saskatchewan Financial Services Commission
306-787-5842

1.3 News Releases

1.3.1 OSC, IDA, MFDA & OBSI Report on Progress in Addressing Investor Issues

**FOR IMMEDIATE RELEASE
July 25, 2006**

**OSC, IDA, MFDA & OBSI
REPORT ON PROGRESS IN
ADDRESSING INVESTOR ISSUES**

TORONTO – The Ontario Securities Commission (OSC), Investment Dealers Association of Canada (IDA), Mutual Fund Dealers Association of Canada (MFDA) and the Ombudsman for Banking Services and Investments (OBSI) released a follow-up report today which outlines the progress that they have made in identifying and implementing solutions in response to the issues investors identified at the May 2005 Investor Town Hall.

At the Town Hall event, investors discussed their experiences with the current regulatory regime, and highlighted key areas of concern. Investors specifically articulated their frustration with navigating the current complaints process, a desire for improved communications between regulators and investors, and a need for timely and accessible redress mechanisms. The report responds to commitments made to investors at the event.

OSC Chair David Wilson recognizes the critical importance of consulting directly with investors. He says the report will help to focus the Commission on the needs of the retail investor, one of the key goals in this year's Statement of Priorities.

Vice-Chair Susan Wolburgh Jenah said: "The report discusses the progress our organizations have made since the Investor Town Hall - what we are working on, and what we plan to do in the coming months. This progress should be viewed as the end of the beginning, not the beginning of the end. Our organizations will continue to develop solutions to address investors' concerns in these areas – we still have work to do."

Additional details and the full report are available in the Investor Town Hall section of the OSC website (www.osc.gov.on.ca).

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and Public Affairs
416-593-8120

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

1.4 Notices from the Office of the Secretary

1.4.1 Teck Cominco Limited and Inco Limited

**FOR IMMEDIATE RELEASE
July 21, 2006**

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

AND

**IN THE MATTER OF
TECK COMINCO LIMITED AND
INCO LIMITED**

TORONTO – Following consideration of the submissions of the parties with respect to a consent order (the "Order") in connection with the application of Teck Cominco Limited dated July 13, 2006 (the "Application"), the Commission approved the Order and issued it at 9:45 p.m. on July 20, 2006.

Having approved the Order, the Commission dismissed the hearing of the Application originally scheduled for Friday, July 21, 2006.

A copy of the Order is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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Director, Communications
and Public Affairs
416-593-8120

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Manager, Public Affairs
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1-877-785-1555 (Toll Free)

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Venturelink Diversified Balanced Fund Inc. and Venturelink Brighter Future (Balanced) Fund Inc. - s. 5.5(1)(b) of NI 81-102 Mutual Funds

Headnote

s. 5.5(1)(b) of National Instrument 81-102 Mutual Funds (NI 81-102) – Approval of an amalgamation of two labour sponsored investment funds – approval is required because the amalgamation does not meet all of the pre-approval requirements in s. 5.6 of NI 81-102 – Approval is granted because the Amalgamation will benefit shareholders and will make the labour sponsored investment funds market more efficient.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, s. 5.5(1)(b).

July 18, 2006

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO

AND

IN THE MATTER OF
VENTURELINK DIVERSIFIED BALANCED FUND INC.
AND VENTURELINK BRIGHTER FUTURE
(BALANCED) FUND INC.
(the Funds or the Filers)

DECISION DOCUMENT

Background

The securities regulatory authority or regulator in Ontario (the **Decision Maker**) has received an application (the **Application**) from the Funds for approval of a proposed amalgamation of the Funds (the **Amalgamation**) pursuant to clause 5.5(1)(b) of National Instrument 81-102 - *Mutual Funds (NI 81-102)*.

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

This decision is based on the following facts represented by the Funds:

The Filers

VentureLink Diversified Balanced Fund Inc.

1. VentureLink Diversified Balanced Fund Inc. (**DB**) was incorporated under the *Business Corporations Act* (Ontario) (the **OBCA**).
2. DB is a registered labour sponsored investment fund corporation (**LSIF**) under the *Community Small Business Investment Funds Act* (Ontario) (the **CSBIF Act**) and is a prescribed labour-sponsored venture capital corporation (LSVCC) under the *Income Tax Act* (Canada) (the **Tax Act**). DB's investing activities are governed by such legislation (the **DB LSIF Legislation**).
3. DB primarily invests in securities of community small business investment fund corporations (**CSBIFs**) which in turn invest in companies operating in a diverse range of industries, with the objective of obtaining long term capital appreciation and must make "eligible investments" in "eligible businesses" as prescribed under the DB LSIF Legislation.
4. The labour sponsor of DB is the Canadian Federal Pilots Association (the **DB Sponsor**).
5. The authorized capital of DB is as follows:
 - (a) an unlimited number of Class A Shares which are widely held; and
 - (b) an unlimited number of Class B shares of which all of the issued and outstanding Class B shares are held by the DB Sponsor.
6. VentureLink LP is the manager of DB under a management contract. VentureLink LP is controlled by VL Capital Inc. a company controlled by Geoffrey D. Horton, W. James Whitaker and John S. Varghese. Its sole business is managing the Funds and four other VentureLink funds and it has approximately \$215 million in assets under management.
7. DB's shares are not listed on an exchange and DB ceased offering Class A Shares on November 29, 2003.
8. DB has approximately \$16.4 million in net assets.
9. The net asset value of DB is calculated each business day.

10. DB has complied with Part 11 of National Instrument 81-106 - *Investment Fund Continuous Disclosure (NI 81-106)* in connection with the Amalgamation.

VentureLink Brighter Future (Balanced) Fund Inc.

11. VentureLink Brighter Future (Balanced) Fund Inc. (**BFB**) was incorporated under the OBCA.

12. BFB is registered as a LSIF under the CSBIF Act and is prescribed as a LSVCC under the Tax Act. BFB's investing activities are governed by such legislation (the **BFB LSIF Legislation**).

13. BFB primarily invests in securities of CSBIFs which in turn make eligible investments in start-up and early stage Ontario businesses involved in essential resources, infrastructure and essential service industries, such as energy, water and waste management. BFB's objective is to obtain long term capital appreciation and it must make "eligible investments" in "eligible businesses" as prescribed under the BFB LSIF Legislation.

14. The labour sponsor of BFB is the Canadian Federal Pilots Association (the **BFB Sponsor**).

15. The authorized capital of BFB is as follows:

- (a) an unlimited number of Class A shares, which are widely held; and
- (b) an unlimited number of Class B shares, of which all of the issued and outstanding Class B shares are held by the BFB Sponsor.

16. VentureLink LP is the manager of BFB under a management contract.

17. BFB Shares are not listed on an exchange and BFB ceased offering Class A Shares under a prospectus on December 14, 2002.

18. BFB has approximately \$18.8 million in net assets.

19. The net asset value of BFB is calculated each business day.

20. BFB has complied with Part 11 of NI 81-106 in connection with the proposed Amalgamation.

The Amalgamation

21. On June 15, 2006, DB and BFB announced the proposal to amalgamate the Funds and to continue them as one fund (the **Amalgamated Fund**).

22. The investment objective of the Amalgamated Fund will be to realize long-term capital appreciation on all or part of its investment

portfolio. Balanced Fund will make investments in eligible Canadian businesses as defined in the CSBIF Act.

23. It is anticipated that the shareholders of DB and BFB will vote on the Amalgamation at shareholders' meetings to be held on July 25, 2006 (the **Shareholders' Meetings**), and, if approved, the Amalgamation is expected to be effective on a date (the **Effective Date**) to be determined by VentureLink LP, currently expected to be on or about July 28, 2006. VentureLink LP may, in its discretion postpone implementing the approved Amalgamation until a later date which shall be no later than October 1, 2006 or may elect after agreement of the board of directors of the Funds is received to not proceed with the Amalgamation.

24. In connection with the Shareholders' Meetings, shareholders of DB and BFB will be sent an information circular (the **Circular**) which will contain details of the proposed Amalgamation, including income tax considerations associated with the Amalgamation.

25. It is proposed that on the Effective Date, the Funds will amalgamate pursuant to the OBCA and continue thereafter as a prescribed LSVCC pursuant to the Tax Act and as a registered LSIF pursuant to the CSBIF Act under the name the "VentureLink Balanced Fund Inc." or such other name that is decided by the Board of Directors of the Amalgamated Fund. On the Effective Date shareholders of:

(a) DB Class A Shares will be entitled to receive, in exchange for those shares, Class A Shares of the Amalgamated Fund equal to the number of DB Class A Shares so held multiplied by the net asset value per Class A Share of DB divided by the net asset value per Class A Share of the Amalgamated Fund all as determined on the Effective Date;

(b) BFB Class A Shares will be entitled to receive, in exchange for those shares, Class A Shares of the Amalgamated Fund equal to the number of BFB Class A Shares multiplied by the net asset value per Class A Share of BFB divided by the net asset value per Class A Share of the Amalgamated Fund all as determined on the Effective Date; and

(c) DB and BFB Class B Shares will be entitled to receive, in exchange for those shares, 200 Class B Shares in the capital of the Amalgamated Fund.

26. While the Amalgamation will not be a "qualifying transaction" within the meaning of section 132.2 of

the Tax Act, more than 95% of the issued and outstanding shares of DB and BFB are held in tax sheltered registered retirement savings plans. Moreover, based on historical selling prices and the anticipated relative values of the shares issued by the Amalgamated Fund and the Class A shares of DB and BFB on the Effective Date, very few of the shareholders of DB or BFB will realize a capital gain as a result of the Amalgamation.

- 27. Shareholders of the Funds will be entitled to dissent from the Amalgamation pursuant to the provisions of the OBCA. A shareholder who dissents will be entitled, in the event the Amalgamation becomes effective, to be paid by the Amalgamated Fund, the fair value of the Class A Shares of a Fund determined as at the close of business on the day before the Amalgamation resolution was passed. The Boards and management of the Funds believe that the net asset value of each of the Class A Shares of the Funds represents the fair value of those Shares.
- 28. Any dissenting shareholders who held their Class A Shares of one of the Funds for less than eight years will be required to repay federal and provincial tax credits granted when the shares were originally purchased.
- 29. VentureLink LP will continue to serve as manager for the Amalgamated Fund (the **AF Manager**).
- 30. The costs of implementing the Amalgamation including the legal, incremental printing, mailing and regulatory costs will be borne by VentureLink LP. The cost of the solicitation of proxies for the Shareholders' Meeting will be borne by the Funds.
- 31. As a result of the terms of the Amalgamation, and the nature of DB and BFB as LSIFs, the Funds require approval of the Amalgamation and cannot rely on section 5.6(1) of NI 81-102 for the following reasons:
 - (i) a reasonable person would not consider the Amalgamated Fund to have substantially similar fundamental investment objectives as the Funds, as required by Section 5.6(a)(ii) of NI 81-102;
 - (ii) the Amalgamation is not a "qualifying exchange" within the meaning of section 132.2 of the Tax Act, as required by Section 5.6(1)(b) of NI 81-102;
 - (iii) the Amalgamation does not contemplate the wind up of the Funds; and
 - (iv) the materials to be sent to shareholders of DB and BFB will not include: a copy of the current long form prospectus of the Amalgamated Fund, or a copy of the

annual and interim financial statements of the Amalgamated Fund, as required by Section 5.6(1)(f)(ii) of NI 81-102 because such documents do not yet exist.

- 32. Management of the Funds believes that the Amalgamation will be beneficial to shareholders for the following reasons:
 - (a) **Greater Venture Portfolio Diversification** - The shareholders of the Amalgamated Fund, will become shareholders of a fund which has a broader, more diversified venture portfolio which is composed of a greater number of portfolio companies than that held by each individual fund. Diversification is the main tool available to reduce the high level of risk inherent in venture investing.
 - (b) **Improved Liquidity** - After the Amalgamation, the Amalgamated Fund is expected to have a stronger overall liquidity position than each of the Funds would have had alone. Maintaining adequate liquidity is important for a number of reasons. Cash is needed to meet the follow-on investment requirements of investee companies and to meet the redemption requests of shareholders. Adequate liquidity avoids the need to sell portfolio positions at inopportune times to generate cash, which can result in lower values being realized. Adequate liquidity allows the Amalgamated Fund to meet follow-on fundraising commitments to investee companies also prevents shareholders from suffering the dilutive effects of financings completed at significantly lower prices than previous financings.
 - (c) **Reduced Costs** - As compared to continuing each of the Funds as a single entity, shareholders of the Amalgamated Fund can expect to bear a modestly reduced level of fixed, recurring fees and expenses post-Amalgamation such as those of professional services fees and shareholder communication expenses.

Shareholder Disclosure

- 33. The Circular sent to DB and BFB shareholders will:
 - (a) include disclosure about the Amalgamation and prospectus like disclosure concerning the Amalgamated Fund and the shares to be issued under the Amalgamation including information regarding fees, expenses, investment objective, investment strategy, valuation

procedures, the manager, the investment manager, redemptions, income tax considerations, dividend policy, net asset value and risk factors;

“Leslie Byberg”
Manager, Investment Funds Branch
Ontario Securities Commission

- (b) disclose that shareholders can obtain audited annual financial statements of DB and BFB as at and for the periods ended December 31, 2005 at no cost by accessing the SEDAR website at www.sedar.com, by accessing the VentureLink Funds website at www.venturelinkfunds.com or by calling a toll-free telephone number. Note that financial statements have been delivered, in the normal course in accordance with the requirements of NI 81-106, to those shareholders of DB and BFB that requested them.

34. Although the materials sent to shareholders of DB and BFB will not include a copy of the current long form prospectus or annual and interim financial statements of the Amalgamated Fund, the Circular sent to these shareholders will contain detailed information about the Amalgamated Fund as it would be should the Amalgamation occur. The Circular will also contain a pro forma statement of net assets of the Amalgamated Fund compiled from the balance sheets of the Funds at December 31, 2005.

35. The Circular will contain a description of the Amalgamation, including the tax considerations associated with the Amalgamation which will allow DB and BFB shareholders to make an informed decision with respect to the Amalgamation.

Decision

The Decision Maker is satisfied that the test contained in NI 81-102 that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Maker under NI 81-102 is that approval of the Amalgamation is granted subject to the following:

- (a) the Funds have disclosed in the Circular of DB and BFB that shareholders can obtain the most recent annual and interim financial statements of DB and BFB that have been made public, at no cost, by accessing the SEDAR website at www.sedar.com, by accessing the VentureLinks website at www.venturelinkfunds.com or by calling a toll-free telephone number; and
- (b) the Funds include prospectus-like disclosure concerning the Amalgamated Fund in the Circular of DB and BFB.

2.1.2 Trizec Properties, Inc.

Staff is recommending relief on the basis that shareholders of Trizec Canada are receiving identical consideration in form and amount per security except that they will receive an additional US\$1.96 per share reflecting the arm's length agreed value of Trizec Canada's assets other than its approximate 38% interest in Trizec Properties. In other words, but for the insertion of the Trizec Canada entity between the Canadian shareholders of Trizec Canada and Trizec Properties, the Transaction would not be regulated as a business combination under Rule 61-501 pursuant to Paragraph (e)(iii)(A) of the definition of "business combination" in Section 1.1 of Rule 61-501.

July 13, 2006

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
THE PROVINCE OF ONTARIO**

AND

**IN THE MATTER OF
TRIZEC PROPERTIES, INC.**

DECISION DOCUMENT

WHEREAS the Director has received an application from Trizec Properties, Inc. ("Trizec Properties") for a decision under Ontario Securities Commission Rule 61-501 Insider Bids, Issuer Bids, Business Combinations and Related Party Transactions ("Rule 61-501") exempting Trizec Properties from the minority approval requirement set forth in Section 4.5 of Rule 61-501 in connection with the merger of Trizec Properties with a wholly-owned subsidiary of Grace Holdings LLC ("Grace Parent"), an affiliate of Brookfield Properties Corporation ("Brookfield").

AND WHEREAS Trizec Properties has represented to the Decision Maker as follows:

Trizec Properties

1. Trizec Properties was incorporated and is existing under the laws of the State of Delaware.
2. Trizec Properties is a "domestically-controlled" REIT within the meaning of Section 897(h)(4)(B) of the *Internal Revenue Code of 1986*, as amended (the "Code").
3. Trizec Properties is a reporting issuer in all provinces of Canada and is not on the list of defaulting reporting issuers maintained under the *Securities Act* (Ontario).
4. Trizec Properties' authorized share capital consists of 500,000,000 shares of common stock ("Common Shares") of which, as of June 2, 2006, approximately 157,199,870 Common Shares were issued and outstanding; 100 shares of special voting stock ("Special Shares") of which 100

Special Shares were issued and outstanding; 100,000 shares of Class F convertible stock ("Class F Shares") of which 100,000 Class F Shares were issued and outstanding; and 50,000,000 shares of preferred stock ("Preferred Shares") of which no Preferred Shares were issued and outstanding.

5. The Common Shares are listed on the New York Stock Exchange (the "NYSE") under the symbol "TRZ".
6. Neither the Special Shares nor the Class F Shares carry any voting rights with respect to the Trizec Merger.
7. Trizec Canada Inc. ("Trizec Canada"), directly, and indirectly through a Hungarian wholly-owned subsidiary, beneficially owns: (i) approximately 59,992,379 Common Shares, representing approximately 38% of the Common Shares; and (ii) 100% of the Special Shares and the Class F Shares. Trizec Canada owns one Common Share of Trizec Properties for each outstanding share of Trizec Canada to mirror the interest of shareholders in Trizec Canada in Trizec Properties.
8. The Common Shares not directly or indirectly beneficially owned by Trizec Canada, representing approximately 62% of the Common Shares, are held by the public and are publicly traded on the NYSE.
9. Trizec Properties' certificate of incorporation (the "Trizec Incorporation Certificate") contains an ownership limitation that is required to enable Trizec Properties to qualify as a "domestically-controlled" REIT within the meaning of the Code. This limitation restricts any person that is not a qualifying "U.S. person" (as defined in the Trizec Incorporation Certificate) (a "Qualifying U.S. person") from beneficially owning Trizec Properties' capital stock if that person's holdings, when aggregated with shares of Trizec Properties' capital stock beneficially owned by all other persons that are not "Qualifying U.S. persons", would exceed 45% by value of all Trizec Properties' issued and outstanding capital stock. Under the Trizec Incorporation Certificate, any acquisition of beneficial ownership of shares of Trizec Properties capital stock by a person that is not a "Qualifying U.S. person" is presumed to cause a violation of this ownership limit. Given Trizec Canada's ownership interest in Trizec Properties, a result of the enforcement of this ownership limitation is that persons other than persons qualifying as "Qualifying U.S. persons" are effectively excluded from owning Common Shares.
10. Other than Trizec Canada (i) persons or companies whose last address as shown on the

books of Trizec Properties is in Ontario hold less than two per cent of the outstanding securities of each class of securities of Trizec Properties, including the Common Shares; and (ii) Trizec Properties reasonably believes that persons or companies who are in Ontario beneficially own less than two per cent of the outstanding securities of each class of securities of Trizec Properties, including the Common Shares.

11. Prior to May 8, 2002, Trizec Properties was a subsidiary of TrizecHahn Corporation ("THC"), a corporation incorporated under the laws of Canada whose shares were listed and traded on the Toronto Stock Exchange ("TSX"). On May 8, 2002, THC adopted a plan of arrangement that was approved by THC's shareholders pursuant to which THC implemented a corporate reorganization (the "2002 Reorganization") and, as a result, Trizec Properties became a separate U.S.-based publicly traded REIT owning primarily the U.S. real estate assets previously owned by THC and its subsidiaries. As part of the reorganization, THC formed (and became a subsidiary of) Trizec Canada, a Canadian-based publicly traded company, the principal assets of which are its ownership interest in Trizec Properties along with certain limited Canadian and non-U.S. real estate assets previously owned by THC.

12. In connection with the 2002 Reorganization, each THC shareholder who elected to receive Common Shares of Trizec Properties but who did not, at the time of such election, validly certify its status as "Qualifying U.S. person", together with certain other shareholders whose share elections were subject to a *pro ration* adjustment, received transferable exchange certificates ("Exchange Certificates") of Trizec Properties, exchangeable on a one-for-one basis for underlying Common Shares upon certification that the holder thereof was a "Qualifying U.S. person". Holders who did not exchange their Exchange Certificates for Common Shares were entitled to receive proceeds from the sale of such Exchange Certificates to "Qualifying U.S. persons" by a custodian. As a result of the issuance of Exchange Certificates to Canadian shareholders of THC under the 2002 Reorganization, Trizec Properties became a reporting issuer in Canada. The Exchange Certificates ceased to be outstanding in August 2002 when they were sold to "Qualifying U.S. persons" and converted into Common Shares. Since the 2002 Reorganization, Trizec Properties has not endeavoured to change its status as a reporting issuer in Canada.

Trizec Canada

13. Trizec Canada was incorporated and is existing under the laws of Canada and its registered office is located in Toronto, Ontario.

14. Trizec Canada is a reporting issuer in all provinces of Canada and is not on the list of defaulting reporting issuers maintained under the *Securities Act* (Ontario).

15. The authorized share capital of Trizec Canada consists of an unlimited number of subordinated voting shares ("SVS") of which approximately 52,400,097 SVS are issued and outstanding; and 7,522,283 multiple voting shares ("MVS") all of which are issued and outstanding.

16. The SVS of Trizec Canada are listed on the TSX under the symbol "TZC.SV".

17. P.M. Capital Inc. ("PM Capital"), a corporation incorporated and existing under the laws of the Province of Ontario, owns all of the MVS of Trizec Canada and approximately 1.6% of the SVS of Trizec Canada. The remaining SVS of Trizec Canada, representing approximately 98.4% of the SVS, are held by the public and are publicly traded on the TSX.

Trizec Holdings Operating LLC

18. Trizec Holdings Operating LLC ("Trizec Holdings") was formed and is existing under the laws of the State of Delaware as a Delaware limited liability company.

19. Trizec Holdings was created in December 2004 as part of a reorganization of Trizec Properties' operating structure such that Trizec Properties conducts substantially all of its business and owns substantially all of its assets through Trizec Holdings.

20. Trizec Holdings is an approximately 98%-owned subsidiary of Trizec Properties and Trizec Properties is the sole managing member of Trizec Holdings. Trizec Holdings is not a reporting issuer in any province of Canada and none of the equity interests of Trizec Holdings are listed on or publicly traded over a stock exchange.

Acquisition Parties

Grace Holdings LLC ("Grace Parent") was formed and is existing under the laws of the State of Delaware as a Delaware limited liability company.

21. Grace Acquisition Corporation ("Mergerco") was incorporated and is existing under the laws of the State of Delaware and is a wholly-owned subsidiary of Grace Parent.

22. 4162862 Canada Limited ("Acquisitionco") was incorporated and is existing under the laws of Canada and is an affiliate of Grace Parent.

23. Grace OP LLC ("Merger Opco" and, together with Grace Parent, Mergerco and Acquisitionco, the "Acquisition Parties") was formed and is existing under the laws of the State of Delaware as a Delaware limited liability company and is an affiliate of Grace Parent.
24. Each of the Acquisition Parties is an affiliate of Brookfield Properties Corporation ("Brookfield") and was formed by Brookfield solely in connection with consummating the Transaction (defined below). Brookfield is a reporting issuer in all provinces of Canada and its securities are listed on the TSX and NYSE. None of the issued and outstanding securities of the Acquisition Parties are listed on or publicly traded over a stock exchange.
25. None of the Acquisition Parties nor Brookfield nor any affiliate thereof beneficially owns or exercises control or direction over voting securities of Trizec Properties, including the Common Shares, carrying more than 10 per cent of the voting rights attached to all of the outstanding voting securities of Trizec Properties, including the Common Shares.
26. None of the Acquisition Parties nor Brookfield nor any affiliate thereof is a "related party" of any of Trizec Properties, Trizec Canada or Trizec Holdings within the definition of "related party" contained in Section 1.1 of Rule 61-501.

Transaction

27. On June 5, 2006, Trizec Properties and Trizec Canada announced by press release that they had entered, along with Trizec Holdings, into a definitive agreement and plan of merger and arrangement agreement (the "Merger and Arrangement Agreement") with the Acquisition Parties pursuant to which the Acquisition Parties will acquire Trizec Properties, Trizec Canada and Trizec Holdings (the "Transaction").
28. The Merger and Arrangement Agreement was concluded after arm's length negotiations which formed part of a competitive bidding process in which several other arm's length parties participated.
29. The Transaction, if completed pursuant to the Merger and Arrangement Agreement, would effect:
- (a) a merger of Mergerco with and into Trizec (the "Trizec Merger") in accordance with Section 251 of the Delaware General Corporation Law (the "DGCL");
 - (b) a merger of Merger Opco with and into Trizec Holdings (the "Opco Merger") in accordance with the applicable provisions of the Delaware Limited Liability Company Act pursuant to which the holders of equity interests in Trizec Holdings (other than Trizec Properties, which holds an approximate 98% interest in Trizec Holdings) would be entitled to elect to receive either a cash payment of US\$29.01 per unit of equity interest held or continue to hold an equity interest in the surviving limited liability company of the Opco Merger; and
30. The material elements of the Trizec Merger are as follows:
- (a) each Common Share held directly or indirectly by Trizec Canada shall continue to remain an issued and outstanding common share of the surviving corporation of the Trizec Merger (the "Surviving Corporation"), without any payment or distribution in respect thereof, and each other outstanding Common Share (except any Common Shares held by Trizec Properties in treasury, which shares shall be cancelled immediately prior to the Trizec Merger) shall be converted and exchanged automatically into one fully paid and non-assessable redeemable preferred share ("Trizec Redeemable Shares") of the Surviving Corporation;
 - (b) each outstanding Special Share and Class F Share shall continue to remain issued and outstanding as a special share and Class F share of the Surviving Corporation;
 - (c) immediately after the completion of the Trizec Merger, each Trizec Redeemable Share shall be redeemed for the right to receive, in cash, US\$29.01 per share plus a per share amount which represents the *pro rata* portion of the regular quarterly dividend payable in respect of the Common Shares in the quarter in which the Trizec Merger occurs; and
 - (d) all outstanding shares of common stock of Mergerco shall be converted into common stock of the Surviving Corporation in an amount equal to the aggregate number of Common Shares (other than Common Shares held directly or indirectly by

- Trizec Canada) outstanding immediately prior to the effective time of the merger.
31. Pursuant to the Arrangement, each outstanding SVS and MVS shall be transferred by the holder thereof to Acquisitionco in exchange for payment, in cash, of the sum of US\$30.97 per share plus a per share amount which represents the *pro rata* portion of the regular quarterly dividend payable in respect of the SVS or MVS, as applicable, in the quarter in which the Arrangement occurs, and holders of SVS and MVS may be given the option to receive a portion of this consideration in the form of preferred shares of Brookfield.
32. The US\$30.97 per share that Trizec Canada's shareholders will receive in the Arrangement represents US\$29.01 per share attributable to the Common Shares held directly and indirectly by Trizec Canada plus an additional US\$1.96 per share which reflects the agreed value of Trizec Canada's net assets other than its approximate 38% interest in Trizec Properties.
33. The completion of the Transaction will be subject to customary closing conditions including:
- (a) with respect to the Trizec Merger, in accordance with DGCL, the approval and adoption of the Merger and Arrangement Agreement by the holders of at least a majority of the outstanding Common Shares entitled to vote thereon at a meeting (the "Trizec Shareholder Meeting") called for such purpose, which approval threshold is based on the majority approval of the votes attached to the total outstanding Common Shares, not the votes attached to just the shareholders in attendance in person or by proxy at the Trizec Shareholder Meeting;
- (b) with respect to the Arrangement, in accordance with the *Canada Business Corporations Act*, court approval of the Arrangement and the approval of the Arrangement by at least two-thirds of the votes cast by the holders of the SVS and MVS, voting together as a single class, present or represented by proxy at a special meeting called for such purpose; and
- (c) with respect to the Transaction, receipt of all other applicable regulatory, court and shareholder approvals required under applicable law.
34. Concurrently with the entering into of the Merger and Arrangement Agreement, Grace Parent and Trizec Canada entered into a support agreement (the "Trizec Canada Support Agreement") providing that Trizec Canada will vote, or cause to be voted, the Common Shares held directly or indirectly by Trizec Canada in favour of the Merger and Arrangement Agreement, the Trizec Merger and the other transactions contemplated by the Merger and Arrangement Agreement.
35. Concurrently with the entering into of the Merger and Arrangement Agreement, Grace Parent and PM Capital also entered into a support agreement (the "PM Capital Support Agreement" and, together with the Trizec Canada Support Agreement, the "Support Agreements") providing that PM Capital will vote, or will cause to be voted, the SVS and MVS held directly or indirectly by PM Capital in favour of the Arrangement.
36. To the knowledge of Trizec Properties, other than the Support Agreements, no other support agreements or other arrangements have been entered into between any Acquisition Party and any of the holders of securities of any of Trizec Properties, Trizec Canada or Trizec Holdings.
37. The board of directors of Trizec Properties (the "Trizec Properties Board"):
- (a) on the recommendation of a special committee of the Trizec Properties Board, has approved the Trizec Merger, the Merger and Arrangement Agreement and the other transactions contemplated by the Merger and Arrangement Agreement and has recommended that the Merger and Arrangement Agreement be adopted by the holders of the Common Shares; and
- (b) on behalf of Trizec Properties, in its capacity as the sole managing member of Trizec Holdings, has approved the Merger and Arrangement Agreement and deemed it advisable and in the best interests of Trizec Holdings and the members of Trizec Holdings for Trizec Holdings to enter into the Merger and Arrangement Agreement.
38. The board of directors of Trizec Canada has approved the Merger and Arrangement Agreement and the Arrangement and has recommended that the Arrangement be approved by the holders of SVS and MVS of Trizec Canada.
39. All documents concerning the Trizec Merger including, without limitation, the proxy circular to be prepared for the Trizec Shareholder Meeting, that will be sent to other holders of Trizec Properties' securities, will be concurrently sent to all holders of Trizec Properties' securities whose last address as shown in the books of Trizec Properties is in Ontario.

40. The Trizec Merger is a "business combination" within the meaning of Rule 61-501 in so far as it is an merger involving Trizec Properties as a consequence of which the interest of a holder of an equity security of Trizec Properties may be terminated without the holder's consent.
41. Paragraph (e)(ii) of the definition of "business combination" in Section 1.1 of Rule 61-501 may not exclude the Trizec Merger as a "business combination" as Trizec Canada, a "related party" of Trizec Properties within the definition of "related party" in Section 1.1 of Rule 61-501, may be considered to be a party to a "connected transaction" to the Trizec Merger to the extent that the Arrangement constitutes a "connected transaction" within the definition of "connected transaction" in Section 1.1 of Rule 61-501.
42. Paragraph (e)(iii)(A) of the definition of "business combination" in Section 1.1 of Rule 61-501 may not exclude the Trizec Merger as a "business combination" as Trizec Canada is not receiving identical consideration to the other shareholders of Trizec Properties (in and outside of Canada) in that Trizec Canada is receiving no consideration (although, under the Arrangement, the shareholders of Trizec Canada are receiving identical consideration to the shareholders of Trizec Properties in respect of the consideration allocated to the Common Shares of Trizec Properties owned by Trizec Canada). While there is a de minimis number of Canadian shareholders of Trizec Properties, to the extent that the existence of at least one other Canadian shareholder eliminates the application of the exclusion under paragraph (e)(iii)(A) to the Trizec Merger, this exclusion is not applicable.
43. Section 4.1 of Rule 61-501 provides that, among all the other requirements relating to business combinations under Part 4 of Rule 61-501, the minority approval requirement in Section 4.5 of Rule 61-501 does not apply to a business combination if, among other exemptions, at the time the business combination is agreed to: (i) persons or companies whose last address as shown on the books of the issuer is in Ontario hold less than two per cent of the outstanding securities of each class of affected securities of the issuer; and (ii) the issuer reasonably believes that persons or companies who are in Ontario beneficially own less than two per cent of the outstanding securities of each class of affected securities of the issuer, and all documents concerning the business combination that are sent generally to other holders of affected securities of the issuer are concurrently sent to all holders of the securities whose last address as shown on the books of the issuer is in Ontario (the "De Minimis Exemption").
44. The sole reason the Trizec Merger is not exempted by the De Minimis Exemption from the requirements under Part 4 of Rule 61-501, including the minority approval requirement, is that Trizec Canada beneficially owns greater than two per cent of the outstanding Common Shares of Trizec Properties.
45. Unless discretionary relief is granted, Trizec Properties would be required to hold a minority vote under Section 4.5 of Rule 61-501 in connection with the Trizec Merger resulting in the votes attaching to the securities in Trizec Properties beneficially held directly or indirectly by Trizec Canada being excluded from determining minority approval of the Trizec Merger.

AND WHEREAS the Director is satisfied that the decision requested by Trizec Properties may be granted pursuant to Rule 61-501.

THE DECISION of the Director is that, in connection with the Trizec Merger, Trizec Properties is exempt from the requirement under Section 4.5 of Rule 61-501 to hold a minority vote.

"Naizam Kanji"
Manager, Mergers & Acquisitions

**2.1.3 I.G. Investment Management, Ltd. and
Investors Mortgage Fund - MRRS Decision**

Headnote

Mutual Reliance Review System for exemptive relief application – mortgage investment fund permitted to change method of acquiring mortgages in non-arms-length transactions from the Forward Commitment Rate to the Modified Lender’s Rate and to exempt the Fund from the investment restriction that only permits a mortgage fund to invest up to 10% in residential mortgages with terms between 5 and 10 years to permit the Fund to invest up to 40% of its net assets in such mortgages and to exempt the investment fund from the requirement to hold a unitholder vote in circumstances where the basis of the calculation of the fee or expense that is charged to the mutual fund by the mutual fund or its manager is changed in a way that could result in an increase in charges to the mutual fund. – The relief is necessary to permit the Manager to restructure an existing mortgage fund which includes changes in the investment objectives and strategies and changes to the administrative fees and management fees charged to the Fund – Approval to change valuation methods to the Modified Lender’s Rate given as the Fund has entered into an agreement to repurchase the mortgages from the Fund in circumstances benefiting the Fund and that such an agreement is considered by the Administrators to justify the difference in yield to the Fund, relief granted to permit the Fund to invest up to 40% in residential mortgages with a 5 to 10 year maturity as restructuring provides for appropriate level of diversification, and relief granted from the requirement to have a securityholder’s vote on the conditions that the Manager provide an undertaking that it will absorb/waive these expenses on a daily basis to insure that in no case will the overall fees paid to the Manager by the Fund increase as a result of the restructuring and the Manager will provide an annual certificate in this regard.

Applicable Legislative Provisions

Section 2.6 part III of National Policy No. 29, section 2.1(g) parts III of National Policy No. 29 – section 5.1(a) of National Instrument 81-102 Mutual Funds.

June 6, 2006

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

AND

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

AND

**IN THE MATTER OF
I.G. INVESTMENT MANAGEMENT, LTD.
(the “Manager”)**

AND

**INVESTORS MORTGAGE FUND
(the “Fund”)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the “Decision Maker”) in each of the Jurisdictions has received an application from the Manager and the Fund (the “Filers”) for a decision under the securities legislation of the Jurisdictions (the “Legislation”) for:

- approval to permit the Fund to change the method of valuation of mortgages acquired in non-arm’s length transactions from the Forward Commitment Rate to the Modified Lender’s Rate (the “Approval”); and
- Exemptive Relief:
 - (i) to permit the Fund to invest up to 40% of its net assets in residential mortgages having terms to maturity greater than 5 years, but not exceeding 10 years; and
 - (ii) to permit the Fund to revise its fee structure by introducing a new fee payable by the Fund to the Manager based on the value of mortgages for which the Manager provides ongoing mortgage administration services, and reducing the overall management fee payable by the Fund to the Manager, without prior securityholder approval;

(referred to collectively as the “Requested Relief”).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

- (a) The Manitoba Securities Commission is the principal regulator for this application; and
- (b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 - *Definitions* have the same meaning in this decision unless they are defined in this decision. The following additional terms shall have the following meanings:

“**Authorities**” means the securities regulatory authority of a Jurisdiction;

“**Fund**” means Investors Mortgage Fund;

“**Instrument**” means National Instrument 81-102 – *Mutual Funds*;

“**Meeting**” means a special meeting of securityholders of the Fund to approve changes to the Fund’s investment objective and strategy;

“**NP 29**” means National Policy Statement No. 29 - *Mutual Funds Investing in Mortgages*; and

“**Trustee**” means Investors Group Trust Co. Ltd.

Representations

This decision is based on the following facts represented by the Filers:

1. The Manager is a corporation having its registered head office in Winnipeg, Manitoba.
2. The Manager provides day-to-day administration, including securityholder record-keeping, tax reporting and mortgage administration services for the Fund.
3. The Fund was established by a Trust Agreement under the laws of Manitoba.
4. The Fund is an open-end mutual fund. The net asset value of units of the Fund is calculated on a daily basis on each business day.
5. The units of the Fund are qualified for distribution in each province and territory of Canada pursuant to the simplified prospectus of the Investors Group Funds dated June 30, 2005, as amended, and the annual information form of the Investors Group Funds dated June 30, 2005, as amended.
6. The Fund is a reporting issuer under the applicable securities legislation of each province and territory of Canada and is not on the list of defaulting reporting issuers maintained under the applicable securities legislation of the Authorities.
7. The current investment objective of the Fund is to provide a consistent level of current income and stability by investing primarily in mortgages on improved real estate in Canada. To achieve this objective the Fund has assembled and intends to continue to assemble a diversified portfolio of first insured and non-insured mortgages. The Fund invests in mortgages on single family dwellings, condominiums, multi-unit dwellings and commercial properties, all as permitted under NP 29.

8. The Fund follows the standard investment restrictions and practices applicable to mutual funds pursuant to the Instrument and applicable securities legislation established by the Authorities, including the investment restrictions applicable to mortgage mutual funds prescribed by NP 29, except to the extent that the Fund has obtained orders to deviate from such Instrument and applicable securities legislation.

9. The Fund may acquire mortgages from both the Manager and from arm’s length sources. Most often, however, it acquires mortgages from the Manager, and has primarily done so for the past several years to the extent that all, or substantially all, of the mortgages now in its portfolio were acquired through the Manager. The valuation methods for mortgages acquired by the Fund are stipulated in Section III of NP 29. Paragraph 2.4 of Section III in NP 29 provides that when acquiring mortgages from lending institutions with which the Fund, the Manager and/or insiders of either of them are not dealing at arm’s length, these mortgages must be purchased by the Fund pursuant to any one of three prescribed valuation methods. Paragraph 2.6 of Section III in NP 29 provides that any change by a fund from one of these methods to another of these methods is subject to the prior approval of the “Administrators”. Since inception of the Fund in 1973, the mortgages obtained from the Manager have been acquired using the Forward Commitment Rate valuation method.

10. With respect to acquiring mortgages from the Manager under the Modified Lender’s Rate, the Manager will enter into an arrangement with the Fund to repurchase any mortgages in circumstances benefiting the Fund, thereby providing the Fund with a credit default guarantee and liquidity guarantee for these mortgages. Therefore, under the Modified Lender’s Rate method:

- (i) the Manager will assume the risk of changing interest rates between the commitment date and the date when mortgages are acquired by the Fund, and the Manager expects that the change to the Modified Lender’s Rate method will allow the Fund a better opportunity to take advantage of relatively more favourable yields; and
- (ii) securityholders will also benefit from the credit default and liquidity guarantees provided by the Manager because this will help protect the Fund from losses in the event of default by the borrowers under these mortgages.

11. The Manager further proposes to change the Fund’s investment objective and strategy to limit

- the Fund's investment in mortgages to not more than about 40% of Fund assets. This will enable the Fund to better manage the overall duration of its portfolio through the greater use of bonds and other fixed-term liquid investments.
12. The Fund consistently maintains a high liquidity to ensure it has moneys available for transactional purposes, including client switches and redemptions. The Fund will continue to be subject to the minimum liquidity requirements prescribed by NP 29 even if its investment in mortgages falls below 50% of its net assets.
 13. Most of the Fund's mortgage portfolio has been invested in single family residential mortgages, and it is expected that this will continue in the future. Under NP 29, the Fund now has the ability to invest up to 10% of its net assets in residential mortgages having terms between 5 and 10 years. In conjunction with the changes to the Fund's investment objective and strategy described in paragraph 11 above, the Filers seek to have the ability to invest up to 40% of the Fund's net assets in residential mortgages having terms exceeding 5 years, but with a maturity not exceeding 10 years. The Manager expects that this will allow the Fund to better diversify its mortgage portfolio, generate higher income, maximize yield, provide the opportunity to optimize returns for investors and should provide it with greater stability, in part because the Fund should experience less turnover of its mortgage portfolio.
 14. Securityholders of the Fund will be asked to approve changes to the Fund's investment objective and fundamental investment strategy, including the changes described in paragraph 13 above, at a special meeting scheduled to be held on or about June 15, 2006 (the "Meeting"). A notice of meeting, management information circular and a proxy in connection with the Meeting has been filed on SEDAR and was mailed to securityholders of the Fund on or before May 23, 2006. A Material Change Report and Media Release in respect of the changes were filed on SEDAR on April 28, 2006. A report of voting results as required by National Instrument 81-102 will be filed on SEDAR in due course after the meeting.
 15. The Fund has been an "Underlying Fund" investment for certain other fund-of-funds offered through Investors Group (referred to as the "Portfolios") since 1989. These investments are in compliance with section 2.5 of the Instrument. All of the disclosure material prepared in connection with the Meeting will be provided to securityholders of the Portfolios and they will be able to direct the Manager or Trustee as to how to vote their Portfolio's Holdings in the Fund.
 16. The Manager also intends to restructure the fees and expenses payable by the Fund in a way that ensures that the Fund remains competitive, and that reflects fairly the actual costs of operating the Fund. In this regard, the Manager intends to introduce an annual fee of up to 0.15% on the value of mortgages held by the Fund for which the Manager provides ongoing service and administration. This fee will apply only to the assets of the Fund invested in mortgages for which the Manager provides these administration services.
 17. Concurrent with the change in the fees described in paragraph 16 above, the Manager intends to reduce the annual management fee now payable by the Fund by 0.10% to 1.55% of the Fund's net assets. The management fee will continue to be calculated and accrued daily based on the net asset value of the Fund. The Manager has determined that this decrease in the Fund's annual management fee, when combined with the 0.15% fee on mortgages serviced by the Manager, should be expected to result over time in an overall net reduction in the Fund's management expense ratio as the Fund's mortgage portfolio decreases from current levels.
 18. The Manager undertakes to absorb sufficient fees and/or expenses (if necessary) on a daily basis to ensure that in no case will the overall fees paid to the Manager by the Fund (as a percentage of total assets) increase as a result of these changes. Accordingly, the changes in the fee structure of the Fund will not result in any increase in the fees payable by the Fund to the Manager. The Manager expects that the overall effect of these changes in the Fund's fee structure, objective and strategy, will result over time in relatively lower fees and expenses, and better diversification, and that this will provide the Fund with a greater opportunity to enhance its returns.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers under the Legislation is that:

1. The Approval is granted in respect of the change in valuation method used by the Fund to value mortgages acquired from non-arm's length parties to the Modified Lender's Rate, provided that the Manager (or an affiliate of the Manager) agrees to repurchase at the request of the Fund any mortgages in default that were acquired by the Fund from the Manager (or a related party) for an

amount equal to the outstanding principal balance on those mortgages and any accrued and unpaid interest; and

2. The Requested Relief is granted, provided that:

- (a) the relief from the requirement in section 5.1(a) of the Instrument that securityholders of the Fund approve the change in the Fund's fee structure is subject to the Manager waiving or absorbing sufficient fees and/or expenses to ensure that the introduction of any new fees, or the calculation in the basis of any existing fees, does not result in an increase in the total amount of fees payable by the Fund to the Manager as a percentage of the Fund's net assets;
- (b) the Manager will provide the Authorities with an undertaking regarding it waiving or absorbing the fees and/or expenses described in clause (a) and will certify at least annually that the Manager is complying with the condition in clause (a), until such time that the mortgage component of the Fund is reduced to 40% of the Fund's net assets; and
- (c) the relief from the investment restriction in section 2.1(g) of Part III in NP 29 to allow the Fund to invest up to 40% of its net assets in residential mortgages with terms exceeding 5 years, but not exceeding 10 years, is subject to securityholder approval of the changes in the Fund's investment objective and strategy, including this aspect of the Fund's strategy.

"Robert B. Bouchard"
Director Corporate Finance
The Manitoba Securities Commission

2.1.4 Hummingbird Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Application under Section 104(2)(c) of the Securities Act (Ontario) – Exemption from Sections 95-100 of Securities Act (Ontario) – Opportunity to conduct safe income tuck-in transactions offered to all shareholders in connection with proposed arrangement transaction – Acquisition of “Holdco corporations” by issuer in exchange for the issuance of an equal number of securities of the issuer as held by the Holdco corporation exempt from the issuer bid requirements of the Act – Participating shareholders liable for all expenses related to the Holdco transactions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 95-100, 104(2)(c).

July 20, 2006

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

AND

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

AND

IN THE MATTER OF
HUMMINGBIRD LTD. (Hummingbird) (the Filer)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for an exemption from the issuer bid requirements of the Legislation in respect of the Safe Income Tuck-In Transactions (the **Requested Relief**).

Under the Mutual Reliance Review System for Exemptive Relief Applications

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are otherwise defined in this decision.

“**Acquisition Sub**” means Linden Acquisition Ltd.;

“**Act**” means the *Securities Act* (Ontario);

“**Arrangement**” means the proposed arrangement under the provisions of section 192 of the CBCA as set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the Arrangement Agreement or Section 5.1 of the Plan of Arrangement or made at the direction of the Court in the final order approving the Arrangement;

“**Arrangement Agreement**” means the Arrangement Agreement dated as of May 25, 2006, between Parent, Linden Holdco, Acquisition Sub and Hummingbird and any amendment thereto made in accordance with such agreement (including Amendment No. 1 dated as of June 19, 2006);

“**Arrangement Resolution**” means the special resolution of Shareholders approving the Plan of Arrangement to be considered at the Meeting and set out in Appendix A to the Circular;

“**Board**” means the board of directors of Hummingbird;

“**CBCA**” means the *Canada Business Corporations Act*;

“**Circular**” means the management information circular of Hummingbird, including the notice of special meeting of Shareholders of Hummingbird dated June 26, 2006 and all schedules, appendices and exhibits and all documents incorporated by reference therein;

“**Decision Maker**” means the local securities regulatory authority or regulator in each of the Jurisdictions;

“**Dissent Rights**” means rights of dissent with respect to Hummingbird Shares pursuant to and in the manner set forth in Section 190 of the CBCA and the Arrangement;

“**Filer**” means Hummingbird Ltd.;

“**Holdco**” means a newly-formed Canadian holding company holding Hummingbird Shares;

“**Holdco Shareholder**” means a Shareholder who owns Hummingbird Shares through one or more newly-formed Canadian holding companies;

“**Hummingbird Shares**” means the common shares in the capital of Hummingbird;

“**Interim Order**” means an interim order of the Ontario Superior Court of Justice (Commercial List);

“**Issuer Bid Requirements**” means the issuer bid provisions as set out in Sections 89 to 105 of the Act and the equivalent provisions of the Legislation of the other Jurisdictions;

“**Jurisdictions**” means, collectively, British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia and Newfoundland and Labrador;

“**Legislation**” means the securities legislation of the Jurisdictions;

“**Linden Holdco**” means Linden Management Corporation;

“**Meeting**” means the special meeting of Shareholders, and all adjournments and postponements thereof, called and held to consider and pass the Arrangement Resolution;

“**Options**” means options to acquire Hummingbird Shares granted under the Stock Option Plan;

“**Parent**” means Symphony Technology II – A, L.P.;

“**Plan of Arrangement**” means the plan of arrangement substantially in the form of Schedule C to the Circular as amended or varied pursuant to the terms thereof;

“**Safe Income Tuck-in Transaction**” means the transaction described in paragraphs 17-20 of the Representations;

“**Shareholders**” means the holders of Hummingbird Shares;

“**Stock Option Plan**” means the 1996 Employee Stock Option Plan of Hummingbird;

“**Tax Act**” means the *Income Tax Act* (Canada); and

“**TSX**” means the Toronto Stock Exchange.

Representations

This decision is based on the following facts represented by the Filer:

1. Hummingbird, Parent, Acquisition Sub and Linden Holdco have entered into the Arrangement Agreement providing for the proposed arrangement involving Hummingbird, Parent, Acquisition Sub and Linden Holdco. The Arrangement would, subject to applicable shareholder, regulatory and court approvals, effect an arrangement pursuant to the Plan of Arrangement under the CBCA pursuant to which, among other things, Acquisition Sub would acquire all of the issued and outstanding Hummingbird Shares at a price of US\$26.75 per share.
2. Hummingbird was incorporated under the CBCA on September 27, 1984 as 135748 Canada Inc. Its corporate name was changed to Voiceterm Inc.

- on December 12, 1984, to Hummingbird Communications Ltd. on February 20, 1985, and to Hummingbird Ltd. on March 31, 2000.
3. Hummingbird's head office is located at 1 Sparks Avenue, North York, Ontario M2H 2W1.
 4. Hummingbird is a leading global provider of enterprise software solutions.
 5. Hummingbird is currently subject to the reporting requirements of the Act and is a "reporting issuer" under the Act and under the Legislation of each of the other Jurisdictions, and is not in default of its obligations as a reporting issuer under the Legislation of any of the Jurisdictions.
 6. The authorized share capital of Hummingbird consists of an unlimited number of common shares and an unlimited number of preference shares issuable in series. As at June 19, 2006, Hummingbird has issued and outstanding 17,617,449 Hummingbird Shares, each of which entitles the holder thereof to one vote at meetings of Shareholders other than those meetings where only the holders of shares of another class or of a particular series are entitled to vote. There are presently no preferred shares issued and outstanding.
 7. In addition, as at June 19, 2006, there are outstanding Options to purchase 1,229,287 Hummingbird Shares.
 8. The Hummingbird Shares are listed on the National Association of Securities Dealers Automated Quotation Stock Market and the TSX.
 9. Pursuant to the Plan of Arrangement, at the effective time all of the outstanding Hummingbird Shares shall be transferred to Acquisition Sub in exchange for US\$26.75 cash per share.
 10. The Plan of Arrangement also provides that all Options that are outstanding immediately prior to the Effective Time shall be deemed to be conditionally vested and will be transferred to Hummingbird in exchange for a cash payment from or on behalf of Hummingbird equal to the amount (if any) by which US\$26.75 exceeds the exercise price payable under such Options (as converted into U.S. dollars pursuant to the Plan of Arrangement), and Hummingbird's stock option plan shall be terminated.
 11. Holders of Hummingbird Shares may exercise rights of dissent with respect to such shares pursuant to and in the manner set forth in the Dissent Rights in connection with the Arrangement and the Interim Order. Holders of Hummingbird Shares who duly exercise such rights of dissent and who:
 - (a) are ultimately determined to be entitled to be paid fair value for their Hummingbird Shares will be deemed to have transferred such Hummingbird Shares to Acquisition Sub, to the extent the fair value therefore is paid by Acquisition Sub; or
 - (b) are ultimately determined not to be entitled, for any reason, to be paid fair value for their Hummingbird Shares will be deemed to have participated in the Arrangement on the same basis as a non-dissenting holder of Hummingbird Shares.
12. The special committee of the Board has unanimously determined that the Arrangement is fair to Shareholders and in the best interests of Hummingbird and has unanimously recommended that the Board approve the Arrangement and recommend that Shareholders vote for the Arrangement.
 13. The Board (other than Andrew Malik who did not vote due to his employment as a Managing Director at Lehman Brothers Inc., a financial advisor to Hummingbird) has unanimously determined that the Arrangement is fair to Shareholders and in the best interests of Hummingbird. Accordingly, the Board has approved the Arrangement Agreement and unanimously recommends that shareholders vote for the Arrangement Resolution. All of the directors and executive officers of Hummingbird have advised Hummingbird that they intend to vote or cause to be voted all Hummingbird Shares beneficially held by them in favour of the Arrangement Resolution.
 14. Hummingbird has obtained the Interim Order from the Court which requires that the Plan of Arrangement be approved by the Shareholders. The Interim Order provides for the calling and holding of the Meeting to vote on the Arrangement. It is also a condition to the closing of the Arrangement that a final order of the Court approving the Arrangement be granted.
 15. The Arrangement will be effected by way of the Plan of Arrangement which will require the affirmative vote of at least 66 2/3% of the votes cast by the holders of the Hummingbird Shares present in person or by proxy and entitled to vote at the Meeting.
 16. In connection with the Meeting, Hummingbird has delivered the Circular to its Shareholders. The Circular contains a detailed description of the Arrangement and complies with applicable provisions of the CBCA and the Interim Order.

17. In connection with the Arrangement, a Holdco Shareholder may choose to incorporate a newly-formed Holdco, transfer to the Holdco all of his, her or its Hummingbird Shares, and transfer to Hummingbird all of the issued and outstanding shares of the Holdco in exchange for the same number of new Hummingbird Shares as are held by the Holdco at the time of purchase and sale of the Holdco Shares (a Safe Income Tuck-In Transaction).
18. The purpose of a Safe Income Tuck-In Transaction is to enable Holdco Shareholders to achieve certain tax planning objectives relating to the ownership of their Hummingbird Shares. Such transactions are intended to allow a Holdco Shareholder access to the amount of "safe income" for purposes of the Tax Act attributable to the Holdco Shareholder's investment in Hummingbird Shares, without affecting the cost basis for tax purposes of Hummingbird Shares held by other Shareholders.
19. All costs and expenses incurred by Hummingbird, Parent, Acquisition Sub, Linden Holdco or the Holdco in connection with the Safe Income Tuck-In Transactions will be paid for by the participating Holdco Shareholders. Such participants will be required to indemnify Hummingbird, Parent, Acquisition Sub, Linden Holdco and the holding company for any liabilities that any of them may incur in connection with the Safe Income Tuck-In Transactions and to provide a release of Hummingbird, Parent, Acquisition Sub, Linden Holdco and the Holdco.
20. Following completion of the Safe Income Tuck-In Transactions, the Holdco Shareholders will own the same number of Hummingbird Shares that they each owned immediately prior to the Safe Income Tuck-In Transactions and will have the same rights and benefits in respect of such shares that each had immediately prior to the Safe Income Tuck-In Transactions.
21. The Safe Income Tuck-in Transactions must be completed no later than five business days prior to the effective date of the Arrangement.
22. Hummingbird intends to wind-up each of the Holdcos acquired by it pursuant to the Safe Income Tuck-In Transactions under the CBCA prior to the effective time of the Arrangement.

Decision

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 Requested Relief is granted.

"Robert L. Shirriff"
Ontario Securities Commission

"Suresh Thakrar"
Ontario Securities Commission

2.2 Orders

2.2.1 Sears Canada Inc. et al.

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

AND

IN THE MATTER OF
SEARS CANADA INC.,
SEARS HOLDINGS CORPORATION,
AND SHLD ACQUISITION CORP.

AND

IN THE MATTER OF
HAWKEYE CAPITAL MANAGEMENT, LLC,
KNOTT PARTNERS MANAGEMENT LLC, AND
PERSHING SQUARE CAPITAL MANAGEMENT, L.P.

ORDER

Motion Hearing	-	June 26, 2006
Panel		
Susan Wolburgh Jenah	-	Vice-Chair (Chair of the Panel)
Counsel		
For Staff	-	Kelley McKinnon
For Sears Holdings Corporation	-	Mark Gelowitz
-		Allan Coleman
For Desjardins Securities Inc. and Ronald Mayers	-	Peter Lukasiewicz

ORDER

WHEREAS these proceedings concern an offer (the Offer) by SHLD Acquisition Corp. (SHLD), a wholly-owned subsidiary of Sears Holdings Corporation (Sears Holdings), to acquire all of the outstanding common shares of Sears Canada Inc. (Sears Canada);

On June 5, 2006, Pershing Square Capital Management L.P. (Pershing), Hawkeye Capital Management, LLC (Hawkeye) and Knott Partners Management LLC (Knott Partners) (collectively, the Pershing Group) applied for relief against SHLD and Sears Holdings under sections 104 and 127 of the *Securities Act*, R.S.O. 1990, c. S.5 (the Act);

On June 5, 2006, SHLD and Sears Holdings applied for relief under sections 104 and 127 of the Act in respect of the conduct of the Pershing Group in connection with the Offer;

AND WHEREAS this motion, made by counsel for the applicants, SHLD Acquisition Corp. ("SHLD") and Sears Holdings Corporation ("Sears Holdings") (collectively, the "Applicants") for a pre-hearing order for production by Desjardins Securities ("Desjardins") and Mr. Ronald Mayers ("Mayers") in this hearing was heard on June 26, 2006 at 20 Queen Street West, Toronto, Ontario;

AND WHEREAS at the motion hearing, Desjardins and Mayers agreed to disclose and produce certain documents and information sought by SHLD and Sears Holdings as set out in paragraph a) below;

AND ON READING the written submissions of the Applicants and Desjardins and Mayers, and on hearing the submissions of counsel for SHLD and Sears Holdings and counsel for Desjardins and Mayers;

IT WAS ORDERED AT THE CONCLUSION OF THE JUNE 26 MOTION HEARING REFERRED TO ABOVE THAT:

Confidentiality of Productions

All Parties shall maintain as confidential any document received from the Commission that originated from Desjardins or Mayers and all such documents shall not be used for any purpose other than these proceedings.

Definition of "Documents"

The term "document" includes all of the following forms of documentation, both internal and external, including final versions of documents as well as drafts, agreements, correspondence, emails, voicemails, notes, memoranda, calendars, message slips, phone call logs, reports, calculations, charts and worksheets.

Production Order: Desjardins Securities

Desjardins and Mayers shall deliver to the Commission the following documents:

- (a) all documents since the announcement on December 5, 2005 of SHLD's offer to acquire all of the outstanding shares of Sears Canada Inc. ("Sears Canada") (the "Offer") between Mayers, Keith Howlett and Elliott Soifer and any of the Parties to this Proceeding in relation to Sears Canada and/or in connection with the Offer.

The foregoing documents shall be delivered to the Commission as soon as practicable, and in any event, no later than 5:00 p.m. EDT on June 28, 2006 unless otherwise ordered.

DATED at Toronto this 6th day of July, 2006.

"Susan Wolburgh Jenah"

2.2.2 Sears Canada Inc. et al.

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

AND

IN THE MATTER OF
SEARS CANADA INC.,
SEARS HOLDINGS CORPORATION,
AND SHLD ACQUISITION CORP.

AND

IN THE MATTER OF
HAWKEYE CAPITAL MANAGEMENT, LLC,
KNOTT PARTNERS MANAGEMENT LLC, and
PERSHING SQUARE CAPITAL MANAGEMENT, L.P.

PRE-HEARING PRODUCTION ORDER

Motion Hearing	-	June 9 and 20, 2006
Panel		
Susan Wolburgh Jenah	-	Vice-Chair (Chair of the Panel)
Robert W. Davis, FCA	-	Commissioner
Carol S. Perry	-	Commissioner
Counsel		
For Staff	-	Kelley McKinnon
For Hawkeye Capital Management LLC	-	Luis Sarabia
Knott Partners Management LLC	-	Steven Harris
Pershing Square Capital Management, L.P.		
For Sears Holdings Corporation	-	Mark Gelowitz
	-	Allan Coleman
For Sears Canada Inc.	-	Andrew Gray
	-	John Laskin
For the Bank of Nova Scotia and Scotia Capital Inc.	-	Paul Steep
	-	Thomas Sutton
	-	Lyla Simon
For Royal Bank of Canada	-	Peter Howard
For William Anderson	-	Gerald Ranking

WHEREAS these proceedings concern an offer (the Offer) by SHLD Acquisition Corp. (SHLD), a wholly-owned subsidiary of Sears Holdings Corporation (Sears Holdings), to acquire all of the outstanding common shares of Sears Canada Inc. (Sears Canada);

On June 5, 2006, Pershing Square Capital Management L.P. (Pershing), Hawkeye Capital Management, LLC (Hawkeye) and Knott Partners Management LLC (Knott Partners) (collectively, the Pershing Group) applied for relief against SHLD and Sears Holdings under sections 104 and 127 of the *Securities Act*, R.S.O. 1990, c. S.5 (the Act);

On June 5, 2006, SHLD and Sears Holdings applied for relief under sections 104 and 127 of the Act in respect of the conduct of the Pershing Group in connection with the Offer;

AND WHEREAS the motion, made by counsel for the Pershing Group for a pre-hearing order for production by SHLD and Sears Holdings, Sears Canada Inc., The Bank of Nova Scotia (BNS) and Scotia Capital Inc. (Scotia Capital) and The Royal Bank of Canada in this hearing was heard on June 9 and 20, 2006 at 20 Queen Street West, Toronto, Ontario;

AND WHEREAS the motion, made by counsel for SHLD Acquisition Corp. ("SHLD") and Sears Holdings Corporation ("Sears Holdings") for a pre-hearing order for production by the Pershing Group in this hearing was heard on June 9 and 20, 2006 at 20 Queen Street West, Toronto, Ontario;

AND WHEREAS at the motion hearing, the parties, including BNS and Scotia Capital and The Royal Bank of Canada, agreed to disclose and produce certain documents and information sought;

AND ON READING the written submissions of the parties, and on hearing the submissions of counsel for the parties;

IT IS ORDERED THAT:

Confidentiality of Productions

1. All Parties shall maintain confidential any productions received from any other party and such productions shall not be used for any purpose other than these proceedings.

Production Order: Bank of Nova Scotia and Scotia Capital

2. Scotia Capital and BNS shall produce documents in accordance with the questions and responses set out below:
3. All documentation evidencing substantive contacts between Holdings and each of BNS and Scotia Capital dealing with the Offer prior to the date of Scotia Capital's engagement letter with Holdings, including Scotia Capital's "pitch" books in respect of the potential mandate;

Response: *BNS and Scotia Capital will produce documentation evidencing substantive contacts between Holdings and each of BNS and Scotia Capital dealing with the Offer prior to the date of Scotia Capital's engagement letter with Holdings. BNS and Scotia Capital will produce the "pitch" book which was used at a meeting with Sears Holdings on December 29, 2005. This is the only pitch book that was prepared for Sears Holdings. Scotia Capital will also provide the date of the earliest contact between Holdings and Scotia Capital concerning a possible mandate with Sears Holdings.*

4. All documentation leading up to and documenting the engagement of Scotia Capital:
 - (a) as financial advisor to Holdings in connection with the Offer; and
 - (b) as dealer-manager in respect of the Offer;

Response: *BNS and Scotia Capital will produce the engagement letter dated January 6, 2006, wherein Scotia Capital was engaged as financial advisor to Holdings in connection with the Offer and as dealer-manager in respect of the Offer.*

5. All support agreements entered into by Scotia Capital and BNS referred to in the April 7, 2006 Notice of Variation and Change of Information filed by Holdings in respect of the Offer (the "Support Agreements");

Response: *BNS and Scotia Capital will produce the Support Agreements entered into by Scotia Capital and BNS referred to in the April 7, 2006 Notice of Variation and Change of Information filed by Holdings in respect of the Offer. BNS and Scotia Capital will also produce the date of the last draft of the engagement letters.*

6. All documentation between Holdings, and either or both of BNS and Scotia Capital dealing with:
 - (a) such party's interests in or relating to Sears Canada (whether by share ownership, derivative instrument or otherwise);
 - (b) the negotiation and entering into of the Support Agreements;
 - (c) the benefits (including tax benefits) and/or advantages that a party could obtain or derive, directly or indirectly, by entering into, or otherwise by virtue of, a Support Agreement; and

- (d) any variation of the Offer and second step going private transaction in connection with the Support Agreements;

Response:

- (a) *BNS and Scotia Capital will produce the Support Agreements. (See response to #3) and all substantive documentation relating to this inquiry*
- (b) *BNS and Scotia Capital will produce drafts of the Support Agreements, as well as substantive documentation between Holdings and either or both of BNS and Scotia Capital dealing with the negotiation and entering into of the Support Agreements.*
- (c) *The scope of production on this issue is addressed by Order of Vice-Chair Wolburgh Jenah dated June 20, 2006.*
- (d) *BNS and Scotia Capital will produce substantive communication between Holdings, and either or both of BNS and Scotia Capital dealing with any variation of the Offer and second step going private transaction in connection with the Support Agreements. BNS and Scotia Capital have not located any relevant documents in this category.*

7. All documentation dealing with a request or proposal that Scotia Capital or BNS tender their Sears shares to the bid, or agree to vote them under a Support Agreement;

Response: *BNS and Scotia Capital will produce any written requests or proposals, that they enter into a Support Agreement.*

8. All documentation between BNS and Scotia Capital including internal communications dealing with:

- (a) the interests of BNS and Scotia Capital in Sears Canada (whether by share ownership, derivative instrument or otherwise);
- (b) the negotiation and entering into of the Support Agreements, including all internal drafts thereof and comments thereon;
- (c) the benefits (including tax benefits) and/or advantages that could be obtained or derived, either directly or indirectly, by entering into, or otherwise by virtue of, a Support Agreement; and
- (d) any variation of the Offer and second step going private transaction in connection with the Support Agreements;

Response:

- (a) *BNS and Scotia Capital will produce the Swap Agreements, as well as substantive communication between BNS and Scotia Capital reflecting internal communications dealing with the interests of BNS and Scotia Capital in Sears Canada.*
- (b) *See answer to 4(b) and 5, modified as required to include documentation internal to or between BNS and Scotia.*
- (c) *The scope of production on this issue is addressed by Order of Vice-Chair Wolburgh Jenah dated June 20, 2006.*
- (d) *BNS and Scotia Capital have not located any documents falling into this category.*

9. In light of Scotia Capital and BNS's assertions in McCarthy Tétrault's letter of May 5, 2006 to Naizam Kanji of the Ontario Securities Commission that BNS, Scotia Capital Mergers & Acquisitions and Scotia Capital Institutional Equity were subject to controls relating to the containment of confidential information applicable to BNS, Scotia Capital Institutional Equity and Scotia Capital M&A, all documentation:

- (a) evidencing the steps taken or structures put in place to implement these "controls" in relation to the ownership of Sears Canada shares by either or both of BNS and Scotia Capital;

- (b) evidencing the steps taken or structures put in place to maintain the separation of Scotia Capital's role as financial advisor and dealer-manager in respect of the Offer from the decisions of BNS and Scotia Capital to enter into the Support Agreements;
- (c) evidencing steps taken or structures put in place (if any) to maintain the separation of (i) BNS and Scotia Capital (ii) Scotia Capital Mergers & Acquisitions and (iii) Scotia Capital Institutional Equity in respect of the Offer and the Support Agreements;

Response: (a), (b) and (c) *BNS and Scotia Capital will produce relevant policies and procedures regarding controls relating to the containment of confidential information applicable to BNS, Scotia Capital Institutional Equity and Scotia Capital M&A, including Chinese walls that were in place. BNS and Scotia Capital will produce documents which evidence any steps taken to maintain the separation of the financial advisor and the decision making concerning the Support Agreements.*

10. All trading records from October 2005 to May 2006 of Scotia Capital and BNS in respect of securities of Sears Canada (both on a derivative and actual share basis);

Response: *BNS and Scotia Capital will produce a summary of all trading activity from October 2005 to April 25, 2006 of Scotia Capital and BNS in respect of the trading of securities of Sears Canada for its own accounts.*

11. All agreements, commitments and understandings, apart from the Support Agreements, between any of Holdings, BNS and Scotia Capital with respect to Sears Canada;

Response: *BNS and Scotia Capital is not aware of any such documentation existing. However if BNS and Scotia Capital became aware of agreements, commitments and understandings, apart from the Support Agreements, between any of Holdings, BNS and Scotia Capital with respect to Sears Canada they will produce these.*

12. All swap agreements or other derivative instruments entered into by BNS or Scotia Capital in connection with or relating to shares in Sears Canada in 2005 and 2006;

Response: *BNS and Scotia Capital will produce all swap agreements entered into by BNS or Scotia Capital in connection with or relating to shares in Sears Canada in 2005 up to and including April 25, 2006.*

13. All documentation dealing with communications between any of Holdings, Scotia Capital and BNS with respect to the ability of Holdings to secure the majority of the minority on any second step going private transaction for Sears Canada;

Response: *BNS and Scotia Capital have not located any communications between any of Holdings, Scotia Capital and BNS with respect to the ability of Holdings to secure the majority of the minority on any second step going private transaction for Sears Canada.*

14. A summary of all trading activity and swap activities of Scotia Capital and BNS relating to shares in Sears Canada from November, 2006 to May, 2006.

Response: *BNS and Scotia Capital will produce a summary of trading from October 2005 to April 25, 2006 of Scotia Capital and BNS in respect of securities of Sears Canada held for its own accounts. (See response to #8) including information on the time of day of each of its trades.*

15. All recordings, transcripts of recordings or other documentation reflecting discussions between any of Scotia Capital, BNS and Sun Trust with respect to the Offer or in relation to transactions involving the shares in Sears Canada;

Response: *There is no reason to believe that there are any recordings concerning the Offer. BNS and Scotia Capital will not search through archived recordings for such communications. Recordings would be in relation to trading. The transcripts of calls relating to trading of Sears Canada shares are not relevant. A summary of trades is being provided separately.*

16. Any documentation concerning the engagement of BNS in respect of the December 22, 2005 credit facility provided to Sears Canada.

Response: *BNS will produce any substantive communication concerning the engagement of BNS in respect of the December 22, 2005 credit facility provided to Sears Canada from Scotia Capital M&A to Holdings from the date Scotia Capital M&A and Holdings first communicated with respect to a mandate.*

Production Order: Royal Bank of Canada

17. Royal Bank of Canada shall produce documents in compliance with the questions and responses set out below and in a manner consistent with the production orders made in respect of the same issues in relation to Scotia Capital and Bank of Nova Scotia:
18. Please provide copies of the documentation (including e mails) surrounding the decision by RBC to enter into the Support Agreements, including documentation respecting the negotiations, final support agreement and any agreements or understandings in relation thereto.

Response: *RBC does not object to the production of the Support Agreement by Sears Holdings. RBC will review the Sears Holdings productions with respect to contacts between it and Sears Holdings and produce additional documents, if any. RBC will produce non-privileged internal communications with respect to the RBC's shareholdings in Sears Canada and the execution of the Support Agreements in the period from acquisition of the shares to the date of the execution of the Support Agreement in April 2006 including, without limitation, the consideration of tax matters in such communications..*

19. What were the circumstances surrounding RBC's purchase of shares of Sears Canada? When did RBC purchase those shares and from whom? Were they acquired through pre-arranged trades? Please provide a summary of the trades by date and party.

Response: *RBC will produce a summary of its trading in the shares of Sears Canada. The summary will include information on the date of trades, quantity traded and share price.*

20. Is RBC a party to any derivatives, such as swaps, based on Sears Canada shares? Please provide the terms of any such transactions, including the dates of them, and the number of shares of Sears Canada on which any such derivatives are based.

Response: *RBC will produce copies of the confirmations and collateral agreements relating to (a) the cash settled forwards entered into in November and December 2005; (b) the cash settled equity swaps entered into in April 2006; and (c) the swap terminations effected in June 2006. In each case, RBC may omit the name of the counterparty. The documents shall be produced by June 23, 2006.*

21. Is RBC entitled to any tax loss deduction in connection with its Sears Canada shares (having regard to the so-called stop loss rules provided for in the ITA)? Please produce documents that bear upon this issue.

Response: *Included in the answer to #18.*

Sears Holdings Corporation and Sears Canada Inc.

22. Sears Canada shall either (i) produce non-privileged documents in its power, possession and control responsive to the following questions, or (ii) produce non-privileged documents in its power, possession and control responsive to the following questions that are not produced by other parties:
- (a) All documentation reflecting communications between representatives of Holdings and any members of the Special Committee formed by the Board of Directors of Sears Canada in or about on December, 2005 (the "Special Committee") in connection with the Offer, including but not limited to, all communications and documentation between members of the Special Committee and representatives of Holdings with respect to support agreements entered into by Holdings in connection with the Offer.
 - (b) All communications and documentation between officers, directors, employees or representatives of Holdings and officers, directors or employees of Sears Canada in connection with or pertaining to the Offer;
 - (c) All documentation relating to the engagement of The Bank of Nova Scotia and Scotia Capital Inc. in respect of the December 22, 2005 credit facility provided to Sears Canada including all board and board committee resolutions and minutes related thereto;
 - (d) All documentation relating to the proposal to eliminate Sears Canada's practice of paying quarterly dividends including all board and board committee resolutions and minutes related thereto;
 - (e) All documentation relating to Holdings' decision not to seek a majority of independent directors to serve on the board of Sears Canada including all board and board committee resolutions and minutes related thereto;

Decisions, Orders and Rulings

- (f) All shareholder lists and NOBO lists for Sears Canada in the possession, custody or control of Sears Canada as at any date after August 31, 2005; and
- (g) All documents concerning the retainer of Genuity Capital Markets by the Special Committee including, in particular, any contacts that representatives of Holdings may have had with Genuity or involvement they may have had in the preparation by Genuity Capital Markets of its valuation of Sears Canada.

23. Sears Canada shall comply with this production order by June 16, 2006.

DATED at Toronto this 6th day of July, 2006.

"Susan Wolburgh Jenah"

"Robert W. Davis"

"Carol S. Perry"

**2.2.3 Clarica Investco Inc. - s. 7.1 of MI 33-109
Registration Information**

Headnote

Application for relief from certain filing requirements of MI 33-109 in connection with a bulk transfer of the firms registered individuals employees into an additional registration category in connection with the mutual fund dealers additional registration as a limited market dealer.

Applicable Rule

MI 33-109 – Registration Information.

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

AND

**IN THE MATTER OF
CLARICA INVESTCO INC.**

**ORDER
(Section 7.1 of Multilateral Instrument 33-109)**

UPON the application (the Application) of Clarica Investco Inc. (the Applicant) pursuant to section 7.1 of Multilateral Instrument 33-109 - *Registration Information* (MI 33-109) for an exemption from the requirement in section 4.2 of MI 33-109 that the Applicant submit a completed Form 33-109F2 for all Registered Individuals of the Applicant in connection with the Applicant's registration as a dealer in the category of limited market dealer (LMD), in addition to its current registration as a dealer in the category of mutual fund dealer;

AND UPON considering the Application;

AND UPON the Applicant having represented to the Director that:

1. The Applicant is a corporation organized under the laws of Canada. The Applicant's principal place of business is in Waterloo, Ontario.
2. The Applicant is registered in Ontario as a dealer in the category of mutual fund dealer. The Applicant has applied to the Commission for registration as a limited market dealer.
3. The Applicant is a Canadian mutual fund dealer registered in every province and territory for the distribution of investment funds. The Applicant has approximately 1300 Registered Individuals.
4. All individuals who trade in securities in Ontario on behalf of the Applicant have been registered as Registered Individuals in accordance with the registration requirement under section 25(1) of the Act and the requirements of Multilateral Instrument 33-102 – *National Registration Database* (**MI 33-**

102), by submitting a Form 33-109F4 completed with all the information required for a Registered Individual.

5. The Applicant seeks relief from the requirement to submit a Form 33-109F2 – *Change or Surrender of Individual Categories* for each of its Registered Individuals in connection with the Applicant adding an additional category of dealer registration for each of its Registered Individuals on the National Registration Database (**NRD**)(the **Bulk Transfer**).

6. Given the number of Registered Individuals of the Applicant, the preparation and filing of Form 33-109F2's on behalf of each Registered Individual would achieve no regulatory purpose, while imposing an unwarranted administrative and compliance burden on the Applicant.

AND WHEREAS the Director is satisfied that it would not be prejudicial to the public interest to make the requested Order on the basis of the condition proposed;

IT IS ORDERED, pursuant to section 7.1 of MI 33-109, that the Applicant is exempt from the requirement in section 4.2 of MI 33-109 to submit a completed Form 33-109F2 for each of its Registered Individuals in connection with the Applicants registration as a dealer in the additional category of limited market dealer;

PROVIDED THAT the Applicant make acceptable arrangements with CDS Inc. for payments of the costs associated with the Bulk Transfer of the Applicants Registered Individuals on the NRD, as referred to in subsection 3.1(5) of Companion Policy 33-109CP – To Multilateral Instrument 33-109 – *Registration Information*, and make such payment in advance of the completion of the Bulk Transfer.

July 18, 2006

"David M. Gilkes"

2.2.4 Teck Cominco Limited and Inco Limited - s. 127

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

AND

**IN THE MATTER OF
TECK COMINCO LIMITED AND
INCO LIMITED**

**ORDER
(Section 127)**

WHEREAS Teck Cominco Limited ("Teck") has applied to the Commission by letter dated July 13, 2006, for a permanent order pursuant to Section 127 of the Act that trading cease in respect of any securities issued, or to be issued, under or in connection with the shareholder rights plan of Inco Limited ("Inco") dated September 14, 1998 (the "Inco Rights Plan"), as amended, including, without limitation, in respect of the rights (the "Rights") issued under the Inco Rights Plan and any common shares of Inco to be issued upon the exercise of the Rights;

AND WHEREAS Teck has made an offer (the "Teck Offer") to purchase all of the outstanding common shares of Inco other than the Inco shares owned directly or indirectly by Teck as described in an offer and circular mailed to Inco shareholders on May 23, 2006;

AND WHEREAS Teck and Inco have consented to the issuance of a cease trade order effective as of 4:30 p.m. (Eastern Daylight Time) on August 16, 2006 in respect of the Teck Offer;

AND WHEREAS staff of the Commission have recommended that the Commission issue this order;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

IT IS HEREBY ORDERED THAT, pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities issued, or to be issued, under or in connection with the Inco Rights Plan including, without limitation, in respect of the Rights issued under the Inco Rights Plan and any common shares of Inco to be issued upon the exercise of the Rights, shall cease effective as of 4:30 p.m. (Eastern Daylight Time) on August 16, 2006.

Dated at Toronto, this 20th day of July, 2006.

"Paul M. Moore"

"David L. Knight"

"S. Thakrar"

2.2.5 Pacific Investment Management Company LLC and Pimco Europe Ltd. - s. 80 of the CFA

Headnote

Section 80 of the Commodity Futures Act (Ontario) – relief from the adviser registration requirements of subsection 22(1)(b) of the CFA in respect of advising certain mutual funds, non-redeemable investment funds and similar investment vehicles established outside of Canada in respect of trades in commodity futures contracts and commodity futures options traded on commodity futures exchanges primarily outside of Canada and cleared through clearing corporations primarily outside of Canada, subject to certain terms and conditions.

Statutes Cited:

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

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

AND

**IN THE MATTER OF
PACIFIC INVESTMENT MANAGEMENT
COMPANY LLC AND PIMCO EUROPE LTD.**

**ORDER
(Section 80 of the CFA)**

UPON the application (the Application) of Pacific Investment Management Company LLC (PIMCO), PIMCO Europe Ltd. (PIMCO Europe) and Future Fund Managers, as defined below (collectively, the Applicants) to the Ontario Securities Commission (the Commission) for an order, pursuant to section 80 of the CFA, that the Applicants and their directors, officers, partners and employees are exempt, for a period of three years, from the registration requirements of section 22(1)(b) of the CFA in respect of advising certain mutual funds and non-redeemable investment funds and similar investment vehicles established outside of Canada (the Funds, as set out in Schedule A) in respect of trades in commodity futures contracts and commodity futures options traded on commodity futures exchanges primarily outside of Canada and cleared through clearing corporations primarily outside of Canada;

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

AND UPON the Applicants having represented to the Commission that:

1. PIMCO is a limited liability company duly formed under the laws of the state of Delaware. PIMCO is

- registered with (a) the U.S. Securities and Exchange Commission (SEC) as an investment adviser under the U.S. Investment Advisers Act of 1940, (b) the Commodity Futures Trading Commission (CFTC) as a Commodity Trading Adviser and (c) the National Futures Association (NFA).
2. PIMCO Europe is a private limited company incorporated in England and Wales. PIMCO Europe is registered with the Registrar of Companies for England and Wales and is authorized by the Financial Services Authority in the United Kingdom to advise on investments including commodity futures and options. PIMCO Europe is authorized to provide its services through branches in both Germany and the Netherlands and has notified the BaFin in Germany and the Autoriteit Financiële Markten (AFM) in the Netherlands accordingly. Each branch is registered with the respective companies registry in both Germany and the Netherlands. PIMCO Europe is also authorized to provide its services on a cross border basis in a majority of European member states.
3. The Applicants may also include, from time to time, other non-resident entities (the Future Fund Managers) in the PIMCO Group of companies that provide advice with respect to commodity futures and options contracts to the Funds which may subsequently execute and submit to the Commission a verification certificate confirming the truth and accuracy of the information set out in this Application with respect to that particular Applicant.
4. None of the Applicants is resident in Canada.
5. In respect of each Fund, one or more of the Applicants is a trading advisor for the Funds.
6. The Funds are, or will be, established outside of Canada. Securities of the Funds are, or will be, offered primarily outside of Canada. Securities of the Funds will be offered and distributed in Ontario through Ontario-registered dealers, in reliance upon an exemption from the prospectus requirements of the Ontario *Securities Act* (the OSA) and in reliance upon an exemption from the adviser registration requirement of the OSA under section 7.10 of Commission Rule 35-502 *Non-Resident Advisers* (Rule 35-502).
7. The Funds may invest in commodity futures contracts and options traded on organized exchanges primarily outside of Canada and cleared through clearing corporations located primarily outside of Canada, other derivative instruments traded over the counter primarily outside of Canada and in securities.
8. None of the Applicants is registered in any capacity under the CFA or the OSA.
9. There is presently no rule under the CFA that provides an exemption from the adviser registration requirement in paragraph 22(1)(b) of the CFA for a person or company acting as an adviser in respect of commodity futures options and commodity futures contracts that is similar to the exemption from the adviser registration requirement in clause 25(1)(b) of the OSA for acting as an adviser (as defined in the OSA) in respect of securities that is provided under section 7.10 of Rule 35-502.
10. As would be required under section 7.10 of Rule 35-502, the securities of the Funds are, or will be:
- (i) primarily offered outside of Canada;
 - (ii) only distributed in Ontario through one or more registrants under the OSA; and
 - (iii) distributed in Ontario in reliance upon an exemption from the prospectus requirements of the OSA.
11. Prospective investors in the Funds who are Ontario residents will receive disclosure that includes:
- (i) a statement that there may be difficulty in enforcing any legal rights against the applicable Fund, or the Applicant which advises the relevant Fund, because such entities are resident outside of Canada and all or substantially all of their assets are situated outside of Canada; and
 - (ii) a statement that the relevant Applicant advising the applicable Fund is not, or will not be, registered with the Commission under the CFA and, accordingly, the protections available to clients of a registered adviser under the CFA will not be available to purchasers of securities of the Fund.
12. None of the Funds is, and none have a current intention of becoming a reporting issuer in Ontario or in any other Canadian jurisdiction.

AND UPON being satisfied that it would not be prejudicial to the public interest for the Commission to grant the exemption requested on the basis of the terms and conditions proposed;

IT IS ORDERED pursuant to section 80 of the CFA that the Applicants and their directors, officers, partners and employees are not subject to the requirements of section 22(1)(b) of the CFA in respect of their advisory activities in connection with the Funds, for a period of three years, provided that:

(a) the Applicants, where required, are or will be registered or licensed, or are or will be entitled to rely on appropriate exemptions from such registrations or licences to provide advice to the Funds pursuant to the applicable legislation of their principal jurisdiction;

have executed and filed with the Commission a verification certificate referencing this Order and confirming the truth and accuracy of the Application with respect to that particular Applicant.

July 21, 2006

(b) the Funds invest, or may in the future invest, in commodity futures contracts and commodity futures options principally traded on commodity futures exchanges outside of Canada and cleared through clearing corporations located outside of Canada;

“Suresh Thakrar”

“Paul K. Bates”

(c) securities of the Funds are or will be:

(i) offered primarily outside of Canada;

(ii) only be distributed in Ontario through one or more registrants under the OSA; and

(iii) distributed in Ontario in reliance on an exemption from the prospectus requirements of the OSA and upon an exemption from the adviser registration requirement of the OSA under section 7.10 of Rule 35-502;

(d) prospective investors who are Ontario residents will receive disclosure that includes:

(i) a statement that there may be difficulty enforcing legal rights against the Funds or the Applicant advising the Funds because they are resident outside of Canada and all or substantially all of their assets are situated outside of Canada; and

(ii) a statement that the Applicant advising the Funds is not registered with or licensed by any securities regulatory authority in Canada and, accordingly, the protections available to clients of a registered adviser will not be available to purchasers of securities of the Funds.

(e) any Applicant whose name does not specifically appear in this Order and who proposes to rely on the exemption granted under this Order, shall, as a condition to relying on such exemption,

SCHEDULE A

PIMCO FUNDS

PIMCO Floating Income Fund
PIMCO Short-Term Fund
PIMCO Low Duration Fund
PIMCO Investment Grade Corporate Bond Fund
PIMCO CommodityReal Return Strategy Fund
PIMCO High Yield Fund
PIMCO Global Bond Fund (Unhedged)
PIMCO Global Bond Fund (Hedged)
PIMCO Emerging Markets Bond Fund
PIMCO Developing Local Markets Fund
PIMCO Diversified Income Fund
PIMCO All Asset Fund
PIMCO All Asset Fund All Authority Fund
PIMCO Fundamental IndexPLUS Fund
PIMCO StocksPLUS Fund
PIMCO Large Cap StocksPLUS Total Return Fund
PIMCO Broad Market StocksPLUS Total Return Fund
PIMCO International StocksPLUS Total Return Fund

StocksPLUS, L.P

PIMCO Real Return Fund
PIMCO Absolute Return Strategy IV Offshore Fund 1 Ltd.
PIMCO Absolute Return Strategy IV Offshore Fund 2 Ltd.
PIMCO Absolute Return Strategy IV Offshore Fund 3 Ltd.
PIMCO Absolute Return Strategy III Offshore Fund Ltd.

PIMCO FUNDS: GLOBAL INVESTORS SERIES PLC

US Dollar Liquidity Fund
Global Investment Grade Credit Fund
Global High Yield Bond Fund
Global Bond Fund
Emerging Markets Bond Fund
Diversified Income Fund
StocksPLUS Fund
Global Real Return Fund

2.2.6 First Ontario Labour Sponsored Investment Fund Ltd. - s. 83

July 19, 2006

Gowling Lafleur Henderson LLP
Barristers & Solicitors
Suite 1600, 1 First Canadian Place
100 King Street West
Toronto, Ontario
M5X 1G5

Attention: Angela Nikolakakos

Re: First Ontario Labour Sponsored Investment Fund Ltd. ("the Applicant") – Application to Cease to be a Reporting Issuer under Section 83 of the Securities Act (Ontario), c. S.5, as amended (the "Act") - Application #509/06

The Applicant has applied to the Ontario Securities Commission (the "Commission") for an order under section 83 of the Act to be deemed to have ceased to be a reporting issuer.

As the Applicant has represented to the Commission that:

- The outstanding securities of the Applicant, including debt securities are beneficially owned, directly or indirectly, by less than 15 security holders in Ontario and less than 51 security holders in Canada;
- No securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101;
- The Applicant is not in default of any of its obligations under the Act as a reporting issuer; and
- The Applicant will not be a reporting issuer or the equivalent in any jurisdiction in Canada immediately following the Director granting the relief requested.

The Director is satisfied that it would not be prejudicial to the public interest to grant the requested relief and orders that the Applicant is deemed to have ceased to be a reporting issuer.

"Rhonda Goldberg"
Assistant Manager, Investment Funds Branch
Ontario Securities Commission

2.2.7 Bear Stearns Asset Management Inc. - s. 80 of the CFA

Headnote

Section 80 of the Commodity Futures Act (Ontario) – relief from the adviser registration requirements of subsection 22(1)(b) of the CFA in respect of advising certain mutual funds, non-redeemable investment funds and similar investment vehicles established outside of Canada in respect of trades in commodity futures contracts and commodity futures options traded on commodity futures exchanges primarily outside of Canada and cleared through clearing corporations primarily outside of Canada, subject to certain terms and conditions.

Statutes Cited

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

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

AND

**IN THE MATTER OF
BEAR STEARNS ASSET MANAGEMENT INC.**

**ORDER
(Section 80 of the CFA)**

UPON the application (the Application) of Bear Stearns Asset Management Inc. (the Applicants, as more fully defined below) to the Ontario Securities Commission (the Commission) for an order, pursuant to section 80 of the CFA, that the Applicants and their directors, officers, partners, principals, members and employees acting on their behalf as advisers (collectively, the Representatives), be exempt, for a period of three years, from the registration requirements of section 22(1)(b) of the CFA in respect of advising certain investment funds and similar investment vehicles established outside of Canada in respect of trades in commodity futures contracts and commodity futures options principally traded on commodity futures exchanges outside of Canada and cleared through clearing corporations outside of Canada;

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

AND UPON the Applicant having represented to the Commission that:

1. Bear Stearns Asset Management Inc. is a corporation organized under the laws of the State of New York. Each of the Applicants is organized under the laws of a jurisdiction other than Canada or the provinces or territories thereof. The

Applicants may also include affiliates of, or entities organized by, the Applicants which may subsequently execute and submit to the Commission a verification certificate confirming the truth and accuracy of the information set out in the Application with respect to that particular Applicant.

2. The Applicants serve as investment advisers for, and may in the future provide advice to, certain investment funds and similar investment vehicles (the Funds) which are, or may in the future be, established outside of Canada in respect of trades in commodity futures contracts and commodity futures options traded on commodity futures exchanges located outside of Canada and cleared through clearing corporations located outside of Canada.
3. Each of the Applicants and Representatives, where required, is or will be registered or licensed or is, or will be, entitled to rely on appropriate exemptions from such registrations or licences to provide advice to the Funds pursuant to the applicable legislation of its principal jurisdiction. In particular, Bear Stearns Asset Management Inc. is registered with the U.S. Securities and Exchange Commission as an investment adviser under the U.S. Advisers Act of 1940. Bear Stearns Asset Management Inc. is also registered with the U.S. Commodity Futures Trading Commission as a commodity pool operator and commodity trading advisor and is currently a member of the U.S. National Futures Association.
4. Bear Stearns Asset Management Inc. is registered as an international adviser (in the categories of investment counsel and portfolio manager) under the Ontario *Securities Act* (the OSA). None of the Applicants is registered in any capacity under the CFA.
5. The Applicants are, or in the future may be, the investment advisers for the Funds. As the investment advisers for the Funds, the Applicants are or will be responsible for, *inter alia*, providing certain administrative services, investment advice and other investment management services to the Funds and arranging for the execution of the Funds' securities transactions.
6. The Funds may, as part of their investment program, invest in commodity futures contracts and commodity futures options principally traded on commodity exchanges outside of Canada and cleared through clearing corporations located outside of Canada.
7. Securities of the Funds are, or will be, offered to certain Ontario residents who are institutional investors or high net worth individuals that qualify as "accredited investors" under National

Instrument 45-106 – *Prospectus and Registration Exemptions*.

8. There is presently no rule under the CFA that provides an exemption from the adviser registration requirement in paragraph 22(1)(b) of the CFA for a person or company acting as an adviser in respect of commodity futures options and commodity futures contracts that is similar to the exemption from the adviser registration requirement in clause 25(1)(b) of the OSA for acting as an adviser (as defined in the OSA) in respect of securities that is provided under section 7.10 (Privately Placed Funds Offered Primarily Abroad) of Commission Rule 35-502 – *Non-Resident Advisers* (Rule 35-502).

9. As would be required under section 7.10 of Rule 35-502, the securities of the Funds are or will be:

- (a) primarily offered outside of Canada;
- (b) only distributed in Ontario through one or more registrants under the OSA; and
- (c) distributed in Ontario in reliance upon an exemption from the prospectus requirements of the OSA.

10. Prospective investors in the Funds who are Ontario residents will receive disclosure that includes:

- (a) a statement that there may be difficulty in enforcing legal rights against the applicable Funds or any of the Applicants advising the relevant Funds because they are resident outside of Canada and all or substantially all of their assets are situated outside of Canada; and;
- (b) a statement that the Applicants advising the Funds are not registered with or licensed by any securities regulatory authority in Canada and, accordingly, the protections available to clients of a registered adviser will not be available to purchasers of securities of the Funds.

11. The Funds do not have any current intention of becoming reporting issuers in Ontario or in any other Canadian jurisdiction.

AND UPON being satisfied that it would not be prejudicial to the public interest for the Commission to grant the exemption requested on the basis of the terms and conditions proposed;

IT IS ORDERED pursuant to section 80 of the CFA that the Applicants and the Representatives be exempted from the requirements of paragraph 22(1)(b) of the CFA in respect of their advisory activities in connection with the Funds, for a period of three years, provided that:

- (a) the Applicants, where required, are or will be registered or licensed or are or will be entitled to rely on appropriate exemptions from such registrations or licences to provide advice to the Funds pursuant to the applicable legislation of their principal jurisdiction;
- (b) the Funds invest, or may in the future invest, in commodity futures contracts and commodity futures options principally traded on commodity futures exchanges outside of Canada and cleared through clearing corporations located outside of Canada;
- (c) securities of the Funds are or will be offered primarily outside of Canada and securities of the Funds will only be distributed in Ontario through Ontario registered dealers, in reliance on an exemption from the prospectus requirements of the OSA and, when required, upon an exemption from the adviser registration requirement of the OSA under section 7.10 of Rule 35-502;
- (d) prospective investors who are Ontario residents will receive disclosure that includes:
 - (i) a statement that there may be difficulty in enforcing legal rights against the applicable Funds or any of the Applicants advising the relevant Funds because they are resident outside of Canada and all or substantially all of their assets are situated outside of Canada; and
 - (ii) a statement that the Applicants advising the Funds are not registered with or licensed by any securities regulatory authority in Canada and, accordingly, the protections available to clients of a registered adviser will not be available to purchasers of securities of the Funds.
- (e) any Applicant whose name does not specifically appear in this Order and who proposes to rely on the exemption granted under this Order, shall, as a condition to relying on such exemption, have executed and filed with the Commission a verification certificate referencing this Order and confirming the truth and accuracy of the Application with respect to that particular Applicant.

July 25, 2006

“David L. Knight”

“Harold P. Hands”

2.2.8 RBC Dominion Securities Inc. - s. 74(1)

Headnote

Subsection 74(1) of the Securities Act (Ontario) – relief from the registration requirements of paragraph 25(1)(a) of the Act granted to non-Ontario registered salespersons of the Applicant trading on behalf of an Ontario charitable foundation in connection with a charitable gift program.

Applicable Ontario Statutory Provisions

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

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

AND

**IN THE MATTER OF
RBC DOMINION SECURITIES INC.**

**ORDER
(Subsection 74(1))**

UPON the application (the **Application**) of RBC Dominion Securities Inc. (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for an order pursuant to subsection 74(1) of the Act that the registration requirements contained in paragraph 25(1)(a) of the Act (the **Dealer Registration Requirements**) shall not apply to the salespersons of the Applicant (the **Salespersons**) in respect of trading on behalf of a public foundation (the **Foundation**, as described below) in connection with the Applicant’s charitable gift program (the **Charitable Gift Program**, as described below).

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

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

The Applicant

1. The Applicant is a corporation governed by the laws of Canada and is registered as a dealer in the category of investment dealer in Ontario and in all other provinces and territories in Canada. The Applicant is also a member of the Investment Dealers Association of Canada (the **IDA**).

The Salespersons

2. Each Salesperson is employed by the Applicant and is registered in one or more provinces or territories in Canada as a salesperson of the Applicant. Each Salesperson is also approved by the IDA as a registered representative.

The Foundation

3. The Foundation is an independent non-profit charitable organization with registered charitable status as a public foundation under the *Income Tax Act* (Canada) (the **Tax Act**). The head office of the Foundation is in Ontario.
4. The purpose of the Foundation is to support charities and other permitted entities as defined under the Tax Act (**Qualified Donees**) through charitable gifts received from donors. The Foundation specializes in the management and administration of donor-advised charitable gift funds and has entered into an agreement with the Applicant in connection with its Charitable Gift Program.

The Charitable Gift Program

5. Prospective charitable donors to the Foundation will, prior to making a donation, receive a program guide (a **Program Guide**) which will outline the details of the operation of the Charitable Gift Program and its fees.
6. Donors make an irrevocable charitable gift of cash and/or securities to the Foundation (a **Donor**) and receive a tax receipt generally equal to the cash, or fair market value of securities, donated to the Foundation. Securities donated to the Foundation will be liquidated by the Applicant.
7. The Foundation will deposit the proceeds of each Donor's gift into an individual account which it will open with the Applicant (each, an **Account**). Donors may also make subsequent gifts to the Foundation under the Charitable Gift Program from time-to-time.
8. Each Account will be opened in the name of the Foundation in a manner in which the Donor can be identified. The Donor, or his/her successor or designate, will be responsible for providing the Foundation with recommendations regarding the disbursements from the Account to Qualified Donees.
9. In order to comply with the Tax Act, the Charitable Gift Program will require that 95% of each donation be subject to a ten year hold period by the Foundation. During the hold period, each Account will have an annual disbursement percentage determined by the Foundation, which must be disbursed to Qualified Donees each year. After the hold period, if the Donor wishes, the annual disbursement percentage may be increased by the Foundation.
10. Legislation applicable to the Foundation requires that all donated assets be invested in accordance with the "prudent investor" standard. In accordance with this requirement, the Foundation

will pre-select a list of mutual funds and portfolio mandates for managed accounts offered by the Applicant under the Charitable Gift Program (the **Eligible Investment Vehicles**). Every Account opened as a result of a donation under the Charitable Gift Program will be restricted to investments in one or more Eligible Investment Vehicles. Each of the Eligible Investment Vehicles is expected to be managed on either a fixed income or balanced portfolio basis. The Donor will be provided an opportunity to express to the Foundation his or her preference (if any) regarding which Eligible Investment Vehicles the Account should be invested in from time to time.

11. In the event that an Eligible Investment Vehicle is a mutual fund, the mutual fund will be qualified by way of a prospectus in accordance with National Instrument 81-101 and available for distribution in Ontario and the province or territory in which the Donor resides.
12. The Salesperson that solicits the Donor's gift to the Foundation will initially service the Account set up with the proceeds of that Donor's gift and may also have an ongoing relationship with the Donor. The Salesperson may make a recommendation to the Donor as to the initial choice of Eligible Investment Vehicle and may subsequently recommend changes to the choice of Eligible Investment Vehicle.
13. The Foundation will have final authority over all investment decisions in each Account, except Accounts that are opened as managed accounts. In particular, after receiving the preferences of a Donor, the Foundation will make all final decisions on investments for the Account, and will send trading instructions to the Salesperson servicing that Account.
14. In the case where an Account is a managed account, investment decisions will be made by the Salesperson responsible for the Account, in accordance with the investment objectives of the Account pursuant to the portfolio mandate(s) selected by the Donor as an Eligible Investment Vehicle. The Foundation has the ability to select another Salesperson to manage the managed account. Each Salesperson exercising discretionary authority over an Account that is a managed account will be appropriately qualified to provide portfolio management services.
15. The Applicant will deliver trade confirmations and account statements (**Account Statements**) to the Foundation with respect to each Account as required under the securities legislation in the jurisdiction where such Account is located. The Applicant will make a copy of any or all Account Statements available to the applicable Donor upon request. Further, regardless of whether a Donor requests copies of Account Statements, the

Foundation will deliver a quarterly Account Statement to each Donor.

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 74(1) of the Act, that the Dealer Registration Requirements shall not apply to the Salespersons in respect of registrable activities undertaken on behalf of the Foundation in connection with the Applicant's Charitable Gift Program, provided that:

- (i) each Salesperson undertaking registrable activities on behalf of the Foundation is registered in one or more provinces or territories in Canada as a salesperson of the Applicant and is approved by the IDA as a registered representative;
- (ii) each Salesperson exercising discretionary authority over a managed account in connection with the Charitable Gift Program will be appropriately qualified to provide portfolio management services;
- (iii) all fees, expenses and commissions related to the Charitable Gift Program will be fully disclosed in the Program Guide, or equivalent document, and the Program Guide, or equivalent document, shall be provided to every Donor by the Applicant or the applicable Salesperson prior to the Donor making a gift to the Foundation;
- (iv) the Donor making a gift to the Foundation receives a duplicate copy of any or all Account Statements delivered to the Foundation by the Applicant upon request; and
- (v) the Foundation delivers a quarterly Account Statement to each Donor.

July 25, 2006

"David L. Knight"
Commissioner
Ontario Securities Commission

Harold P. Hands
Commissioner
Ontario Securities Commission

Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke

NO UPDATES FOR THIS WEEK

4.2.1 Temporary, Permanent & Rescinding Management 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
Simplex Solutions Inc.	02 May 06	15 May 06	15 May 06	26 Jul 06	

4.2.2 Outstanding 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
Argus Corporation Limited	25 May 04	03 Jun 04	03 Jun 04		
Cognos Incorporated	01 Jun 06	14 Jun 06	14 Jun 06		
DataMirror Corporation	02 May 06	15 May 06	12 May 06		
Fareport Capital Inc.	13 Sept 05	26 Sept 05	26 Sept 05		
Hip Interactive Corp.	04 Jul 05	15 Jul 05	15 Jul 05		
HMZ Metals Inc.	03 Apr 06	14 Apr 06	17 Apr 06		
Hollinger Canadian Newspapers, Limited Partnership	21 May 04	01 Jun 04	01 Jun 04		
Hollinger Inc.	18 May 04	01 Jun 04	01 Jun 04		
Mindready Solutions Inc.	06 Apr 06	19 Apr 06	19 Apr 06		
Neotel International Inc.	02 Jun 06	15 Jun 06	15 Jun 06		
Novelis Inc.	18 Nov 05	01 Dec 05	01 Dec 05		
ONE Signature Financial Corporation	03 May 06	16 May 06	16 May 06		
Simplex Solutions Inc.	02 May 06	15 May 06	15 May 06	26 Jul 06	

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Chapter 7

Insider Reporting

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

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

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 8

Notice of Exempt Financings

Reports of Trades Submitted on Forms 45-106F1 and Form 45-501F1

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
05/16/2006 to 05/24/2006	18	01 Communique Laboratory Inc. - Units	828,000.00	2,070,000.00
05/31/2006	2	ABC American -Value Fund - Units	450,000.00	58,860.42
05/31/2006	16	ABC Dirt Cheap Stock Fund - Units	2,575,942.40	239,263.79
05/31/2006	1	ABC Fully-Managed Fund - Units	150,000.00	14,123.90
05/31/2006	12	ABC Fundamental - Value Fund - Units	2,500,000.00	100,100.61
05/31/2006	1	ABC North American Deep Value Fund - Units	215,942.49	19,376.25
05/09/2006	6	Agile Systems Inc. - Preferred Shares	2,000,000.00	N/A
04/24/2006	45	Aldershot Resources Ltd. - Common Shares	1,518,000.00	5,136,300.00
06/26/2006	4	ALL Group Financial Services Inc. - Notes	225,000.00	N/A
07/13/2006	2	Alliance Surface Finishing Inc. - Preferred Shares	215,270.00	19,000.00
04/17/2006	9	Apex VC Opportunities Fund L.P. 1 - Units	450,000.00	450.00
05/26/2006 to 06/30/2006	32	Arcan Resources Ltd. - Common Shares	12,100,000.00	4,400,000.00
07/12/2006	1	Ares Capital Corporation - Common Shares	2,486,891.68	140,000.00
06/29/2006	1	Augen Capital Corp. - Units	1,000,000.00	3,333,334.00
07/05/2006	1	Aventine Renewable Energy Holdings, Inc. - Common Shares	963,974.00	20,000.00
07/06/2006	7	bcMetals Corporation - Flow-Through Shares	279,999.90	311,111.00
07/06/2006	4	Birim Goldfields Inc. - Units	1,772,145.10	3,222,082.00
04/15/2006	19	Bontan Corporation Inc. - Units	3,025,821.00	10,400,000.00
04/06/2006	2	Bravo Venture Group Inc. - Flow-Through Shares	1,500,050.00	1,579,000.00
07/07/2006	6	BSM Technologies Inc. - Debentures	1,300,000.00	2,260,869.00
05/25/2006	14	Canaco Resources Inc. - Units	1,100,000.00	2,000,000.00
07/05/2006	196	CanWest Petroleum Corporation - Flow-Through Shares	37,409,460.00	5,668,100.00
07/11/2006 to 07/12/2006	23	CareVest Blended Mortgage Investment Corporation - Preferred Shares	621,583.00	621,583.00
07/11/2006 to 07/12/2006	29	CareVest First Mortgage Investment Corporation - Preferred Shares	892,723.00	892,723.00
07/11/2006	9	CareVest Second Mortgage Investment Corporation - Preferred Shares	477,493.00	477,493.00

Notice of Exempt Financings

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
07/14/2006	5	Cell-Loc Location Technologies Inc. - Units	215,000.00	1,075,000.00
07/06/2006	1	Cenit Corporation - Debentures	150,000.00	N/A
07/06/2006	2	CIT Fund - Trust Units	110,212,213.75	11,021,221.38
06/12/2006	1	Commercial Alcohols Inc. - Common Shares	499,475.00	14,285.00
04/04/2006	3	Consolidated Big Valley Resources Inc. - Common Shares	70,000.00	340,000.00
07/06/2006	1	Cooper Pacific II Mortgage Investment Corporation - Common Shares	10,034.00	10,034.00
07/12/2006	2	Cowen Group Inc. - Common Shares	1,269,632.00	70,000.00
05/17/2006 to 06/14/2006	19	Currency Capital Corp. - Common Shares	101,200.00	25,300.00
06/29/2006	37	Defiant Resources Corporation - Flow-Through Shares	10,375,000.00	2,500,000.00
07/11/2006	27	Detector Exploration Ltd. - Common Shares	1,200,000.00	2,000,000.00
06/15/2006	12	Dual Exploration Inc. - Common Shares	6,258,380.00	662,000.00
07/12/2006	6	Dynastar Inc. - Units	340,500.00	2,270,001.00
07/04/2006	3	EdgeStone Capital Equity Fund III (Canada) L.P. - Limited Partnership Interest	6,115,160.00	6,115,160.00
05/10/2006 to 05/20/2006	10	Elite FX Limited Partnership - Units	73,758.00	73,758.00
06/10/2006 to 06/17/2006	5	Elite FX Limited Partnership - Units	49,664.00	49,664.00
07/07/2006	21	Equigenesis 2006 Preferred Investment LP - Units	9,216,000.00	256.00
07/10/2006	1	ExplorCo Energy Inc. - Common Shares	177,000.00	590,000.00
07/10/2006	23	ExplorCo Energy Inc. - Flow-Through Shares	1,770,000.00	1,770,000.00
07/04/2006	11	FactorCorp Inc. - Debentures	965,000.00	N/A
06/29/2006	22	Fair Sky Resources Inc. - Flow-Through Shares	4,654,372.50	N/A
04/20/2006	36	First Majestic Resources Corp. - Warrants	28,000,000.00	700,000.00
04/20/2006	20	First Metals Inc. - Common Shares	168,750.00	168,750.00
11/15/2005 to 01/23/2006	30	First Uranium Corporation - Common Shares	4,875,000.00	4,875,000.00
07/22/2006 to 07/01/2006	50	Fisgard Capital Corporation - Common Shares	1,504,708.90	930,393.00
07/12/2006	33	Freewest Resources Canada Inc. - Flow-Through Shares	486,000.00	243,000.00
12/31/2005	18	Garson Resources Ltd. - Flow-Through Shares	262,750.00	1,751,667.00
07/10/2006 to 07/14/2006	16	General Motors Acceptance Corporation of Canada, Limited - Notes	5,054,181.32	5,054,181.32

Notice of Exempt Financings

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
07/14/2006	38	Genesis Limited Partnership #6 - Limited Partnership Units	3,901,000.00	812.00
06/27/2006	31	Geodex Minerals Ltd. - Units	2,156,599.95	6,161,714.00
07/06/2006	1	Giraffe Capital Limited Partnership III - Limited Partnership Units	200,000.00	2,316.40
06/04/2006	1	GMP Capital Trust - Units	-1.00	4,018,750.00
07/07/2006	34	Goldmarca Limited - Common Shares	505,750.00	1,123,889.00
06/29/2006 to 07/07/2006	62	Great Western Diamonds Corp. - Flow-Through Shares	605,102.04	895,753.00
06/29/2006 to 07/07/2006	128	Great Western Diamonds Corp. - Units	1,588,878.60	2,648,131.00
07/13/2006	68	Greyhawk Resources Ltd. - Flow-Through Shares	5,220,000.00	4,200,000.00
07/07/2006	3	Gridpoint Systems Inc. - Preferred Shares	5,317,244.00	N/A
07/03/2006	1	Hawk Precious Minerals Inc. - Common Shares	25,000.00	250,000.00
06/30/2006	3	IGW Capital Ltd. - Bonds	4,500.00	4,500.00
06/30/2006	3	IGW Investments Ltd. - Common Shares	4,500.00	4,500.00
06/30/2006 to 07/08/2006	11	IGW Properties Limited Partnership I - Limited Partnership Interest	919,500.00	919,500.00
07/08/2006	12	IMRIS Inc. - Common Shares	3,350,000.00	1,488,889.00
02/08/2006	24	International Kirkland Minerals Inc. - Units	248,500.00	5,000,000.00
06/22/2006	24	Irontree Oilfield Services Corp. - Common Shares	1,404,963.00	1,404,963.00
07/07/2006	4	KERMODE RESOURCES LTD. - Common Shares	1,700,000.00	5,483,868.00
07/12/2006	2	KWG Resources Inc. - Common Shares	516,393.00	10,327,860.00
06/30/2006	2	LaSalle Investment Company II - Limited Partnership Interest	111,500,000.00	100,000,000.00
07/04/2006	10	Les Mines J.A.G. Ltee - Common Shares	262,500.00	1,544,115.00
04/18/2006	25	Litewave Corp - Common Shares	812,000.00	7,000,000.00
05/25/2006	2	Litewave Corp - Common Shares	58,000.00	500,000.00
07/06/2006	4	Longbow Capital Limited Partnership #14 - Limited Partnership Units	350,000.00	350.00
07/13/2006	5	Maax Holdings Inc. - Preferred Shares	7,000,090.00	422,705.31
07/04/2006	2	Magenta II Mortgage Investment Corporation - Common Shares	60,000.00	60,000.00
07/04/2006	2	Magenta Mortgage Investment Corporation - Common Shares	120,000.00	120,000.00
05/02/2006	4	Matamec Explorations Inc. - Common Shares	250,000.00	2,550,000.00
07/07/2006	4	McVicar Resources Inc. - Units	2,780,000.00	2,780,000.00

Notice of Exempt Financings

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
06/28/2006	13	Mercury Exploration Inc. - Units	357,000.00	60.00
06/16/2006	1	Micro Target Media Inc. - Preferred Shares	13,937,500.00	1,544,117.00
07/06/2006	34	Monet Land Development 2 Inc. - Common Shares	2,308,000.00	2,308.00
06/05/2006	43	Monet Land Development Inc. - Common Shares	1,154,200.00	730.00
07/12/2006	4	Mountain Boy Minerals Ltd. - Units	1,250,000.00	2,083,332.00
06/27/2007	34	MT Investments Inc - Notes	140,000,000.00	N/A
01/01/2005 to 12/31/2005	101	Natcan Canadian Bond Fund - Units	147,369,066.00	2,081,003,526.00
01/01/2005 to 12/31/2005	53	Natcan Canadian Equity Fund - Units	64,478,321.00	216,623,738.00
01/01/2005 to 12/31/2005	45	Natcan Corporate Bond Fund - Units	225,916,877.00	2,381,204,280.00
01/01/2005 to 12/31/2005	1	Natcan Currency Management Fund - Units	250,000.00	2,500,000.00
01/01/2005 to 12/31/2005	7	Natcan Horizon Arbitrage Fund - Units	46,400,100.00	482,592,112.00
01/01/2005 to 12/31/2005	68	Natcan International Equity Fund - Units	95,605,595.00	116,291,627.00
01/01/2005 to 12/31/2005	303	Natcan Money Market Fund - Units	3,457,294,220.00	3,472,816,505.00
01/12/2005 to 12/31/2005	37	Natcan U.S. Equity Fund - Units	124,840,100.00	207,968,357.00
06/16/2006 to 06/30/2006	8	Nicola Financial Strategic Income Fund - Trust Units	327,000.00	32,073.54
07/05/2006	3	Nortel Networks Limited - Notes	42,225,600.00	N/A
05/18/2006 to 07/10/2006	62	North American Vanadium Inc. - Units	1,665,500.00	3,331,000.00
06/30/2006	93	North Peace Energy Inc. - Common Shares	3,528,000.00	1,764,000.00
06/30/2006	66	North Peace Energy Inc. - Flow-Through Shares	3,138,400.00	1,316,000.00
07/06/2006 to 07/11/2006	220	North West Upgrading Inc. - Common Shares	174,939,400.00	43,734,850.00
06/08/2006	9	Outlook Resources Inc. - Units	67,000.00	1,340,000.00
07/12/2006	4	Outlook Resources Inc. - Units	179,845.67	2,997,426.00
01/19/2005	1	Palos Income Trust Fund L.P. - Units	200,000.00	155,921.00
03/16/2005	1	Palos Income Trust Fund L.P. - Units	200,000.00	151,366.00
07/06/2006	4	PCAS Physician Clinic Automation Services Inc. - Common Shares	90,000.00	900,000.00
07/07/2006	59	Pinnacle Mines Ltd. - Units	1,960,750.00	1,705,000.00

Notice of Exempt Financings

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
05/25/2005	1	Pioneer Trust - Notes	21,496,629.86	21,000,000.00
06/30/2006	7	Polar Enterprise Partners III - Limited Partnership Units	11,000,000.00	110,000.00
07/05/2006	3	poplar Point Energy Inc. - Flow-Through Shares	605,400.00	1,009,000.00
07/04/2006 to 07/10/2006	15	Powertree Limited Partnership 2 - Limited Partnership Units	185,000.00	37.00
07/04/2006	47	Promittere Retirement Trust - Units	2,474,000.00	226,899.00
07/05/2006	1	PVELOCITY INC. - Preferred Shares	1,000,000.00	1,692,047.00
07/04/2006	45	Racing Resources Ltd. - Common Shares	17,814,000.00	10,840,625.00
07/10/2006	8	Racing Resources Ltd. - Flow-Through Shares	1,970,640.00	1,056,570.00
07/04/2006	20	Rhone 2006 Flow-Through Limited Partnership - Limited Partnership Units	2,315,000.00	92,600.00
06/30/2006	17	Rhone Offshore Partners III L.P - Limited Partnership Interest	139,800,384.00	2.00
07/12/2006	3	Richview Resources Inc. - Common Shares	157,500.00	450,000.00
01/01/2005 to 12/31/2005	92	RM Canadian Money Market Pool - Units	649,395,199.71	N/A
07/04/2006	56	Romspen Mortgage Investment Fund - Units	3,831,140.00	383,114.00
07/18/2006	44	Run of River Power Inc. - Units	1,312,500.00	3,500,000.00
06/27/2006	49	SDA Technologies Ltd. - Common Shares	800,000.00	4,000,000.00
07/04/2006	1	Shoppex.com Corporation - Common Shares	135,000.00	135,000.00
07/06/2006	90	Signet Energy Inc. - Common Shares	18,736,950.00	16,293,000.00
07/06/2006	41	Solara Exploration Ltd. - Debentures	2,150,000.00	2,100.00
07/06/2006	9	Strategic Oil & Gas Ltd. - Common Shares	889,600.00	609,000.00
05/08/2006	3	St. Genevieve Resources Inc. - Units	424,800.00	3,340,000.00
06/12/2006	38	Superior Diamonds Inc. - Flow-Through Shares	4,720,000.00	9,440,000.00
06/12/2006	16	Superior Diamonds Inc. - Flow-Through Units	504,000.00	1,120,000.00
03/24/2006	16	Talware Networx Inc. - Common Shares	709,000.00	2,836,000.00
06/27/2006 to 06/30/2006	15	Tasman Exploration Ltd. - Common Shares	7,000,000.00	3,500,000.00
07/05/2006	12	Timber Ridge Real Estate (101) Limited Partnership - Units	1,230,000.00	1,200,000.00
07/05/2006	9	Timber Ridge Real Estate (102) Limited Partnership - Units	925,000.00	925,000.00
07/01/2006 to 07/06/2006	124	Toscana Financial Income Trust - Units	27,154,000.00	2,715,400.00
06/14/2006	8	TPG Partners V, L.P. - Limited Partnership Interest	1,773,486,000.00	1,590,000,000.00

Notice of Exempt Financings

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
07/13/2006	4	Ursa Major Minerals Incorporated - Common Shares	1,000,000.00	1,250,000.00
05/12/2006	14	Vedron Gold Inc. - Units	3,578,000.00	5,963,334.00
06/30/2006	119	Vertex Fund - Trust Units	8,979,648.18	107.00
06/30/2006	2	Viceroy Acquisition Corporation - Units	2,267,600.00	250,000.00
07/05/2006 to 07/14/2006	8	WALLBRIDGE MINING COMPANY LIMITED - Flow-Through Shares	1,512,000.00	4,275,000.00
07/13/2006	1	Walsingham Fund LP No. 1 - Units	100,000.00	100.00
06/28/2006	2	WCA Waste Corporation - Notes	2,805,750.00	2,500.00
07/12/2006	21	Wealth Minerals Ltd. - Common Shares	2,737,500.00	1,530,000.00
07/07/2006	65	Western Uranium Corporation - Flow-Through Shares	2,788,750.00	2,231,000.00
04/28/2006	1	Whiterock Real Estate Investment Trust - Units	0.00	500,000.00
07/17/2006	1	Windstream Corporation - Notes	5,605,454.27	N/A
07/18/2006	1	Workgroup Designs Ltd. - Common Shares	35,000.00	700,000.00
05/18/2006	12	X-CAL Resources Ltd. - Common Shares	2,935,239.72	10,482,999.00
07/04/2005	14	Zapit Games Inc. - Common Shares	229,701.14	154,975.00
06/01/2005	68	Zapit Games Inc. - Common Shares	2,327,145.74	1,489,671.00
08/15/2006	10	Zapit Games Inc. - Common Shares	284,212.00	217,537.00
09/30/2006	50	Zapit Games Inc. - Common Shares	1,771,120.93	1,388,008.00
11/21/2005	12	Zapit Games Inc. - Common Shares	724,971.10	454,538.00

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

Beutel Goodman World Focus Equity Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated July 17, 2006
Mutual Reliance Review System Receipt dated July 20, 2006

Offering Price and Description:

Class A, F and I Units

Underwriter(s) or Distributor(s):

Beutel Goodman Managed Funds Inc.

Promoter(s):

Beutel Goodman Managed Funds Inc.

Project #964812

Issuer Name:

Central Fund of Canada Limited
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated July 20, 2006
Mutual Reliance Review System Receipt dated July 20, 2006

Offering Price and Description:

US\$ * - * non-voting, fully-participating Class A Shares
Price: US \$ * per non-voting, fully-participating Class A Share

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.

Promoter(s):

-

Project #965980

Issuer Name:

Central Fund of Canada Limited
Principal Regulator - Alberta

Type and Date:

Amended and Restated Preliminary Prospectus dated July 21, 2006
Mutual Reliance Review System Receipt dated July 21, 2006

Offering Price and Description:

US\$57,800,000.00 - 6,800,000 non-voting, fully-participating Class A Shares
Price: U.S.\$8.50 per non-voting, fully-participating Class A Share

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.

Promoter(s):

-

Project #965980

Issuer Name:

Certicom Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated July 24, 2006
Mutual Reliance Review System Receipt dated July 24, 2006

Offering Price and Description:

\$26,200,000.00 - 4,000,000 Common Shares
Price: \$6.55 per Share

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
TD Securities Inc.
Canaccord Capital Corporation
Genuity Capital Markets
Orion Securities Inc.

Promoter(s):

-

Project #966712

Issuer Name:

Deepwell Energy Services Trust
Principal Regulator - Alberta

Type and Date:

Preliminary Prospectus dated July 20, 2006
Mutual Reliance Review System Receipt dated July 21, 2006

Offering Price and Description:

\$40,000,000.00 - 4,000,000 Units
Price: \$100.00 per Unit

Underwriter(s) or Distributor(s):

Raymond James Ltd.
CIBC World Markets Inc.
FirstEnergy Capital Corp.

Promoter(s):

-

Project #966512

Issuer Name:

Dia Bras Exploration Inc.
Principal Regulator - Quebec

Type and Date:

Preliminary Short Form Prospectus dated July 21, 2006
Mutual Reliance Review System Receipt dated July 21, 2006

Offering Price and Description:

\$9,100,000.00 - 13,000,000 Common Shares Price: \$0.70 per Common Share

Underwriter(s) or Distributor(s):

Dundee Securities Corporation
Paradigm Capital Inc.
Desjardins Securities Inc.

Promoter(s):

-

Project #966459

Issuer Name:

Disenco Energy PLC
Principal Regulator - British Columbia

Type and Date:

Preliminary Prospectus dated July 17, 2006
Mutual Reliance Review System Receipt dated July 19, 2006

Offering Price and Description:

\$654,999.50 - 1,989,642 Ordinary C Shares Issuable Upon the Exercise or Deemed Exercise of Special Warrants Price: \$0.35 per Special Warrant

Underwriter(s) or Distributor(s):

-

Promoter(s):

G. Brian Longpre
Gunnar Bretvin
Philip H. Smith

Project #965337

Issuer Name:

Innova Exploration Ltd.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated July 21, 2006
Mutual Reliance Review System Receipt dated July 21, 2006

Offering Price and Description:

\$24,012,500.00 - 4,250,000 Common Shares Price: \$ 5.65 per Common Shares

Underwriter(s) or Distributor(s):

BMO Nesbitt Burn Inc.
GMP Securities L.P.
Blackmont Capital Inc.

Promoter(s):

-

Project #966349

Issuer Name:

Investors Greater China Fund
Principal Regulator - Manitoba

Type and Date:

Preliminary Simplified Prospectus dated July 21, 2006
Mutual Reliance Review System Receipt dated July 21, 2006

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s) or Distributor(s):

Investors Group Financial Services Inc.

Promoter(s):

Investors Group Financial Services Inc.

Project #966404

Issuer Name:

KBSH Equity Income Explorer Fund
KBSH Large Cap Explorer Fund
KBSH Premium Bond Explorer Fund
KBSH Small Cap Explorer Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectuses dated July 21, 2006
Mutual Reliance Review System Receipt dated July 24, 2006

Offering Price and Description:

Series A, F and O Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

Lakeview Asset Management Inc.

Project #966637

Issuer Name:

NACG Holdings Inc.
Principal Regulator - Alberta

Type and Date:

Preliminary Prospectus dated July 21, 2006
Mutual Reliance Review System Receipt dated July 24, 2006

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

Credit Suisse Securities (Canada), Inc.
UBS Securities Canada Inc.

Promoter(s):

-

Project #966536

Issuer Name:

Power Financial Corporation
Principal Regulator - Quebec

Type and Date:

Preliminary Short Form Prospectus dated July 19, 2006
Mutual Reliance Review System Receipt dated July 19, 2006

Offering Price and Description:

\$200,000,000.00 - (8,000,000 shares) 5.10% Non-Cumulative First Preferred Shares, Series L
Price: \$25.00 per share to yield 5.10%

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #965587

Issuer Name:

Sunrise Senior Living Real Estate Investment Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated July 20, 2006
Mutual Reliance Review System Receipt dated July 21, 2006

Offering Price and Description:

\$50,000,000.00 - Series 2006-1 6.40% Convertible Unsecured Subordinated Debentures due December 31, 2011 Price: \$1,000 per Debenture

Underwriter(s) or Distributor(s):

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

Promoter(s):

Sunrise Senior Living, Inc.

Project #966253

Issuer Name:

RBC Private Canadian Equity Pool II
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated July 20, 2006
Mutual Reliance Review System Receipt dated July 20, 2006

Offering Price and Description:

(Series O And F Units)

Underwriter(s) or Distributor(s):

RBC Asset Management Inc.
The Royal Trust Company

Promoter(s):

RBC Asset Management Inc.

Project #965972

Issuer Name:

US Gold Corporation
Principal Regulator - Ontario

Type and Date:

Amended and Restated Preliminary Prospectus dated July 18, 2006
Mutual Reliance Review System Receipt dated July 20, 2006

Offering Price and Description:

\$75,150,000.00 - 16,700,000 Units to be issued upon the exercise of 16,700,000 previously issued Subscription Receipts

Underwriter(s) or Distributor(s):

GMP Securities L.P.

Promoter(s):

-

Project #942586

Issuer Name:

Redcliffe Exploration Ltd.
Principal Regulator - Alberta

Type and Date:

Preliminary Prospectus dated July 21, 2006
Mutual Reliance Review System Receipt dated July 21, 2006

Offering Price and Description:

Minimum Offering: 10,000 Units (\$10,000,000.00);
Maximum Offering: 12,000 Units (\$12,000,000.00)
Price: \$1,000 Per Unit - Minimum Subscription: Five Units (\$5,000)

Underwriter(s) or Distributor(s):

GMP Securities L.P.
Raymond James Ltd.
Acumen Capital Finance Partners Limited

Promoter(s):

Daryl Connolly

Project #966518

Issuer Name:

Versacold Income Fund
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated July 24, 2006
Mutual Reliance Review System Receipt dated July 24, 2006

Offering Price and Description:

\$60,000,000.00 - 6.75% Convertible Unsecured Subordinated Debentures Price: \$1,000 per Debenture

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
Raymond James Ltd.
National Bank Financial Inc.

Promoter(s):

-

Project #966761

Issuer Name:

Willowstar Capital Inc.

Type and Date:

Amended and Restated Preliminary Prospectus dated June 23, 2006
Received on July 21, 2006

Offering Price and Description:

Minimum Offering: \$550,000.00 or 3,666,666 Common Shares; Maximum Offering: \$1,000,000.00 or 6,666,666 Common Shares Price: \$0.15 per Common Share

Underwriter(s) or Distributor(s):

Credifinance Securities Limited

Promoter(s):

-

Project #896680

Issuer Name:

Advantage Energy Income Fund
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated July 24, 2006
Mutual Reliance Review System Receipt dated July 24, 2006

Offering Price and Description:

\$129,750,000.00 - 7,500,000 Trust Units Price: \$17.30 per Trust Unit

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #964348

Issuer Name:

CNH Capital Canada Wholesale Trust
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated July 21, 2006
Mutual Reliance Review System Receipt dated July 21, 2006

Offering Price and Description:

(1) \$175,598,000.00 - Floating Rate Class A Wholesale Receivables-Backed Notes, Series CW2006-1; (2) 14,402,000 Floating Rate Class B Wholesale Receivables-Backed Notes, Series CW2006-1

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
RBC Dominion Securities Inc.
TD Securities Inc.

Promoter(s):

CNH Capital Canada Ltd.

Project #964726

Issuer Name:

Consolidated Thompson-Lundmark Gold Mines Limited
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated July 25, 2006
Mutual Reliance Review System Receipt dated July 25, 2006

Offering Price and Description:

Cdn. \$42,864,250.00 - 15,587,000 Common Shares
Issuable on Exercise of 15,587,000 Special Warrants and
935,220 Compensation Options Issuable on Exercise of
935,220 Broker Options

Underwriter(s) or Distributor(s):

Orion Securities Inc.
Canaccord Capital Corporation
GMP Securities L.P.
CIBC World Markets Inc.

Promoter(s):

-

Project #963063

Issuer Name:

LAB Research Inc.
Principal Regulator - Quebec

Type and Date:

Final Prospectus dated July 24, 2006
Mutual Reliance Review System Receipt dated July 24, 2006

Offering Price and Description:

\$40,000,000.00 - 10,000,000 Common Shares Price: \$4.00
per Common Share

Underwriter(s) or Distributor(s):

Desjardins Securities Inc.
Orion Securities Inc.
Versant Partners Inc.
Westwind Partners Inc.
Jennings Capital Inc.
Paradigm Capital Inc.

Promoter(s):

-

Project #948136

Issuer Name:

First Majestic Resource Corp.
Principal Regulator - British Columbia

Type and Date:

Final Short Form Prospectus dated July 19, 2006
Mutual Reliance Review System Receipt dated July 19, 2006

Offering Price and Description:

\$28,000,000.00 - 7,000,000 Common Shares and
3,500,000 Warrants Issuable on Exercise of 7,000,000
Special Warrants

Underwriter(s) or Distributor(s):

Sprott Securities Inc.

Promoter(s):

-

Project #962916

Issuer Name:

LifePoints Class B and F Units of :

LifePoints Balanced Income Portfolio
LifePoints Balanced Growth Portfolio
LifePoints Long-Term Growth Portfolio
LifePoints All Equity Portfolio

LifePoints Class B Units of :

LifePoints 2010 Portfolio
LifePoints 2020 Portfolio
LifePoints 2030 Portfolio

Russell Class B Units of :

Russell Canadian Fixed Income Fund
Russell Canadian Equity Fund
Russell US Equity Fund
Russell Overseas Equity Fund
Russell Global Equity Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated July 19, 2006
Mutual Reliance Review System Receipt dated July 24, 2006

Offering Price and Description:

LifePoints Class B and Class F Units; and Russell Class B
Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

Russell Investments Canada Limited

Project #955942

Issuer Name:

Investors Canadian Growth Class
IG Mackenzie Maxxum Canadian Equity Growth Class
Principal Regulator - Manitoba

Type and Date:

Final Simplified Prospectus dated July 17, 2006
Mutual Reliance Review System Receipt dated July 20, 2006

Offering Price and Description:

Series A and Series B Shares @ Net Asset Value

Underwriter(s) or Distributor(s):

Investors Group Financial Services Inc.
Investors Group Financial Services Inc.

Promoter(s):

-

Project #960822

Issuer Name:

Lifesciences Capital Corp.
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated July 14, 2006
Mutual Reliance Review System Receipt dated July 19, 2006

Offering Price and Description:

Minimum \$750,000.00 or 3,000,000 Common Shares;
Maximum \$1,900,000.00 or 7,600,000 Common Shares
Price: \$0.25 per Common Share

Underwriter(s) or Distributor(s):

Blackmont Capital Inc.

Promoter(s):

Christopher D. Carl
Ilja Troitschanski

Project #937797

Issuer Name:

Provident Energy Trust
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated July 21, 2006
Mutual Reliance Review System Receipt dated July 21, 2006

Offering Price and Description:

\$226,101,250.00 - 16,325,000 Subscription Receipts

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #964159

Issuer Name:

Class A and F Units of :

Sequence Income Portfolio
Sequence 2010 Conservative Portfolio
Sequence 2010 Moderate Portfolio
Sequence 2020 Conservative Portfolio
Sequence 2020 Moderate Portfolio
Sequence 2030 Conservative Portfolio
Sequence 2030 Moderate Portfolio
Sequence 2040 Conservative Portfolio
Sequence 2040 Moderate Portfolio
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated July 21, 2006
Mutual Reliance Review System Receipt dated July 24, 2006

Offering Price and Description:

Mutual fund trust units at net asset value

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #953868

Issuer Name:

Union Gas Limited
Principal Regulator - Ontario

Type and Date:

Final Short Form Base Shelf Prospectus dated July 20, 2006
Mutual Reliance Review System Receipt dated July 20, 2006

Offering Price and Description:

\$600,000,000.00 - Debt Securities (unsecured)

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #962913

Issuer Name:

Zapata Energy Corporation
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated July 25, 2006
Mutual Reliance Review System Receipt dated July 25, 2006

Offering Price and Description:

\$7,045,500.00 - 770,000 FLOW-THROUGH COMMON SHARES Per Flow-Through Common Share \$9.15

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.

Promoter(s):

-

Project #964330

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Change of Name	From: Industrial Alliance Fund Management Inc. To: Placements IA Clarington Inc. / IA Clarington Investments Inc.	Investment Counsel & Portfolio Manager and Commodity Trading Counsel and Commodity Trading Manager	June 30, 2006
Suspended based on the firm's consent to suspension under Rule 33-501 – surrender of registration	Wave Securities	International Dealer	July 19, 2006
New Registration	Ferris, Baker Watts, Incorporated.	International Dealer	July 20, 2006
New Registration	Evergreen Capital Partners Inc.	Limited Market Dealer	July 20, 2006
New Registration	Prieve Capital Inc.	Limited Market Dealer	July 20, 2006
New Registration	Cundill Asset Management (Bermuda) Ltd.	Non-Canadian Investment Counsel & Portfolio Manager	July 21, 2006

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 MFDA - Calculation of Risk Adjusted Capital (Rules 3.2.2, 3.2.5 and Form 1)

MFDA – CALCULATION OF RISK ADJUSTED CAPITAL (Rules 3.2.2, 3.2.5 and Form 1)

I. OVERVIEW

On June 29, 2006, the MFDA Board of Directors approved amendments to MFDA Rule 3.2 and the General Notes and Definitions of the MFDA Financial Questionnaire and Report (Form 1) ("MFDA FQR") that relate to changes in the formula to be used by MFDA Members in calculating risk adjusted capital ("RAC").

A. Current Rule

Under MFDA Rule 3.2.2, each Member is required to maintain capital in respect of its business in accordance with the requirements set out in MFDA Form 1. The formula for calculating regulatory capital uses a risk-adjusted working capital approach. The current formula limits current assets to those that are liquid and from reliable sources and deducts current liabilities, 10% of long-term debt and contingent liabilities, and margin items to arrive at RAC.

B. The Issues

The current formula is based upon a working capital approach and there may be situations where a Member has negative financial statement capital (equity plus subordinated debt), but sufficient working capital to comply with MFDA requirements. A Member could therefore be technically compliant with current MFDA capital requirements, but have liabilities greater than its assets.

MFDA staff has also identified issues with respect to certain Members that have long-term unsubordinated lending agreements with related parties. At present, Members are permitted to include the current portion of a related party loan plus an additional 10% of the long-term portion in calculating their capital position. Certain Members have drafted related party lending agreements that provide for minimal or no repayments over several years. This is done so that the Member avoids accruing a current liability, thereby minimizing the amount of capital required to be maintained. Further, MFDA staff has encountered situations where Members have made payments to related parties regardless of the fact that no payments were required under the terms of the lending agreement.

In addition, the current working capital approach does not guard against a long-term debt holder making requests for immediate or accelerated payments which may result in a Member having insufficient allowable assets to cover its current liabilities. Additional payments over and above those which are contemplated in existing lending agreements may be demanded by a creditor and the MFDA would only become apprised of the situation after the payment is made and, potentially, after a capital deficiency is created.

C. Objectives

The proposed Rule amendments were developed to:

- i) resolve the concern that a Member could be technically compliant with MFDA capital requirements, but have liabilities greater than its assets;
- ii) ensure that related parties will have their interests subordinated in the event of insolvency of a Member, or that the Member maintains sufficient allowable assets to cover any request for related party debt repayment;
- iii) require Members to notify the MFDA of any request for accelerated payments by creditors not contemplated under an existing repayment schedule.

D. Effect of Proposed Amendments

Under the proposed Rule amendments, Members will be required to maintain positive financial statement capital. Members will also be required to notify the MFDA of any request for accelerated payments by creditors not contemplated under an existing

repayment schedule. The notes and definitions to the MFDA FQR will require all related party debt to be considered a current liability unless a subordination agreement in the prescribed form is signed.

It is not expected that the proposed amendments will have significant effects on Members, other market participants, market structure or competition or that the proposed amendments will require Members to implement technological systems changes, or will result in significant additional costs for Members to comply with the proposed amended Rule.

II. DETAILED ANALYSIS

A. Relevant History

In 2005, when the MFDA Investor Protection Corporation began offering coverage, MFDA staff proposed to the Regulatory Issues Committee of the MFDA Board of Directors that the capital formula be changed to a "net free capital" approach which would have resulted in requiring all debt to be included in the formula. After receiving feedback regarding concerns with this approach, MFDA staff proposed an alternative of maintaining the current risk-based working capital formula, provided that certain Rule amendments be made to address issues with the existing regime. The options were considered and discussed by the MFDA Board of Directors and various committees of the Board.

On June 2, 2006 the MFDA Board met and decided to adopt MFDA staff's alternative approach of maintaining the existing formula, but making amendments to MFDA Rules and the MFDA FQR.

B. Proposed Amendments

The proposed amendments to Rule 3.2.2 will require that Members maintain total financial statement capital (or shareholders equity plus subordinated debt) greater than zero. This would resolve the concern that a Member could be technically compliant with MFDA requirements but have liabilities greater than its assets.

Under the proposed new Rule 3.2.5, Members will be required to notify the MFDA of any request for accelerated payments by creditors not contemplated under an existing repayment schedule. In order to allow MFDA staff to be more proactive in identifying and responding to capital concerns, notice of such requests or demands must be provided to the MFDA at the time the requests or demands are received by the Member.

The final proposed amendment involves a change to the notes and definitions to the MFDA FQR to require all related party debt to be considered a current liability unless a subordination agreement in the prescribed form is signed. As noted above, this is designed to address issues that have been identified relating to long-term lending agreements with related parties that are not considered subordinated debt. Related parties have significant influence over the repayment of such debt, which may be used for the purpose of manipulating the capital formula. The proposed amendment eliminates such potential abuses.

C. Issues and Alternatives Considered

The committee considered three possible approaches that could be adopted:

- (a) maintaining the status quo, which would involve no change to the existing formula;
- (b) adopting the net free capital approach, which would require that all debt be included in the capital formula; and
- (c) adopting the recommendations noted above.

It was agreed between MFDA staff and the members of the various Board committees that examined the issues that maintaining the status quo would not be an acceptable alternative. With respect to the other options considered, it was determined that a change to the net free capital approach would not be required as imposing this level of liquidity would be unnecessary and unduly onerous for the current mutual fund dealer business model.

After giving consideration to all of the options, it was resolved that the proposed amendments would enhance the existing capital regime and would be most appropriate given the nature of the business operations of the MFDA membership.

D. Comparison with Similar Provisions

The IDA approach requires that their member firms use the net free capital approach in calculating working capital. This approach was examined and rejected. The view of the MFDA is that it is not necessary to change the MFDA capital formula to a net free capital approach given the different business risks between IDA and MFDA Members. The positive equity approach would be more appropriate given the nature of the business operations of the MFDA membership.

E. Best Interests of the Capital Markets

The Board has determined that the proposed Rule amendments are in the best interests of the capital markets.

F. Public Interest Objective

The proposed amendments would enhance current standards in place to address potential investor protection concerns arising from Member insolvency. Further, the amendments will complement the ability of MFDA staff to accomplish the MFDA's regulatory mandate without undue interference in the business operations of the Members.

III. COMMENTARY

A. Filing in Other Jurisdictions

The proposed Rule amendments will be filed for approval with the Alberta, British Columbia, Nova Scotia, and Ontario Securities Commissions and the Saskatchewan Financial Services Commission.

B. Effectiveness

The proposed amendments are simple and effective.

C. Process

The proposed amendments were developed in response to concerns identified by MFDA staff. The proposed amendments have been approved by the MFDA Board of Directors.

D. Effective Date

The proposed amendments will be effective on a date to be subsequently determined by the MFDA.

IV. SOURCES

MFDA Rule 3.2.2
MFDA Rule 3.2.5
MFDA Form 1 – Financial Questionnaire and Report
IDA By-law 17
IDA Form 1 – Joint Regulatory Financial Questionnaire and Report

V. OSC REQUIREMENT TO PUBLISH FOR COMMENT

The MFDA is required to publish for comment the proposed amendments so that the issues referred to above may be considered by the Recognizing Regulators.

The MFDA has determined that the entry into force of the proposed amendments would be in the public interest and is not detrimental to the capital markets. 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 Corporate Secretary, Mutual Fund Dealers Association of Canada, 121 King St. West, Suite 1000, Toronto, Ontario, M5H 3T9 and one copy addressed to the attention of Leslie Rose, Senior Legal Counsel, British Columbia Securities Commission, 701 West Georgia Street, P.O. Box 10142, Pacific Centre, Vancouver, British Columbia, V7Y 1L2.

On request, the MFDA will make available all comments received during the comment period.

Questions may be referred to:

Laura Milliken CA
Director, Financial Compliance
Mutual Fund Dealers Association of Canada
(416) 943-5843

**MUTUAL FUND DEALERS ASSOCIATION OF CANADA
CALCULATION OF RISK ADJUSTED CAPITAL (Rule 3.2.2, 3.2.5 and Form 1)**

On June 29, 2006, the Board of Directors of the Mutual Fund Dealers Association of Canada made and enacted the following amendments to Rule 3.2:

3.2.2 Member Capital.

- (a) Each Member shall maintain capital in respect of its firm business in accordance with the requirements set out in Form 1.
- (b) Each Member shall at all times maintain positive total financial statement capital as calculated in accordance with the requirements set out in Form 1.

. . .

3.2.5 Notice Regarding Accelerated Payment of Long Term Debt. Each Member shall immediately notify the Corporation of any request or demand by a creditor for accelerated payments or any other payments in addition to those specified under the agreed regular repayment schedule with respect to contingent and long term liabilities owed by the Member.

On June 29, 2006, the Board of Directors of the Mutual Fund Dealers Association of Canada made and enacted the following amendment to the General Notes and Definitions section of the MFDA Financial Questionnaire and Report:

**MFDA FINANCIAL QUESTIONNAIRE AND REPORT
GENERAL NOTES AND DEFINITIONS**

. . .

11. For purposes of these statements and capital calculations, all related party debt must be recorded as a current liability unless a subordination agreement in a form satisfactory to the MFDA has been executed by the Member and other relevant parties in relation to such debt.

13.1.2 MFDA issues Notice of Hearing regarding Lip Fee Chan

A copy of the Notice of Hearing is available on the MFDA web site at www.mfda.ca.

**NEWS RELEASE
For immediate release**

**MFDA ISSUES NOTICE OF HEARING
REGARDING LIP FEE CHAN**

The Mutual Fund Dealers Association of Canada is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 175 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

July 24, 2006 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada (“MFDA”) today announced that it has commenced disciplinary proceedings against Lip Fee Chan, also known as Phillip Chan.

For further information, please contact:

Shaun Devlin
Vice-President, Enforcement
(416) 943-4672 or sdevlin@mfda.ca

MFDA staff alleges in its Notice of Hearing that Mr. Chan engaged in the following conduct contrary to the By-laws, Rules or Policies of the MFDA:

Allegation #1: Between June 2000 and October 2002, Mr. Chan engaged in securities related business outside of the accounts and facilities of his Member, by facilitating the participation of a client in various investments, contrary to MFDA Rule 1.1.1.

Allegation #2: In the alternative to Allegation #1, between June 2000 and October 2002, Mr. Chan engaged in gainful occupation outside the business of his Member without so advising his Member and obtaining approval of his Member, contrary to MFDA Rule 1.2.1(d).

Allegation #3: Commencing May 2001, Mr. Chan failed to invest monies that he received for investment purposes from the same client totaling \$98,000, and in so doing, placed his personal interests above those of his client contrary to MFDA Rule 2.1.4, and failed to deal fairly, honestly and in good faith with his client contrary to MFDA Rule 2.1.1(a).

Allegation #4: In September 2005, Mr. Chan offered to settle with the client without the written consent of the Member and on terms that the settlement between the Respondent and the client would be confidential, contrary to MFDA Policy No. 3 (Handling Client Complaints).

The first appearance in this matter will take place by teleconference before a Hearing Panel of the MFDA Ontario Regional Council in the Hearing Room located at the offices of the MFDA, 121 King Street West, Suite 1000, Toronto, Ontario on Tuesday, September 26, 2006 at 10:00 a.m. (Eastern) or as soon thereafter as can be held.

The purpose of the first appearance is to schedule the date for the commencement of the hearing on its merits and to address any other procedural matters.

The first appearance is open to the public, except as may be required for the protection of confidential matters. Members of the public attending the first appearance will be able to listen to the proceeding by teleconference.

13.1.3 MFDA Hearing Panel issues Decision and Reasons respecting Shawn Sandink Disciplinary Hearing

NEWS RELEASE
For immediate release

**MFDA HEARING PANEL ISSUES
DECISION AND REASONS RESPECTING
SHAWN SANDINK DISCIPLINARY HEARING**

July 24, 2006 (Toronto, Ontario) – A Hearing Panel of the Ontario Regional Council of the Mutual Fund Dealers Association of Canada (“MFDA”) has issued its Decision and Reasons in connection with the disciplinary hearing held in Toronto, Ontario on June 22, 2006 in respect of Shawn Sandink.

As previously announced, the Hearing Panel found that the allegation set out by MFDA staff in the Notice of Hearing dated April 19, 2006, summarized below, had been established:

Allegation: Between January 1999 and August 2003, Mr. Sandink misappropriated \$34,250 from one of his mutual fund clients, thereby failing to deal fairly, honestly and in good faith with his client and engaging in business conduct that was unbecoming and detrimental to the public interest, contrary to MFDA Rule 2.1.1.

The following is a summary of the Orders made by the Hearing Panel:

1. Mr. Sandink is permanently prohibited from conducting securities related business in any capacity;
2. Mr. Sandink shall pay a fine in the amount of \$35,000; and
3. Mr. Sandink shall pay costs in the amount of \$2,500.

A copy of the Decision and Reasons is available on the MFDA web site at www.mfda.ca.

The Mutual Fund Dealers Association of Canada is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 175 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

For further information, please contact:

Shaun Devlin
Vice-President, Enforcement
(416) 943-4672 or sdevlin@mfda.ca

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