

The Ontario Securities Commission

OSC Bulletin

August 11, 2006

Volume 29, Issue 32

(2006), 29 OSCB

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

The Ontario Securities Commission

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

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

Published under the authority of the Commission by:

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

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

Contact Centre - Inquiries, Complaints:

Fax: 416-593-8122

Capital Markets Branch:

Fax: 416-593-3651

- Registration:

Fax: 416-593-8283

Corporate Finance Branch:

- Team 1:

Fax: 416-593-8244

- Team 2:

Fax: 416-593-3683

- Team 3:

Fax: 416-593-8252

- Insider Reporting

Fax: 416-593-3666

- Take-Over Bids:

Fax: 416-593-8177

Enforcement Branch:

Fax: 416-593-8321

Executive Offices:

Fax: 416-593-8241

General Counsel's Office:

Fax: 416-593-3681

Office of the Secretary:

Fax: 416-593-2318



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

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

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

U.S.	\$175
Outside North America	\$400

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

Carswell also offers every issue of the Bulletin, from 1994 onwards, fully searchable on *SecuritiesSource*[™], Canada's pre-eminent web-based securities resource. *SecuritiesSource*[™] also features comprehensive securities legislation, expert analysis, precedents and a weekly Newsletter. For more information on *SecuritiesSource*[™], as well as ordering information, please go to:

<http://www.westlawecarswell.com/SecuritiesSource/News/default.htm>

or call Carswell Customer Relations at 1-800-387-5164
(416-609-3800 Toronto & Outside of Canada)

Claims from bona fide subscribers for missing issues will be honoured by Carswell up to one month from publication date. Space is available in the Ontario Securities Commission Bulletin for advertisements. The publisher will accept advertising aimed at the securities industry or financial community in Canada. Advertisements are limited to tombstone announcements and professional business card announcements by members of, and suppliers to, the financial services industry.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the prior written permission of the publisher.

The publisher is not engaged in rendering legal, accounting or other professional advice. If legal advice or other expert assistance is required, the services of a competent professional should be sought.

© Copyright 2006 Ontario Securities Commission
ISSN 0226-9325
Except Chapter 7 ©CDS INC.



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

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

Table of Contents

<p>Chapter 1 Notices / News Releases 6457</p> <p>1.1 Notices 6457</p> <p>1.1.1 Current Proceedings Before The Ontario Securities Commission 6457</p> <p>1.1.2 Notice of Commission Approval – Material Amendments to CDS Procedures Relating to Late Delivery of Collateral 6459</p> <p>1.1.3 Notice of Commission Approval – Material Amendments to CDS Procedures Relating to CCP Collateral Requirements for Withdrawing Participants 6460</p> <p>1.1.4 Approval of Amendments to NI 31-101 – National Registration System and NP 31-201 – National Registration System 6460</p> <p>1.2 Notices of Hearing (nil)</p> <p>1.3 News Releases (nil)</p> <p>1.4 Notices from the Office of the Secretary ... (nil)</p> <p>Chapter 2 Decisions, Orders and Rulings 6461</p> <p>2.1 Decisions 6461</p> <p>2.1.1 WestLB AG, New York Branch – MRRS Decision 6461</p> <p>2.1.2 CI Canadian Growth Portfolio et al. – MRRS Decision 6463</p> <p>2.1.3 Wentworth Hauser and Violich – s. 6.1(1) of MI 31-102 National Registration Database and s. 6.1 of Rule 13-502 Fees 6465</p> <p>2.1.4 CIBC Global Asset Management Inc. and the Centaur Pooled Pension Trust Funds – MRRS Decision 6467</p> <p>2.1.5 Gateway Casinos Income Fund – MRRS Decision 6468</p> <p>2.1.6 Heathbridge Capital Management Inc. – MRRS Decision 6471</p> <p>2.1.7 BMO Investments Inc. and BMO Global High Yield Bond Fund – MRRS Decision 6473</p> <p>2.1.8 Pegasus Resources Ltd. – MRRS Decision 6478</p> <p>2.2 Orders 6479</p> <p>2.2.1 DB Capital Advisers Inc. – s. 80 of the CFA 6479</p> <p>2.2.2 Commonfund Securities, Inc. – s. 218 of the Regulation 6484</p> <p>2.3 Rulings (nil)</p> <p>Chapter 3 Reasons: Decisions, Orders and Rulings (nil)</p> <p>3.1 OSC Decisions, Orders and Rulings (nil)</p> <p>3.2 Court Decisions, Order and Rulings (nil)</p>	<p>Chapter 4 Cease Trading Orders 6487</p> <p>4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders 6487</p> <p>4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders 6487</p> <p>4.2.2 Outstanding Management & Insider Cease Trading Orders 6487</p> <p>Chapter 5 Rules and Policies 6489</p> <p>5.1.1 Amendments to NI 31-101 – National Registration System and NP 31-201 – National Registration System 6489</p> <p>Chapter 6 Request for Comments (nil)</p> <p>Chapter 7 Insider Reporting 6491</p> <p>Chapter 8 Notice of Exempt Financings 6561</p> <p>Reports of Trades Submitted on Forms 45-106F1 and Form 45-501F1 6561</p> <p>Chapter 9 Legislation (nil)</p> <p>Chapter 11 IPOs, New Issues and Secondary Financings 6567</p> <p>Chapter 12 Registrations 6573</p> <p>12.1.1 Registrants 6573</p> <p>Chapter 13 SRO Notices and Disciplinary Proceedings (nil)</p> <p>Chapter 25 Other Information 6575</p> <p>25.1 Approvals 6575</p> <p>25.1.1 Co-operators Investment Counselling Limited – s. 213(3)(b) of the LTCA 6575</p> <p>Index 6577</p>
--	--

Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

AUGUST 11, 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

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

CDS

TDX 76

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

THE COMMISSIONERS

W. David Wilson, Chair	—	WDW
Paul M. Moore, Q.C., Vice-Chair	—	PMM
Susan Wolburgh Jenah, Vice-Chair	—	SWJ
Paul K. Bates	—	PKB
Robert W. Davis, FCA	—	RWD
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

September 12, 2006	10:00 a.m.	Maitland Capital Ltd et al s. 127 and 127.1 D. Ferris in attendance for Staff Panel: PMM/ST
September 12, 2006	10:00 a.m.	First Global Ventures, S.A. and Allen Grossman s. 127 D. Ferris in attendance for Staff Panel: PMM/ST
September 13, 2006	10:00 a.m.	Limelight Entertainment Inc., Carlos A. Da Silva, David C. Campbell, Jacob Moore and Joseph Daniels s. 127 and 127.1 D. Ferris in attendance for Staff Panel: PMM/ST
September 21, 2006	10:00 a.m.	Eugene N. Melnyk, Roger D. Rowan, Watt Carmichael Inc., Harry J. Carmichael and G. Michael McKenney s. 127 and 127.1 J. Superina in attendance for Staff Panel: TBA
September 21, 2006	10:00 a.m.	Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues) s.127 and 127.1 D. Ferris in attendance for Staff Panel: SWJ/ST

October 12, 2006 10:00 a.m.	Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton	TBA	Robert Patrick Zuk, Ivan Djordjevic, Matthew Noah Coleman, Dane Alan Walton, Derek Reid and Daniel David Danzig
	s. 127		s. 127
	H. Craig in attendance for Staff		J. Waechter in attendance for Staff
	Panel: TBA		Panel: TBA
October 19, 2006 10:00 a.m.	Euston Capital Corporation and George Schwartz	TBA	John Illidge, Patricia McLean, David Cathcart, Stafford Kelley and Devendranauth Misir
	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 10:00 a.m.	Olympus United Group Inc.	TBA	Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boulton and Peter Y. Atkinson
	s.127		s.127
	M. MacKewn in attendance for Staff		J. Superina in attendance for Staff
	Panel: TBA		Panel: TBA
October 20, 2006 10:00 a.m.	Norshield Asset Management (Canada) Ltd.	TBA	Philip Services Corp., Allen Fracassi**, Philip Fracassi**, Marvin Boughton**, Graham Hoey**, Colin Soule*, Robert Waxman and John Woodcroft**
	s.127		s. 127
	M. MacKewn in attendance for Staff		K. Manarin in attendance for Staff
	Panel: TBA		Panel: TBA
December 5, 6, & 7, 2006 10:00 a.m.	Jose Castaneda		
	s. 127 and 127.1		
	T. Hodgson in attendance for Staff		
	Panel: TBA		
TBA	Yama Abdullah Yaqeen	TBA	Mega-C Power Corporation, Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited
	s. 8(2)		S. 127
	J. Superina in attendance for Staff		T. Hodgson in attendance for Staff
	Panel: TBA		Panel: TBA
TBA	Cornwall et al		
	s. 127		
	K. Manarin in attendance for Staff		
	Panel: TBA		

* Settled November 25, 2005
** Settled March 3, 2006

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	1.1.2 Notice of Commission Approval – Material Amendments to CDS Procedures Relating to Late Delivery of Collateral THE CANADIAN DEPOSITORY FOR SECURITIES LIMITED MATERIAL AMENDMENTS TO CDS PARTICIPANT PROCEDURES LATE DELIVERY OF COLLATERAL NOTICE OF COMMISSION APPROVAL
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	In accordance with the Rule Protocol between the Ontario Securities Commission (Commission) and The Canadian Depository for Securities Limited (CDS), the Commission approved on August 8, 2006, the proposed rule amendments filed by CDS relating to the late delivery of collateral. The rule amendments provide a degree of flexibility with respect to the pledging of collateral while at the same time impressing on the participants the importance of their obligations by the introduction of a fine for late delivery and allowing for the late delivery of collateral without automatic suspension in extraordinary circumstances. The proposed rule amendments and accompanying notice were published for comment on June 9, 2006 at (2006) 29 OSCB 4882. No comment letters were received.
TBA	John Daubney and Cheryl Littler s. 127 & 127.1 G. Mackenzie in attendance for Staff Panel: TBA	

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 Notice of Commission Approval – Material Amendments to CDS Procedures Relating to CCP Collateral Requirements for Withdrawing Participants

THE CANADIAN DEPOSITORY FOR SECURITIES LIMITED

MATERIAL AMENDMENTS TO CDS PARTICIPANT PROCEDURES

CCP COLLATERAL REQUIREMENTS FOR WITHDRAWING PARTICIPANTS

NOTICE OF COMMISSION APPROVAL

In accordance with the Rule Protocol between the Ontario Securities Commission (Commission) and The Canadian Depository for Securities Limited (CDS), the Commission approved on August 8, 2006 the proposed rule amendments filed by CDS relating to the collateral requirements for participants seeking to withdraw from a central counterparty service. The proposed rule amendments and accompanying notice were published for comment on June 9, 2006 at (2006) 29 OSCB 4892. No comment letters were received.

1.1.4 Approval of Amendments to NI 31-101 – National Registration System and NP 31-201 – National Registration System

NOTICE OF MINISTER OF GOVERNMENT SERVICES

APPROVAL OF AMENDMENTS TO NATIONAL INSTRUMENT 31-101 – NATIONAL REGISTRATION SYSTEM

AND TO

NATIONAL POLICY 31-201 – NATIONAL REGISTRATION SYSTEM

On June 5, 2006, the Minister of Government Services approved amendments to National Instrument 31-101 – *National Registration System* and National Policy 31-201 – *National Registration System*. The amendments were previously published in the Bulletin on May 12, 2006 at (2006), 29 OSCB 3955.

The amendments came into force on **August 1, 2006** and will be published in the Ontario Gazette on August 26, 2006.

The amendments are published in Chapter 5 of the Bulletin and are available at

http://www.osc.gov.on.ca/Regulation/Rulemaking/Current/rm_part3_index.jsp.

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 WestLB AG, New York Branch - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief from the prospectus and registration requirements granted for trades in short term promissory notes (short-term debt instruments). The short-term debt instruments may not meet the “approved credit rating” requirement contained in the short-term debt exemption in section 2.35 of National Instrument 45-106 Prospectus and Registration Exemptions (NI 45-106). The definition of an “approved credit rating” requires, among other things, that every rating of the short-term debt instrument be at or above a prescribed standard. The relief is granted provided the short-term debt instrument:

- (i) matures not more than one year from the date of issue;
- (ii) is not convertible or exchangeable into or accompanied by a right to purchase another security other than a short-term debt instrument; and
- (iii) has a rating issued by one of the following rating organizations at or above one of the following rating categories: DBRS: “R-1(low)”; Fitch: “F2”; Moody’s: “P-2” or S&P: “A-2”.

The relief will terminate on the earlier of 90 days upon an amendment to section 2.35 of NI 45-106 or three years from the date of the decision.

Applicable Ontario Statutory Provisions

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

August 2, 2006

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

AND

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

AND

IN THE MATTER OF
WESTLB AG, NEW YORK BRANCH (the Filer)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Makers**) in each of the Jurisdictions has received an application of the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for:

- (a) an exemption from the dealer registration requirement in respect of a trade in negotiable promissory notes or commercial paper of the Filer maturing not more than one year from the date of issue (together Notes); and
- (b) an exemption from the prospectus requirement in respect of the distribution of the Notes

(collectively, the **Requested Relief**).

Under the Mutual Reliance Review System for Exemptive Relief Applications (**MRRS**):

- (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.

Representations

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

1. The Filer is a corporation incorporated under the laws of Germany. The Filer is not a reporting issuer in any of the Jurisdictions.
2. The Filer intends to establish a commercial paper program in Canada (the **CP Program**) by way of

an information memorandum to be dated on or about August, 2006 pursuant to which the Filer intends to offer Notes for purchase and sale in each of the provinces of Canada.

3. The Notes will mature not more than one year from the date of issue. The Notes will not be convertible or exchangeable into or accompanied by a right to purchase another security.
4. The Notes will be offered for purchase and sale pursuant to exemptions from the dealer registration requirement and the prospectus requirement contained in the Legislation. One such exemption is the Short Term Debt Exemption (as defined below).
5. Subsection 2.35(1)(b) of National Instrument 45-106 *Prospectus and Registration Exemptions (NI 45-106)* provides that exemptions from the registration and prospectus requirements of the Legislation for short-term debt (the **Short Term Debt Exemption**) are available only where such short-term debt "has an approved credit rating from an approved credit rating organization." NI 45-106 incorporates by reference the definitions for "approved credit rating" and "approved credit rating organization" that are used in National Instrument 81-102 *Mutual Funds (NI 81-102)*.
6. The definition of an "approved credit rating" in NI 81-102, requires, among other things, that (a) the rating assigned to short term debt must be "at or above" certain prescribed short-term ratings, and (b) such debt must not have been assigned a rating by any "approved credit rating organization" that is not an "approved credit rating."
7. The Filer's Notes have received an "R-1(low)" rating from Dominion Bond Rating Service Limited (**DBRS**), and the Filer has a short-term debt rating of P-1 from Moody's Investors Services (**Moody's**), both of which ratings meet the prescribed threshold in NI 81-102.
8. The Filer's short-term debt does not, however, meet the "approved credit rating" definition in NI 81-102 because it has a rating of "A-2" from Standard & Poor's (**S&P**), which is a lower rating than required by the Short Term Debt Exemption. Accordingly, section 2.35 of NI 45-106 may not be available to the Filer.

- (a) mature not more than one year from the date of issue;
- (b) are not convertible or exchangeable into or accompanied by a right to purchase another security other than Notes;
- (c) have a rating issued by one of the following rating organizations, or any of their successors, at or above one of the following rating categories or a rating category that replaces a category listed below:

Rating Organization	Rating
Dominion Bond Rating Service Limited	R-1 (low)
Fitch Ratings Ltd.	F2
Moody's Investors Service	P-2
Standard & Poor's	A-2

For each Jurisdiction, this decision will terminate on the earlier of:

- (a) 90 days after the coming into force of any rule, other regulation or blanket order or ruling under the Legislation of the Jurisdiction that amends section 2.35 of NI 45-106 or provides an alternate exemption; and
- (b) three years from the date of this decision.

"David L. Knight"

"Harold P. Hands"

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 provided that the Notes:

2.1.2 CI Canadian Growth Portfolio et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – NI 81-102 Mutual Funds, – approval of fund mergers – mergers do not meet the criteria for pre-approval outlined in s.5.6 of NI 81-102 – securityholders of terminating funds have received timely and adequate disclosure regarding the mergers.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 5.5(1)(b), 5.6(1).

July 28, 2006

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

AND

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

AND

IN THE MATTER OF
CI CANADIAN GROWTH PORTFOLIO
CI CANADIAN MAXIMUM GROWTH PORTFOLIO
CI EXPLORER FUND
CI EXPLORER CORPORATE CLASS
(the “Terminating Funds”)

AND

CI INVESTMENTS INC.
(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, on behalf of the Terminating Funds for a decision under the securities legislation of the Jurisdictions (the “**Legislation**”) granting approval for each Terminating Fund to merge into its respective continuing fund, as contemplated by section 5.5(1)(b) of National Instrument 81-102 (“**NI 81-102**”) (the “**Approval**”).

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 defined in this decision.

Representations

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

- 1. The Filer is the manager of each of the mutual funds (individually, a “**Fund**” and, collectively, the “**Funds**”) set out in paragraph 2 hereof.
- 2. The Filer intends to merge the Funds identified below under “Terminating Fund” (individually, a “**Terminating Fund**” and, collectively, the “**Terminating Funds**”) into the respective Funds (individually, a “**Continuing Fund**” and, collectively, the “**Continuing Funds**”) identified opposite their names below:

Terminating Fund □	Continuing Fund □
CI Canadian Growth Portfolio	CI Global Balanced Portfolio
CI Canadian Maximum Growth Portfolio	CI Global Maximum Growth Portfolio
CI Explorer Fund	CI American Small Companies Fund
CI Explorer Corporate Class	CI American Small Companies Corporate Class

(individually a “**Merger**” and, collectively, the “**Mergers**”).

- 3. Each Fund is a mutual fund that is subject to the requirements of NI 81-102.
- 4. Each Fund is a reporting issuer under the Legislation and is not on the list of defaulting reporting issuers maintained under the Legislation. Each Fund currently distributes its securities in all the provinces and territories of Canada pursuant to a simplified prospectus and annual information form dated June 20, 2005, as amended from time to time, (collectively, the “**Prospectus**”) previously filed as SEDAR project no. 784613. On June 22, 2006, a decision was issued that extended the lapse date of the Prospectus until July 31, 2006.
- 5. The proposed Mergers were described in a press release, a material change report and an amendment to the Prospectus.

6. The Mergers will be beneficial to securityholders of each Fund for the following reasons:
 - (a) as a result of the increased investment opportunities created by the elimination of the foreign property restrictions, each Terminating Fund and its Continuing Fund are now largely duplicative of one another;
 - (b) following the Mergers, each Continuing Fund will have more assets allowing for increased portfolio diversification opportunities and a smaller proportion of assets set aside to fund redemptions;
 - (c) in the case of CI Explorer Fund and CI Explorer Corporate Class, there will be a savings in brokerage charges through a Merger rather than liquidating the portfolio of securities of that Terminating Fund; and
 - (d) each Continuing Fund will benefit from its larger profile in the marketplace.
7. Due to the different structures utilized by the Funds and their current tax circumstances, the procedures for implementing the Mergers will vary. However, the result of each Merger will be that investors in each Terminating Fund will cease to be securityholders in that Terminating Fund and will become securityholders in its Continuing Fund.
8. The portfolio assets of each Terminating Fund to be acquired by the applicable Continuing Fund will be acceptable to the portfolio adviser of the Continuing Fund and consistent with the Continuing Fund's investment objectives.
9. No sales charges will be payable in connection with the acquisition by the Continuing Funds of the investment portfolios of the Terminating Funds.
10. Securityholders of the Terminating Funds will continue to have the right to redeem their securities of the Terminating Funds at any time up to the close of business on the effective date of the Mergers.
11. Each Terminating Fund will be wound-up as soon as reasonably possible following its Merger.
12. In the opinion of the Filer, a reasonable person would consider each Terminating Fund and its Continuing Fund to have substantially similar valuation procedures and, except as noted below, substantially similar fundamental investment objectives and fee structures. In the opinion of the Filer, none of the Mergers will constitute a material change for the Continuing Funds.
13. Investors in the Terminating Funds will be asked to approve the Mergers at special meetings of securityholders to be held on July 27, 2006 (the "**Meetings**"). In connection with the Meetings, the Filer has sent to the securityholders of each Terminating Fund a management information circular, a related form of proxy, and the simplified prospectus (as amended) of its Continuing Fund (collectively, the "**Meeting Materials**").
14. If securityholders approve the Mergers, it is proposed that each Merger will occur after the close of business on or about July 31, 2006. The Filer may, in its discretion, postpone implementing any Merger until a later date (which shall be not later than December 31, 2006) and may elect to not proceed with any Merger.
15. The cost of effecting the Mergers (consisting primarily of proxy solicitation, printing, mailing, legal and regulatory fees) will be borne by the Filer.
16. The Filer believes that each Merger may not satisfy all the criteria for pre-approved reorganizations and transfers set forth in section 5.6 of NI 81-102 for the following reasons:
 - (a) the Merger involving CI Explorer Fund will not be implemented as either a "qualifying exchange" within the meaning of section 132.2 of the *Income Tax Act* (Canada) or a tax-deferred transaction under section 85(1), 85.1(1), 86(1) or 87(1) of that Act;
 - (b) a reasonable person may not consider that the investment objectives of CI Explorer Fund and CI Explorer Corporate Class as Terminating Funds are substantially similar to the investment objectives of their respective Continuing Funds;
 - (c) a reasonable person may not consider that the fee structures of CI Canadian Growth Portfolio and CI Canadian Maximum Growth Portfolio as Terminating Funds are substantially similar to the fee structures of their respective Continuing Funds; and
 - (d) the most recent annual and interim financial statements of the Continuing Funds will not be sent to securityholders of the Terminating Funds.
17. The tax implications of the Merger involving CI Explorer Fund as well as the foregoing differences between the Terminating Funds and the Continuing Funds are described in the Meeting Materials so that the securityholders of the

Terminating Funds may consider this information before voting on these Mergers.

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 Approval is granted provided that:

- (i) the notice of meeting sent to securityholders with respect to the Mergers prominently discloses that securityholders can obtain the most recent annual and interim financial statements of the applicable Continuing Fund at no cost by contacting the Filer via its toll-free number, fax number or e-mail address or by downloading the financial statements from the internet at www.sedar.com or the Filer's website at www.ci.com; and
- (ii) if a securityholder requests the financial statements of the Continuing Funds, the Filer will make its best efforts to provide the securityholder with the financial statements before the Meetings to approve the Mergers.

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

2.1.3 Wentworth Hauser and Violich - s. 6.1(1) of MI 31-102 National Registration Database and s. 6.1 of Rule 13-502 Fees

Headnote

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

Rules Cited

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

August 3, 2006

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

AND

**IN THE MATTER OF
WENTWORTH HAUSER AND VIOLICH**

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

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

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

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

1. The Applicant was incorporated under the laws of the state of Washington in the United States of America. The head office of the Applicant is located in San Francisco, California. The Applicant is not a reporting issuer. The Applicant is currently seeking registration under the Ontario *Securities Act* in the category of international adviser.

2. MI 31-102 requires that all registrants in Canada enrol with CDS Inc. (CDS) and use the national registration database (NRD) to complete certain registration filings. As part of the enrolment process, registrants are required to open an account with a member of the Canadian Payments Association from which fees may be paid with respect to NRD by electronic pre-authorized debit (electronic funds transfer or, the EFT Requirement).
3. The Applicant anticipates encountering difficulties in setting up its own Canadian based bank account for purposes of fulfilling the EFT Requirement.
4. The Applicant confirms that it is not registered in another category to which the EFT Requirement applies and that Ontario is the only jurisdiction in which it is seeking registration.
5. Staff of the Canadian Securities Administrators has indicated that, with respect to applications from international dealers and international advisers (or applicants in equivalent categories of registration) for relief from the EFT Requirement, it is prepared to recommend waiving the fee normally required to accompany applications for discretionary relief (the Application Fee).
6. For Ontario registrants, the requirement for payment of the Application Fee is set out in section 4.1 of Rule 13-502.

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

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

- A. makes acceptable alternative arrangements with CDS for the payment of NRD fees and makes such payment within ten (10) business days of the date of the NRD filing or payment due date;
- B. pays its participation fee under the Act to the Commission by cheque, draft, money order or other acceptable means at the time of filing its application for annual renewal, which shall be no later than the first day of December in each year;
- C. pays any applicable activity fees, or other fees that the Act requires it to pay to the Commission, by cheque, draft, money order or other acceptable means at the appropriate time; and

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

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

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

"David M. Gilkes"

2.1.4 CIBC Global Asset Management Inc. and the Centaur Pooled Pension Trust Funds - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief granted from the mutual fund conflict of interest investment restrictions of the Securities Act (Ontario) to permit pooled funds to invest in other pooled funds subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 111(2)(b), 111(2)(c), 111(3), 113.

July 14, 2006

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO AND ALBERTA (the “Jurisdictions”)**

AND

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

AND

**IN THE MATTER OF
CIBC GLOBAL ASSET MANAGEMENT INC. AND
THE CENTAUR POOLED PENSION TRUST FUNDS
(collectively, the “Filers”)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the “**Decision Maker**”) in each of the Jurisdictions has received an application from CIBC Global Asset Management Inc. (the “**Manager**”) and the Centaur Pooled Pension Trust Funds, open-ended mutual fund trusts managed by the Manager (the “**Centaur Funds**”, individually a “**Centaur Fund**”, together with the Manager, the “**Filers**”), for an order which will, subject to certain conditions, permit a Centaur Fund (the “**Top Fund**”) to make investments in another Centaur Fund (the “**Underlying Fund**”) in which the Top Fund, either alone or together with one or more related mutual funds, is a substantial security holder (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.

Representations

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

1. The Manager is a corporation incorporated under the laws of Canada and is registered as an adviser under the securities legislation of each of Ontario and Alberta in the categories of investment counsel and portfolio manager.
2. The Manager currently has approximately \$58 billion of assets under management. The Manager is a wholly owned subsidiary of the Canadian Imperial Bank of Commerce.
3. The Manager is the manager and portfolio manager of the Centaur Funds.
4. The Centaur Funds are organized under the laws of Ontario and are established pursuant to an amended and restated declaration of trust.
5. Securities of the Centaur Funds are offered for sale to purchasers who are eligible to purchase securities on an exempt basis under and subject to applicable securities legislation.
6. There are seven Centaur Funds: (i) the Centaur Money Market Fund; (ii) the Centaur Bond Fund; (iii) the Centaur Canadian Equity Fund; (iv) the Centaur Small Companies Fund; (v) the Centaur U.S. Equity Fund; (vi) the Centaur International Equity Fund; and (vii) the Centaur Balanced Fund.
7. As portfolio manager of the Centaur Funds, the Manager determines the different asset classes that each Centaur Fund should either be invested in or have exposure to, in order to achieve the fund’s investment objectives. Any investment by the Top Funds in securities of Underlying Funds will represent the business judgement of “responsible persons” uninfluenced by considerations other than the best interests of the Top Funds and Underlying Funds.

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 provided that :

- (a) securities of the Centaur Funds are offered for sale on a “private placement” basis only to purchasers who are eligible to purchase securities on an exempt basis under and subject to compliance with applicable securities law;

- (b) each Underlying Fund is either a “mutual fund in Ontario” as defined in the *Securities Act* (Ontario) or a “mutual fund” as defined in the *Securities Act* (Alberta) or an open-end mutual fund trust or class of shares of a mutual fund corporation;
- (c) each Top Fund does not vote any securities it holds of an Underlying Fund except that the Top Fund may, if the Manager so chooses, arrange for all the securities it holds of an Underlying Fund to be voted by the beneficial holders of securities of the Top Fund;
- (d) no management fees or incentive fees are payable by a Top Fund that, to a reasonable person, would duplicate a fee payable by an Underlying Fund for the same service;
- (e) no sales fees or redemption fees are payable by the Top Fund in relation to its purchases or redemptions of securities of the Underlying Funds;
- (f) the investment by a Top Fund in securities of the Underlying Funds is compatible with the Top Funds’ investment objectives;
- (g) the Top Fund and the Underlying Funds are managed by the Manager;
- (h) the offering memorandum (if any), the annual and semi-annual financial statements for each Top Fund discloses:
 - (i) the intent of the Top Fund to invest its assets in Underlying Funds; (ii) that the Underlying Funds are managed by the Manager; (iii) what percentage of net assets of the Top Fund is dedicated to the investment in securities of the Underlying Fund; and (iv) the process or criteria used to select the Underlying Funds; and
- (i) investors in each Top Fund are entitled to receive from the Manager, on request and free of charge, a copy of the offering memorandum (if any), the annual and semi-annual financial statements relating to all Underlying Funds in which the Top Fund may invest its assets.

“Robert W. Davis”
Commissioner
Ontario Securities Commission

“Harold P. Hands”
Commissioner
Ontario Securities Commission

2.1.5 Gateway Casinos Income Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - National Instrument 51-102, s. 13.1 - Continuous Disclosure Obligations – BAR – An issuer requires relief from the requirement to include certain financial statements in a business acquisition report – The issuer filed a prospectus that included the financial information for the acquisition as a probable significant acquisition; the financial information in the prospectus is for a period that ended not more than one interim period before the financial information that would be required under Part 8 of NI 51-102; the issuer will include the financial information that was in the prospectus in the BAR; the acquired business did not constitute a material departure from the issuer’s business or operations immediately before the acquisition; the issuer will not account for the acquired business as continuity of interests

Applicable Ontario Statutory Provisions

National Instrument 51-102 Continuous Disclosure Obligations, ss. 8.4, 13.1.

August 2, 2006

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA AND ONTARIO
(the Jurisdictions)**

AND

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

AND

**IN THE MATTER OF
GATEWAY CASINOS INCOME FUND
(the Filer)**

MRRS DECISION DOCUMENT

Background

1. 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) exempting the Filer from the requirement in the Legislation to include certain financial statements in a business acquisition report relating to the May 19, 2006 acquisition of substantially all of the operating assets of Gateway Langley Holdings Ltd. (the Requested Relief).

Application of the Principal Regulator System

2. Under Multilateral Instrument 11-101 *Principal Regulator System* (MI 11-101) and the Mutual Reliance Review System for Exemptive Relief Applications
 - (a) the British Columbia Securities Commission is the principal regulator for the Filer;
 - (b) the Filer is relying on the exemption in Part 3 of MI 11-101 in Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland, and Labrador; and
 - (c) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

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

Representations

4. This decision is based on the following facts represented by the Filer:
 1. the Filer is an unincorporated, open-ended, limited-purpose trust formed under the laws of British Columbia to acquire and hold securities of Gateway Casinos Trust and to receive related distributions ;
 2. the Filer's head office is in Burnaby, British Columbia;
 3. the trust units of the Filer are listed and posted for trading on the Toronto Stock Exchange ;
 4. the Filer is a reporting issuer or the equivalent in all provinces of Canada ;
 5. to its knowledge, the Filer is not in default of any of the requirements of the applicable securities legislation in any of the provinces of Canada ;
 6. Gateway Langley Holdings Ltd. (Gateway Langley) was incorporated under the laws of British Columbia on February 25, 2004 and is a wholly owned subsidiary of Gateway Casinos Inc.(GCI) ;
 7. on May 19, 2006, the Filer, through its operating entity, Gateway Casinos Limited Partnership , acquired substan-

tially all of the operating assets of Gateway Langley, which comprise the Cascades Langley Casino and Hotel in Langley, British Columbia (the Acquisition);

8. the Acquisition was partially financed with \$32.6 million in cash generated from the net proceeds of a \$35 million bought public offering of 5.35% extendible convertible debentures; on April 18, 2006 the Filer filed its final short form prospectus for the offering, which contained full, true and plain disclosure of all material facts relating to the Filer and the Acquisition;
9. to the knowledge of the Filer since the time the prospectus was filed, there has not been any change in the Gateway Langley business that is material and adverse to the Filer, taken as a whole;
10. National Instrument 44-101 *Short Form Prospectus Distributions* (NI 44-101) sets out the financial statements required to be included or incorporated by reference into a short form prospectus, including financial statements relating to significant acquisitions;
11. under NI 44-101, the Filer's prospectus included or incorporated by reference the following financial statements:
 - (a) the audited consolidated financial statements of the Fund for the years ended December 31, 2005 and 2004, together with the notes and the auditor's report ;
 - (b) the unaudited pro forma consolidated balance sheet of the Filer as at December 31, 2005;
 - (c) the unaudited pro forma consolidated statement of earnings for the year ended December 31, 2005, which includes the pro forma earnings per unit of the Filer;
 - (d) the notes to the pro forma consolidated financial statements of the Filer;
 - (e) the compilation report on the unaudited pro forma consolidated financial statements of the Filer; and

- (f) the audited financial statements of Gateway Langley as at December 31, 2005 and 2004, together with the notes and the auditor's report ;
- (the Prospectus Financial Statements).
12. the pro forma Prospectus Financial Statements reflect the consolidated results of both the Fund and Gateway Langley;
13. the Acquisition is a significant acquisition for the Filer for the purposes of NI 51-102, so the Filer must file a business acquisition report by August 2, 2006 ;
14. the business acquisition report must include the following financial statements:
- (a) the audited financial statements of the Fund for the years ended December 31, 2005 and 2004 together with the notes and the auditor's report ;
- (b) the unaudited pro forma consolidated balance sheet of the Filer as at March 31, 2006;
- (c) the unaudited pro forma consolidated statement of earnings for the year ended December 31, 2005 and for the three month period ended March 31, 2006, including the pro forma earnings per unit of the Filer;
- (d) the compilation report on the unaudited pro forma consolidated financial statements of the Filer; and
- (e) the unaudited financial statements of Gateway Langley for the three month periods ended March 31, 2006 and 2005;
- (the BAR Financial Statements).
15. Gateway Langley is a private company and, as a wholly owned subsidiary of GCI, interim and annual financial statements in accordance with Canadian generally accepted accounting principles are not prepared for its operations as a matter of course;
16. the BAR Financial Statements would not be materially different from the Prospectus Financial Statements;

17. by August 14, 2006, the Filer will file its interim financial statements for the six month period ended June 30, 2006 , which will incorporate the results from operations of the assets acquired in the Acquisition;

Decision

5. The Decision Makers being satisfied that each has the jurisdiction to make this decision and that the relevant test under the Legislation has been met, the Requested Relief is granted, provided that:
- (a) the Filer includes or incorporates by reference the Prospectus Financial Statements in its business acquisition report;
- (b) the Gateway Langley business acquired by the Filer did not constitute a material departure from the business or operations of the Filer immediately before the Acquisition: and
- (c) the Filer will not account for the Acquisition as continuity of interests.

"Martin Eady, CA"
Director, Corporate Finance
British Columbia Securities Commission

2.1.6 Heathbridge Capital Management Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief from certain conflict disclosure requirements in connection with the distribution by a limited marker dealer, investment counsel and portfolio manager of units of investment funds which it manages – relief subject to certain conditions.

Applicable Ontario Statutory Provisions

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

Applicable Ontario Regulations

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., ss. 223, 226-228, 233.

Applicable Ontario Rules

National Instrument 33-105 – Underwriting Conflicts, s. 1.1.

August 3, 2006

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ONTARIO, QUEBEC
AND NOVA SCOTIA (the Jurisdictions)**

AND

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

AND

**IN THE MATTER OF
HEATHBRIDGE CAPITAL MANAGEMENT INC.
(Heathbridge)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from Heathbridge for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that the following conflict of interest provisions contained in the Legislation do not apply to Heathbridge (collectively, the **Requested Relief**) in connection with the distribution of units of the Funds, as defined below, by Heathbridge:

- (i) the requirement that a registrant prepare a conflict of interest statement of policies (or the equivalent) in the required form, revise the statement in the event of any significant change in the information, provide its customers and clients with a copy of the current version of the statement and file the

statement with the applicable Decision Maker (the **Conflict Statement Requirement**);

- (ii) the requirement that a registrant send or deliver to its clients a written confirmation of a securities transaction that contains certain disclosure if the security is a security of a related issuer, or in the course of a distribution, a security of a connected issuer, of the registrant (the **Trade Confirmation Requirement**);
- (iii) the requirement that a registrant make certain disclosure to its client and obtain the requisite specific and informed written consent of its client if a registrant acts as an adviser, exercising discretionary authority with respect to the investment portfolio or account of its client, to purchase or sell securities of a related issuer, or in the course of a distribution, securities of a connected issuer of the registrant (the **Discretionary Management Disclosure Requirement**); and
- (iv) the requirement that a registrant make certain disclosure to its clients if the registrant acts as an adviser in respect of securities of a related issuer, or in the course of a distribution, securities of a connected issuer, of the registrant (the **Adviser Disclosure Requirement**).

Under the MRRS:

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

Interpretation

Defined terms contained in National Instrument 14-101 – *Definitions* and National Instrument 33-105 – *Underwriting Conflicts* 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 Heathbridge to the Decision Makers:

1. Heathbridge was incorporated under the laws of Ontario and its head office is in Ontario. Heathbridge has no other office in Canada.
2. Heathbridge is registered in Ontario as an adviser, in the categories of investment counsel and portfolio manager and in equivalent categories in each of the Jurisdictions. In addition, Heathbridge is registered in Ontario as a dealer, in the category of limited market dealer.
3. Heathbridge is the trustee, manager, primary portfolio advisor and principal distributor of the

- Heathbridge U.S. Pooled Fund (the **Existing Fund**) and may in the future act in a similar capacity for investment funds established and managed by Heathbridge (each, a **Future Fund** and, together with the Existing Fund, the **Funds**). Heathbridge has not currently retained, but may retain, a sub-advisor, in respect of a Fund, to provide investment advice to the Fund.
4. Each of the Funds is or will be sold by Heathbridge to Managed Accounts of Clients pursuant to available exemptions from the prospectus requirement and/or dealer registration requirement contained in the Legislation or specifically granted to Heathbridge under the Legislation.
 5. Heathbridge may, but does not currently intend to, distribute units of the Funds to investors who do not have a Managed Account with Heathbridge pursuant to available exemptions from the dealer registration requirement and/or prospectus requirement contained in the Legislation or specifically granted to Heathbridge under the Legislation.
 6. Each of the Funds is or will be an open-end mutual fund established under the laws of Ontario and the word "Heathbridge" is or will be part of the name of each Fund.
 7. Heathbridge provides discretionary investment management services to individuals (including tax deferred plans for which such individuals or their spouses or children are the beneficiaries), corporations, charitable foundations and other entities (each, a **Client**) seeking such services (**Managed Services**) through a managed account (a **Managed Account**).
 8. The Managed Services are provided pursuant to an investment management agreement (the **IMA**) between Heathbridge and the Client which provides full discretionary authority for Heathbridge to trade in securities for the Managed Account in accordance with the investment guidelines established for the account without obtaining the consent of the Client to any specific trade. A Client for whom Heathbridge makes, or may make, investments in the Existing Fund or a Future Fund specifically authorizes Heathbridge to make such investments in the IMA.
 9. Under the IMA, a Client provides specific and informed consent for Heathbridge to purchase or sell units of the Funds for the Managed Accounts.
 10. All Clients that authorize investment of their assets in Funds receive an offering memorandum in respect of the Funds. Both the IMA and the offering memorandum disclose the relationship between Heathbridge and the Funds.

11. The IMA provides full disclosure of all fees payable by a Client in respect of the Managed Account and in respect of an investment in a Fund.
12. There is no duplication of fees paid by a Client in respect of the Managed Account and an investment in a Fund.
13. There will be no commission paid by a Client in respect of the purchase of units of a Fund.
14. Heathbridge does not and will not act as an adviser, dealer or underwriter in respect of securities of Heathbridge or of a related issuer of Heathbridge, or, in the course of a distribution, in respect of securities of connected issuers of Heathbridge, other than in connection with the distribution of units of the Funds and the funds do not hold and will not hold securities of any related issuer of Heathbridge, or in the course of a distribution, securities of a connected issuer of Heathbridge, other than the securities of another Fund.

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 is that the Requested Relief is granted, provided that:

- (i) Heathbridge obtains the Client's specific and informed consent to purchase or sell units of the Funds;
- (ii) at least annually, Heathbridge delivers to Clients an annual statement of portfolio which discloses the securities of related issuers and connected issuers of Heathbridge that are: (a) held directly by the Client at any time during the preceding twelve-month period, or (b) held by the Client indirectly through the Funds as at the date of the statement; and
- (iii) Heathbridge advises Clients that hold units of a Fund no less frequently than annually that an offering memorandum is available in respect of the Funds and Clients may obtain a copy on request.

"Carol S. Perry"
Commissioner
Ontario Securities Commission

"Paul K. Bates"
Commissioner
Ontario Securities Commission

2.1.7 BMO Investments Inc. and BMO Global High Yield Bond Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – s. 19.1 of National Instrument 81-102 Mutual Funds – exemption from section 2.7 (1)(a) of NI 81-102 to permit interest rate and credit derivative swaps with a remaining term to maturity of greater than 3 years; exemption from section 2.8(1) of NI 81-102 to the extent that cash cover is required in respect of specified derivatives to permit the Funds to cover specified derivative positions with: any bonds, debentures, notes or other evidences of indebtedness that are liquid; and exemption from sections 2.8(1)(d) and (f)(i) NI 81-102 to permit the Funds when they open or maintain a long position in a standardized future or forward contract or when they enter into or maintain an interest rate swap position and during the periods when the Funds are entitled to receive payments under the swap, to use as cover, an option to sell an equivalent quantity of the underlying interest of the standardized future, forward or swap.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 2.7(1)(a), 2.8(1), 2.8(1)(d), 2.8(1)(f)(i), 19.1.

July 21, 2006

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

AND

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

AND

**IN THE MATTER OF
BMO INVESTMENTS INC. AND
BMO GLOBAL HIGH YIELD BOND FUND
(COLLECTIVELY THE FILERS)**

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 Filers for a decision under the securities legislation of the Jurisdictions (the Legislation) exempting BMO Global High Yield Bond (the Fund)

pursuant to Section 19.1 of National Instrument 81-102 *Mutual Funds* (NI 81-102) from the requirement in:

1. section 2.7 (1)(a) of NI 81-102, insofar as it requires an interest rate swap or credit default swap to have a remaining term to maturity of 3 years (or 5 years in certain circumstances), to permit the Fund to enter into interest rate swaps or credit default swaps with a remaining term to maturity of greater than 3 years;
2. section 2.8(1) of NI 81-102 to the extent that cash cover is required in respect of specified derivatives to permit the Fund to cover specified derivative positions with:
 - (a) any bonds, debentures, notes or other evidences of indebtedness that are liquid (Fixed Income Securities);
 - (b) floating rate evidences of indebtedness; and
3. sections 2.8(1)(d) and (f)(i) of NI 81-102 to permit the Fund when:
 - (a) it opens or maintains a long position in a debt-like security that has a component that is a long position in a forward contract or in a standardized future or forward contract; or
 - (b) it enters into or maintains an interest rate swap position and during the periods when the Fund is entitled to receive payments under the swap;to use as cover, a right or obligation to sell an equivalent quantity of the underlying interest of the standardized future, forward or swap.

(paragraphs 1, 2 and 3 collectively will be referred to as the Requested Relief)

Under the Mutual Reliance Review System for Exemptive Relief Applications:

- (a) Ontario 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.

Representations

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

The Fund

1. The Fund is a mutual fund trust established in Ontario for which BMO Investments Inc. (the Manager) is the manager. The investment manager is PIMCO Canada Corp. The Fund is offered by prospectus in all the Jurisdictions. The Fund is a reporting issuer. The Manager's head office is in Toronto, Ontario.
2. The investment objective of the Fund is to provide a fixed monthly distribution and capital appreciation potential by investing primarily in debt instruments issued by governments and corporations from around the world. The investment strategies of the Fund include investing primarily in a diversified pool of fixed income securities, such as bonds or debentures, or obtains exposure to such instruments. The Fund invests primarily in high yield securities with a credit rating below BBB and emerging market debt.
3. The Fund may use derivative instruments to gain exposure to securities and markets instead of investing in the securities directly. The Fund may also use derivative instruments to reduce risk by protecting the Fund against potential losses from changes in interest rates and reducing the impact of currency fluctuations on the Fund' portfolio holdings.

PIMCO

4. PIMCO Canada Corp. is relatively newly registered in the Province of Ontario as an adviser in the category of investment counsel/portfolio manager and a commodity manager and is an indirect, wholly owned subsidiary of PIMCO LLC, an adviser registered under the Investment Advisers Act in the US. PIMCO Canada Corp. is authorized to delegate certain investment management duties under its agreement with the Filers to PIMCO LLC.
5. PIMCO LLC is one of the world's largest fixed income managers. Organized in 1971, PIMCO LLC provides investment management and advisory services to private accounts of institutional and individual clients and to mutual funds around the world.
6. Strategies employed by PIMCO in managing fixed income portfolios in the United States (U.S.) including U.S. mutual funds, in European jurisdictions complying with UCITS and other regulators, are currently prohibited by NI 81-102.

Swaps

7. Section 2.7(1)(a) of NI 81-102 prohibits mutual funds from entering into swaps with terms to maturity of greater than three years, or greater

than five years if the contract provides the fund with a right to eliminate its exposure within three years. The Filers seek the ability to enter into interest rate swaps and credit default swaps on behalf of the Fund without a restriction as to term of the swap. The Fund had a net asset value of approximately \$30 million in May, 2006. In order to achieve adequate diversification at a reasonable cost while the Fund remains small, PIMCO anticipates utilizing credit default swaps (CDS) or indexes of credit default swaps (CDX). CDX indexes are linked to the number of the most highly liquid CDS, and therefore permit quick and cost effective diversification to high yield and emerging market issuers. The Fund's benchmark is 50% Merrill Lynch Global High Yield BB-B Constrained Index and 50% JP Morgan Global EMBI Global Index, both hedged to Canadian dollars

8. Credit default swaps have a similar risk profile to their reference entity (corporate or sovereign bonds), or in the case of a CDX, to an average of all the reference entities in the CDX index. The term of a credit default swap imparts credit risk similar to that of a bond of the reference entity with the same term. The Fund will not be able to achieve the same sensitivity to credit risk as the benchmark by using credit default swaps with a maximum term of 3 years because the benchmark has an average term of 9.6 years. There is no term restriction in NI 81-102 when investing directly in the reference entities (corporate or sovereign bonds).
9. The term of a swap equals the maturity of its exposure, in contrast to other over-the-counter transactions, such as options and forwards, where the contract term and maturity of the underlying security are not related. As a result, there is no restriction under NI 81-102, for example, on a forward with an underlying interest having a term of 10 years whereas there is a restriction if the derivative is in the form of a swap.
10. Both the interest rate swap market and the credit default swap markets are very large and liquid. The interest rate swap market is generally as liquid as government bonds and more liquid than corporate bonds. The Bank of International Settlements reports \$127 trillion in interest rate swaps outstanding as of June 30, 2004. In Canada, there are over \$1 trillion of interest rate swaps outstanding, more than double the federal and provincial debt.
11. Credit default swaps, on average, are highly liquid instruments. Single name CDS are slightly less liquid than the bonds of their reference entities, while CDS on CDX are generally more liquid, than corporate or emerging market bonds. The Bank of International Settlements reported \$3.8 trillion in credit default swaps outstanding as of June 30,

2004. The International Swap and Derivatives Association's 2005 mid-year market survey estimated outstanding notional at \$12.4 trillion. Using either source, the credit default swap market has surpassed the size of the equity derivatives markets, and is one of the fastest growing financial markets.
12. Because swap contracts are private agreements between two counterparties, a secondary market for the agreements would be a cumbersome process whereby one counterparty would have to find a new counterparty willing to take over its contract at a fair market price, get the original counterparty to approve the new counterparty, and exchange a whole new set of documents. To avoid that process, market participants unwind their positions by simply entering into an opposing swap with an acceptable counterparty at market value. In this way, the original market or interest rate risk is negated.
13. Credit risk exposure to a counterparty on an interest rate swap transaction is generally a small fraction of the underlying notional exposure, equal to the cumulative price change since the inception of the swap. Even that small risk will be mitigated because the counterparty will be required to have an approved credit rating prescribed by NI 81-102 and PIMCO requires collateral transfer and credit support from the counterparty.
14. Potential credit exposure to a counterparty on a credit default swap on a CDX is equal to the notional exposure to any issuer in the index who has defaulted, or in the case of a single name CDS, equal to the full notional exposure. As is the case with interest rate swaps, this exposure is mitigated because the counterparty will be required to have an approved credit rating prescribed by NI 81-102, exposure to any individual counterparty is limited by NI 81-102 and PIMCO requires collateral transfer and credit support from the counterparty.
15. By permitting the Fund to enter into swaps beyond 3 year terms, it increases the possibility for the Fund to increase returns due to the fact that the opportunity set of swaps is expanded and it enables the Fund to target exposure that might not otherwise be available in the cash bond markets or could not be achieved as efficiently as in the cash bond markets. Further, it enables the Fund to effect hedging transactions that are more efficient and tailored.
16. Section 2.8 of NI 81-102 requires that mutual funds cover their derivative positions with "cash cover".
17. The current definition of "cash cover" in NI 81-102 includes:
- (a) commercial paper that has a term to maturity of 365 days or less and an approved credit rating and that was issued by a person or company other than a government or permitted supranational agency; and
 - (b) cash equivalent that is an evidence of indebtedness with a remaining term to maturity of 365 days or less, and that is issued, or fully and unconditionally guaranteed as to principal and interest, by government entities that are listed in the definition of "cash equivalent" as defined in NI 81-102.
18. The purpose of the cash cover requirement in NI 81-102 is to limit a mutual fund from leveraging its assets when using certain specified derivatives under section 2.8 and to ensure that the mutual fund is in a position to meet its obligations on the settlement date.
19. The Filers propose to use liquid Fixed Income Securities and floating rate evidences of indebtedness as cover for specified derivative transactions with respect to the Fund.
20. While money market instruments which are required by NI 81-102 as cash cover are highly liquid, the price paid for that liquidity comes in the form of very low yields relative to longer dated instruments and even relative to similar risk alternatives.
21. The definition of "cash cover" addresses regulatory concerns of interest rate risk and credit risk by limiting the term of the instruments and requiring the instruments to have an approved credit rating. The Filers submit that by permitting the use of Fixed Income Securities with a remaining term to maturity of 365 days or less and an approved credit rating as cover for specified derivative transactions with respect to the Fund, the regulatory concerns are met since the term and credit rating will be the same as other instruments currently permitted as use as "cash cover". Further, the longer dated instruments will enhance yields for the Fund.
22. Floating rate evidences of indebtedness, also known as floating rate notes (FRNs), are debt securities issued by the federal or provincial governments, Crown corporations or other corporations and other entities with floating interest rates that reset periodically, usually every 30 to 90 days. However, the term to maturity of FRNs can be more than 365 days.

Using Fixed Incomes Securities and Floating Rate Debt as Cover

23. The Filers propose to meet the cash cover requirement in section 2.8 of NI 81-102 by investing in FRNs that have a remaining term to maturity of more than 365 days and with interest rates that reset no longer than every 185 days.
24. The Filers submit that the use of FRNs as cash cover can enhance the return of the Fund without reducing the quality of "cash cover" for the purposes of specified derivatives.
25. For the purposes of money market funds (as defined in NI 81-102) meeting the 90 days dollar-weighted average term to maturity, the term of a floating rate evidence of indebtedness is the period remaining to the date of the next rate setting.
26. There is considered to be minimal interest rate risk associated with FRNs as floating interest rates generally reset on a short term basis, such as every 30 days to 90 days. Credit risk aside, if a FRN resets every 365 days, then the interest rate risk of the FRN is about the same as a fixed rate instrument with a term to maturity of 365 days.
27. Further, financial instruments that meet the current "cash cover" requirement have low credit risk. The current "cash cover" requirements provide that evidences of indebtedness of issuers, other than government agencies, must have approved credit ratings. As a result, if the issuer of FRNs is an entity other than a government agency, the FRNs will have an approved credit rating as required in NI 81-102.
28. FRNs will have adequate liquidity and will otherwise meet the requirement for derivative transactions carried out in accordance with Section 2.8.

Using Put Options as Cover for Long Positions in Futures, Forwards and Swaps

29. Sections 2.8(1)(d) and 2.8(1)(f)(i) of NI 81-102 do not permit covering the position in long positions in futures and forwards and long positions in swaps for a period when a fund is entitled to receive payments under the swap, in whole or in part with a right or obligation to sell an equivalent quantity of the underlying interest of the future, forward or swap. In other words, those sections of NI 81-102 do not permit the use of put options or short future positions to cover long future, forward or swap positions.
30. Regulatory regimes in other countries recognize the hedging properties of options for all categories of derivatives, including long positions evidenced by standardized futures or forwards or in respect of swaps where a fund is entitled to receive payments from the counterparty, provided they are covered by an amount equal to the difference

between the market price of a holding and the strike price of the option that was bought or sold to hedge it. NI 81-102 effectively imposes the requirement to overcollateralize, since the maximum liability to the fund under the scenario described is equal to the difference between the market value of the long and the exercise price of the option. Overcollateralization imposes a cost on a fund.

31. Section 2.8(1)(c) of NI 81-102 permits a mutual fund to write a put option and cover it with buying a put option on an equivalent quantity of the underlying interest of the written put option. This position has similar risks as a long position in a future, forward or swap and therefore, the Filers submit that the Fund should be permitted to cover a long position in a future, forward or swap with a put option or short future position.

Derivative Policies and Risk Management

32. The Manager allows for the use of derivatives under certain conditions and limitations. The Manager has written guidelines that set out the objectives and goals for derivatives trading which are established and reviewed annually by the board of directors of the Manager.
33. The Manager has written policies and procedures in place on the use of, and to supervise the portfolio manager in the use of, derivatives as investments within the Fund. These policies and procedures set out specific procedures for the authorization, documentation, reporting, monitoring and review of derivative strategies and positions. These policies and procedures are reviewed as required, with a minimum annual review.
34. The Manager has a Derivatives Review Committee ("DRC") that reports quarterly, and more frequently if required, to the Board of Directors of the Manager. The DRC is expected to be comprised of the Chief Investment Officer of the Manager, the Chief Compliance Officer of the Manager and other senior members of the Manager research team. Through the DRC, the Manager monitors the trading, holdings and positions of the derivatives portfolio, in conjunction with the investment policies of the Fund, and is responsible for applying and enforcing controls.
35. The derivative contracts entered into by the portfolio manager on behalf of the Fund must be in accordance with the investment objectives and strategies of the Fund. The portfolio manager is also required to adhere to NI 81-102. The Manager sets and reviews the investment policies of the Fund, which also allows the trading in derivatives.

36. The Manager requires that the portfolio manager use risk management processes to monitor and measure the risks of all portfolio holdings, including the derivatives positions in the Fund. The portfolio manager will use risk measurement procedures or simulations to test the derivatives holdings of the Fund under stress.
37. The prospectus and annual information form of the Fund will include disclosure of the nature of the exemptions granted in respect of the Fund.
38. Without these exemptions, the Fund will not have the flexibility to enhance yield and to manage more effectively the exposures under specified derivatives.
- government of a jurisdiction in Canada; or (II) the government of the United States of America, the government of one of the states of the United States of America, the government of another sovereign state or a "permitted supranational agency" as defined in NI 81-102, if, in each case, the FRN has an "approved credit rating" as defined in NI 81-102; and
- (e) the FRNs meet the definition of "conventional floating rate debt instrument" in section 1.1 of NI 81-102;

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 provided that:

- (i) the Fixed Income Securities have a remaining term to maturity of 365 days or less and have an "approved credit rating" as defined in NI 81-102;
- (ii) the FRNs meet the following requirements:
- (a) the floating interest rates of the FRNs reset no later than every 185 days;
- (b) the FRNs are floating rate evidences of indebtedness with the principal amounts of the obligations that will continue to have a market value of approximately par at the time of each change in the rate to be paid to the holders of the evidences of indebtedness;
- (c) if the FRNs are issued by a person or company other than a government or "permitted supranational agency" as defined in NI 81-102, the FRNs must have an "approved credit rating" as defined in NI 81-102;
- (d) if the FRNs are issued by a government or permitted supranational agency, the FRNs have their principal and interest fully and unconditionally guaranteed by (I) the government of Canada or the

- (iii) a Fund shall not open or maintain a long position in a debt-like security that has a component that is a long position in a forward contract, or in a standardized future or forward contract unless a Fund holds
- a) cash cover in an amount that, together with margin on account for the specified derivative and the market value of the specified derivative, is not less than, on a daily mark-to-market basis, the underlying market exposure of the specified derivative;
- b) a right or obligation to sell an equivalent quantity of the underlying interest of the future or forward contract, and cash cover that together with margin on account for the position, is not less than the amount, if any, by which the strike price of the future or forward contract exceeds the strike price of the right or obligation to sell the underlying interest;
- c) a combination of the positions referred to in subparagraphs a) and b) that is sufficient, without recourse to other assets of the Fund, to enable the Fund to acquire the underlying interest of the future or forward contract.
- (iv) a Fund shall not enter into or maintain an interest rate swap position unless for periods when the Fund would be entitled to receive fixed payments under the swap, the Fund holds
- a) cash cover in an amount that, together with margin on account

for the swap and the market value of the swap, is not less than, on a daily mark-to-market basis, the underlying market exposure of the swap;

- b) a right or obligation to enter into an offsetting interest rate swap on an equivalent quantity and with an equivalent term and cash cover that together with margin on account for the position is not less than the aggregate amount, if any, of the obligations of the Fund under the interest rate swap less the obligations of the Fund under such offsetting interest rate swap;
 - c) a combination of the positions referred to in clauses a) and b) that is sufficient, without recourse to other assets of the Fund, to enable the Fund to satisfy its obligations under the interest rate swap.
- (v) the Fund shall disclose the nature and terms of this relief in the Fund's prospectus under the Investment Strategies section and in the Fund's annual information form.

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

2.1.8 Pegasus Resources Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – s. 83 of *Securities Act* (Ontario) – Issuer has only one security holder – Issuer deemed to cease to be a reporting issuer under applicable securities laws

Applicable Legislative Provisions

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

Citation: Pegasus Resources Ltd., 2006 ABASC 1578

August 8, 2006

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA AND ONTARIO
(THE JURISDICTIONS)**

AND

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

AND

**IN THE MATTER OF
PEGASUS RESOURCES LTD. (THE APPLICANT)**

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Applicant for a decision pursuant to the securities legislation of the Jurisdictions (the Legislation) that it be deemed to have ceased to be a reporting issuer or the equivalent thereof under the Legislation.
2. Under the Mutual Reliance Review System for Exemptive Relief Applications (MRRS):
 - 2.1 The Alberta Securities Commission is the Principal Regulator for this application; and
 - 2.2 This MRRS decision document evidences the decision of each Decision Maker.

Interpretation

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

Representations

4. This decision is based on the following facts represented by the Applicant:
 - 4.1 The Applicant was incorporated on December 15, 2005 pursuant to the laws of the Province of Alberta.
 - 4.2 The Applicant's head office is located in Calgary, Alberta.
 - 4.3 On June 23, 2006 the Applicant and NDT Energy Ltd. (subsequently renamed Pegasus Oil & Gas Inc. (Pegasus)) entered into a statutory plan of arrangement (the Plan) under the *Business Corporations Act* (Alberta) that resulted in the reorganization of the Applicant. The Applicant is now a wholly-owned subsidiary of Pegasus.
 - 4.4 The outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada.
 - 4.5 No securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.
 - 4.6 The Applicant is applying for relief to cease to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer.
 - 4.7 The Applicant is not in default of any of its obligations under the Legislation as a reporting issuer other than its failure to file interim financial statements for the period ended March 31, 2006.

Decision

5. 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.
6. The decision of the Decision Makers under the Legislation is that the Applicant be deemed to have ceased to be a reporting issuer in each of the Jurisdictions.

"Blaine Young"
Associate Director, Corporate Finance
Alberta Securities Commission

2.2 Orders

2.2.1 DB Capital Advisers Inc. - s. 80 of the CFA

Headnote

Section 80 of the Ontario Commodity Futures Act – relief from the registration requirements of subsection 22(1)(b) of the CFA granted to a non-resident adviser in respect of the provision of advisory services relating to commodity futures and options to a Fund in Ontario, subject to certain terms and conditions under which DB Capital Advisers Inc. accepts legal responsibility for the advisory services provided under such exemption.

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

**REGULATION 90 UNDER
THE COMMODITY FUTURES ACT,
R.R.O. 1990, AS AMENDED (the Regulation)**

AND

**IN THE MATTER OF
DB CAPITAL ADVISERS INC.**

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

UPON the application of DB Capital Advisers Inc. (DBCA) to the Ontario Securities Commission (the Commission) for an order, pursuant to subsection 80 of the CFA, renewing the exemption order granted by the Commission on August 8, 2003, which provided that DBCA and its officers be exempt, for a period of three years, from the requirements of paragraph 22(1)(b) of the CFA in respect of advising certain mutual funds and non-redeemable investment funds in Ontario (the Funds) in respect of trades in commodity futures contracts traded on commodity futures exchanges outside Canada and cleared through clearing corporations outside Canada (the Advisory Business), subject to certain terms and conditions;

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

AND UPON DBCA having represented to the Commission that:

1. DBCA is a Delaware corporation that is a wholly owned, indirect subsidiary of Deutsche Bank AG,

a financial services group with operations worldwide whose shares are widely held and are traded on German stock exchanges.

2. DBCA is registered with the U.S. Commodities Futures Trading Commission (the CFTC) as a commodity trading adviser and is a member of the U.S. National Futures Association (the NFA).
3. DBCA desires to continue its Advisory Business in Ontario. The Funds which DBCA does, and will advise, are and will be mutual funds and non-redeemable investment funds in Ontario, as described in paragraph 14 of the definition of "permitted client" in section 1.1 of Ontario Securities Commission Rule 35-502 *Non Resident Advisers* (OSC Rule 35-502) (a Permitted Fund).
4. In the absence of the order, DBCA would be required to apply for registration as a commodity trading manager which would require, among other things, that: (a) DBCA's counselling officers comply with the proficiency requirements under the CFA and the Regulation in addition to the comparable proficiency requirements to which such officers are subject in the United States and where compliance with the proficiency requirements under the CFA would not be directly relevant to the Advisory Business; (b) DBCA prepare and deliver to the Commission audited financial statements notwithstanding that DBCA is not required to file audited financial statements with the CFTC or the NFA; (c) DBCA and its officers comply with the residency requirement under the CFA where compliance with such requirement would be unduly onerous given the nature and scope of the Advisory Business; and (d) DBCA comply with insurance and other requirements ordinarily applicable for full registration in the category of commodity trading manager in addition to the requirements to which it is subject in the United States.
5. DBCA and its counselling officers, as the case may be, have submitted to the Commission (i) a completed Freedom of Information Consent Form, (ii) a completed Appointment of Agent for Service of Process Form, and (iii) a statement of Acknowledgment of Non-Resident Requirements incorporating paragraphs 11(a), (b) and (c) of the Commission's current "List of Requirements for Registration as Adviser for Persons and Companies Currently Members of the National Futures Association and Registered with the Commodity Futures Trading Commission".
6. DBCA and its counselling officers, as the case may be, will comply with the terms and conditions set forth in the "Conditions of Order" attached as Schedule A for the duration of the Order.
7. DBCA and its counselling officers, as the case may be, will comply with all of the provisions of the

CFA and the Regulation which would be applicable if DBCA were registered as a commodity trading manager under the CFA, other than sections 18, 21.4 and 22 of the CFA and sections 14(4), 15, 16, 17, 20, 21, 22, 26, 33, 37, 40 and 41 of the Regulation, for the duration of the Order.

8. The requirements with which DBCA and its counselling officers have complied and will comply as set out above are substantively equivalent to the requirements imposed on international advisers registered with the Commission pursuant to OSC Rule 35-502.

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

IT IS ORDERED pursuant to subsection 80 of the CFA that DBCA and its officers are not subject to the requirements of paragraph 22(1)(b) in respect of the Advisory Business, for a period of three years effective as of the date of this order, provided that:

- (a) DBCA and its counselling officers, as the case may be, submit to the Commission (i) a completed Freedom of Information Consent Form, (ii) a completed Appointment of Agent for Service of Process Form, and (iii) a Statement of Acknowledgment of Non-Resident Requirements incorporating paragraphs 11(a), (b) and (c) of the Commission's current "List of Requirements for Registration as Adviser for Persons and Companies Currently Members of the National Futures Association and Registered with the Commodity Futures Trading Commission";
- (b) DBCA and its counselling officers, as the case may be, comply with the terms and conditions set forth in the Conditions of Order attached as Schedule A for the duration of the Order;
- (c) DBCA and its counselling officers, as the case may be, comply with all of the provisions of the CFA and the Regulation which would be applicable if DBCA were registered as a commodity trading manager under the CFA, other than sections 18, 21.4 and 22 of the CFA and sections 14(4), 15, 16, 17, 20, 21, 22, 26, 33, 37, 40 and 41 of the Regulation, for the duration of the Order.

August 4, 2006

“Paul K. Bates”

“David L. Knight”

SCHEDULE A

**CONDITIONS OF ORDER
FOR DB CAPITAL ADVISERS INC.
PURSUANT TO SUBSECTION 80 OF
THE COMMODITY FUTURES ACT (ONTARIO)**

1. For the purposes of these Conditions, the following terms have the following meanings:

“**Act**” means the *Commodity Futures Act* (Ontario);

“**adviser**” means an adviser registered under the Act in the category of commodity trading manager;

“**CFTC**” means the U.S. Commodities Futures Trading Commission;

“**Commission**” means the Ontario Securities Commission;

“**NFA**” means the U.S. National Futures Association;

“**OSC Rule 35-502**” means Ontario Securities Commission Rule 35-502, *Non Resident Advisers*;

“**Permitted Fund**” means: a mutual fund or a non-redeemable investment fund that distributes its securities in Ontario, if the manager of the fund (a) is ordinarily resident in a Canadian jurisdiction and is registered under the *Securities Act* (Ontario) as a portfolio manager, broker, investment dealer or mutual fund dealer, or is registered under Canadian securities legislation other than the *Securities Act* (Ontario) in an equivalent category of registration, and (b) is a party to the contract under which the international adviser provides investment advice or portfolio management services to the fund;

“**mutual fund**” has the meaning set forth in paragraph 1 of section 1 of the *Securities Act* (Ontario);

“**non-redeemable investment fund**” has the meaning set forth in Ontario Securities Commission Rule 14-501, *Definitions*;

“**Regulation**” means Regulation 90 under the Act.

2. DBCA shall engage only in the business of adviser in the category of commodity trading manager in Ontario solely for Permitted Funds.
3. DBCA may act as an adviser to Permitted Funds only in respect of investments in, or the use of, commodity futures contracts traded on commodity futures exchanges outside Canada and cleared through clearing corporations outside Canada.
4. DBCA shall maintain its registration as a commodity trading adviser with the CFTC and its membership with the NFA in good standing for so long as it shall carry on any advisory activities in Ontario or for residents of Ontario; officers of DBCA responsible for advisory activities of DBCA in Ontario or for residents of Ontario shall similarly

- maintain their registration and/or membership with the CFTC and the NFA in good standing for so long as they shall be responsible for advisory activities of DBCA in Ontario or for residents of Ontario and shall have submitted to the Commission a completed Freedom of Information Consent Form and a completed Appointment of Agent for Service of Process Form.
5. Not more than 25% of the aggregate consolidated gross revenues from advisory activities of DBCA and its affiliates with respect to commodity futures, in any financial year of DBCA, shall arise from their acting as advisers with respect to commodity futures for Permitted Funds in Canada.
6. DBCA shall comply with the following requirements of the Regulation:
- (a) DBCA shall maintain such books and records as are required under sections 24 and 25 of the Regulation, it being understood that DBCA shall not be required to prepare and file with the Commission audited financial statements.
 - (b) DBCA shall maintain standards directed to ensuring fairness in the allocation of trading opportunities among DBCA 's customers.
 - (c) DBCA shall charge clients directly for services and such charge shall be based upon the dollar value of the client's portfolio, but not on the value or volume of the transactions initiated for the client, and except with the written agreement of the client, shall not be contingent upon profits or performance (subsection 29(3) of the Regulation).
7. In addition to the other requirements set forth in these Conditions, DBCA and its counselling officers, as the case may be, shall comply with all of the provisions of the CFA and the Regulation which would be applicable if DBCA were registered as commodity trading manager under the CFA, including, in particular but without limitation sections 50, 51 and 53 of the CFA and Schedule 1 of the Regulation (Fees). DBCA shall not be required to comply with sections 18, 21.4 and 22 of the CFA and sections 14(4), 15, 16, 17, 20, 21, 22, 26, 33, 37, 40 and 41 of the Regulation.
8. (a) Subject to subparagraphs (b) and (c), DBCA shall ensure that the securities and money of an Ontario client be held:
- (i) by the Ontario client; or
 - (ii) by a custodian or sub-custodian:
- (A) that meets the requirements prescribed for acting as a custodian or sub-custodian of a mutual fund in National Instrument 81-102, and
 - (B) that is subject to the agreement announced by the Bank for International Settlements on July 1, 1988 concerning international convergence of capital measurement and capital standards.
- (b) DBCA or an affiliate of DBCA that holds the securities or money of an Ontario client as custodian or sub-custodian shall hold the securities and money in compliance with sections 116, 117, 118 and 119 of the regulation under the *Securities Act* (Ontario).
- (c) The securities of an Ontario client may be deposited with or delivered to a depository or clearing agency that is authorized to operate a book-based system.
9. (a) At the request of the Director, the Commission or a person appointed by the Commission to make an investigation under the Act relating to DBCA's activities in Ontario, DBCA shall:
- (i) immediately produce in Ontario, at DBCA's expense, appropriate persons in its employ as witnesses to give evidence on oath or otherwise;
 - (ii) if the appropriate persons referred to in clause (i) above are not in its employ, use its best efforts immediately to produce in Ontario, at DBCA's expense, the persons to give evidence on oath or otherwise, subject to the laws of the foreign jurisdiction that are otherwise applicable to the giving of evidence; and
 - (iii) if the laws of a foreign jurisdiction that are otherwise applicable to the giving of evidence prohibit DBCA or the persons referred to in clause (i) above from giving the evidence without the consent of the relevant client:

- (A) so advise the Commission or the person making the request, and
- (B) use its best efforts to obtain the client's counsel to the giving of the evidence.
- (b) If the laws of the foreign jurisdiction in which the books, records or documents referred to in subsection 14(3) of the Act of DBCA are located prohibit production of the books, records or documents in Ontario without the consent of the relevant client, DBCA shall, upon a request by the Commission under subsection 14(3) of the Act:
- (i) so advise the Commission; and
- (ii) use its best efforts to obtain the client's consent to the production of the books, records or documents.
10. DBCA shall deliver to an Ontario client, before acting as an adviser to the Ontario client, a statement in writing disclosing:
- (a) to the extent applicable, that there may be difficulty enforcing any legal rights the Ontario client may have against DBCA because:
- (i) DBCA is ordinarily resident outside Canada and all or a substantial portion of its assets are situated outside Canada, and
- (ii) if applicable, that the laws of the foreign jurisdiction in which the books, records and documents referred to in subsection 14(3) of the Act of DBCA are located prevent the production of those books, records and documents in Ontario; and
- (b) DBCA is not fully subject to the requirements of the Act and the Regulations concerning proficiency, capital, insurance, record keeping, segregation of funds and securities and statements of account and portfolio.
11. A prospectus or other offering document for a Permitted Fund in respect of which advice is provided by the adviser, either directly to the fund or to the portfolio manager of the fund, shall disclose the matters referred to in paragraph 10 above.
12. DBCA and each of its counselling officers irrevocably and unconditionally submit to the non-exclusive jurisdiction of the judicial, quasi-judicial and administrative tribunals of Ontario and any administrative proceeding in Ontario, in any proceeding arising out of or related to or concerning its registration under the Act or its activities in Ontario as a registrant.
13. DBCA has appointed an agent for service of process in Ontario and shall provide to each Permitted Fund in Ontario for whom it acts as an adviser, prior to so doing, a statement in writing disclosing the name and address of the agent for service of process of DBCA in Ontario or disclosing that this information is available from the Commission.
14. DBCA shall not change its agent for service of process in Ontario without giving the Commission 30 days prior notice of such change by filing a new Submission to Jurisdiction and Appointment of Agent for Service of process in the prescribed form.
15. Where, by supervisory terms or conditions imposed in respect of a partner, officer or salesperson of DBCA, DBCA is required to supervise the actions of that partner, officer or salesperson and DBCA has been so notified by letter to the attention of its compliance officer, DBCA must comply with those terms and conditions.

2.2.2 Commonfund Securities, Inc. - s. 218 of the Regulation

Headnote

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

Applicable Statutes

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

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

AND

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

AND

**IN THE MATTER OF
COMMONFUND SECURITIES, INC.**

**ORDER
(Section 218 of the Regulation)**

UPON the application (the Application) of Commonfund Securities, Inc. (the Applicant) to the Ontario Securities Commission (the Commission) for an order, pursuant to section 218 of the Regulation, exempting the Applicant from the requirement under section 213 of the Regulation that the Applicant be incorporated, or otherwise formed or created, under the laws of Canada or a province or territory of Canada, for the Applicant to be registered under the Act as a dealer in the category of "limited market dealer" (LMD) pursuant to Ontario Securities Commission Rule 31-503 *Limited Market Dealer* (Rule 31-503);

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a corporation organized under the laws of the State of Delaware, U.S.A. The head office of the Applicant is located in Wilton, Connecticut, U.S.A.
2. The Applicant is presently registered in the United States as a broker-dealer with the United States Securities and Exchange Commission (the SEC)

and is a member of the National Association of Securities Dealers (the NASD). The Applicant's business activities include:

- (i) acting as a broker-dealer to provide securities distribution in Canada.
3. The Applicant is not presently registered under the Act in any dealer capacity. The Applicant is applying to the Commission for registration under the Act as a dealer in the category of LMD.
4. With respect to the registration of the Applicant as a dealer in the category of limited market dealer, the Applicant will only participate in the distribution of securities in Ontario pursuant to registration and prospectus exemptions contained in the Act, Ontario Securities Commission Rule 45-501 *Ontario Prospectus and Registration Exemptions* and National Instrument 45-106 *Prospectus and Registration Exemptions*.
5. Section 213 of the Regulation provides that a registered dealer that is not an individual must be a company incorporated, or a person formed or created, under the laws of Canada or a province or territory of Canada.
6. The Applicant requests an exemption from the requirement under section 213 of the Regulation to permit it to obtain registration as a LMD without having to incorporate a separate company under the laws of Canada or a province or territory of Canada.
7. Without the relief requested, the Applicant would not meet the requirements for registration as a dealer in the category of LMD as the Applicant is not a company incorporated, formed or created under the laws of Canada or any province or territory of Canada.

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

IT IS ORDERED, pursuant to section 218 of the Regulation, that, in connection with the registration of the Applicant as a dealer under the Act in the category of LMD, section 213 of the Regulation shall not apply to the Applicant for a period of three (3) years, provided that:

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

3. The Applicant will not change its agent for service of process in Ontario without giving the Commission thirty (30) days' prior notice of such change by filing a new *Submission to Jurisdiction and Appointment of Agent for Service of Process*.
4. The Applicant and each of its registered directors or officers irrevocably and unconditionally submits to the non-exclusive jurisdiction of the judicial, quasi-judicial, and administrative tribunals of Ontario and any administrative proceedings in Ontario, in any proceedings arising out of or related to or concerning its registration under the Act or its activities in Ontario as a registrant.
5. Securities, funds, and other assets of the Applicant's clients in Ontario will be held:
 - (a) by the client; or
 - (b) by a custodian or sub-custodian:
 - (i) that meets the guidelines prescribed for acting as a sub-custodian of the portfolio securities of a mutual fund in Part 6 of National Instrument 81-102 *Mutual Funds*;
 - (ii) that is:
 - (A) subject to the agreement announced by the Bank for International Settlements (the BIS) on July 1, 1988 concerning international convergence of capital measurement and capital standards; or
 - (B) exempt from the requirements of paragraph 3.7(1)(b)(ii) of OSC Rule 35-502 *Non Resident Advisers*; and
 - (c) if such securities, funds and other assets are held by a custodian or sub-custodian that is the Applicant or an affiliate of the Applicant, that custodian holds such securities, funds and other assets in compliance with the requirements of the Regulation.
6. Securities of the Applicant's Ontario clients may be deposited with or delivered to a recognised depository or clearing agency.
7. The Applicant will inform the Director immediately upon it becoming aware:
 - (a) that it has ceased to be registered in the United States as a broker-dealer;
 - (b) of its registration in any other jurisdiction not being renewed or being suspended or revoked;
 - (c) that it is the subject of an investigation or disciplinary action by any financial services or securities regulatory authority or self-regulatory authority;
 - (d) that the registration of its salespersons, officers or directors who are registered in Ontario have not been renewed or have been suspended or revoked in any Canadian or foreign jurisdiction; or
 - (e) that any of its salespersons, officers or directors who are registered in Ontario are the subject of an investigation or disciplinary action by any financial services or securities regulatory authority or self-regulatory authority in any Canadian or foreign jurisdiction.
8. The Applicant will pay the increased compliance and case assessment costs of the Commission due to its location outside Ontario, including the cost of hiring a third party to perform a compliance review on behalf of the Commission in connection with its registration as a LMD.
9. The Applicant will make its books and records outside Ontario, including electronic records, readily accessible in Ontario, and will produce physical records for the Commission within a reasonable time if requested.
10. If the laws of the jurisdiction in which the Applicant's books and records are located prohibit production of the books and records in Ontario without the consent of the relevant client, the Applicant shall, upon a request by the Commission:
 - (a) so advise the Commission; and
 - (b) use its best efforts to obtain the client's consent to the production of the books and records.
11. The Applicant will, upon the Commission's request, provide a representative to assist the Commission in compliance and enforcement matters.
12. The Applicant and each of its registered directors or officers will comply, at its expense, with requests under the Commission's investigation powers and orders under the Act in relation to the Applicant's dealings with Ontario clients, including producing documents and witnesses in Ontario,

submitting to audit or search and seizure process or consenting to an asset freeze, to the extent such powers would be enforceable against the Applicant if it were resident in Ontario.

13. If the laws of the Applicant's jurisdiction of residence that are otherwise applicable to the giving of evidence or production of documents prohibit the Applicant or the witnesses from giving the evidence without the consent or leave of the relevant client or any third party, including a court of competent jurisdiction, the Applicant shall:

- (a) so advise the Commission; and
- (b) use its best efforts to obtain the client's consent to the giving of the evidence.

14. The Applicant will maintain appropriate registration and regulatory organization membership, in the jurisdiction of its principal operations, and if required, in its jurisdiction of residence.

August 8, 2006

"Robert W. Davis"

"Wendell S. Wigle"

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
Goldnev Resources Inc.	08 Aug 06	18 Aug 06		
Lake Louise Limited Partnership	28 Jul 06	08 Aug 06	08 Aug 06	
WorkGroup Designs Ltd.	09 Aug 06	21 Aug 06		

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
ONE Signature Financial Corporation	03 May 06	16 May 06	16 May 06	08 Aug 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	08 Aug 06	
TECSYS Inc.	02 Aug 06	15 Aug 06			

This page intentionally left blank

Chapter 5

Rules and Policies

5.1.1 Amendments to NI 31-101 – National Registration System and NP 31-201 – National Registration System

AMENDMENTS TO NATIONAL INSTRUMENT 31-101 NATIONAL REGISTRATION SYSTEM

PART 1 AMENDMENTS TO NATIONAL INSTRUMENT 31-101

- 1.1 National Instrument 31-101 *National Registration System* is amended by this Instrument.
- 1.2 Paragraph (a) of the definition of “principal regulator” is repealed and the following is substituted:

“for a firm filer, the securities regulatory authority or regulator of the jurisdiction in which the firm filer’s head office is located;”
- 1.3 Section 2.3 is repealed and the following is substituted:

“If a firm filer changes its head office to another jurisdiction, the firm filer must immediately notify its principal regulator of such change by submitting a completed Form 31-101F2.”
- 1.4 Item 3 of Form 31-101F1 is repealed and the following is substituted:

“3. Reasons for Designation of Principal Regulator

State here the location of firm filer’s head office.”
- 1.5 Form 31-101F2 is amended
 - (a) Item 1 of the General Instructions is repealed and replaced by the following:

“1. The Form must be submitted by a firm filer to notify its principal regulator if a firm filer changes its head office to another jurisdiction.”
 - (b) Item 2 by striking out “the factors considered by the firm filer to determine the jurisdiction with which the firm filer has the most significant connection” and substituting “the head office”.

PART 2 EFFECTIVE DATE

- 2.1 This Instrument is effective August 1, 2006.

**AMENDMENTS TO NATIONAL POLICY 31-201
NATIONAL REGISTRATION SYSTEM**

PART 1 AMENDMENTS

1.1 National Policy 31-201 is amended by deleting sections 3.2, 3.3 and 3.4 and substituting the following:

3.2. Designation of Principal Regulator

- (1) The firm filer must select as its principal regulator the securities regulatory authority or regulator of the jurisdiction in which the firm filer's head office is located.
- (2) The principal regulator for an individual filer is the securities regulatory authority or the regulator of the jurisdiction in which the individual filer's working office is located.

3.3. Change of principal regulator applied for by filer

- (1) A filer may apply for a change of principal regulator if it believes that its principal regulator is not the appropriate principal regulator. However, a change of a firm filer's principal regulator based on factors other than the head office criterion set out in section 3.2 (1) will generally not be permitted unless exceptional circumstances justify the change. The factors that may be considered in assessing an application for a change of a filer's principal regulator are:
 - (a) location of management,
 - (b) operational headquarters,
 - (c) business office,
 - (d) workforce, and
 - (e) clientele.
- (2) If a filer applies for a change of its principal regulator, the application should be submitted in paper form to the principal regulator and the requested regulator at least thirty days in advance of any filing of materials under NRS to permit adequate time for staff of the relevant securities regulatory authorities to consider and resolve the application. If the application is not resolved before the date of any filing of materials, the principal regulator will continue to act as principal regulator for that filing, and the change requested, if granted, will relate to materials filed after the issuance of the final MRRS decision document.

3.4. Change of Principal Regulator - by the Regulators

- (1) The securities regulatory authorities and regulators may change the principal regulator designated by the filer where the securities regulatory authorities and regulators determine that changing the principal regulator of a filer would result in greater administrative and regulatory efficiencies in connection with the filer's registration or approval.
- (2) If the securities regulatory authorities and regulators propose to change a filer's principal regulator, the principal regulator will notify the filer in writing of the proposed change and will identify the reasons for the proposed change .

3.5. Effect of Change of Principal Regulator

Unless otherwise consented to by the principal regulator and the redesignated principal regulator, a change of principal regulator pursuant to sections 3.3 and 3.4 will take effect immediately. Requirements applicable to the filer will change accordingly, subject to the temporary exemption contained in section 3.2 of NI 31-101 for the benefit of registered filers.

PART 2 EFFECTIVE DATE

2.1. These amendments come into force on August 1, 2006.

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
02/09/2006	34	AfriOre Limited - Common Shares	22,081,000.00	6,220,000.00
02/27/2006	1	AfriOre Limited - Common Shares	683,876.00	192,100.00
07/26/2006	1	Airesurf Networks Holdings Inc. - Units	5,000.00	50,000.00
07/18/2006 to 07/26/2006	52	Alter Nrg Income Fund - Units	1,926,518.25	2,568,691.00
07/21/2006	11	Ammonite Energy Ltd. - Common Shares	1,700,000.00	4,250,000.00
06/12/2006	2	Angle Energy Inc. - Common Shares	1,875,000.00	625,000.00
02/03/2004 to 02/05/2004	7	APAR Inc. - Units	35,500.00	101,428.00
06/10/2004	1	APAR Inc. - Units	3,500.00	10,000.00
09/14/2005 to 09/15/2005	3	APAR Inc. - Units	48,300.00	138,000.00
09/21/2005 to 09/28/2005	5	APAR Inc. - Units	24,500.00	N/A
10/04/2005 to 10/05/2005	2	APAR Inc. - Units	7,000.00	20,000.00
10/17/2005	1	APAR Inc. - Units	10,500.00	30,000.00
07/19/2006	36	ATAC Resources Ltd. - Units	460,000.00	2,000,000.00
07/14/2006	13	Atacama Minerals Corp. - Common Shares	27,500,000.00	22,000,000.00
07/10/2006	59	Avcorp Industries Inc. - Preferred Shares	5,142,000.00	12,000,000.00
07/18/2006	17	Belair Networks Inc. - Preferred Shares	17,004,000.00	13,125,249.00
07/13/2006	8	Bison Income Trust II - Trust Units	986,467.32	87,151.46
06/30/2006	13	BoarderWare Technologies Inc. - Notes	3,500,000.00	3,500,000.00
04/06/2006	2	Bravo Venture Group Inc. - Flow-Through Shares	1,500,050.00	1,579,000.00
04/18/2006	46	Calibre Energy Inc. - Units	11,560,000.00	5,780,000.00

Notice of Exempt Financings

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
07/18/2006	1	Campbell Resources Inc. - Common Shares	0.00	7,000,000.00
07/20/2006	51	Canplats Resources Corporation - Units	1,000,000.00	5,000,000.00
05/05/2006 to 07/17/2006	14	Carlisle Goldfields Limited - Units	468,000.00	2,553,334.00
06/01/2006	1	Cogent Communications Group Inc. - Common Shares	3,580,500.00	350,000.00
06/01/2005 to 03/31/2006	28	Commonfund Hedged Investors Company - Common Shares	160,362,199.00	536,382.00
07/17/2006	43	Contact Exploration Inc. - Flow-Through Shares	5,000,000.00	800,000.00
01/31/2006	1	Cygnal Technologies Corporation - Common Shares	672,750.00	575,000.00
07/18/2006	5	DataWind Net Access Corporation - Debentures	1,000,000.00	N/A
06/30/2006	2	Davis-Rea Ltd. - Units	197,588.83	18,158.90
07/17/2006	12	Diadem Resources Ltd. - Flow-Through Shares	761,650.00	1,813,454.00
07/20/2006	11	Diagem Inc. - Common Shares	6,536,476.00	65,364,760.00
07/26/2006	8	Discovery PGM Exploration Ltd. - Units	108,000.00	600,000.00
06/12/2006	1	Drumlin Energy Corp. - Common Shares	504,000.00	240,000.00
07/17/2006	36	Engineered Drilling Solutions Inc. - Common Shares	5,405,500.00	2,702,750.00
12/08/2005	1	Enterra Energy Trust - Trust Units	15,698,132.98	689,079.00
07/14/2006	105	Erdene Gold Inc. - Flow-Through Shares	6,000,000.00	6,000,000.00
06/05/2006 to 07/06/2006	11	Forest Gate Resources Inc. - Flow-Through Shares	1,632,975.15	5,354,016.00
07/18/2006	15	Fralex Therapeutics Inc. - Preferred Shares	3,000,000.00	1,500,000.00
07/26/2006	70	Galantas Gold Corporation - Units	3,500,000.00	14,000,000.00
07/17/2006 to 07/21/2006	26	General Motors Acceptance Corporation of Canada, Limited - Notes	18,125,700.51	18,125,700.51
07/19/2006	18	Geostar Metals Inc. - Units	1,197,250.00	3,420,712.00
07/19/2006	21	Halifax International Airport Authority - Bonds	150,000,000.00	15,000,000.00

Notice of Exempt Financings

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
07/20/2006	110	Hathor Exploration Limited - Flow-Through Shares	3,124,999.95	2,499,998.00
04/06/2006	1	Hedman Resources Limited - Debentures	1,000,000.00	1,000,000.00
07/26/2006	1	Iberian Minerals Corp. - Debentures	25,000,000.00	25,000,000.00
07/13/2006	2	IGW Capital Ltd. - Common Shares	1,390.00	1,390.00
07/13/2006 to 07/19/2006	6	IGW Properties Limited Partnership I - Limited Partnership Units	325,390.00	325,390.00
06/23/2006	32	International Arimex Resources Inc. - Units	489,817.00	1,257,750.00
07/19/2006	1	KBSH Private - Canadian Equity Value Fund - Units	275,000.00	27,817.12
07/15/2006	3	Kingwest Avenue Portfolio - Units	255,000.00	8,647.91
07/01/2005 to 06/30/2006	3	Legg Mason Absolute Return Master Trust - Units	1,247,932,330.59	121,629,473.86
07/01/2005 to 06/30/2006	2	Legg Mason Absolute Return Portable Alpha Pool - Units	34,878,289.10	3,487,828.91
07/01/2005 to 06/30/2006	5	Legg Mason Canada Income Plus Pool - Units	69,702,259.86	434,526.17
07/01/2005 to 06/30/2006	3	Legg Mason Canada Liquidity Plus Pool - Units	55,229,952.29	5,522,995.23
01/05/2006 to 06/30/2006	38	Legg Mason Canada Treasury Plus Pool - Investor Master Custodial Certificate	1,402,981,191.79	140,298,119.20
07/01/2005 to 06/30/2006	6	Legg Mason Fixed Income Alpha Pool - Units	1,329,389.54	128,610.06
07/01/2006 to 06/30/2006	2	Legg Mason Long Duration Diversified Portable Alpha Pool - Units	26,166,795.84	2,616,679.58
07/01/2005 to 06/30/2006	35	Legg Mason Private Capital Management U.S. Equity Pool - Units	9,769,248.06	916,493.64
07/01/2005 to 06/30/2006	2	Legg Mason Short Duration Diversified Portable Alpha Pool - Units	8,728,545.74	872,854.58
06/01/2005 to 06/30/2006	4	Legg Mason (C\$) U.S. Value Pool - Units	11,354,258.57	1,315,356.40
07/01/2005 to 06/30/2006	5	Legg Mason/Brandywine Global Fixed Income Pool - Units	189,428,702.43	18,864,918.86
07/12/2006	37	Merrex Gold Inc. - Flow-Through Shares	435,840.00	622,629.00
07/12/2006	47	Merrex Gold Inc. - Units	733,700.00	122,833.00

Notice of Exempt Financings

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
07/25/2006	1	Metanor Resources Inc. - Common Shares	13,250.00	25,000.00
07/11/2006	14	National Bank of Greece S.A. - Common Shares	21,978,409.27	689,447.00
01/06/2006	1	New Solutions Financial (II) Corporation - Debentures	250,000.00	1.00
07/11/2006	1	Newport Offshore Feeder Fund L.P. - Limited Partnership Interest	56,690,000.00	50,000,000.00
07/27/2006	1	NFX Gold Inc. - Common Shares	0.00	250,000.00
04/11/2006	1	Northern Ethanol Inc. - Common Shares	330,000.00	300,000.00
05/01/2006 to 05/09/2006	4	Northern Ethanol Inc. - Common Shares	632,500.00	575,000.00
05/11/2006 to 05/16/2006	4	Northern Ethanol Inc. - Common Shares	605,000.00	550,000.00
06/15/2006 to 06/21/2006	2	Northern Ethanol Inc. - Common Shares	302,500.00	2,750,000.00
07/06/2006 to 07/14/2006	12	Northern Ethanol Inc. - Common Shares	146,850.00	133,500.00
07/18/2006 to 07/25/2006	5	Northern Ethanol Inc. - Common Shares	181,500.00	165,000.00
04/11/2006	1	Nuinsco Resources Limited - Common Shares	287,000.00	1,400,000.00
07/18/2006	1	Penhall International Corp. - Notes	1,141,600.00	1,000.00
07/17/2006	62	Peregrine Metals Ltd - Units	3,044,100.00	15,225,500.00
07/18/2006	7	Permira IV - Limited Partnership Interest	910,422,500.00	6,425.00
07/24/2006	9	Pet Valu Canada Inc. - Debentures	8,820,000.00	8,820,000.00
07/19/2006	55	Precept 2006 Flow-Through Limited Partnership - Units	2,500,000.00	2,500.00
04/07/2006	1	Richview Resources Inc. - Common Shares	3,500.00	10,000.00
03/21/2006	3	Roca Mines Inc. - Common Shares	2,000,000.00	5,350,000.00
07/17/2006	3	Rocket Trust - Notes	25,000,000.00	25,000,000.00
03/31/2006	1	Royal Laser Corp. - Common Shares	2,400,000.00	2,000,000.00
12/15/2005	7	Seafeld Resources Ltd. - Units	299,250.00	855,000.00
07/01/2006	1	Spartan Arbitrage Fund Limited Partnership - Units	500,000.00	700.00

Notice of Exempt Financings

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
07/20/2006 to 07/21/2006	69	Spear Exploration Inc. - Units	7,385,899.80	N/A
06/26/2006	197	Standard Drilling Inc. - Units	18,598,000.00	9,299,000.00
07/13/2006	18	Standard Life plc - Common Shares	330,126,800.00	68,920,000.00
07/21/2006	1	Stornoway Diamond Corporation - Receipts	22,500,000.00	15,670,297.00
07/19/2006 to 07/21/2006	63	Superior Mining International Corporation - Units	4,000,000.00	1,600,000.00
07/12/2006	53	Temple Energy Inc. - Flow-Through Shares	4,700,000.00	47,000,000.00
05/19/2006	51	Terex Resources Inc. - Flow-Through Shares	824,750.00	6,598,000.00
07/01/2005 to 06/30/2006	115	The GS+A Global Fund - Units	24,249,457.60	190,190.92
07/01/2005 to 06/30/2006	456	The GS+A Growth Fund - Units	67,570,968.12	722,587.94
07/01/2005 to 06/30/2006	35	The GS+A Premium Income Fund - Units	60,893,011.03	319,351.21
07/01/2005 to 06/30/2006	577	The GS+A Small-Cap Fund - Units	61,212,908.45	359,109.59
07/01/2005 to 06/30/2006	532	The GS+A Value Fund - Units	105,955,539.54	543,689.59
07/20/2006 to 07/21/2006	7	Toscana Financial Income Trust - Trust Units	215,000.00	215,000.00
07/21/2006	1	Trident Global Opportunities Fund - Units	30,313.66	249.29
07/12/2006	21	Vital Resources Corp. - Units	750,000.00	1,875,000.00
07/18/2006 to 07/20/2006	2	WALLBRIDGE MINING COMPANY LIMITED - Flow-Through Shares	275,000.00	775,000.00
07/19/2006	20	Walton International Group Inc. - Notes	1,560,000.00	N/A
07/19/2006	10	Winderra Minerals Ltd. - Units	135,000.00	540,000.00

This page intentionally left blank

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

Addax Petroleum Corporation
Principal Regulator - Alberta

Type and Date:

Amended and Restated Preliminary Short Form PREP
Prospectus dated August 2, 2006
Mutual Reliance Review System Receipt dated August 2,
2006

Offering Price and Description:

\$ * - * Subscription Receipts, each representing the right to
receive one Common Share

Price: \$ * per Subscription Receipt

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
Merrill Lynch Canada Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
TD Securities Inc.
National Bank Financial Inc.
UBS Securities Canada Inc.
BNP Paribas (Canada) Securities Inc.
FirstEnergy Capital Corp.
Canaccord Capital Corporation
Peters & Co. Limited

Promoter(s):

The Addax and Oryx Group Ltd.

Project #970267

Issuer Name:

BTB Real Estate Investment Trust
Principal Regulator - Quebec

Type and Date:

Preliminary Prospectus dated August 3, 2006
Mutual Reliance Review System Receipt dated August 4,
2006

Offering Price and Description:

TRUST UNITS

Minimum 2,325,581 (\$5,000,000.00)

up to a Maximum of 11,627,907 (\$25,000,000.00)

Price: \$2.15 per Unit and

SERIES A FIVE YEAR 8% SUBORDINATE
CONVERTIBLE DEBENTURES
in the Aggregate Principal Amount of \$12,000,000.00 (No
Minimum)

Price: \$10.00 per Debenture

TOTAL OFFERING

Minimum: \$5,000,000

Maximum: \$37,000,000

Underwriter(s) or Distributor(s):

Blackmont Capital Inc.

Promoter(s):

CAPITAL ABTB INC.

Project #971704

Issuer Name:

Canadian Apartment Properties Real Estate Investment
Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated August 2, 2006
Mutual Reliance Review System Receipt dated August 3,
2006

Offering Price and Description:

\$60,333,000.00 - 3,570,000 Units

Price: \$16.90 per Unit

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #971066

Issuer Name:

Creststreet Power & Income Fund LP
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated August 2, 2006
Mutual Reliance Review System Receipt dated August 2,
2006

Offering Price and Description:

\$ * - * % Convertible Unsecured Subordinated Debentures
due

September 15, 2011

Price: 100% plus accrued interest, if any.

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #970892

Issuer Name:

Crew Energy Inc.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated August 2, 2006
Mutual Reliance Review System Receipt dated August 2, 2006

Offering Price and Description:

\$25,002,000.00
1,666,800 Common Shares
and

\$15,000,125.00
759,500 Flow-Through Shares
Price: \$15.00 per Common Share
\$19.75 per Flow-Through Share

Underwriter(s) or Distributor(s):

Sprott Securities Inc.
Orion Securities Inc.
FirstEnergy Capital Corp.
Tristone Capital Inc.
GMP Securities L.P.
TD Securities Inc.
Peter & Co. Limited
Raymond James Ltd.
MGI Securities Inc.

Promoter(s):

-

Project #970919

Issuer Name:

Duke Energy Income Fund
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated August 4, 2006
Mutual Reliance Review System Receipt dated August 4, 2006

Offering Price and Description:

\$108,754,650.00
8,951,000 Subscription Receipts, each representing the
right to receive one Unit
Price: \$12.15 per Subscription Receipt

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
TD Securities Inc.
Clarus Securities Inc.
HSBC Securities (Canada) Inc.

Promoter(s):

-

Project #972361

Issuer Name:

Meritage Balanced Income Portfolio
Meritage Balanced Portfolio
Meritage Canadian Equity Portfolio
Meritage Conservative Income Portfolio
Meritage Conservative Portfolio
Meritage Equity Income Portfolio
Meritage Equity Portfolio
Meritage Global Equity Portfolio
Meritage Growth Income Portfolio
Meritage Growth Portfolio
Meritage Moderate Income Portfolio
Meritage Moderate Portfolio
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectuses dated August 1, 2006
Mutual Reliance Review System Receipt dated August 2, 2006

Offering Price and Description:

Advisor Series and Series F Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

Altamira Investment Services Inc.
Project #970669

Issuer Name:

North American Palladium Ltd.

Type and Date:

Preliminary Short Form Shelf Prospectus dated August 3, 2006
Received on August 4, 2006

Offering Price and Description:

4,143,436 Common Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #972123

Issuer Name:

PetroWorld Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated August 1, 2006
Mutual Reliance Review System Receipt dated August 2, 2006

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

Orion Securities Inc.

Promoter(s):

-

Project #970677

Issuer Name:

PROGRESS ENERGY TRUST
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated August 3, 2006
Mutual Reliance Review System Receipt dated August 3, 2006

Offering Price and Description:

75,000,000 - 6.25% Convertible Unsecured Subordinated Debentures

Price: \$1,000 per Debenture

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
FirstEnergy Capital Corp.
Peters & Co. Limited
RBC Dominion Securities Inc.
Canaccord Capital Corporation
GMP Securities L.P.
Tristone Capital Inc.

Promoter(s):

-

Project #971786

Issuer Name:

Rhyolite Resources Ltd.
Principal Regulator - British Columbia

Type and Date:

Preliminary Prospectus dated July 28, 2006
Mutual Reliance Review System Receipt dated August 2, 2006

Offering Price and Description:

\$700,000.00 - 2,000,000 Common Shares

Price: \$0.35 per Share

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

Brian Bayley

Project #970019

Issuer Name:

Ur-Energy Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated August 4, 2006
Mutual Reliance Review System Receipt dated August 4, 2006

Offering Price and Description:

\$16,500,000.00 - 7,500,000 Common Shares

Price: \$2.20 per Common Share

Underwriter(s) or Distributor(s):

GMP Securities L.P.
Dundee Securities Corporation
Raymond James Ltd.

Promoter(s):

-

Project #972014

Issuer Name:

Cadiscor Resources Inc.
Principal Regulator - Quebec

Type and Date:

Final Prospectus dated August 2, 2006
Mutual Reliance Review System Receipt dated August 3, 2006

Offering Price and Description:

Maximum Offering: \$8,500,000.00 (5,590,000 Flow-Through Common Shares and 2,910,000 Units)

Minimum Offering: \$5,000,000.00 (2,706,000 Flow-Through Common Shares and 2,294,000 Units)

Flow-Through Common Shares at a price of \$1.00 per share and Units comprising One (1) Common Share and one-half (1/2) Warrant at a price of \$1.00 per Unit

Underwriter(s) or Distributor(s):

Dundee Securities Corporation
Canaccord Capital Corporation
Haywood Securities Inc.

Promoter(s):

Strateco Resources Inc.

Project #962786

Issuer Name:

Creststreet 2006 (II) Limited Partnership
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated August 4, 2006
Mutual Reliance Review System Receipt dated August 4, 2006

Offering Price and Description:

\$40,000,000.00 (Maximum Offering)

\$5,000,000.00 (Minimum Offering)

A maximum of 4,000,000 and a minimum of 500,000 Limited Partnership Units @ \$10 per Unit

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
TD Securities Inc.
Canaccord Capital Inc.
HSBC Securities (Canada) Inc.
Peters & Co. Limited
GMP Securities L.P.
Raymond James Ltd.
Tristone Capital Inc.

Promoter(s):

Creststreet 2006 (II) General Partner Limited
Creststreet Asset Management Limited

Project #965455

Issuer Name:

Crystallex International Corporation
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated August 4, 2006
Mutual Reliance Review System Receipt dated August 8, 2006

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Orion Securities Inc.

Promoter(s):

-

Project #967591

Issuer Name:

Hi Ho Silver Resources Inc.
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated July 27, 2006
Mutual Reliance Review System Receipt dated August 3, 2006

Offering Price and Description:

Minimum \$450,000.00;
and Maximum of \$525,000.00 by way of a new issue

Underwriter(s) or Distributor(s):

Northern Securities Inc.

Promoter(s):

-

Project #932139

Issuer Name:

Innova Exploration Ltd.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated August 2, 2006
Mutual Reliance Review System Receipt dated August 2, 2006

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

BMO Nesbitt Burn Inc.

GMP Securities L.P.

Blackmont Capital Inc.

Promoter(s):

-

Project #966349

Issuer Name:

Nexstar Energy Ltd
Principal Regulator - Alberta

Type and Date:

Final Prospectus dated August 1, 2006
Mutual Reliance Review System Receipt dated August 3, 2006

Offering Price and Description:

Minimum: 9,000 Units (\$9,000,000.00);
Maximum: 11,000 Units (\$11,000,000.00) Price: \$1,000 per
Unit

Minimum Subscription: One (1) Unit (\$1,000.00)

Underwriter(s) or Distributor(s):

MGI Securities Inc.

Canaccord Capital Corporation

CIBC World Markets Inc.

Promoter(s):

Peter A Carwardine

Brian J. Spilchen

Project #958147

Issuer Name:

Sentry Select Balanced Fund
Sentry Select Canadian Energy Growth Fund
Sentry Select Canadian Income Fund
Sentry Select Diversified Total Return Fund
Sentry Select Dividend Fund
Sentry Select Focused 50 Income Fund
Sentry Select Money Market Fund
Sentry Select Precious Metals Growth Fund
Sentry Select REIT Fund
Sentry Select Small Cap Income Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated August 3, 2006
Mutual Reliance Review System Receipt dated August 4, 2006

Offering Price and Description:

Series A and F Units @ Net Asset Value

Underwriter(s) or Distributor(s):

Sentry Select Capital Corp.

NCE Financial Corporation

Sentry Select Capital Corp.

Promoter(s):

Sentry Select Capital Corp.

Project #958808

Issuer Name:

US Gold Corporation
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated August 2, 2006
Mutual Reliance Review System Receipt dated August 4,
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

This page intentionally left blank

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Change of Name	From: Frank Russell Securities Inc.	International Dealer	June 23, 2006
	To: Russell Implementation Services Inc.		
Change of Name	From: London Life Investment Management Ltd.	Investment Counsel & Portfolio Manager	August 1, 2006
	To: London Capital Management Ltd./Gestion Des Capitaux London Ltee		
Voluntary Surrender of Registration	Diversified Global Asset Management Inc.	Limited Market Dealer and Investment Counsel & Portfolio Manager	August 2, 2006
New Registration	NYLIFE Distributors LLC	International Dealer	August 2, 2006
New Registration	Franklin Advisory Services, LLC	International Adviser (Investment Counsel and Portfolio Manager)	August 2, 2006
Consent to Suspension (Rule 33-501 – <i>Surrender of Registration</i>)	Centerfire Capital Management Inc.	Limited Market Dealer and Investment Counsel & Portfolio Manager	August 4, 2006
New Registration	Qwest Energy Fund Management Ltd.	Extra-Provincial Investment Counsel and Portfolio Manager	Aug 8, 2006

This page intentionally left blank

Chapter 25

Other Information

25.1 Approvals

25.1.1 Co-operators Investment Counselling Limited - s. 213(3)(b) of the LTCA

Headnote:

Clause 213(3)(b) of the Loan and Trust Corporations Act – application by manager, with no prior track record acting as trustee, for approval to act as trustee of pooled funds to be established and managed by the applicant and offered pursuant to a prospectus exemption.

Statutes Cited

Loan and Trust Corporations Act, R.S.O. 1990, c. L.25, as am., s. 213(3)(b).

August 1, 2006

**IN THE MATTER OF
THE LOAN AND TRUST CORPORATIONS ACT,
R.S.O 1990, CHAPTER L.25, AS AMENDED
(THE “LTCA”)**

AND

**IN THE MATTER OF
CO-OPERATORS INVESTMENT COUNSELLING
LIMITED
 (“CICL”)**

**APPROVAL
(Section 213(3)(b) of the LTCA)**

Background

The Ontario Securities Commission (the “Commission”) received an application from CICL for a ruling pursuant to the authority conferred on the Commission in clause 213(3)(b) of the LTCA that CICL be permitted to act as trustee in respect of any services it provides to the public for Co-operators U.S. Equity Pooled Fund, Co-operators Money Market Pooled Fund, Co-operators Fixed Income Pooled Fund, Co-operators International Pooled Fund (the “Existing Funds”) and any other mutual funds that may be established and managed by CICL from time to time (together with Existing Funds, the “Funds”), the securities of which will be offered to the public pursuant to prospectus exemptions.

Representations

This Decision is based on the following facts represented by CICL:

1. CICL is a corporation existing under the laws of Canada with offices located in Guelph, Ontario.
2. CICL is registered under the *Securities Act* (Ontario) (the “Act”) as an adviser in the categories of investment counsel and portfolio manager and also as a limited market dealer.
3. CICL is a wholly-owned subsidiary of the Co-operators Group Limited, the ultimate parent company of Co-operators General Insurance Company, Co-operators Life Insurance Company, The Sovereign General Insurance Company, of L’Union Canadienne compagnie d’assurances, and other companies delivering financial and insurance services, together having a consolidated balance sheet with assets of \$6 billion.
4. CICL has seventeen investment professionals with an average of 19 years experience in the securities industry and it acts as a fiduciary in respect of \$9 billion in assets under management.
5. As manager, CICL is responsible for managing the business and affairs of the Existing Funds.
6. Canadian Imperial Bank of Commerce acts as custodian of the Existing Funds.
7. The Funds meet or will meet the definition of “mutual fund” under the Act.
8. CICL currently acts as trustee of the Existing Funds pursuant to declarations of trust governed by the laws of Ontario.
9. Investors in the Existing Funds are comprised of a small number of large institutions all of whom were existing clients of CICL prior to purchasing securities in the Existing Funds and as such, a determination was made that CICL was not providing services as trustee to the public and as such no approval from the Commission to so act was required.
10. CICL now plans to offer securities of the Funds to a larger group of prospective investors who may not be existing clients of CICL. Accordingly approval to act as trustee is now required.

Approval

Pursuant to the authority conferred on the Commission in clause 213(3)(b) of the LTCA, the Commission approves CICL to act as trustee in respect of any services it provides

Other Information

to the public for the Existing Funds and any other mutual funds that may be established and managed by CICL from time to time, the securities of which will be offered to the public pursuant to prospectus exemptions.

"Paul Moore"
Vice Chair

"Carol S. Perry"
Commissioner

Index

Argus Corporation Limited		Heathbridge Capital Management Inc.	
Cease Trading Order	6487	MRRS Decision	6471
BMO Global High Yield Bond Fund		Hip Interactive Corp.	
MRRS Decision.....	6473	Cease Trading Order.....	6487
BMO Investments Inc.		HMZ Metals Inc.	
MRRS Decision.....	6473	Cease Trading Order.....	6487
CDS Procedures Relating to CCP Collateral Requirements for Withdrawing Participants, Material Amendments to		Hollinger Canadian Newspapers, Limited Partnership	
Notice.....	6460	Cease Trading Order.....	6487
CDS Procedures Relating to Late Delivery of Collateral, Material Amendments to		Hollinger Inc.	
Notice.....	6459	Cease Trading Order.....	6487
Centaur Pooled Pension Trust Funds		Lake Louise Limited Partnership	
MRRS Decision.....	6467	Cease Trading Order.....	6487
Centerfire Capital Management Inc.		London Capital Management Ltd./Gestion Des Capitaux	
Consent to Suspension (Rule 33-501 – Surrender of Registration)	6573	London Ltee	
CI Canadian Growth Portfolio		Change of Name	6573
MRRS Decision.....	6463	London Life Investment Management Ltd.	
CI Canadian Maximum Growth Portfolio		Change of Name	6573
MRRS Decision.....	6463	Mindready Solutions Inc.	
CI Explorer Corporate Class		Cease Trading Order.....	6487
MRRS Decision.....	6463	Neotel International Inc.	
CI Explorer Fund		Cease Trading Order.....	6487
MRRS Decision.....	6463	NI 31-101 – National Registration System, Approval of Amendments to	
CI Investments Inc.		Notice	6460
MRRS Decision.....	6463	Rules and Policies.....	6489
CIBC Global Asset Management Inc.		Novelis Inc.	
MRRS Decision.....	6467	Cease Trading Order.....	6487
Cognos Incorporated		NP 31-201 – National Registration System, Approval of Amendments to	
Cease Trading Order	6487	Notice	6460
Commonfund Securities, Inc.		Rules and Policies.....	6489
Order - s. 218 of the Regulation.....	6484	NYLIFE Distributors LLC	
Co-operators Investment Counselling Limited		New Registration	6573
Approval - s. 213(3)(b) of the LTCA	6575	ONE Signature Financial Corporation	
DataMirror Corporation		Cease Trading Order.....	6487
Cease Trading Order	6487	ONE Signature Financial Corporation	
DB Capital Advisers Inc.		Cease Trading Order.....	6487
Order - s. 80 of the CFA.....	6479	Pegasus Resources Ltd.	
Diversified Global Asset Management Inc.		MRRS Decision	6478
Voluntary Surrender of Registration.....	6573	Qwest Energy Fund Management Ltd.	
Fareport Capital Inc.		New Registration	6573
Cease Trading Order	6487	Russell Implementation Services Inc.	
Frank Russell Securities Inc.		Change of Name	6573
Change of Name.....	6573	TECSYS Inc.	
Franklin Advisory Services, LLC		Cease Trading Order.....	6487
New Registration.....	6573	Wentworth Hauser and Violich	
Gateway Casinos Income Fund		Decision - s. 6.1(1) of MI 31-102 National Registration Database and s. 6.1 of Rule 13-502 Fees	6465
MRRS Decision.....	6468	WestLB AG, New York Branch	
Goldnev Resources Inc.		MRRS Decision	6461
Cease Trading Order	6487	WorkGroup Designs Ltd.	
		Cease Trading Order.....	6487

This page intentionally left blank