

The Ontario Securities Commission

# OSC Bulletin

November 17, 2006

Volume 29, Issue 46

(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:

Capital Markets Branch:

- Registration:

Corporate Finance Branch:

- Team 1:

- Team 2:

- Team 3:

- Insider Reporting

- Take-Over Bids:

Enforcement Branch:

Executive Offices:

General Counsel's Office:

Office of the Secretary:

Fax: 416-593-8122

Fax: 416-593-3651

Fax: 416-593-8283

Fax: 416-593-8244

Fax: 416-593-3683

Fax: 416-593-8252

Fax: 416-593-3666

Fax: 416-593-8177

Fax: 416-593-8321

Fax: 416-593-8241

Fax: 416-593-3681

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*<sup>™</sup>, Canada's pre-eminent web-based securities resource. *SecuritiesSource*<sup>™</sup> also features comprehensive securities legislation, expert analysis, precedents and a weekly Newsletter. For more information on *SecuritiesSource*<sup>™</sup>, 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](mailto:carswell.orders@thomson.com)

# Table of Contents

<p><b>Chapter 1 Notices / News Releases ..... 8971</b></p> <p><b>1.1 Notices ..... 8971</b></p> <p>1.1.1 Current Proceedings Before The Ontario Securities Commission ..... 8971</p> <p>1.1.2 CSA Staff Notice 51-321 - Questions and Answers Concerning Resources and Possible Reserves - NI 51-101 Standards of Disclosure for Oil and Gas Activities ..... 8974</p> <p>1.1.3 Notice of Commission Order – Application to Amend the Recognition Order of Mutual Fund Dealers Association of Canada ..... 8978</p> <p>1.1.4 Notice of Commission Approval – Material Amendments to CDS Procedures Relating to International Services Procedures ..... 8978</p> <p><b>1.2 Notices of Hearing ..... 8979</b></p> <p>1.2.1 Thomas Hinke - ss. 127, 127.1 ..... 8979</p> <p><b>1.3 News Releases ..... 8981</b></p> <p>1.3.1 Andrew Rankin Convictions Set Aside on Appeal ..... 8981</p> <p>1.3.2 Court Denies Application for Leave to Appeal by Sears Holdings Corporation ..... 8982</p> <p><b>1.4 Notices from the Office of the Secretary ... 8982</b></p> <p>1.4.1 Thomas Hinke ..... 8982</p> <p><b>Chapter 2 Decisions, Orders and Rulings ..... 8983</b></p> <p><b>2.1 Decisions ..... 8983</b></p> <p>2.1.1 Manulife Finance (Delaware), L.P. - MRRS Decision ..... 8983</p> <p>2.1.2 Great Lakes Holdings Inc. - s. 83 ..... 8985</p> <p>2.1.3 UCB SA and UCB SP GMBH - MRRS Decision ..... 8986</p> <p>2.1.4 Sequoia Oil &amp; Gas Trust - s. 83 ..... 8989</p> <p>2.1.5 Esprit Energy Trust - s. 83 ..... 8990</p> <p>2.1.6 Canadian Arctic Gas Ltd. - s. 83 ..... 8991</p> <p>2.1.7 Bell Aliant Regional Communications, Inc. et al. - MRRS Decision ..... 8992</p> <p>2.1.8 Peerless Oil &amp; Gas Inc. - s. 83 ..... 8997</p> <p>2.1.9 Atlas Cold Storage Income Trust - s. 83 ..... 8998</p> <p>2.1.10 Core Canadian Dividend Trust - MRRS Decision ..... 8999</p> <p>2.1.11 Copernican World Banks Split Inc. - MRRS Decision ..... 9001</p> <p>2.1.12 Aeterna Zentaris Inc. - MRRS Decision ..... 9003</p> <p>2.1.13 Amtelecom Income Fund - MRRS Decision ..... 9006</p>	<p><b>2.2 Orders ..... 9009</b></p> <p>2.2.1 Blue Note Mining Inc. - s. 83.1(1) ..... 9009</p> <p>2.2.2 AllianceBernstein L.P. - s. 80 of the CFA ..... 9010</p> <p>2.2.3 Spider Resources Inc. - s. 83.1(1) ..... 9012</p> <p>2.2.4 MFDA - s. 144 ..... 9014</p> <p>2.2.5 Darius Capital Limited - s. 104(2)(c) ..... 9015</p> <p><b>2.3 Rulings ..... (nil)</b></p> <p><b>Chapter 3 Reasons: Decisions, Orders and Rulings ..... (nil)</b></p> <p><b>3.1 OSC Decisions, Orders and Rulings ..... (nil)</b></p> <p><b>3.2 Court Decisions, Order and Rulings ..... (nil)</b></p> <p><b>Chapter 4 Cease Trading Orders ..... 9017</b></p> <p>4.1.1 Temporary, Permanent &amp; Rescinding Issuer Cease Trading Orders ..... 9017</p> <p>4.2.1 Temporary, Permanent &amp; Rescinding Management Cease Trading Orders ..... 9017</p> <p>4.2.2 Outstanding Management &amp; Insider Cease Trading Orders ..... 9017</p> <p><b>Chapter 5 Rules and Policies ..... (nil)</b></p> <p><b>Chapter 6 Request for Comments ..... (nil)</b></p> <p><b>Chapter 7 Insider Reporting ..... 9019</b></p> <p><b>Chapter 8 Notice of Exempt Financings ..... 9103</b></p> <p>Reports of Trades Submitted on Forms 45-106F1 and Form 45-501F1 ..... 9103</p> <p><b>Chapter 9 Legislation ..... (nil)</b></p> <p><b>Chapter 11 IPOs, New Issues and Secondary Financings ..... 9111</b></p> <p><b>Chapter 12 Registrations ..... 9121</b></p> <p>12.1.1 Registrants ..... 9121</p> <p><b>Chapter 13 SRO Notices and Disciplinary Proceedings ..... 9123</b></p> <p>13.1.1 MFDA Central Regional Council Hearing Panel Adjourns Dale Michael Graveline Hearing to November 27, 2006 ..... 9123</p> <p>13.1.2 RS Discipline Notice - W. Scott Wardle ..... 9124</p> <p>13.1.3 MFDA Issues Notice of Hearing Regarding Donald Kenneth Coatsworth ..... 9126</p> <p>13.1.4 RS Notice - Request for Comments - Proposed Allocation of Costs - First Group ..... 9127</p>
--	---

---

---

**Table of Contents**

13.1.5	CDS Rule Amendment Notice – Technical Amendments to CDS Rules Relating to the USTA.....	9138
13.1.6	CDS Rule Amendment Notice – Technical Amendments to CDS Application for Participation – Corporate Restructuring .....	9139
13.1.7	CDS Rule Amendment Notice – Technical Amendments to ATON User Guide .....	9140
<b>Chapter 25</b>	<b>Other Information .....</b>	<b>9141</b>
<b>25.1</b>	<b>Consents .....</b>	<b>9141</b>
25.1.1	Croesus Gold Inc. - s. 4(b) of the Regulation .....	9141
<b>Index</b>	<b>.....</b>	<b>9143</b>

## Chapter 1

# Notices / News Releases

### 1.1 Notices

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

**NOVEMBER 17, 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 19<sup>th</sup> 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. Wige, Q.C.	—	WSW

### SCHEDULED OSC HEARINGS

November 21, 2006 **First Global Ventures, S.A. and Allen Grossman**

10:00 a.m. s. 127

D. Ferris in attendance for Staff

Panel: PMM/ST

December 4, 2006 **Euston Capital Corporation and George Schwartz**

2:00 p.m. s. 127

Y. Chisholm in attendance for Staff

Panel: WSW/ST

December 5, 6, & 7, 2006 **Jose Castaneda**

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

P. Foy in attendance for Staff

Panel: TBA

December 8, 2006 **Thomas Hinke**

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

A. Sonnen in attendance for Staff

Panel: TBA

December 13, 2006 **Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues)**

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

D. Ferris in attendance for Staff

Panel: SWJ/ST

January 15, 2007 10:00 a.m.	<b>Norshield Asset Management (Canada) Ltd., Olympus United Group Inc., John Xanthoudakis, Dale Smith and Peter Kefalas</b>  s.127  M. MacKewn in attendance for Staff  Panel: WSW/DLK	TBA         TBA	<b>Yama Abdullah Yaqeen</b>  s. 8(2)  J. Superina in attendance for Staff  Panel: TBA
March 26, 2007 10:00 a.m.	<b>Robert Patrick Zuk, Ivan Djordjevic, Matthew Noah Coleman, Dane Alan Walton, Derek Reid and Daniel David Danzig*</b>  s. 127  J. Waechter in attendance for Staff  Panel: TBA  * October 3, 2006 – Notice of Withdrawal	TBA         TBA	<b>Cornwall et al</b>  s. 127  K. Manarin in attendance for Staff  Panel: TBA
May 7, 2007 10:00 a.m.	<b>Limelight Entertainment Inc., Carlos A. Da Silva, David C. Campbell, Jacob Moore and Joseph Daniels</b>  s. 127 and 127.1  D. Ferris in attendance for Staff  Panel: TBA	TBA         TBA	<b>John Illidge, Patricia McLean, David Cathcart, Stafford Kelley and Devendranauth Misir</b>  S. 127 & 127.1  K. Manarin in attendance for Staff  Panel: TBA
May 23, 2007 10:00 a.m.	<b>Eugene N. Melnyk, Roger D. Rowan, Watt Carmichael Inc., Harry J. Carmichael and G. Michael McKenney</b>  s. 127 and 127.1  J. Superina in attendance for Staff  Panel: TBA	TBA         TBA	<b>Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boulton and Peter Y. Atkinson</b>  s.127  J. Superina in attendance for Staff  Panel: TBA
October 12, 2007 10:00 a.m.	<b>Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton</b>  s. 127  H. Craig in attendance for Staff  Panel: TBA	TBA         TBA	<b>Mega-C Power Corporation, Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited</b>  S. 127  A. Sonnen in attendance for Staff  Panel: TBA
			<b>Bennett Environmental Inc.*, John Bennett, Richard Stern, Robert Griffiths and Allan Bulckaert*</b>  S. 127  P. Foy in attendance for Staff  Panel: TBA

\* settled June 20, 2006

TBA                    **Momentas Corporation, Howard  
Rash, Alexander Funt, Suzanne  
Morrison\* and Malcolm Rogers\***

s. 127 and 127.1

P. Foy in attendance for Staff

Panel: WSW/RWD/CSP

\* Settled April 4, 2006

#### **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**

**Philip Services Corp., Allen Fracassi\*\*, Philip  
Fracassi\*\*, Marvin Boughton\*\*, Graham Hoey\*\*,  
Colin Soule\*, Robert Waxman and John  
Woodcroft\*\***

\* Settled November 25, 2005

\*\* Settled March 3, 2006

**Portus Alternative Asset Management Inc., Portus  
Asset Management Inc., Boaz Manor, Michael  
Mendelson, Michael Labanowich and John Ogg**

**John Daubney and Cheryl Littler**

**Maitland Capital Ltd., Allen Grossman, Hanouch  
Ulfan, Leonard Waddingham, Ron Garner, Gord  
Valde, Marianne Hyacinthe, Diana Cassidy, Ron  
Catone, Steven Lanys, Roger McKenzie, Tom  
Mezinski, William Rouse and Jason Snow**

**1.1.2 CSA Staff Notice 51-321 - Questions and Answers Concerning Resources and Possible Reserves - NI 51-101 Standards of Disclosure for Oil and Gas Activities**

**CANADIAN SECURITIES ADMINISTRATORS' STAFF NOTICE 51-321**

**QUESTIONS AND ANSWERS CONCERNING RESOURCES AND POSSIBLE RESERVES**

**NATIONAL INSTRUMENT 51-101 STANDARDS OF DISCLOSURE FOR OIL AND GAS ACTIVITIES**

**Background**

National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (NI 51-101 or the Rule) requires reporting issuers with material oil and gas activities to disclose certain information specified in the Rule and the related Form 51-101F1 *Statement of Reserves Data and Other Oil and Gas Information* (Form 51-101F1 or the Annual Filing).

These requirements generally set out minimum disclosure requirements. Additional disclosure (whether contained in the Annual Filing or disclosed by other means) is often helpful, and may be necessary to give investors a reasonable understanding of the issuer's oil and gas activities. In all cases, such disclosure must be consistent with the principles and any applicable specific requirements or restrictions under NI 51-101. Disclosure must never mislead.

The Questions and Answers (Q&As) below provide guidance to issuers that are subject to NI 51-101 on recurring issues that can arise in connection with such additional "voluntary" disclosure.

- Q1. What methods can be used to make public disclosure of estimates of possible reserves and what methods can be used to make public disclosure of estimates of resources that are not currently classified as reserves?
- Q2. Can possible reserves be disclosed?
- Q3. Is any disclosure of resources required other than of proved and probable reserves?
- Q4. What disclosure obligations does a reporting issuer have under NI 51-101 when making disclosure of resources beyond the requirements of Part 6 of Form 51-101F1?
- Q5. Can an estimate of undiscovered resources be disclosed?
- Q6. Can an estimate of discovered resources be disclosed?
- Q7. Can an estimate of prospective resources be disclosed?
- Q8. Can an estimate of contingent resources be disclosed?
- Q9. When can a reporting issuer report reserves or resources of oil or gas as in-place volumes?
- Q10. Can a reporting issuer provide information about an area outside the area in which the reporting issuer holds oil and gas rights?
- Q1. What methods can be used to make public disclosure of estimates of possible reserves and what methods can be used to make public disclosure of estimates of resources that are not currently classified as reserves?
- A. Regarding possible reserves, NI 51-101 does not prescribe any particular methods of estimation but it does require that any publicly disclosed reserve estimate be prepared in accordance with the Canadian Oil and Gas Evaluation Handbook (COGE Handbook). Guidance on making possible reserves estimates is given in the COGE Handbook.

Regarding resources that are not currently classified as reserves, the COGE Handbook recommends the use of probabilistic evaluation for making resource estimates and although it does not provide detailed guidance there is a considerable amount of technical literature on the subject. Disclosing the result of a probabilistic estimate may be in the form of a statistical measure that may be difficult to understand or misleading, unless accompanied by additional explanation.

- Q2. Can possible reserves be disclosed?
- A. Possible reserves may be disclosed but the estimate must comply with the requirements of NI 51-101. For example, the estimate must be prepared or audited by a qualified reserves evaluator or auditor and in accordance with the



COGE Handbook, as set out in section 4.2 of NI 51-101, and must otherwise comply with the general disclosure requirements of Part 5, and the annual disclosure requirements of Form 51-101F1 as applicable.

Either alone or as part of the sum, a possible reserves estimate is often a relatively large number that, by definition, has a low probability of actually being produced and unless accompanied by additional explanatory disclosure, may be misleading. An example of the type of explanatory disclosure that may be provided is as follows:

“Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is only a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.”

Paragraph 2.2(1)(g) of Form 51-101F1 requires that if the reporting issuer discloses possible reserves, the possible reserves must be disclosed as a stand-alone number and also as part of the sum of proved plus probable plus possible reserves.

Q3. Is any disclosure of resources required other than of proved and probable reserves?

A. Under NI 51-101, a reporting issuer must make disclosure concerning its unproved properties and resource activities in Annual Filings as described in Part 6 of Form 51-101F1. Additional disclosure beyond this is voluntary but must comply with section 5.9 and 5.10 of NI 51-101 as applicable.

For prospectuses, the general securities disclosure obligation of “full, true and plain” disclosure of all material facts would require the disclosure of reserves or resources that are material to the issuer, even if the disclosure is not mandated by NI 51-101.

Q4. What disclosure obligations does a reporting issuer have under NI 51-101 when making disclosure of resources beyond the requirements of Part 6 of Form 51-101F1?

A. The disclosure of possible reserves is discussed in Q&A 1 and 2. If the issuer chooses to make additional disclosure on resources as volumes or values, it must be done in accordance with the requirements of NI 51-101, as described in sections 5.9 and 5.10 of NI 51-101.

Section 5.9 sets out the requirements for the disclosure of “anticipated results” from a prospect. Staff considers that this includes, but is not limited to reserves or resources volume or value estimates, anticipated pay thickness, flow rates, areal extent, etc. It should be noted that subsection 5.9(n) requires the explicit disclosure of risks and the probability of success. Disclosure of risks and probabilities should be made at a level appropriate to the program that is planned to access a resource. This may include, but is not limited to land acquisition, seismic survey, a single well, several wells, or a comprehensive program that may include all of these.

Section 5.10 applies if an issuer discloses a fair value of an unproved property, prospect, resource or any disclosure of a value of a resource that is made under NI 51-101.

Estimates of resources, other than reserves, do not need to be prepared by an independent evaluator or disclosed as part of the Annual Filing, but if they are disclosed, they must be prepared according to the classification standards of the COGE Handbook. Section 5.2.5 of volume 1 of the COGE Handbook entitled “Resource Categories” states that “Due to the high uncertainty in estimating resources, evaluations of these assets require some type of probabilistic method.” The issuer should also indicate the source and date of the evaluation in the disclosure.

Q5. Can an estimate of undiscovered resources be disclosed?

A. “Undiscovered resources” is a recognized category in the COGE Handbook and as such section 5.3 of NI 51-101 permits its disclosure. However, since the meaning of the term “undiscovered resources” may not be clear to an investor the issuer should provide the definition of “undiscovered resources” set out in the COGE Handbook:

“Undiscovered resources are those quantities of oil and gas estimated on a given date to be contained in accumulations yet to be discovered.”

In addition, the issuer should provide a statement to the effect that there is no certainty that any portion of the undiscovered resources will be discovered and that, if discovered, it may not be economically viable or technically feasible to produce.

Q6. Can an estimate of discovered resources be disclosed?

A. "Discovered resources" is a recognised category in the COGE Handbook and as such section 5.3 of NI 51-101 permits its disclosure. However, it should only be used if it is not possible to classify a volume into one of the four sub-categories of discovered resources, namely: cumulative production; reserves; contingent resources; or unrecoverable resources.

The meaning of the term "discovered resources" may not be clear to an investor. Accordingly, if the term is used the issuer should provide the definition of "discovered resources" set out in the COGE Handbook:

"Discovered resources are those quantities of oil and gas estimated on a given date to be remaining in, plus those quantities already produced from, known accumulations. Discovered resources are divided into economic and uneconomic categories, with the estimated future recoverable portion classified as reserves and contingent resources, respectively."

The issuer should also provide a clear explanation of why the reported discovered resources cannot be classified into one of the sub-categories of reserves, contingent resources, or unrecoverable resources at this time, and explain that there is no certainty that it will be economically viable or technically feasible to produce any portion of the reported discovered resources.

Q7. Can an estimate of prospective resources be disclosed?

A. "Prospective resources" is a recognised category in the COGE Handbook and as such section 5.3 of NI 51-101 permits its disclosure. Because the meaning of the term "prospective resources" may not be clear to an investor the issuer should provide the definition of "prospective resources" set out in the COGE Handbook:

"Prospective resources are those quantities of oil and gas estimated on a given date to be potentially recoverable from undiscovered accumulations. If discovered, they would be technically and economically viable to recover."

In addition, the issuer should provide a statement to the effect that there is no certainty that the prospective resources will be discovered.

Q8. Can an estimate of contingent resources be disclosed?

A. "Contingent resources" is a recognised category in the COGE Handbook and as such section 5.3 of NI 51-101 permits its disclosure. The meaning of the term "contingent resources" may not be clear to an investor. Accordingly, if the term is used the issuer should provide the definition of "contingent resources" set out in the COGE Handbook:

"Contingent resources are those quantities of oil and gas estimated on a given date to be potentially recoverable from known accumulations but are not currently economic."

In addition, the issuer should describe the contingencies that prevent the classification of contingent resources as reserves, and explain what is required to remove these contingencies before the contingent resources can be classified as reserves.

Q9. When can a reporting issuer report reserves or resources of oil or gas as in-place volumes?

A. By definition, reserves of any type, contingent resources and prospective resources are estimates of volumes that are recoverable or potentially recoverable and, as such, cannot be described as being "in-place". Terms such as "potential reserves", "undiscovered reserves", "reserves in place", "in-place reserves" or similar terms must not be used because they are incorrect and misleading. The disclosure of reserves or resources must be consistent with the reserves and resources terminology and categories set out in the COGE Handbook, pursuant to section 5.3 of NI 51-101.

The issuer can report other categories, such as discovered and undiscovered resources as "in-place volumes", since they are in-place volumes.

Q10. Can a reporting issuer provide information about an area outside the area in which the reporting issuer holds oil and gas rights?

A. Issuers, especially in the early stages of operations in an area, may wish to include analogous information from another area to draw a comparison to their area of interest, such as reserves, resources and production from fields or wells in nearby, or geologically similar, areas. It is important that the information presented is factual and balanced. Particular

care must be taken in presenting this type of information; citing only the best wells or fields in an area, for instance, can be particularly misleading. Therefore, if the reporting issuer provides this type of information further explanation should be provided as follows:

1. indicate the source and date of the analogous information;
2. state whether the analogous information is the result of an independent estimate, or has been prepared by the issuer or a non-independent party;
3. describe clearly the quality of the analogous information and its relevance to the issuer's activities; and
4. if the reporting issuer is unable to confirm that the analogous information was prepared by a qualified reserves evaluator or auditor or in accordance with the COGE Handbook, provide cautionary language to that effect proximate to the disclosure of the analogous information.

If the issuer discloses an estimate of its own reserves or resources based on an extrapolation from the analogous information, or if the analogous information itself is an estimate of its own reserves or resources, the issuer must ensure the estimate complies with the requirements of Part 5 of NI 51-101. For example, in respect of a reserves estimate, the estimate must be classified and prepared in accordance with the COGE Handbook by a qualified reserves evaluator or auditor and must otherwise comply with the requirements of section 5.2 of NI 51-101.

### Questions

If you have any questions regarding this matter please contact:

Dr. David Elliott  
Chief Petroleum Advisor  
Alberta Securities Commission  
(403) 297-4008  
david.elliott@seccom.ab.ca

Blaine Young  
Associate Director, Corporate Finance  
Alberta Securities Commission  
(403) 297-4220  
blaine.young@seccom.ab.ca

Alex Poole  
Legal Counsel, Corporate Finance  
Alberta Securities Commission  
(403) 297-4482  
alex.poole@seccom.ab.ca

**November 17, 2006**

**1.1.3 Notice of Commission Order – Application to Amend the Recognition Order of Mutual Fund Dealers Association of Canada**

**APPLICATION TO AMEND  
THE RECOGNITION ORDER OF**

**MUTUAL FUND DEALERS ASSOCIATION OF CANADA**

**NOTICE OF COMMISSION ORDER**

On November 3, 2006, the Commission issued an order (Variation Order) pursuant to section 144 of the *Securities Act* (Ontario) to vary an order dated February 6, 2001, as amended March 30, 2004, recognizing the Mutual Fund Dealers Association of Canada (MFDA) as a self-regulatory organization for mutual fund dealers (Recognition Order).

The Variation Order extends the suspension of MFDA Rule 2.4.1 under Term and Condition 14 of Schedule A of the Recognition Order until December 31, 2008, and makes some additional minor amendments to that Term and Condition.

British Columbia, Nova Scotia and Saskatchewan have also made similar amendments to their recognition orders of the MFDA as a self-regulatory organization.

A copy of the Ontario Variation Order is published in Chapter 2 of this bulletin.

**1.1.4 Notice of Commission Approval – Material Amendments to CDS Procedures Relating to International Services Procedures**

**THE CANADIAN DEPOSITORY  
FOR SECURITIES LIMITED**

**MATERIAL AMENDMENTS TO CDS PARTICIPANT  
PROCEDURES**

**INTERNATIONAL SERVICES PROCEDURES**

**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 November 14, 2006, amendments to the participant procedures filed by CDS relating to the International Services Procedures. The amendments provide detailed instructions for the use of CDS's international links with the Japan Securities Depository Centre, Inc., Euroclear France and Skandinaviska Enskilda Banken AB. Each of these links is an unilateral free-of-payment custody link which facilitates book-based movements of Canadian or foreign securities between CDS and the foreign depository for those securities that are eligible at both depositories. A copy and description of these amendments were published for comment on September 15, 2006 at (2006) 29 OSCB 7530. No comments letters were received.

1.2 Notices of Hearing

1.2.1 Thomas Hinke - ss. 127, 127.1

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

**AND**

**IN THE MATTER OF  
THOMAS HINKE**

**NOTICE OF HEARING  
(Section 127 and 127.1)**

**TAKE NOTICE** that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c.S.5, as amended, at the offices of the Commission, 20 Queen Street West, 17th Floor, Main Hearing Room, Toronto, Ontario, commencing on the 8th day of December, 2006 at 10:00 a.m. or as soon thereafter as the hearing can be held:

**TO CONSIDER** whether, in the opinion of the Commission, it is in the public interest for the Commission to make an order:

- (a) pursuant to paragraph 2 of subsection 127(1) that Thomas Hinke ("Hinke") cease trading directly or indirectly in securities permanently or for such period as specified by the Commission;
- (b) pursuant to paragraph 2.1 of subsection 127(1) that Hinke be prohibited from acquiring the securities of any issuer permanently or for such period as specified by the Commission;
- (c) pursuant to paragraph 3 of subsection 127(1) that any exemptions contained in Ontario securities law do not apply to Hinke permanently or for such period as specified by the Commission;
- (d) pursuant to paragraph 8 of subsection 127(1) that Hinke be prohibited from becoming or acting as a director or officer of any issuer;
- (e) pursuant to paragraph 9 of subsection 127(1) that Hinke pay an administrative penalty of \$50,000 or such quantum as the Commission deems appropriate;
- (f) pursuant to paragraph 10 of subsection 127(1) that Hinke disgorge to the Commission any amounts obtained as a result of non-compliance with Ontario securities law;

(g) pursuant to section 127.1 that Hinke pay the costs of Staff's investigation and the costs of, or related to, the hearing, incurred by or on behalf of the Commission; and

(h) to make such other order as the Commission may deem appropriate.

**BY REASON OF** the allegations set out in the Statement of Allegations, and such additional allegations as counsel may advise and the Commission may permit;

**AND TAKE FURTHER NOTICE** that any party to the proceeding may be represented by counsel at the hearing;

**AND TAKE FURTHER NOTICE** that upon failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of that party, and such party is not entitled to any further notice of the proceeding.

**DATED** at Toronto this 7th day of November, 2006.

"John Stevenson"  
Secretary to the Commission

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

**AND**

**IN THE MATTER OF  
THOMAS HINKE**

**STATEMENT OF ALLEGATIONS  
OF STAFF OF THE  
ONTARIO SECURITIES COMMISSION**

Staff of the Ontario Securities Commission make the following allegations:

**Background**

1. Pursuant to a Notice of Hearing and Statement of Allegations issued March 6, 2006, Staff of the Commission commenced proceedings against Thomas Hinke ("Hinke") for failing to file insider reports, as required by s. 107(2) of the Act, and for breaching the terms of an Executive Director's Settlement Agreement dated April 9, 2002 between Hinke and the Executive Director of the Commission (the "First Settlement Agreement").

2. On April 12, 2006 the Commission found, based on an agreed statement of facts, that Hinke had breached Ontario securities law and that his conduct was contrary to the public interest. Prior to the hearing in respect of sanctions, Staff and Hinke reached a settlement agreement on sanctions (the "Second Settlement Agreement"). On May 1, 2006 the Commission issued an Order (the "Order") approving the Second Settlement Agreement.

3. Pursuant to the Order, the Commission ordered Hinke to:

- (a) cease trading in the securities of Thermal Energy International Inc. ("TEI") for a six month period, commencing from the date of his last trade in TEI (the effective cease trade period being February 15, 2006 to August 15, 2006);
- (b) cease trading in all other reporting issuers in which he held in excess of 5% of any class of securities or for which he was deemed to be an insider, for a one year period;
- (c) be reprimanded;
- (d) pay an administrative penalty of \$32,000; and
- (e) pay costs of \$5,000.

4. The Commission noted in its Order that as a term of the Second Settlement Agreement, Hinke undertook to provide a copy of the Order to any registrant with whom he dealt for a one year period from the date of the Order.

**Overview of Allegations**

5. It is the allegation of Staff that Hinke: (i) breached the cease trade term of the Order, (ii) breached his undertaking in the Second Settlement Agreement to provide a copy of the Order to all registrants with whom he dealt and (iii) made misleading or untrue statements to Staff and the Commission regarding his assets and liabilities and TEI shareholdings.

**(i) Breaches of the Cease Trade Order**

6. Contrary to the cease trade term of the Order, on July 7, 2006 Hinke sold 17,478 shares of TEI from account number 490-09630, a BMO Nesbitt Burns Inc. account held in Hinke's name (the "BMO Account"). By cheque dated July 12, 2006, Hinke received funds in the amount of \$2,554.45 on account of the trade.

**(ii) Breach of the Undertaking in the Second Settlement Agreement**

7. Paragraph 13(f) of the Second Settlement Agreement provided:

*"Hinke shall provide a copy of the order issued by the Commission to any registrant with whom he deals for the next year."*

8. Contrary to the undertaking, Hinke did not provide a copy of the Order to the broker of the BMO Account.

**(iii) Misleading Statements to Staff and the Commission**

9. In a sworn statement of assets and liabilities dated on or about April 28, 2006, Hinke provided Staff with a sworn schedule of assets and liabilities. Hinke did not reveal his TEI shareholdings in the BMO Account in the schedule.

10. Moreover, at paragraph 12 of the Second Settlement Agreement Hinke acknowledged, in part, that:

*"... all of Hinke's remaining TEI shares are being held, in trust, with Gowling Strathy Henderson LLP in Ottawa."*

11. Contrary to the forgoing, the 17,478 shares sold by Hinke through the BMO Account were not held in trust with Gowling Strathy Henderson LLP and were not disclosed to Staff in the sworn schedule of assets and liabilities.

**Breach of Ontario Securities Law and Conduct Contrary to the Public Interest**

12. The trades by Hinke in the BMO Account amounted to a breach of the cease trade term of the Order. Hinke breached his undertaking in the Second Settlement Agreement to provide all registrants with whom he dealt a copy of the Order. Moreover, Hinke made misleading or untrue statements to Staff and the Commission regarding

his TEI holdings and regarding his statement of assets and liabilities. Hinke's conduct was in contravention of Ontario securities law and was contrary to the public interest.

13. Staff reserve the right to make such further and other allegations as Staff submit and the Commission may permit.

**DATED** at Toronto this 7th day of November, 2006.

### 1.3 News Releases

#### 1.3.1 Andrew Rankin Convictions Set Aside on Appeal

**FOR IMMEDIATE RELEASE  
November 9, 2006**

#### **ANDREW RANKIN CONVICTIONS SET ASIDE ON APPEAL**

**TORONTO** – His Honour Mr. Justice Ian Nordheimer issued his decision and reasons today in respect of the appeal of the conviction and sentence of Andrew Rankin by His Honour Judge Ramez Khawly. The appeal was argued on October 19 and 20, 2006 at the Ontario Court of Justice (Superior Court). On October, 20, 2006, Justice Nordheimer reserved his decision to November 9, 2006.

In his decision, Justice Nordheimer set aside the convictions and ordered a new trial. The Commission will review the decision and reasons and consider its options in this matter.

The decision and reasons may be obtained from the Court.

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

Laurie Gillett  
Manager, Public Affairs  
416-595-8913

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

**1.3.2 Court Denies Application for Leave to Appeal by Sears Holdings Corporation**

**FOR IMMEDIATE RELEASE  
November 14, 2006**

**COURT DENIES APPLICATION FOR  
LEAVE TO APPEAL BY  
SEARS HOLDINGS CORPORATION**

**TORONTO** – The Court of Appeal for Ontario today denied the application made by Sears Holdings Corporation and SHLD Acquisition Corp. (together Sears Holdings) seeking leave to appeal the earlier decision of the Superior Court of Justice (Divisional Court). On September 19, 2006 the Divisional Court dismissed the appeal of Sears Holdings in respect of an Ontario Securities Commission (OSC) decision.

On August 8, 2006, the OSC issued an Order, as well as its Reasons and Decision with respect to Sears Holdings following a hearing held on July 4, 5, and 6, 2006. The Order and the Reasons and Decision are available on the OSC website at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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

Laurie Gillett  
Manager, Public Affairs  
416-595-8913

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

**1.4 Notices from the Office of the Secretary**

**1.4.1 Thomas Hinke**

**FOR IMMEDIATE RELEASE  
November 9, 2006**

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

**AND**

**IN THE MATTER OF  
THOMAS HINKE**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing on November 7, 2006 scheduling a hearing on December 8, 2006 at 10:00 a.m. in the above noted matter.

A copy of the Notice of Hearing and the Statement of Allegations are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For media inquiries: Wendy Dey  
Director, Communications and  
Public Affairs

416-593-8120

Laurie Gillett  
Manager, Public Affairs  
416-595-8913

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



## Chapter 2

# Decisions, Orders and Rulings

## 2.1 Decisions

### 2.1.1 Manulife Finance (Delaware), L.P. - MRRS Decision

#### Headnote

Mutual Reliance Review System for Exemptive Relief Applications – section 2.8 of NI 44-101 – notice of intention to be qualified to file a short form prospectus – abridgement of minimum 10-day period – issuer intends to be qualified to file short form prospectus to issue guaranteed debt under section 2.4 of NI 44-101 – credit supporter satisfies all applicable qualification criteria and satisfies requirement to have filed a notice of intention to be qualified to file a short form prospectus – relief granted subject to conditions – issuer must only be qualified to file its first short form prospectus under section 2.4 of NI 44-101 – issuer must include disclosure about credit supporter in its preliminary short form prospectus under section 12.1 of Form 44-101F1 – issuer must satisfy conditions for exemption from requirement to include issuer's disclosure in its preliminary short form prospectus under section 13.1 of Form 44-101F1 – issuer must satisfy conditions for continuous disclosure exemption under subsection 13.4(2) of NI 51-102.

#### Applicable Legislative Provisions

National Instrument 44-101 Short Form Prospectus Distributions, ss. 2.8(1), 8.1.

November 7, 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, NUNAVUT,  
YUKON AND THE NORTHWEST TERRITORIES

AND

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

AND

IN THE MATTER  
MANULIFE FINANCE (DELAWARE), L.P.  
(the Filer)

MRRS DECISION DOCUMENT

## Background

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from the Filer for a decision (the **Requested Relief**) under the securities legislation of the Jurisdictions (the **Legislation**) for an exemption pursuant to section 8.1 of National Instrument 44-101 – *Short Form Prospectus Distributions (NI 44-101)* from the requirement to file a notice declaring its intention to be qualified to file a short form prospectus at least 10 business days prior to the filing of its first preliminary short form prospectus (the **Preliminary Prospectus**).

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 a limited partnership formed under the Delaware Revised Uniform Limited Partnership Act, as amended, on November 1, 2006 pursuant to a limited partnership agreement and the filing of a certificate of limited partnership with the Secretary of State of the State of Delaware. The Filer's head office is located in the State of Delaware. The sole general partner of the Filer is Manulife Finance Holdings Limited (**Manulife Holdings**), a wholly-owned subsidiary of Manulife Financial Corporation (**MFC**) incorporated under the *Canada Business Corporations Act*. The sole limited partner of the Filer is The Manufacturers Life Insurance Company (**MLI**). The financial results of the Filer will be included in the consolidated financial results of MFC.
2. The Filer was formed to provide financing to subsidiaries of MFC. The Filer will raise funds through the offering of debt securities and other borrowings. The Debentures (as defined below) will be fully and unconditionally guaranteed by

- MFC. The Filer will primarily invest in indirect and direct subsidiaries of MFC. To the extent investments are not made therein, investments may be made in investment grade fixed income securities and money market securities. The Filer has no operations that are independent of MFC and is an entity that functions essentially as a special purpose division of MFC.
3. The Filer is not currently a reporting issuer or the equivalent in any province or territory of Canada and has no public disclosure record. The Filer will become a reporting issuer or the equivalent in each of the provinces and territories of Canada that provides for a reporting issuer regime upon the filing of a final prospectus and the issuance of a final MRRS decision document in relation to the final prospectus.
  4. MFC was incorporated under the *Insurance Companies Act* (Canada) on April 26, 1999. MFC's head office is located in Ontario. On September 23, 1999, in connection with the demutualization of MLI, MFC became the sole shareholder of MLI and certain holders of participating life insurance policies of MLI became shareholders of MFC. On September 24, 1999, MFC filed a final prospectus in connection with an initial treasury and secondary offering conducted in Canada and the United States. On April 28, 2004, MFC completed its merger with John Hancock Financial Services, Inc. (**John Hancock**), and as a result MFC acquired all of the issued and outstanding shares of John Hancock common stock and MLI and John Hancock became sister companies.
  5. MFC is regulated by The Superintendent of Financial Institutions (Canada). MFC is a publicly traded company on the Toronto Stock Exchange, the New York Stock Exchange, the Stock Exchange of Hong Kong Limited and the Philippine Stock Exchange.
  6. MFC is a reporting issuer or the equivalent in each of the provinces and territories of Canada that provides for a reporting issuer regime and is not on the list of reporting issuers in default in any of those jurisdictions.
  7. MFC is qualified to file a prospectus in the form of a short form prospectus pursuant to section 2.2 of NI 44-101.
  8. The Filer intends to file the Preliminary Prospectus as soon as practicable in respect of a proposed offering of debentures (the **Debentures**), which will be fully and unconditionally guaranteed by MFC (collectively, the **Offering**). The timing of the filing of the Preliminary Prospectus is subject to favourable market conditions at such time.
  9. On November 1, 2006, the Filer, in anticipation of the Offering, filed a notice of intention to be qualified to file a short form prospectus. In the absence of the Requested Relief, the Filer will not be qualified to file the Preliminary Prospectus until November 15, 2006 (the **Permitted Filing Date**).
  10. Section 2.8(1) of NI 44-101 provides that an issuer is not qualified to file a short form prospectus unless it has filed a notice declaring its intention to be qualified to file a short form prospectus at least 10 business days prior to the issuer filing its first preliminary short form prospectus. For the purposes of section 2.8, if, on December 29, 2005, an issuer had a current AIF, the issuer is deemed to have filed a notice on December 14, 2005 declaring its intention to be qualified to file a short form prospectus pursuant to section 2.8(4) of NI 44-101.
  11. The Filer will not satisfy the requirement in section 2.8(1) on November 6, 2006, and will not be qualified to file the Preliminary Prospectus at that time, unless the Requested Relief is granted.
  12. Given that MFC had a current AIF on December 29, 2005, MFC is deemed to have filed a notice of intention pursuant to section 2.8(4) of NI 44-101.
  13. MFC has been qualified to file a short form prospectus since 1999.
  14. Pursuant to the qualification criteria set forth in section 2.4 of NI 44-101, the Filer is qualified to file a short form prospectus in respect of the Offering on the basis that MFC will act as "credit supporter" for the Debentures.
  15. The Filer has represented that delaying its filing of the Preliminary Prospectus until the Permitted Filing Date may preclude the Filer from taking advantage of favourable market conditions by filing the Preliminary Prospectus on the timetable desired by the Filer and the agents for the Offering.

#### 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) the Preliminary Prospectus is in respect of the Offering, as described in representation 8, above;
- (b) at the time the Preliminary Prospectus is filed, the Filer is qualified to file the

- Preliminary Prospectus only under section 2.4 of NI 44-101;
- (c) the Preliminary Prospectus includes the disclosure regarding MFC required under section 12.1 of Form 44-101F1 *Short Form Prospectus (Form 44-101F1)*;
  - (d) the Filer is exempt, under section 13.1 of Form 44-101F1, from the requirement to include certain disclosure regarding the Filer in the Preliminary Prospectus; and
  - (e) at the time the Preliminary Prospectus is filed, the Filer and MFC satisfy the conditions in subsection 13.4(2) of National Instrument 51-102 *Continuous Disclosure Obligations (NI 51-102)*, other than the condition that MFC be an SEC MJDS issuer (as defined in section 13.4 of NI 51-102).

“Jo-Anne Matear”  
Assistant Manager, Corporate Finance  
Ontario Securities Commission

## 2.1.2 Great Lakes Holdings Inc. - s. 83

### Headnote

Mutual Reliance Review System for Exemptive Relief Applications – issuer deemed to have ceased to be a reporting issuer.

### Ontario Statutes

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

November 13, 2006

Dear Sirs/Mesdames:

**Re: Great Lakes Holdings Inc. (the “Applicant”) - Application to Cease to be a Reporting Issuer under the securities legislation of Alberta, Manitoba, Ontario, Nova Scotia and Newfoundland and Labrador (the “Jurisdictions”)**

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

As the Applicant has represented to the Decision Makers that,

1. the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada;
2. no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 Marketplace Operation;
3. the Applicant is applying for relief to cease to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and
4. the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

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

“Jo-Anne Matear”  
Assistant Manager, Corporate Finance  
Ontario Securities Commission

### 2.1.3 UCB SA and UCB SP GMBH - MRRS Decision

#### Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Application under Section 104(2)(c) of the Securities Act (Ontario) – Exemption from Sections 95-100 of Securities Act (Ontario) – Take-over bid in Ontario by German limited liability companies that are not reporting issuers in any Canadian jurisdiction – Filers acquiring stock corporation incorporated under the laws of Germany – Take-over bid made under the laws of Germany – de minimis exemption not available – Filers cannot conclusively determine how many Canadian shareholders there are because target issued bearer securities and does not maintain a share register – Evidence suggests the number of Canadian shareholders less than the de minimis threshold – Germany is not recognized by the Commission for the purposes of de minimis exemption – Commission granted relief as take-over bid conducted in accordance with the laws of Germany providing protections to target shareholders – All material provided to foreign shareholders to be provided to Ontario shareholders – All shareholders treated equally.

#### Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 93(1)(e), 95-100, 104(2)(c).

November 10, 2006

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

**AND**

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

**AND**

**IN THE MATTER OF UCB SA (the “Parent Filer”)  
AND UCB SP GMBH (the “Co-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 Parent Filer and the Co-Filer (collectively, the “Filers”) for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that the formal take-over bid requirements contained in the Legislation, including the provisions relating to delivery of an offer and take-over bid circular and any notices of

change or variation thereto, delivery of a directors’ circular and any notices of change or variation thereto, minimum deposit periods and withdrawal rights, take-up of and payment for securities tendered to a take-over bid, disclosure, financing, restrictions upon purchases of securities, identical consideration and collateral benefits (collectively, the “Take-Over Bid Requirements”) shall not apply to trades made in connection with the proposed offer (the “Offer”) by the Filers for the acquisition of all outstanding common shares (the “Target Shares”) in the capital of Schwarz Pharma Aktiengesellschaft with registered office in Monheim, Germany (the “Target”) (the “Requested Relief”).

Under the Mutual Reliance Review System for Exemptive Relief Applications (the “System”):

- (a) the *Autorité des marchés financiers* 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 presented by the Filers:

1. The Parent Filer is a public limited liability company organized under the laws of Belgium. The Parent Filer’s registered office is located at 60 Allée de la Recherche, 1070 Brussels, Belgium. Under its articles of association, the main purpose of the Parent Filer is the research, manufacture, purchase, sale and processing of all products associated with cellulose and its derivatives, of plastics, of pure, simple and compound chemical and pharmaceutical products, of textile materials and products, and of similar or complimentary materials and products. The Parent Filer’s existing common shares are admitted for listing and trading on Eurolist by Euronext Brussels.
2. The Co-Filer is a German limited liability company organized under the laws of the Federal Republic of Germany. The Co-Filer’s registered office is located at Georg-Glock-Str. 8, 40474 Düsseldorf, Germany. The Co-Filer is an indirect wholly-owned subsidiary of the Parent Filer. Since its formation earlier in 2006, the Co-Filer has not engaged in any business activity.
3. As of October 27, 2006, approximately 42.04% of the outstanding shares of the Parent Filer were held by Financière de Tubize SA (“Tubize”), a public limited liability company organized under the laws of Belgium. Tubize’s registered office is

- located at 60 Allée de la Recherche, 1070 Brussels, Belgium. The shares of Tubize are admitted for listing and trading on Eurolist by Euronext Brussels. Approximately 51.81% of the outstanding shares of Tubize are held by members of the Janssen family of Belgium who act in concert with respect to such shareholding.
4. Neither of the Filers is a reporting issuer or the equivalent in any of the Jurisdictions. In addition, none of the Filers' securities are listed or quoted for trading on any stock exchange, organized market or automated quotation system in Canada.
  5. The Target is incorporated as a stock corporation (*Aktiengesellschaft*) under the laws of the Federal Republic of Germany. Its registered office is located in Monheim, Germany and is registered with the Lower Court (*Amtsgericht*) in Düsseldorf, Germany under HRB 54649. Under its articles of association, the object and purpose of the Target is the production and distribution of drugs and other pharmaceutical-chemical or cosmetic products. The Target's existing common shares are admitted for listing and trading on the Frankfurt Stock Exchange and the Düsseldorf Stock Exchange.
  6. As of October 27, 2006, the Target Shares registered in the commercial register amounted to €60,926,326.50 and was divided into 47,227,250 common shares without par value in bearer form only, each representing a proportionate amount of the share capital of €1.29.
  7. As of October 27, 2006, the Schwarz family of Germany (the "Schwarz Family") held 28,244,114 Target Shares, representing approximately 59.80% of all outstanding Target Shares.
  8. The Target Shares constitute both "equity securities" and "voting securities" for the purposes of the Legislation and the Take-Over Bid Requirements.
  9. The Target is not a reporting issuer or equivalent in any of the Jurisdictions. In addition, neither the Target Shares nor any other of the Target's securities are listed or quoted for trading on any stock exchange, organized market or quotation system in Canada.
  10. The Offer is structured as a joint bid under the relevant provisions of German securities legislation such that, upon consummation of the Offer, the Parent Filer will acquire four-ninths (4/9) of the Target Shares for which the Offer has been validly accepted and the Co-Filer will acquire five-ninths (5/9) of the Target Shares for which the Offer has been validly accepted.
  11. The consideration under the Offer is comprised of (i) €50.00 in cash and (ii) 0.8735 of a new common share of the capital of the Parent Filer, for each outstanding Target Share.
  12. On September 25, 2006, each of the Parent Filer and the Target issued a press release and announced that the Parent Filer and the Target had entered into a business combination agreement dated September 25, 2006 (the "Business Combination Agreement"), pursuant to which the parties had agreed on the combination of the respective businesses carried out by the Parent Filer and the Target. Each of the Parent Filer and the Target also announced that the Management Board (*Vorstand*) and the Supervisory Board (*Aufsichtsrat*) of the Target unanimously intends to recommend that shareholders of the Target accept the Offer, which intentions are subject to a review of the final offer document and to applicable laws, in particular to the fiduciary duties of the Target's Management Board and Supervisory Board.
  13. The Schwarz Family has irrevocably undertaken in favour of the Filers that it will tender all of the Target Shares held by it during the initial acceptance period of the Offer and the tender of such Target Shares by the Schwarz Family constitutes one of the conditions of the Offer. The Schwarz Family may terminate the foregoing undertaking only if the Target is entitled to terminate the Business Combination Agreement.
  14. It is currently anticipated that the initial period during which the Offer will be open for acceptance by the Target's shareholders will be from November 10, 2006 until December 8, 2006. In addition, under German securities law, there will automatically be an additional acceptance period during which the Target's shareholders may accept the Offer, provided the Schwarz Family will have tendered all of the Target Shares held by it during the initial acceptance period of the Offer. The additional Offer Period is currently expected to commence on December 14, 2006 and to end on December 28, 2006.
  15. All of the principal documents of the Filers relating to and setting forth the Offer, including the offer document (the "Offer Document") and the "declaration of acceptance" (the nearest equivalent to a letter of acceptance and transmittal), are also being prepared in the English language.
  16. The Offer is being made and the Offer Document reflecting the terms of the Offer is being prepared exclusively in accordance with the laws of the Federal Republic of Germany, in particular, in compliance with the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*) and statutory regulations promulgated or enacted thereunder.

17. As indicated above, the Parent Filer announced its intention to proceed with the Offer on September 25, 2006 by way of joint press release with the Target. The Offer Document has been submitted for review to the German federal securities regulatory authority in Germany, the *Bundesanstalt für Finanzdienstleistungsaufsicht* (the "BaFin"). It is expected that the Offer Document will be published and made available to holders of the Target Shares immediately after approval by the BaFin, which is currently expected to occur on or about November 10, 2006. In accordance with German law, the Offer will be commenced on the same day on which the BaFin will have approved the Offer Document and, as of such date, the Offer Document, including the English-language version thereof, will be available on the Internet at [www.ucb-group.com](http://www.ucb-group.com) throughout the Offer Period and the additional Offer Period, and a notification regarding the publication of the Offer Document will be published in a national German newspaper also specifying where and how the Target's shareholders may obtain a copy of the Offer Document free of charge.

18. If either or both of the Filers send any material(s) relating to the Offer generally to holders of Target Shares in Germany, they will also send an English-language version of such material(s) to holders of Target Shares residing in the Jurisdictions (if addresses are shown).

19. A public announcement in a national Canadian newspaper and in a French language newspaper widely distributed in Québec, to be made substantially at the same time as the public announcement in the national German newspaper or as soon as practicable after issuance of this decision, will specify where and how the shareholders of the Target may obtain a copy of the Offer Document. As soon as practicable after such date, the Filers will also file a copy of the Offer Document free of charge with the Decision Makers.

20. The *de minimis* take-over bid exemption as provided for in the Legislation is not available to the Filers or applicable to the Offer since the Offer is not being made in compliance with the laws of a jurisdiction that is recognized by the applicable Decision Makers for this purpose. In addition, because the Target does not maintain a share register as all the Target Shares are bearer securities, the Filers are unable to conclusively determine the number of holders of the Target Shares resident in each of the Jurisdictions or the number of Target Shares held by any such persons.

21. As permitted by German law, the Target has issued bearer securities and does not maintain a share register. Accordingly, any information about the Target Shares held by shareholders in

Canada can only be determined on a limited inquiry basis and cannot be determined on a definitive basis. Based on such inquiry, the Filers believe that as of October 25, 2006, there were ten holders of Target Shares resident in Canada, holding in total 155,926 Target Shares representing approximately 0.33% of the entire issued share capital of the Target. The Filers are not able to ascertain in which Jurisdictions such Canadian holders reside.

22. In accordance with German law, which is the "home" jurisdiction of the Target, the Offer treats all shareholders (including Canadian holders) equally.

### 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 Offer and all amendments to the Offer are made in compliance with the laws of the Federal Republic of Germany;
- (ii) any material relating to the Offer that is sent by the Filers generally to the holders of the Target Shares in Germany will be sent by the Filers to the holders of the Target Shares resident in the Jurisdictions in English (if addresses are known) and copies thereof filed with the Decision Maker in each Jurisdiction; and
- (iii) the Filers make a public announcement in English in a national Canadian newspaper and in French in a newspaper that is widely circulated in Québec specifying where and how holders of the Target Shares in the Jurisdictions may obtain a copy of the Offer Document (in English) free of charge and file copies thereof with the Decision Maker in each Jurisdiction.

"Louis Morisset"  
Surintendant aux marchés des valeurs  
Executive Director, Securities Markets  
Autorité des marchés financiers

**2.1.4 Sequoia Oil & Gas Trust - s. 83**

**Headnote**

Mutual Reliance Review System for Exemptive Relief Applications – issuer deemed to have ceased to be a reporting issuer.

**Ontario Statutes**

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

November 8, 2006

**Burnet, Duckworth & Palmer LLP**

1400, 350 - 7 Avenue SW  
Calgary, AB T2P 3N9

**Attention: Lindsay P. Cox**

Dear Ms. Cox:

**Re: Sequoia Oil & Gas Trust (the “Applicant”) -  
Application to Cease to be a Reporting Issuer  
under the securities legislation of Alberta,  
Saskatchewan, Manitoba, Ontario, Québec,  
Nova Scotia, New Brunswick and  
Newfoundland and Labrador (the  
“Jurisdictions”)**

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

As the Applicant has represented to the Decision Makers that:

1. the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada;
2. no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;
3. the Applicant is applying for relief to cease to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and
4. the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

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

Relief requested granted on the 8th day of November, 2006.

“Blaine Young”  
Associate Director, Corporate Finance  
Alberta Securities Commission

**2.1.5 Esprit Energy Trust - s. 83**

**Headnote**

Mutual Reliance Review System for Exemptive Relief Applications – issuer deemed to have ceased to be a reporting issuer.

**Ontario Statutes**

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

**Citation:** Esprit Energy Trust, 2006 ABASC 1758

November 8, 2006

**Bennett Jones LLP**

4500 Bankers Hall East  
855 - 2 Street SW  
Calgary, AB T2P 4K7

**Attention: Paul J. Barbeau**

Dear Sir:

**Re: Esprit Energy Trust (the “Applicant”) - Application to Cease to be a Reporting Issuer under the securities legislation of Alberta, Saskatchewan, Ontario, Québec, Nova Scotia, New Brunswick and Newfoundland and Labrador (the “Jurisdictions”)**

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

As the Applicant has represented to the Decision Makers that:

1. the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada;
2. no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;
3. the Applicant is applying for relief to cease to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and
4. the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

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

met and orders that the Applicant is deemed to have ceased to be a reporting issuer in the Jurisdictions.

Relief requested granted on the 8th day of November, 2006.

“Blaine Young”  
Associate Director, Corporate Finance  
Alberta Securities Commission



**2.1.6 Canadian Arctic Gas Ltd. - s. 83**

Relief requested granted on the 10th day of November, 2006.

**Headnote**

Mutual Reliance Review System for Exemptive Relief Applications – issuer deemed to have ceased to be a reporting issuer.

“Patricia Leeson”  
Associate Director, Corporate Finance  
Alberta Securities Commission

**Ontario Statutes**

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

**Citation:** Canadian Arctic Gas Ltd., 2006 ABASC 1777

November 10, 2006

**McCarthy Tetrault LLP**  
3300, 421 - 7 Avenue SW  
Calgary, AB T2P 4K9

**Attention: Lorie Wheeler**

Dear Madam:

**Re: Canadian Arctic Gas Ltd. (the “Applicant”) -  
Application to Cease to be a Reporting Issuer  
under the securities legislation of Alberta,  
Ontario, Québec and Nova Scotia (the  
“Jurisdictions”)**

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

As the Applicant has represented to the Decision Makers that:

1. the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada;
2. no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;
3. the Applicant is applying for relief to cease to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and
4. the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

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

2.1.7 Bell Aliant Regional Communications, Inc. et al.- MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications (Nova Scotia and Ontario) – Multilateral Instrument 11-101 Principal Regulator System (Nova Scotia and other jurisdictions, other than Ontario) – application related to i) recent reorganization of corporate reporting issuer parent by its controlling shareholders, ii) conversion of parent into an income trust by way of a plan of arrangement, and iii) establishment of a new finance subsidiary – Application for relief from requirements of National Instrument 51-102 Continuous Disclosure Obligations and related instruments by finance subsidiary – relief granted on terms and conditions analogous to terms and conditions contained in proposed amendments to Part 13 of NI 51-102, as published October 13, 2006 – As a consequence of the plan of arrangement, parent entity (Holdings LP) to corporate reporting issuer became a reporting issuer in certain jurisdictions by operation of law – relief granted to finance subsidiary to permit finance subsidiary to rely on continuous disclosure documents filed by Holdings LP – See also related applications to deem Holdings LP to be a reporting issuer in certain jurisdictions and to deem corporate reporting issuer parent to cease to be a reporting issuer.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, s. 13.1.  
Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, s. 4.5.  
Multilateral Instrument 52-110, s. 8.1 - Audit Committees.  
National Instrument 58-101, s. 3.1 – Disclosure of Corporate Governance Practices.

November 10, 2006

IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
NOVA SCOTIA AND ONTARIO (the "Jurisdictions")

AND

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

AND

IN THE MATTER OF  
BELL ALIANT REGIONAL COMMUNICATIONS, INC.,  
BELL ALIANT REGIONAL COMMUNICATIONS  
HOLDINGS, LIMITED PARTNERSHIP AND  
BELL ALIANT REGIONAL COMMUNICATIONS,  
LIMITED PARTNERSHIP (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 the following decisions under the securities legislation of the Jurisdictions (the "Legislation"):

1. a decision (the "Continuous Disclosure Relief") pursuant to section 13.1 of National Instrument 51-102 – *Continuous Disclosure Obligations* ("NI 51-102") that the requirements of NI 51-102 as well as any comparable continuous disclosure requirements under the Legislation that have not yet been repealed or otherwise rendered ineffective as a consequence of the adoption of NI 51-102 (collectively, the "Continuous Disclosure Requirements") may be satisfied by Bell Aliant Regional Communications, Limited Partnership ("Bell Aliant LP") by filing the continuous disclosure documents required to be filed by Bell Aliant Regional Communications Holdings, Limited Partnership ("Holdings LP") under the Continuous Disclosure Requirements;
2. in the event that the Continuous Disclosure Relief is granted, in order to relieve Bell Aliant LP from certain additional continuous disclosure obligations, a decision (the "Consequential Disclosure Relief"):
  - (a) pursuant to section 4.5 of Multilateral Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("MI 52-109") that the requirements of MI 52-109 shall not apply to Bell Aliant LP;
  - (b) pursuant to section 8.1 of Multilateral Instrument 52-110 – *Audit Committees* ("MI 52-110") that the requirements of section 5.1 of MI 52-110 shall not apply to Bell Aliant LP; and
  - (c) pursuant to section 3.1 of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") that the requirements of Part 2 of NI 58-101 shall not apply to Bell Aliant LP.

Application of Principal Regulator System

Under Multilateral Instrument 11-101 – *Principal Regulator System* ("MI 11-101") and National Policy 12-201 – *Mutual Reliance Review System for Exemptive Relief Applications* ("MRRS Policy"):

- (a) the Nova Scotia Securities Commission is the principal regulator for the Filers;
- (b) Bell Aliant LP is relying on the exemptions in Part 3 of MI 11-101 in the provinces of British

Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Newfoundland and Labrador and Prince Edward Island; and

(c) 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 Arrangement

1. Bell Aliant LP, Holdings LP and Bell Aliant Regional Communications Income Fund (the "**Fund**") are each successor issuers to Aliant Inc. ("**Aliant**") and its wholly-owned subsidiary, Aliant Telecom Inc. ("**Aliant Telecom**" and, together with Aliant, "**Old Aliant**"), and were created in connection with a reorganization of Old Aliant pursuant to a plan of arrangement (the "**Arrangement**") under section 192 of the *Canada Business Corporations Act*.
2. On July 7, 2006, Old Aliant, BCE Inc. ("**BCE**") and Bell Canada completed the implementation of the Arrangement, which involved an exchange of certain business operations between Bell Canada and Old Aliant and the conversion of Old Aliant to an income trust.
3. The Arrangement resulted in
  - (a) the combination of Old Aliant's wireline telecommunications operation in Atlantic Canada, information technology operation and other operations with Bell Canada's wireline telecommunications operation in certain of its regional territories in Ontario and Québec (the "**Rural Wireline Operations**");
  - (b) the transfer of Bell Canada's 63.4% indirect interest in NorthernTel, Limited Partnership and Télébec, Limited Partnership (collectively the "**Bell Nordiq Partnerships**") to Old Aliant;
  - (c) the transfer of Old Aliant's wireless operations and its interest in DownEast Ltd. to Bell Canada; and
  - (d) the conversion of Old Aliant to an income trust with the outstanding common shares of Old Aliant (other than a number of shares held by BCE) being exchanged

for units of the Fund on a one for one basis.

4. The Circular provided to shareholders of Aliant in connection with the Arrangement contained the following financial statement disclosure (the "**Circular Financial Disclosure**"):
  - (a) audited consolidated financial statements of Aliant (which consolidate the financial statements of Aliant Telecom) as at and for the three years ended December 31, 2005 (incorporated by reference);
  - (b) audited financial statements for the Rural Wireline Operations as at and for the three years ended December 31, 2005;
  - (c) audited consolidated financial statements of BNG as at and for the financial year ended December 31, 2005 (incorporated by reference);
  - (d) an audited balance sheet of the Fund; and
  - (e) unaudited *pro forma* financial statements of the Fund and Holdings LP as at and for the year ended December 31, 2005 giving effect to the Arrangement.
5. The Arrangement resulted in the creation of a number of entities held directly and indirectly, in whole or in part by the Fund, each of which is a general partner or other holding entity created to facilitate the operation of the combined business by Bell Aliant LP and the distribution of cash derived from the operations and activities of Bell Aliant LP and the Bell Nordiq Partnerships to the unitholders.

### The Fund

6. The Fund is an unincorporated, open-ended trust governed by the laws of the Province of Ontario. The Fund was established on March 30, 2006 under a declaration of trust, as amended and restated on July 6, 2006 (the "**Declaration of Trust**"), in connection with the Arrangement.
7. The Fund is a reporting issuer or equivalent in each of the provinces of Canada (where that concept exists) (collectively, the "**Reporting Issuer Jurisdictions**").
8. The beneficial interests in the Fund are divided into interests of two classes, designated as "**Units**" and "**Special Voting Units**". An unlimited number of Units and Special Voting Units are issuable pursuant to the Declaration of Trust.
9. Each Unit is transferable and represents an equal undivided beneficial interest in any distributions

from the Fund and in the net assets of the Fund in the event of a termination or winding up of the Fund. Each Unit entitles the holder thereof to one vote at all meetings of holders of Units and Special Voting Units (collectively, "**Voting Unitholders**").

10. Special Voting Units are not entitled to any beneficial interest in any distribution from the Fund or in the net assets of the Fund in the event of a termination or winding up of the Fund. Each Special Voting Unit entitles the holder thereof to one vote at any meeting of Voting Unitholders (subject to customary anti-dilution adjustments).
11. The Units of the Fund are listed on the Toronto Stock Exchange under the symbol "BA.UN". As of July 27, 2006, 124,121,175 Units were issued and outstanding representing a 55.3 % voting interest in the Fund.
12. Pursuant to an undertaking to be provided by each of the Fund and Holdings LP to the Decision Makers, the Fund will treat Holdings LP as a subsidiary and provide to holders of Units separate annual audited and interim unaudited financial statements of Holdings LP so long as generally accepted accounting principles prohibit the consolidation of financial information of Holdings LP and the Fund and Holdings LP (and any of its significant business interests) represents a significant asset of the Fund.

#### **Holdings LP**

13. Holdings LP is a limited partnership established under the laws of the Province of Quebec on June 29, 2006. The head office of Holdings LP is located at 6 South Maritime Centre, 1505 Barrington Street, P.O. Box 880 Central, Halifax, Nova Scotia.
14. Holdings LP is a successor issuer to each of Aliant and Aliant Telecom and upon completion of the Arrangement it became a reporting issuer in certain jurisdictions, including the provinces of British Columbia, Alberta, and Nova Scotia.
15. Applications have been filed by Holding LP with the securities regulatory authorities in the Reporting Issuer Jurisdictions where it did not become a reporting issuer upon completion of the Arrangement seeking to have Holdings LP deemed to be a reporting issuer or equivalent under the securities legislation of such jurisdictions.
16. Holdings LP is authorized to issue Class 1 exchangeable limited partnership units (the "**Holdings Class 1 Exchangeable LP Units**") and Class 2 limited partnership units (the "**Holdings Class 2 LP Units**").

17. As at July 27, 2006, there were 28,168,803 Holdings Class 1 Exchangeable LP Units and 124,121,177 Holdings Class 2 LP Units outstanding. BCE indirectly holds all of the Holdings Class 1 Exchangeable LP Units and Bell Aliant Holdings Trust, a wholly-owned subsidiary of the Fund, holds all of the Holdings Class 2 LP Units.

18. Bell Aliant Regional Communications Holdings Inc. is the general partner of Holdings LP.

#### **Bell Aliant LP**

19. Bell Aliant LP is a limited partnership established in connection with the Arrangement under the laws of the Province of Manitoba on July 5, 2006. The head office of Bell Aliant LP is located at 6 South Maritime Centre, 1505 Barrington Street, P.O. Box 880 Central, Halifax, Nova Scotia.
20. As part of the Arrangement, substantially all of the business, operations and assets of Old Aliant and its operating subsidiaries were transferred to Bell Aliant LP and Bell Aliant LP continues to carry on the business previously carried on by Old Aliant and its subsidiaries, other than the wireless operations, which were transferred to Bell Canada.
21. Bell Aliant LP is a successor issuer to each of Aliant and Aliant Telecom and became a reporting issuer in certain provinces of Canada upon completion of the Arrangement and became a reporting issuer or equivalent in each of the other Reporting Issuer Jurisdictions upon receiving a final MRRS document on September 15, 2006 for the short form base shelf prospectus offering up to \$3.0 billion principal amount of medium term notes (the "**Prospectus**").
22. The medium term notes offered pursuant to the Prospectus are unsecured obligations of Bell Aliant LP ranking pari passu with all other unsecured and unsubordinated indebtedness incurred by Bell Aliant LP, and are guaranteed by each of Bell Aliant Holdings Trust, Holdings GP, Holdings LP, Bell Aliant Regional Communications, Inc ("**Wireline GP**") and 6583458 Canada Inc.
23. Pursuant to an undertaking (the "**Undertaking**") provided by Bell Aliant LP to the Decision Makers pursuant to clause 4.2(b)(ii) of National Instrument 44-101 Short Form Prospectus Distributions, Bell Aliant LP will file the periodic and timely continuous disclosure of Holdings LP which Holdings LP is required to file under the Legislation, other than in connection with a distribution, for so long as the medium term notes distributed under the Prospectus are issued and outstanding.

**Wireline GP**

24. Wireline GP is a corporation incorporated under the *Canada Business Corporations Act* and was formed by the amalgamation of:
  - (a) Aliant and Aliant Telecom and certain other subsidiaries pursuant to articles of amalgamation on July 1, 2006; and
  - (b) 6591710 Canada Inc. on July 7, 2006 pursuant to the articles of arrangement filed on July 5, 2006 in connection with the Arrangement.
25. Wireline GP is a successor issuer to each of Aliant and Aliant Telecom and is a reporting issuer or equivalent in each of the Reporting Issuer Jurisdictions.
26. Wireline GP is the general partner of Bell Aliant LP.
27. Immediately prior to closing of the Arrangement, Aliant Telecom had an aggregate of \$500 million aggregate principal amount of medium term notes (the “**Existing Notes**”) outstanding, issued in four tranches. These had been created under a trust indenture dated as of October 8, 1999 and were issued to the public under a series of shelf prospectuses of Aliant Telecom. Bell Aliant LP assumed this debt and entered into a supplemental indenture dated July 6, 2006 which reflected this. Three of the four tranches of Existing Notes have been called for redemption and will be redeemed on September 22, 2006. The fourth series matures on January 15, 2007.
28. The outstanding securities of Wireline GP are beneficially owned, directly or indirectly, by less than 15 security holders in each of the Jurisdictions and less than 51 security holders in total in Canada.
29. No securities of Wireline GP are traded on a marketplace as defined in National Instrument 21–101 Marketplace Operation.
30. An application has been filed by Wireline GP with the securities regulatory authorities in each of the Reporting Issuer Jurisdictions, other than British Columbia (where Wireline GP has ceased to be a reporting issuer as of October 10, 2006), for a decision deeming Wireline GP to have ceased to be a reporting issuer in all of the Reporting Issuer Jurisdictions in which it is a reporting issuer.
31. Wireline GP is not in default of any of its obligations under the Legislation as a reporting issuer.

**Decision**

Each of the Decision Makers is satisfied that the tests contained in the Legislation that provides the Decisions Makers with jurisdiction to make decisions herein have been met.

**THE DECISION** of the Decision Makers under the Legislation is that the Continuous Disclosure Relief and the Consequential Disclosure Relief are granted, provided that:

- (a) Holdings LP is a reporting issuer in at least one of the jurisdictions listed in Appendix B of National Instrument 45–102 – *Resale of Securities* (“NI 45–102”) and is an electronic filer under National Instrument 13–101 – *System for Electronic Document Analysis and Retrieval (SEDAR)*;
- (b) all outstanding voting securities of Bell Aliant LP are held directly or indirectly by Holdings LP, BCE (or its successor) or their respective affiliates;
- (c) Holdings LP has filed all documents it is required to file under NI 51–102;
- (d) Bell Aliant LP does not issue any securities, and does not have any securities outstanding, other than
  - (i) debt securities that are guaranteed by Holdings LP or one of its affiliates;
  - (ii) securities issued to and held by Holdings LP, BCE (or its successor) or their respective affiliates;
  - (iii) debt securities issued to and held by banks, loan corporations, loan and investment corporations, savings companies, trust corporations, treasury branches, savings or credit unions, financial services co-operatives, insurance companies or other financial institutions; or
  - (iv) securities issued under exemptions from the registration requirement and prospectus requirement in section 2.35 of National Instrument 45–106 – *Prospectus and Registration Exemptions*;
- (e) Bell Aliant LP files in electronic format,

- (i) a notice indicating that Bell Aliant LP is relying on the continuous disclosure documents filed by Holdings LP and setting out where those documents can be found for viewing in electronic format, if Holdings LP is a reporting issuer in the local jurisdiction; or
  - (ii) copies of all documents Holdings LP is required to file under securities legislation, other than in connection with a distribution, at the same time as the filing by Holdings LP of those documents with a securities regulatory authority or regulator;
- (f) Bell Aliant LP issues in Canada a news release and files a material change report for all material changes in respect of the affairs of Bell Aliant LP that are not also material changes in the affairs of Holdings LP;
- (e) Bell Aliant LP files, in electronic format, in the notice referred to in (e)(i) above or in or with the copy of the interim and annual consolidated financial statements filed under clause (e)(ii) above, either
- (i) a statement that the financial results of Bell Aliant LP are included in the consolidated financial results of Holdings LP, if at that time,
    - (A) Bell Aliant LP has minimal assets, operations, revenues or cash flows other than those related to the issuance, administration and repayment of the securities described in paragraph (d), and
    - (B) each item of the summary financial information of the subsidiaries of Holdings LP on a combined basis, other than Bell Aliant LP, represents less than 3% of the corresponding items on the consolidated financial statements of Holdings LP being filed or referred to under paragraph (e), or
  - (ii) for the periods covered by the interim or annual consolidated financial statements of Holdings LP filed, consolidating summary financial information for Holdings LP presented with a separate column for each of the following:
    - (A) Holdings LP;
    - (B) Bell Aliant LP;
    - (C) any other subsidiaries of Holdings LP on a combined basis;
    - (D) consolidating adjustments; and
    - (E) the total consolidated amounts; and
  - (h) Bell Aliant LP files a corrected notice under (e)(i) above if Bell Aliant LP filed the notice with the statement contemplated in (g)(i) above and Bell Aliant LP can no longer rely on (g)(i) above.

"J. William Slattery"  
Deputy Director, Corporate Finance  
Nova Scotia Securities Commission

**2.1.8 Peerless Oil & Gas Inc. - s. 83**

**Headnote**

Mutual Reliance Review System for Exemptive Relief Applications – issuer deemed to have ceased to be a reporting issuer.

**Ontario Statutes**

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

**Citation:** Peerless Oil & Gas Inc., 2006 ABASC 1748

November 1, 2006

**Heenan Blaikie**

12Floor, 425 1 Street SW  
Calgary, AB T2P 3L8

**Attention: Cherry Jiang**

Dear Madam:

**Re: Peerless Oil & Gas Inc. (the “Applicant”) -  
Application to Cease to be a Reporting Issuer  
under the securities legislation of Alberta,  
Saskatchewan, Manitoba, Ontario, Québec,  
Nova Scotia, New Brunswick and  
Newfoundland and Labrador (the  
“Jurisdictions”)**

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

As the Applicant has represented to the Decision Makers that:

1. the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada;
2. no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;
3. the Applicant is applying for relief to cease to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and
4. the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

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

met and orders that the Applicant is deemed to have ceased to be a reporting issuer in the Jurisdictions.

Relief requested granted on the 1st day of November, 2006.

Blaine Young  
Associate Director, Corporate Finance  
Alberta Securities Commission

**2.1.9 Atlas Cold Storage Income Trust - s. 83**

**Headnote**

Mutual Reliance Review System for Exemptive Relief Applications – issuer deemed to have ceased to be a reporting issuer.

**Ontario Statutes**

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

November 14, 2006

**McCarthy Tétrault LLP**

Box 48, Suite 4700  
Toronto Dominion Bank Tower  
66 Wellington Street West  
Toronto, Ontario M5K 1E6

Attention: Lara Nathans (Fax: 416-868-0673)

Dear Sirs/Mesdames:

**Re: Atlas Cold Storage Income Trust (the “Applicant”) - Application to Cease to be a Reporting Issuer under the securities legislation of the Provinces of Ontario, Saskatchewan, Manitoba, Alberta, Québec, New Brunswick, Nova Scotia and Newfoundland and Labrador (the “Jurisdictions”)**

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

As the Applicant has represented to the Decision Makers that,

- (a) 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;
- (b) no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 Marketplace Operation;
- (c) the Applicant is applying for relief to cease to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and
- (d) the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

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

“Erez Blumberger”  
Assistant Manager, Corporate Finance



**2.1.10 Core Canadian Dividend Trust - MRRS Decision**

**Headnote**

Mutual Reliance Review System for Exemptive Relief Applications - Investment fund using specified derivatives exempted from the requirement to calculate its net asset value on a daily basis, subject to certain conditions. - Subsection 14.2(3)(b) of National Instrument 81-106 Investment Fund Continuous Disclosure.

**Applicable Legislative Provisions**

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 14.2(3)(b), 17.1.

**November 13, 2006**

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

**AND**

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

**AND**

**IN THE MATTER OF  
CORE CANADIAN DIVIDEND TRUST  
(the "Filer" or the "Trust")**

**MRRS DECISION DOCUMENT**

**Background**

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation (the "Legislation") of the Jurisdictions for relief from Section 14.2(3)(b) of National Instrument 81-106 ("NI 81-106"), which requires the net asset value of an investment fund that uses specified derivatives (as such term is defined in National Instrument 81-102) to be calculated at least once every business day (the "Requested Relief").

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

**Interpretation**

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

**Representations**

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

***General***

1. The Trust is an investment trust established under the laws of the Province of Ontario. The principal office of the Trust is located at 121 King Street West, Standard Life Centre, Suite 2600, Toronto, Ontario M5H 3T9.
2. Mulvihill Fund Services Inc. is the manager of the Trust. Mulvihill Capital Management Inc. ("MCM") is the investment manager of the Trust.
3. RBC Dexia Investor Services Trust will be the trustee of the Trust and will act as custodian of the assets of the Trust and will be responsible for certain aspects of the day-to-day administration of the Trust.

***The Core Canadian Dividend Portfolio***

4. The Trust has been created to invest in a blue-chip portfolio consisting of high-quality, large capitalization, dividend-paying Canadian companies across multiple industry sectors that have an excellent long-term track record of dividend growth and share price appreciation.
5. The Trust's portfolio will be actively managed by MCM, the Trust's investment manager. To generate additional returns above the dividend income earned on the portfolio, the Trust will, from time to time, write covered call options in respect of some or all of the securities in the portfolio. The securities which are subject to call options and the terms of such options will vary from time to time as determined by MCM.
6. The Trust's investment objectives are: (a) to provide unitholders of the Trust ("Unitholders") with monthly cash distributions in an amount targeted to be 6.5% per annum on the net asset value ("NAV") of the Trust; and (b) to preserve and grow the NAV per unit of the Trust ("Unit").
7. The Trust will invest the net proceeds of its initial public offering primarily in the following Canadian dividend-paying common shares (the "Core Canadian Dividend Portfolio") listed on the Toronto Stock Exchange (the "TSX"):

Royal Bank of Canada  
Manulife Financial Corporation

Bank of Nova Scotia  
The Toronto-Dominion Bank  
Bank of Montreal  
Thomson Corporation  
Canadian Imperial Bank of Commerce  
BCE Inc.  
TransCanada Corporation  
Teck Cominco Limited (Class B Shares)  
Enbridge Inc.  
National Bank of Canada  
Russel Metals Inc.  
AGF Management Limited  
Canadian Utilities Limited

8. The Trust will generally invest not less than 4% and not more than 10% of the Trust's net asset value in each of the issuers in the Core Canadian Dividend Portfolio. In addition, up to 15% of the NAV of the Trust may be invested in equity securities of other issuers listed on the TSX which MCM believes are consistent with the Trust's investment objectives.
9. The Trust does not have a fixed termination date but may be terminated upon not less than 90 days' written notice to the manager from the Trustee with the approval of unitholders by a two-thirds majority vote passed at a duly convened meeting of unitholders called for the purpose of considering such termination, provided that unitholders holding at least 10% of the Units outstanding on the record date of the meeting vote in favour of such termination.
10. Although the Filer is a mutual fund trust for purposes of the Income Tax Act (Canada), it is not a mutual fund for purposes of securities legislation and its operation differs from that of a conventional mutual fund.
11. The Filer does not intend to continuously offer Units once the Filer is out of primary distribution and therefore the Filer is not a conventional mutual fund.
12. The Units will be listed and posted for trading on the TSX.
13. As disclosed in the preliminary prospectus of the Trust dated September 25, 2006, the Trust will calculate on the Thursday of each week and on the last of the month the net asset value per Unit and will make such information available through the Internet at [www.mulvihill.com](http://www.mulvihill.com).
14. Commencing in 2007, Units may be surrendered for redemption during the period at least 20 business days prior to the end of the year (the "December Valuation Date"). Units surrendered for redemption on the December Valuation Date in each year will be entitled to receive a redemption price per Unit equal to NAV per Unit determined as of such valuation date.

**Decision**

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

The decision of the Decision Makers is that the Requested Relief is granted, provided that:

- (a) that the net asset value is available to the public upon request; and
  - (b) a toll-free telephone number or website that the public can access is available for this purpose;
- for so long as:
- (c) the Units are listed on the TSX; and
  - (d) the Filer calculates its net asset value at least weekly.

"Rhonda Goldberg"  
Assistant Manager, Investment Funds Branch

**2.1.11 Copernican World Banks Split Inc. - MRRS Decision**

**Headnote**

Mutual Reliance Review System for Exemptive Relief Applications – subdivided offering exempted from certain requirements of National Instrument 81-102 Mutual Funds since issuer is fundamentally different from a conventional mutual fund.

National Instrument 81-102 Mutual Funds, subsection 2.6(a), section 10.3, subsection 10.4(1), subsection 12.1(1), and section 14.1.

**Applicable Legislative Provisions**

National Instrument 81-102 Mutual Funds, ss. 2.6(a), 10.3, 10.4(1), 12.1(1), 14.1, 19.1.

**November 9, 2006**

**IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,  
MANITOBA, ONTARIO, QUÉBEC, NEW BRUNSWICK,  
NOVA SCOTIA, PRINCE EDWARD ISLAND,  
NEWFOUNDLAND AND LABRADOR,  
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  
COPERNICAN WORLD BANKS SPLIT 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 for a decision under section 19.1 of National Instrument 81-102 – Mutual Funds (the “Legislation”) that the following sections of the Legislation (collectively, the “Requested Relief”) will not apply to the Filer with respect to the Preferred Shares and the Class A Shares (each as defined below):

- a) subsection 2.6(a), which prohibits a mutual fund from borrowing cash or providing a security interest over any of its portfolio assets except in compliance with subsection 2.6(a);

- b) section 10.3, which requires that the redemption price of a security of a mutual fund to which a redemption order pertains shall be the net asset value of a security of that class, or series of class, next determined after the receipt by the mutual fund of the order;
- c) subsection 10.4(1), which requires that a mutual fund shall pay the redemption price for securities that are the subject of a redemption order within three business days after the date of calculation of the net asset value per security used in establishing the redemption price;
- d) subsection 12.1(1), which requires a mutual fund that does not have a principal distributor to complete and file a compliance report, and accompanying letter of the auditor, in the form and within the time period mandated by subsection 12.1(1); and
- e) section 14.1, which requires that the record date for determining the right of securityholders of a mutual fund to receive a dividend or distribution by the mutual fund shall be calculated in accordance with section 14.1.

Under the Mutual Reliance Review System for Exemptive Relief Applications (the “System”):

- 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 document unless they are otherwise defined in this decision document.

**REPRESENTATIONS**

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

**The Filer**

1. The Filer is a mutual fund corporation incorporated under the laws of Ontario pursuant to articles of incorporation dated September 26, 2006.
2. Copernican Capital Corp. (the “Manager”) will be the manager of the Filer and will be responsible for providing or arranging for the provision of administrative services required by the Filer.

**The Offerings**

3. The Filer will be issuing preferred shares (the "Preferred Shares") and class A shares (the "Class A Shares") (together referred to as the "Shares").
4. The offerings of Preferred Shares and Class A Shares by the Filer are a one-time offering and the Filer will not continuously distribute the Shares.

The Filer's investment objectives with respect to the Preferred Shares are:

- a) to provide holders of Preferred Shares with fixed cumulative preferential quarterly cash distributions in the amount of \$0.13125 per Preferred Share representing a yield on the issue price of the Preferred Shares of 5.25% per annum; and
- b) to return the original issue price of the Preferred Shares at the time of redemption of such shares on December 2, 2013; and

with respect to the Class A Shares are:

- a) to provide holders of Class A Shares with regular quarterly cash distributions targeted to be \$0.20 per Class A Share representing a yield on the issue price of the Class A Shares of 8.0% per annum; and
  - b) to provide holders of the Class A Shares with the opportunity for leveraged growth in net asset value ("NAV") per Class A Share after the repayment of the original issue price of the Preferred Shares.
5. The Shares will be redeemable at the option of the holder on a monthly and annual basis at a price computed by reference to the value of a proportionate interest in the net assets of the Filer. As a result, the Filer will be a "mutual fund" under applicable securities legislation.
  6. The entire proceeds of the offering will be invested in an actively managed diversified portfolio of securities (the "Portfolio") consisting of equity securities of some of the world's leading global bank-based financial services companies. Under normal market conditions, the weighted average credit rating of the Portfolio will be at least equivalent to "A".

7. The Filer may, from time to time, hold a portion of its assets in cash equivalents. The Filer may also, from time to time, utilize such cash equivalents to provide cover in respect of the writing of cash covered put options, which is intended to generate additional returns and to reduce the net cost of acquiring the securities subject to the put options.
8. A preliminary prospectus of the Filer dated October 2, 2006 (the "Preliminary Prospectus") has been filed with the securities regulatory authorities in each of the provinces and territories of Canada and the Ontario Securities Commission, as principal regulator, has issued a preliminary decision document dated October 3, 2006.
9. The Filer is authorized to borrow an amount not exceeding 5% of the total assets of the Filer at the time of borrowing, for the purpose of paying redemptions and working capital purposes. The Filer may pledge its assets to secure the borrowings.

**The Shares**

10. The Shares are expected to be listed and posted for trading on the Toronto Stock Exchange (the "TSX").
11. The description of the redemption process in the Preliminary Prospectus contemplates that the redemption price for the Preferred Shares and the Class A Shares will be determined as of the redemption date, being the last business day of the month (the "Redemption Date"). As requests for redemptions may be made at any time during the month and are subject to a cut-off date (at least five business days prior to the Redemption Date) redemptions may not be implemented at a price equal to the net asset value next determined after receipt of the redemption request.
12. The redemption procedures described in the Preliminary Prospectus provide that shareholders will receive payment on or before the eighth business day following the applicable Redemption Date.
13. The Preferred Shares have been provisionally rated Pfd-2 (low) by Dominion Bond Rating Service Limited.
14. The Filer will make quarterly distributions to holders of the Preferred Shares and the Class A Shares. The record date for shareholders entitled to receive such distributions will be determined in accordance with the requirements of the TSX.

**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 on the following basis:

- a) **Subsection 2.6(a)** - to enable the Filer to obtain a credit facility for working capital purposes and provide a security interest over its assets, as stated in paragraph 9 above, so long as the outstanding amount of any such borrowings of the Filer does not exceed 5% of the total assets of the Filer at the time of borrowing;
- b) **Section 10.3** - to permit the Filer to calculate the redemption price for the Shares in the manner described in the Preliminary Prospectus and on the applicable Redemption Date as defined in the Preliminary Prospectus;
- c) **Subsection 10.4(1)** - to permit the Filer to pay the redemption price for the Preferred Shares and the Class A Shares on the Redemption Payment Date, as defined in the Preliminary Prospectus;
- d) **Subsection 12.1(1)** - to relieve the Filer from the requirement to file the prescribed compliance reports; and
- e) **Section 14.1** - to relieve the Filer from the requirement relating to the record date for the payment of dividends or other distributions, provided that it complies with the applicable requirements of the TSX.

“Leslie Byberg”  
Manager, Investment Funds  
Ontario Securities Commission

## 2.1.12 *Æterna Zentaris Inc.* - MRRS Decision

### Headnote

Mutual Reliance Review System for Exemptive Relief Applications – National Instrument 51-102 - Continuous Disclosure Obligations, Part 9 and s. 13.1 and Form 51-102F5 - Information Circular, Items 8, 9 and 10 – Relief from the requirement to provide in an information circular disclosure regarding executive compensation, securities authorized for issuance under equity compensation plans, and indebtedness of directors and executive officers in connection with a distribution to shareholders of the Filer by way of reduction of capital – Disclosure not relevant to the decision regarding the approval of the a distribution by way of reduction of capital.

### Applicable Legislative Provisions

National Instrument 51-102 - Continuous Disclosure Obligations, Part 9 and s. 13.1, and Form 51-102F5 - Information Circular, Items 8, 9 and 10.

Translation

November 9, 2006

IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
OF QUEBEC AND ONTARIO  
(the Jurisdictions)

AND

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

AND

IN THE MATTER OF  
*ÆTERNA ZENTARIS 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 for a decision under the securities legislation of the Jurisdictions (the Legislation) for an exemption from the continuous disclosure requirements of the Legislation (the Requested Relief) to include in the Filer's Special Information Circular (defined below) the information required in Form 51-102F5 of National Instrument 51-102 — *Continuous Disclosure Obligations* by Item 8 — Executive Compensation, Item 9 — Securities Authorized for Issuance under Equity Compensation Plans, and Item 10 — Indebtedness of Directors and Executive Officers (the Required Disclosure).

### Application of Principal Regulator System

Under Multilateral Instrument 11-101 — *Principal Regulator System* (MI 11-101) and the Mutual Reliance Review System for Exemptive Relief Applications

- (a) the *Autorité des marchés financiers* is the principal regulator for the Filer,
- (b) the Filer is relying on the exemption in Part 3 of MI 11-101 in British Columbia, 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

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

### Representations

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

1. The Filer was incorporated in September 1990 under the *Canada Business Corporations Act* (the CBCA) and commenced operations in 1991.
2. The Filer's registered and head office is located at 1405 Boulevard du Parc-Technologique, Quebec City, Quebec G1P 4P5.
3. The Filer is a reporting issuer or holds equivalent status in each of the Provinces of Canada, and to the best of its knowledge and belief, is not in default of any requirements of Canadian securities legislation applicable to it.
4. The Filer's common shares are listed and posted for trading on the Toronto Stock Exchange (the TSX) under the symbol "AEZ" and quoted on the NASDAQ National Market under the symbol "AEZS".
5. The Filer's authorized share capital consists of an unlimited number of common shares (the Common Shares) and an unlimited number of preferred shares. As at October 19, 2006, there were 53,160,970 Common Shares and no preferred shares issued and outstanding.
6. Between 1992 and 2000, the Filer operated two separate and operationally distinct divisions. The "Biopharmaceutical Division" was engaged in the development of therapies for various illnesses, with a focus on therapies for cancer; and the "Cosmetics and Nutrition Division" was engaged in the development, manufacture and marketing of

innovative, high-quality cosmetics ingredients and value-added nutritional products.

7. In December 1999, the Filer incorporated Atrium Biotechnologies Inc. (Atrium) as a wholly-owned subsidiary. The Filer's Cosmetics and Nutrition Division was transferred to Atrium in 2000. Since then, the Filer has only been engaged in biopharmaceutical activities, although Atrium's results of operations and balance sheet continued to be consolidated into the Filer's financial statements.
8. In 2005, Atrium completed an initial public offering and listed and posted for trading its subordinate voting shares on the TSX under the symbol "ATB". Atrium is a reporting issuer or holds equivalent status in each of the Provinces of Canada and in Yukon, and to the best of the Filer's knowledge and belief, Atrium is not in default of any requirements of Canadian securities legislation applicable to it.
9. Atrium's authorized share capital consists of an unlimited number of multiple voting shares (the Multiple Voting Shares), subordinate voting shares (the Subordinate Voting Shares) and preferred shares, the latter of which are issuable in series.
10. Atrium's Multiple Voting Shares entitle the holders thereof to two (2) votes per share and the Subordinate Voting Shares entitle the holders thereof to one (1) vote per share.
11. On October 17, 2006, Atrium had 14,000,000 Multiple Voting Shares, 16,592,947 Subordinate Voting Shares and no preferred shares issued and outstanding, of which the Filer held all 14,000,000 Multiple Voting Shares as well as 537,996 Subordinate Voting Shares.
12. On October 18, 2006, the Filer voluntarily converted, in accordance with the articles of amendment of Atrium, 2,947,004 Multiple Voting Shares into 2,947,004 Subordinate Voting Shares (the Voluntary Conversion), following which the Filer held 11,052,996 Multiple Voting Shares and 3,485,000 Subordinate Voting Shares.
13. On October 18, 2006 and immediately following the Voluntary Conversion, the Filer sold all 3,485,000 Subordinate Voting Shares that it then held to a syndicate of underwriters led by RBC Dominion Securities Inc. (collectively, the Underwriters) as part of a secondary offering of 3,930,000 Subordinate Voting Shares, which Subordinate Voting Shares were then sold and distributed to the public pursuant to a final short form prospectus of Atrium dated September 28, 2006 (the Secondary Offering Prospectus). Six senior officers of Atrium also sold an aggregate of 445,000 Subordinate Voting Shares to the Underwriters as part of the secondary offering on

- October 18, 2006, which shares were also subsequently sold and distributed to the public pursuant to the Secondary Offering Prospectus.
14. Immediately following the closing of the secondary offering of 3,485,000 Subordinate Voting Shares by the Filer and 445,000 Subordinate Voting Shares by the six senior officers of Atrium, the Filer's remaining 11,052,996 Multiple Voting Shares were automatically converted, in accordance with the articles of amendment of Atrium, into 11,052,996 Subordinate Voting Shares (the Automatic Conversion).
15. Consequently, as at October 18, 2006, Atrium had no Multiple Voting Shares, 30,592,947 Subordinate Voting Shares and no preferred shares issued and outstanding, of which the Filer owned 11,052,996 Subordinate Voting Shares, representing approximately 36.1% of all then issued and outstanding Subordinate Voting Shares.
16. On September 19, 2006, in the same press release in which the Filer initially announced that it had entered into an agreement with RBC Dominion Securities Inc. for the sale of 3,485,000 Subordinate Voting Shares by way of secondary offering on a bought deal basis, it also announced its intention to distribute its remaining 11,052,996 Subordinate Voting Shares of the capital of Atrium to the holders of the Filer's Common Shares prior to the end of 2006, that it would notify its shareholders as soon as a definitive decision would be made regarding the form and timing of such distribution, and that it would seek shareholder approval at a special meeting of its shareholders to effect the distribution if deemed necessary or advisable.
17. On October 25, 2006, the Filer announced by way of press release that it will hold the Special Meeting on December 15, 2006 for the purpose of submitting to the Filer's shareholders a resolution to approve the distribution to shareholders of the Filer's remaining 11,052,996 Subordinate Voting Shares by way of reduction of capital (the Capital Reduction Distribution).
18. Pursuant to subsection 38(1) of the CBCA, a reduction of a corporation's stated capital requires the approval of at least two-thirds (?) of such corporation's shareholders voting in person or by proxy at a special meeting of its shareholders.
19. Consequently, the Filer will seek the approval of its shareholders of the Capital Reduction Distribution at the Special Meeting in respect of which a management information circular is being prepared (the Special Information Circular).
20. It is currently anticipated that the Filer's Special Information Circular prepared in connection with the Special Meeting will be mailed to shareholders on or about November 16, 2006.
21. The Legislation in the Jurisdictions requires that, subject to the relief referred to herein being granted, the Special Information Circular include the Required Disclosure.
22. The Required Disclosure was provided to the Filer's shareholders in the information circular (the 2006 Annual Circular) that was mailed to its shareholders in connection with its 2006 annual meeting of shareholders held on May 3, 2006. The 2006 Annual Circular remains publicly available on SEDAR.
23. There has been no material change in the Required Disclosure since it was last publicly disclosed in the 2006 Annual Circular.
24. The Required Disclosure will be provided in an information circular that is to be prepared in connection with the Filer's regular annual meeting that is scheduled to be held in May 2007. It is anticipated that such information circular will be delivered to shareholders on or before March 31, 2007.
25. Inclusion of the Required Disclosure is not relevant in any way to a shareholder's decision whether or not to vote in favour of the Capital Reduction Distribution.

#### Decision

The Decision Makers being satisfied that they have jurisdiction to make this decision and the relevant test under the Legislation has been met, the Requested Relief is granted, provided that the Filer complies with all other requirements of the Legislation applicable to the Information Circular.

"Josée Deslauriers"  
Director of Capital Markets  
Autorité des marchés financiers

**2.1.13 Amtelecom Income Fund - MRRS Decision**

**Headnote**

Mutual Reliance Review System for Exemptive Relief Applications – exemption granted from the requirement to include financial statement disclosure of certain entities in a management information circular to be sent to the fund's unitholders in connection with a proposed internal reorganization that will replace the fund's operating companies with new operating limited partnerships – certain securities will be changed, exchanged, issued or distributed in order to allow the reorganization to be effected in a tax-deferred manner – the rights of unitholders in respect of the fund and their relative indirect interests in and to the revenues of the fund's business will not be affected by the reorganization.

**Applicable Legislative Provisions**

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

November 15, 2006

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

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

**AND**

**IN THE MATTER OF  
AMTELECOM INCOME FUND (THE "APPLICANT")**

**MRRS DECISION DOCUMENT**

**Background**

The local securities regulatory authority or regulator (the "**Decision Maker**") in each of the Jurisdictions has received an application of the Applicant for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") that the Applicant be exempt from the requirements of Item 14.2 of Form 51-102F5 *Information Circular* of National Instrument 51-102 *Continuous Disclosure Obligations* to include the following financial statements in the Applicant's management information circular (the "**Circular**") prepared in connection with the special meeting (the "**Meeting**") of the Applicant's unitholders (the "Unitholders") to consider and approve the Reorganization (as defined below):

- (a) financial statements of ACI, AHLP, AI, AI LP, Cable, Cable LP and Amalco MFC (all as defined

below and referred to herein collectively as the "**Amtelecom Entities**"), and

- (b) financial statements in respect of a probable significant acquisition of the Business (as defined below) by AHLP, AI LP, Cable LP and Amalco MFC;

(the "**Requested Relief**").

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

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

**Interpretation**

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

**Representations**

1. The Applicant is a limited purpose trust established under the laws of Ontario pursuant to an amended and restated declaration of trust dated as of February 25, 2003. The Applicant is authorized to issue an unlimited number of units ("**Units**"). As of November 6, 2006, 7,284,427 Units were issued and outstanding.
2. The Applicant holds all of the voting common shares and the notes issued by Amtelecom Communications Inc. ("**ACI**"), an Ontario corporation, and all of the Units in Amtelecom Holdings Limited Partnership ("**AHLP**"), which collectively carry on the Amtelecom telecommunications, cable television, Internet and data transmission businesses (the "**Business**").
3. The Applicant completed its initial public offering pursuant to a long form prospectus dated January 16, 2003.
4. The Applicant is not in default of any of its obligations under the Legislation.
5. It is proposed that the Applicant's present organizational structure undergo an internal reorganization (the "**Reorganization**") to replace ACI with the existing operating limited partnership (AHLP), which will carry on the Business through three subsidiary limited partnerships (People's Tel Limited Partnership, Amtelecom Limited Partnership, and Amtelecom Cable Limited Partnership).



6. The Applicant has scheduled the Meeting to approve the Reorganization for December 14, 2006.
7. The Reorganization will occur on a tax-deferred basis for the Applicant and its Unitholders resident in Canada. After giving effect to the Reorganization, the direct and indirect interests of the Applicant in the assets of AHLP and its general partner and in the Business will be the same as the interests that the Fund held in ACI and the Business immediately prior to the Reorganization.
8. As part of the Reorganization:
- (a) ACI will settle all inter-company accounts and will dispose of its net current assets and liabilities to Amtelecom Inc. ("AI"). ACI's credit agreements will be assigned to AHLP;
  - (b) the Applicant will form two new limited partnerships (Amtelecom Limited Partnership ("AI LP") and Amtelecom Cable Limited Partnership ("Cable LP")). All of the operating assets of the two current operating companies, AI and Amtelecom Cable Inc. ("Cable"), will be transferred to AI LP and Cable LP, respectively. AI will receive, in consideration for the aforementioned operating assets, 100,000 Class A AI LP units and Cable will receive 100,000 Class A Cable LP units;
  - (c) the Applicant will distribute to Unitholders Class A shares (the "Class A Shares") of a wholly-owned subsidiary corporation (referred to hereafter as "Amalco MFC"), incorporated for the purpose of effecting the Reorganization, as a return of capital on the date of the Reorganization;
  - (d) Amalco MFC will amalgamate with ACI, AI and Cable and the Applicant will acquire the assets of the amalgamated entity in exchange for Units;
  - (e) the Class A Shares distributed to Unitholders will be redeemed by Amalco MFC in exchange for the Units it received in the preceding step;
  - (f) the Units received by Unitholders upon the redemption of the Class A Shares in the preceding step will be automatically consolidated on the same date as the Reorganization; and
  - (g) the Applicant and AHLP will enter into an agreement whereby the Applicant will transfer all of the Class A AI LP units and
- Class A Cable LP units formerly owned by Amalco MFC to AHLP in consideration for the issuance by AHLP of 100,000 AHLP LP units.
9. Neither the number of issued and outstanding Units nor the relative holdings of Units by any Unitholder will be altered as a result of the completion of the Reorganization.
10. The Class A Shares and additional Units distributed to Unitholders will be outstanding for an instant in time on the date of the Reorganization prior to their automatic redemption and consolidation, respectively.
11. The Applicant's audited financial statements for the year ended December 31, 2005 and related management's discussion and analysis of financial condition and results of operations ("MD&A"), the interim financial statements of the Applicant for periods subsequent to the end of the Applicant's last fiscal year and the related MD&A (collectively, the "Fund Financial Statements"), the Applicant's revised annual information form (the "AIF"), any material change reports since the date of the AIF, and any applicable business acquisition report of the Applicant (collectively, the "Amtelecom Documents") will be incorporated by reference in the Circular.
12. The Circular will contain information sufficient to enable a reasonable Unitholder to form a reasoned judgment concerning the nature and effect of the Reorganization. To that end, prospectus level disclosure for the Applicant as prescribed by National Instrument 44-101 – *Short Form Prospectus Distributions*, including the applicable Amtelecom Documents, will be included or incorporated by reference in the Circular.
13. Prospectus level disclosure for the Amtelecom Entities as prescribed by OSC Rule 41-501 – *General Prospectus Requirements* ("Rule 41-501") will also be included in the Circular (or incorporated by reference therein), other than the financial statement disclosure.
14. The Reorganization is being undertaken in order to structure the flow of revenues created by the Business and distributed to the Applicant by its operating subsidiaries on a efficient basis. The Reorganization is not being proposed in contemplation of the acquisition of any additional operating assets or the disposition of any of the Applicant's existing operating assets. The rights of Unitholders in respect of the Applicant, and their relative indirect interests in and to the revenues of the Business will not be affected by the Reorganization. Following completion of the Reorganization, Unitholders will continue to hold Units of the Applicant and the Applicant will

continue to own all of its existing operating assets. While changes to the Applicant's financial statements will likely be required to reflect the Applicant's organizational structure following the Reorganization, the Applicant's financial position will be largely the same as is reflected in the Applicant's interim financial statements for the financial quarter ended September 30, 2006.

"Iva Vranic"  
Manager, Corporate Finance  
Ontario Securities Commission

15. AI LP, Cable LP and Amalco MFC will not exist at the time of the mailing of the Circular, and consequently there would not be any existing financial information regarding such entities.
16. The Applicant's audited financial statements for the year ended December 31, 2005, the interim financial statements of the Applicant for periods subsequent to the end of the Applicant's last fiscal year, and the related MD&A for the respective periods include the financial results for ACI, AHLP, AI and Cable on a consolidated basis for the same period and provide sufficient disclosure in respect of ACI, AHLP, AI, Cable and the Business.
17. The distribution of the Class A Shares and additional Units are, in each case, done solely to allow the Reorganization to be effected in such a manner as to ensure that Unitholders, the Applicant and the Applicant's subsidiaries will be able to make use of available roll-overs under applicable tax legislation, thus preserving the tax-deferred status of the Reorganization.
18. To the extent that AHLP, AI LP, Cable LP or Amalco MFC's proposed acquisition of the operating assets of ACI, AI and Cable may be considered to constitute a significant probable acquisition requiring the acquired business financial disclosure prescribed by Rule 41-501, the relevant financial information of ACI, AI and Cable and the Business will be part of the information contained in the Fund Financial Statements for the respective periods already incorporated by reference into the Circular.

### 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) the Applicant complies with all other requirements of Legislation applicable to the Circular; and
- (b) the Amtelecom Documents are incorporated by reference into the Circular.

2.2 Orders

2.2.1 Blue Note Mining Inc. - s. 83.1(1)

Headnote

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

Statutes Cited

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

Policies Cited

Policy 12-602 – Deeming an Issuer From Certain Other Canadian Jurisdictions to be a Reporting Issuer in Ontario.

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

AND

IN THE MATTER OF  
BLUE NOTE MINING INC.

ORDER  
(Subsection 83.1(1))

**UPON** the application of Blue Note Mining Inc. (the Applicant) for an order pursuant to subsection 83.1(1) of the Act deeming the Applicant to be a reporting issuer for the purposes of Ontario securities law;

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

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

1. The Applicant was incorporated under the *Canada Business Corporations Act* on February 20, 2002 as San Lorenzo Resources Inc., changed its name to Blue Note Metals Inc. on December 16, 2004 and changed its name to Blue Note Mining Inc. on October 4, 2006;
2. The Applicant's registered and head office is located at 1 Place Ville-Marie, suite 2125, Montréal, Québec, H3B 2C6;
3. As of November 6, 2006, the Applicant had 267,552,230 common shares issued and outstanding and no preferred shares outstanding;

4. The Applicant has been a reporting issuer in the Provinces of British Columbia, Alberta and Québec since November 10, 2005;
5. The Applicant is not currently a reporting issuer or the equivalent in any jurisdiction in Canada other than Alberta, British Columbia and Québec;
6. The Applicant is not on the list of defaulting reporting issuers maintained pursuant to the *Securities Act* (British Columbia) (the British Columbia Act), the *Securities Act* (Alberta) (the Alberta Act) and the *Securities Act* (Québec) (the Québec Act);
7. The Applicant has determined that it has a significant connection to Ontario in that at least 10% of its equity securities are held by registered and beneficial holders resident in Ontario and one of its directors is resident in Ontario.
8. The continuous disclosure requirements of the British Columbia Act, the Alberta Act and the Québec Act are substantially the same as the requirements under the Act;
9. The continuous disclosure materials filed by the Applicant under the British Columbia Act, the Alberta Act and the Québec Act since November 10, 2005 are available on the System for Electronic Document Analysis and Retrieval (SEDAR);
10. The Applicant's securities are traded on the TSX Venture Exchange (TSXV) under the symbol "BN". The Applicant's securities are not traded on any other stock exchange or trading or quotation system;
11. The Applicant is not designated as a capital pool company by the TSXV;
12. The Applicant is not in default of any of the rules or regulations of the TSXV;
13. Neither the Applicant nor any of its officers, directors or any controlling shareholder has:
  - (a) been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority;
  - (b) entered into a settlement agreement with a Canadian securities regulatory authority; or
  - (c) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision;

14. Neither the Applicant nor any of its officers, directors or any controlling shareholder is or has been subject to:
- (a) any known ongoing or concluded investigations by:
    - (i) a Canadian securities regulatory authority, or
    - (ii) a court or regulatory body, other than a Canadian securities regulatory authority, that would be likely to be considered important to a reasonable investor making an investment decision; or
  - (b) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years;
15. None of the officers or directors of the Applicant or any controlling shareholder is or has been at the time of such event an officer or director of any other issuer which is or has been subject to:
- (a) any cease trade or similar order, or order that denied access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days, within the preceding 10 years; or
  - (b) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years; and
16. The Applicant will remit all participation fees due and payable by it pursuant to Commission Rule 13-502 – Fees by no later than two business days from the date of this Order;

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

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

**DATED** November 7, 2006.

“Jo-Anne Matear”  
Assistant Manager  
Corporate Finance Branch

**2.2.2 AllianceBernstein L.P. - s. 80 of the CFA**

**Headnote**

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

**Statutes Cited**

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

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

**AND**

**IN THE MATTER OF  
ALLIANCEBERNSTEIN L.P.**

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

**UPON** the application (the **Application**) of AllianceBernstein L.P. (the **Applicant**) to the Ontario Securities Commission (the **Commission** or the **OSC**) for an order pursuant to section 80 of the CFA that the Applicant and its directors, officers, partners, members and employees acting on their behalf as advisers (collectively, the **Representatives**), be exempt, for a period of three years, from the registration requirements of clause 22(1)(b) of the CFA in respect of advising certain mutual funds and non-redeemable investment funds and similar investment vehicles established outside of Canada in respect of investments in commodity futures contracts and commodity futures options principally traded on commodity futures exchanges outside of Canada and cleared through clearing corporations outside of Canada;

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

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

1. The Applicant is a limited liability partnership organized under the laws of the State of Delaware in the United States of America. The Applicant may also include affiliates of, or entities organized by, the Applicant which may subsequently execute and submit to the Commission a verification

certificate in the attached form confirming the truth and accuracy of the information set out in this Application with respect to that particular Applicant.

2. The Applicant serves as investment manager for Bernstein Global Opportunities Hedge Fund Ltd. (the **GO Fund**), Bernstein Global Opportunities Master Fund Ltd. (the **GO Master Fund**), Bernstein Global Diversified Hedge Fund Ltd. (the **GD Fund**), Bernstein Global Diversified Master Fund Ltd. (the **GD Master Fund**), Sanford C. Bernstein Advanced Value Offshore Fund Ltd. (the **AV Fund**), Sanford C. Bernstein Advanced Value Offshore Master Fund Ltd. (the **AV Master Fund**), Bernstein Institutional Global Diversified Hedge Fund Ltd. (the **Institutional GD Fund**) and other mutual funds, non-redeemable investment funds and similar investment vehicles (the **Other Funds**, and together with the GO Fund, the GO Master Fund, the GD Fund, the GD Master Fund, the AV Fund, the AV Master Fund, and the Institutional GD Fund, the **Funds**) which are or may be established outside of Canada in respect of trades in commodity futures contracts and commodity futures options traded on commodity futures exchanges located primarily outside of Canada and cleared through clearing corporations located primarily outside of Canada.
3. The Applicant is currently registered as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended, and is currently exempt from registration with the U.S. Commodity Futures Trading Commission and is not subject to the rules of the U.S. National Futures Association. The Applicant is not registered in any capacity under the CFA or the *Securities Act* (Ontario) (the **OSA**).
4. The Applicant and the Representatives, where required, are or will be, registered or licensed, or are or will be, entitled to rely on appropriate exemptions from such registrations or licences to provide advice to the Funds pursuant to the applicable legislation of the Applicant's principal jurisdiction.
5. The Applicant is, or in the future may be, the investment manager for the Funds. As the investment advisor for the Funds, the Applicant is or will be responsible for providing certain administrative services, investment advice and other investment management services to the Funds.
6. The Funds advised by the Applicant will be established outside of Canada. Securities of the Funds will be primarily offered outside of Canada to institutional investors and high net worth investors. Securities of the Funds will be offered only to Ontario residents who qualify as an "accredited investor" under National Instrument

45-106 *Prospectus and Registration Exemptions* or will be offered and distributed in Ontario only in reliance upon an exemption from the prospectus requirements of the OSA and an exemption from the adviser registration requirement of the OSA under section 7.10 of OSC Rule 35-502 Non-Resident Advisers (**Rule 35-502**). As would be required under Rule 35-502, the securities of the Funds are or will be:

- (a) primarily offered outside of Canada;
  - (b) only distributed in Ontario through one or more registrants under the OSA; and
  - (c) distributed in Ontario in reliance upon an exemption from the prospectus requirements of the OSA.
7. The Funds are currently, or in the future will be, issuing securities that are offered primarily outside of Canada. The Funds do not have any current intention of becoming reporting issuers in Ontario or in any other Canadian jurisdiction.
  8. Prospective investors who are Ontario residents will receive disclosure that includes:
    - (a) a statement that there may be difficulty in enforcing legal rights against the Funds, or the Applicant advising the Funds, because such entities are resident outside of Canada and all or substantially all of their assets are situated outside of Canada; and
    - (b) a statement that the Applicant advising the Funds is not registered with or licensed by any securities regulatory authority in Canada and, accordingly, the protections available to clients of a registered adviser in Canada will not be available to purchasers of securities of the Funds.
- AND UPON** being satisfied that it would not be prejudicial to the public interest for the Commission to grant the exemption requested on the basis of the terms and conditions proposed;
- IT IS ORDERED** pursuant to section 80 of the CFA that the Applicant and the Representatives are not subject to the requirements of clause 22(1)(b) of the CFA in respect of their advisory activities in connection with the Funds, for a period of three years, provided that:
- (a) the Applicant, where required, is or will be registered or licensed or is or will be entitled to rely on appropriate exemptions from such registrations or licences to provide advice to the Funds pursuant to the applicable legislation of their principal jurisdiction;

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

November 10, 2006

"Harold P. Hands"

"Wendell S. Wigle"

### 2.2.3 Spider Resources Inc. - s. 83.1(1)

#### Headnote

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

#### Statute Cited

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

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

**AND**

**IN THE MATTER OF  
SPIDER RESOURCES INC.**

**ORDER**

**(Subsection 83.1(1) of the Ontario Act)**

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

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

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

1. The Filer was incorporated under the *Canada Business Corporations Act* on July 20, 1992 and its registered office is located at 56 Temperance Street, 4th Floor, Toronto, Ontario, M5H 3V5.
2. The Filer has an authorized share capital consisting of an unlimited number of common and preference shares issuable in series, of which 229,793,535 common shares were issued and outstanding as at November 2, 2006.
3. The Filer's outstanding common shares are listed and posted for trading on the TSX Venture Exchange under the trading symbol "SPQ". The Filer is not in default of any of the requirements of the TSX Venture Exchange.
4. The Filer is a reporting issuer under the *Securities Act* (British Columbia) (the BC Act), the *Securities Act* (Alberta) (the Alberta Act) and the *Securities Act* (Quebec) (the Quebec Act) since November 29, 1999, May 19, 1993 and August 11, 1994, respectively. The Filer is not a reporting issuer or

- the equivalent under the securities legislation of any other jurisdiction in Canada.
5. The Filer is not in default of any requirements under the BC Act, the Alberta Act or the Quebec Act (collectively, the Acts) or the regulations or rules made thereunder.
6. The continuous disclosure requirements of the Acts are substantially the same as the requirements under the Ontario Act.
7. The continuous disclosure materials filed by Filer under the Acts since March 7, 1997 are available on the System for Electronic Document Analysis and Retrieval (SEDAR). The Filer's continuous disclosure record is up to date.
8. None of the Filer or any of its officers or directors or any of its controlling shareholders, has:
- (i) been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority;
  - (ii) entered into a settlement agreement with a Canadian securities regulatory authority; or
  - (iii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.
9. None of the Filer or any of its officers or directors or any of its controlling shareholders, is or has been subject to:
- (i) any known ongoing or concluded investigation by a Canadian securities regulatory authority, or a court or regulatory body, other than a Canadian securities regulatory authority, that would be likely to be considered important to a reasonable investor making an investment decision; or
  - (ii) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years.
10. None of the Filer or any of its officers or directors or any of its controlling shareholders, is or has been at the time of such event an officer or director of any other issuer which is or has been subject to:
- (i) any cease trade or similar orders, or orders that denied access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days, within the preceding 10 years; or
  - (ii) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years.
11. The Filer has a significant connection to Ontario as:
- (i) its registered office is located in Ontario;
  - (ii) all of the Filer's officers and a majority of its directors are resident in Ontario; and
  - (iii) the majority of the Filer's assets are located in Ontario.
12. The Filer will remit all participation fees due and payable by it pursuant to the Commission Rule 13-502 Fees by no later than two business days from the date of this Order.
- AND UPON** the Commission being satisfied that granting this order would not be prejudicial to the public interest.
- IT IS HEREBY ORDERED** pursuant to subsection 83.1(1) of the Ontario Act that the Filer be deemed to be a reporting issuer for the purposes of Ontario securities law.
- DATED** at Toronto this 7th day of November, 2006
- "Erez Blumberger"  
Assistant Manager, Corporate Finance

2.2.4 MFDA - s. 144

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

and

**IN THE MATTER OF  
MUTUAL FUND DEALERS ASSOCIATION  
OF CANADA/  
ASSOCIATION CANADIENNE DES  
COURTIERS DE FONDS MUTUELS  
(the "MFDA")**

**ORDER  
(Section 144)**

**WHEREAS** the Commission issued an order dated February 6, 2001, recognizing the MFDA as a self-regulatory organization for mutual fund dealers pursuant to section 21.1 of the Act ("Previous Order");

**AND WHEREAS** the Commission issued an amended and restated order dated March 30, 2004 to (a) reflect changes in the MFDA's governance structure, (b) clarify the MFDA's ability to enter into arrangements with another suitable body or person to perform the function of enforcing compliance by MFDA members with the MFDA's or such other body or person's substantially similar by-laws, rules, regulations, policies, forms, and other similar instruments, and (c) remove certain terms and conditions of the Previous Order that were transitional and have been satisfied by the MFDA; ("Recognition Order");

**AND WHEREAS** the MFDA has applied for an order pursuant to section 144 of the Act to vary the terms and conditions of the Recognition Order to extend the suspension period for MFDA Rule 2.4.1 relating to the payment of remuneration in respect of Approved Persons of the MFDA ("Application");

**AND WHEREAS** based on the Application and the representations the MFDA has made to the Commission, the Commission is of the opinion that it is not prejudicial to the public interest to vary the Recognition Order;

**IT IS ORDERED** pursuant to section 144 of the Act that the Recognition Order be varied as follows:

1. Item 14 of Schedule "A" of the Recognition Order is repealed and replaced by the following:

**14. Suspension of MFDA Rule 2.4.1** – MFDA Rule 2.4.1 is suspended and will continue to be suspended until December 31, 2008, in the Provinces of British Columbia, Saskatchewan, Ontario and Nova Scotia, and during such period the MFDA shall comply with the following conditions:

(A) the MFDA shall co-operate with the Commission and its staff, including participating on any joint

industry and regulatory committee struck by the Commission and its staff, in their efforts to develop amendments to applicable securities legislation that would, among other things, allow an Approved Person to carry on securities related business (within the meaning of the MFDA rules) through a corporation, while preserving that Approved Person's and the member's liability to clients for the Approved Person's actions;

(B) the MFDA shall, as a condition of a member or Approved Person being entitled to rely on the suspension of Rule 2.4.1, require that the member and its Approved Persons agree, and cause any recipient of commissions on behalf of Approved Persons that is itself not registered as a dealer or a salesperson to agree, to provide to the MFDA, the Commission and the applicable member access to its books and records for the purpose of determining compliance with the rules of the MFDA and applicable securities legislation;

(C) the MFDA shall ensure in connection with the suspension of Rule 2.4.1 that members and Approved Persons comply with the remaining Rules, with specific reference to Rule 1 Business Structures and Qualifications, Rule 1.2.1(d) Dual Occupations and the requirement noted above in paragraph (B);

(D) the MFDA shall ensure that members applying for membership are made aware of the requirements of Rule 1 by delivering to each applicant a copy of its Notice MR-0002; and

(E) the MFDA shall not accept a member whose relationship with its Approved Persons does not comply with the rules of the MFDA and in particular, Rule 1, unless the MFDA has granted exemptive relief to that applicant under the authority granted to the Board of Directors under section 38 By-law No. 1.

Dated November 3, 2006

"Robert W. Davis"

"Robert L. Shirriff"



**2.2.5 Darius Capital Limited - s. 104(2)(c)**

**Headnote**

Take-over bid made in Ontario — bid made in accordance with the laws of the United Kingdom and The City Code on Takeovers and Mergers — de minimis exemption unavailable as there is one Ontario resident holds approximately 4.7% of the target shares, which exceeds the 2% threshold in section 93(1)(e) of the Securities Act (Ontario) - bid exempted from the requirements of sections 95 through 100, subject to certain conditions.

**Statutes Cited**

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 93(1)(e), 95-100, 104(2)(c).

**Recognition Orders Cited**

In the Matter of the Recognition of Certain Jurisdictions Recognition Order (Clauses 93(1)(e) and 93(3)(h) of Act) (1997), 20 OSCB 1035.

**November 10, 2006**

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

**AND**

**IN THE MATTER OF  
DARIUS CAPITAL LIMITED  
("Darius Capital")**

**ORDER  
(Clause 104(2)(c))**

**UPON** the application (the "Application") of Darius Capital to the Ontario Securities Commission (the "Commission") for an order pursuant to clause 104(2)(c) of the Act that Darius Capital be exempt from the requirements of sections 95 to 100 of the Act in connection with the proposed offer (the "Offer") by Darius Capital to acquire all of the outstanding ordinary shares of Austin Reed Group PLC ("Austin Reed") in exchange for cash consideration equal to 144 pence per Austin Reed Share;

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

**AND UPON** Darius Capital having represented to the Commission as follows:

1. Darius Capital is a corporation incorporated under the laws of England and Wales;
2. Darius Capital is not a reporting issuer under the Act or the securities legislation of any other province or territory of Canada;

3. Austin Reed is a company incorporated under the laws of England and Wales. Its issued share capital as of October 12, 2006 consisted of 31,995,598 ordinary shares of 25p each (the "Austin Reed Shares"). The Austin Reed Shares are listed for trading on the London Stock Exchange;
4. Austin Reed is not a reporting issuer under the Act or the securities legislation of any other province or territory of Canada;
5. Pursuant to the Offer, each holder of Austin Reed Shares (a "Shareholder") who accepts the Offer will receive 144 pence in cash for each Austin Reed Share tendered to the Offer;
6. The directors of Austin Reed consider that the Offer's terms are fair and reasonable and accordingly, have recommended unanimously that shareholders accept the Offer;
7. The Offer is being made in compliance with the laws of the United Kingdom, the rules and regulations of the London Stock Exchange, and the City Code on Takeovers and Mergers;
8. As at October 12, 2006, there was one Shareholder whose last address as shown on the register of shareholders of Austin Reed is in Ontario (the "Ontario Shareholder"), holding, in aggregate, approximately 1,409,200 Austin Reed Shares or 4.4% of the total number of the outstanding Austin Reed Shares;
9. The Offer is being made on the same terms and conditions to the Ontario Shareholder as it is being made to Shareholders resident in the United Kingdom and other jurisdictions (other than certain jurisdictions where the Offer is not permitted);
10. Although the Commission has recognized the laws of the United Kingdom for the purposes of clause 93(1)(e) of the Act, Darius Capital cannot rely upon the exemption in clause 93(1)(e) from the requirements in sections 95 to 100 of the Act because the Austin Reed Shares held by the Ontario Shareholder constitute, in the aggregate, greater than 2 percent of the total issued and outstanding shares of Austin Reed;
11. All material relating to the Offer that has been or will be sent by Darius Capital to Shareholders residing in the United Kingdom and other jurisdictions (other than certain jurisdictions where the Offer is not permitted) concurrently: (i) has been sent or will be sent to the Ontario Shareholder; and (ii) has been filed or will be filed with the Commission.

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

**IT IS ORDERED** pursuant to clause 104(2)(c) of the Act that, in connection with the Offer, Darius Capital is exempt from the requirements of sections 95 to 100 of the Act, provided that:

- (a) the Offer and all amendments thereto are made in compliance with the City Code on Takeovers and Mergers; and
- (b) all materials relating to the Offer and any amendments thereto that are sent by or on behalf of Darius Capital to Shareholders residing in the United Kingdom and other jurisdictions (other than certain jurisdictions where the Offer is not permitted) are concurrently sent to the Ontario Shareholder and copies of such materials are filed concurrently with the Commission.

“Harold P. Hands”  
Ontario Securities Commission

“Wendell S. Wigle”  
Ontario Securities Commission

## Chapter 4

# Cease Trading Orders

### 4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
Gallery Resources Limited	02 Nov 06	14 Nov 06	14 Nov 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
Garrison International Ltd.	02 Nov 06	15 Nov 06		15 Nov 06	
Research In Motion Limited	24 Oct 06	07 Nov 06	07 Nov 06		
Straight Forward Marketing Corporation	02 Nov 06	15 Nov 06	15 Nov 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		
ESI Entertainment Systems Inc.	18 Oct 06	01 Nov 06	01 Nov 06		
Fareport Capital Inc.	13 Sep 05	26 Sep 05	26 Sep 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		
Garrison International Ltd.	02 Nov 06	15 Nov 06		15 Nov 06	
Hollinger Inc.	18 May 04	01 Jun 04	01 Jun 04		
Neotel International Inc.	02 Jun 06	15 Jun 06	15 Jun 06		
Pacrim International Capital Inc.	29 Sept 06	12 Oct 06	12 Oct 06		
Research In Motion Limited	24 Oct 06	07 Nov 06	07 Nov 06		
Straight Forward Marketing Corporation	02 Nov 06	15 Nov 06	15 Nov 06		

This page intentionally left blank

## 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](http://www.carswell.com)).

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

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

## Chapter 8

# Notice of Exempt Financings

---

---

### REPORTS OF TRADES SUBMITTED ON FORMS 45-106F1 AND FORM 45-501F1

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	#of Securities Distributed
10/31/2006	11	ABC Fundamental - Value Fund - Units	1,200,000.00	75,063.46
10/18/2006	3	Acme Packet Inc. - Common Shares	1,742,528.00	160,000.00
10/18/2006	17	Aegera Therapeutics Inc. - Common Shares	25,574,246.00	N/A
10/24/2006	182	Amseco Exploration Ltd. - Units	569,000.00	556.00
11/03/2006	62	Arcan Resources Ltd. - Units	5,029,324.00	838,224.00
10/27/2006	6	Arizona Star Resource Corp. - Common Shares	6,012,500.00	650,000.00
11/02/2006	2	Avion Group hf - Debentures	100,000,000.00	100,000.00
10/31/2006	2	AVT Studios Inc. - Common Shares	75,000.00	300,000.00
10/31/2006	2	AVT Studios Inc. - Common Shares	75,000.00	300,000.00
10/26/2006	57	Barens Energy Ltd. - Flow-Through Shares	11,830,000.00	6,500,000.00
11/03/2006	47	Big Earth Brands Ltd. - Common Shares	820,015.00	805,000.00
09/01/2006	49	Bowood Energy Corp. - Common Shares	1,028,000.00	514,000.00
09/01/2006	14	Bowood Energy Corp. - Flow-Through Shares	321,500.00	128,600.00
09/01/2006	23	Bowood Energy Corp. - Units	881,580.00	209,900.00
10/31/2006	1	Burlington Partners I LP. - L.P. Units	100,000.00	100.00
01/17/2006 to 01/25/2006	4	Cabo Drilling Corp. - Common Shares	79,720.00	197,478.00
11/02/2006	89	Callinan Mines Limited - Units	5,587,750.00	3,932,000.00
11/01/2006	1	Canadian Arrow Mines Limited - Units	70,000.00	500,000.00
10/27/2006 to 11/01/2006	2	Canadian Trading and Quotation System Inc. - Debentures	3,546,500.00	3,546,500.00
10/24/2006	11	Card One Plus Ltd. - Units	745,000.00	2,980,000.00

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Pur. Price (\$)</b>	<b>#of Securities Distributed</b>
09/20/2006 to 09/28/2006	29	Carlisle Goldfields Limited - Flow-Through Shares	824,000.00	1,146,666.00
10/27/2006	2	Citigroup Capital Partners II - Units	1,114,500.00	1,000.00
10/31/2006	3	Cline Mining Corporation - Units	1,000,000.00	1,923,075.00
11/01/2006	16	CoolIT Systems Inc. - Common Shares	1,160,000.00	240,000.00
10/25/2006	4	Crowflight Minerals Inc. - Common Shares	2,519,269.85	4,340,771.00
10/31/2006	46	Crowflight Minerals Inc. - Units	13,906,700.70	13,962,002.00
10/31/2006	1	Davis-Rea Ltd. Balanced Pooled Fund - Units	89,217.29	7,779.88
04/05/2006	28	Ditem Explorations Inc. - Common Shares	649,999.80	5,777,776.00
10/24/2006	5	Douglas Emmett, Inc. - Common Shares	23,885,595.00	970,000.00
11/07/2006	7	DragonWave Inc. - Notes	3,000,000.00	N/A
10/30/2006	2	Encore Medical Finance LLC - Notes	5,112,900.00	4,500.00
10/19/2006	3	ExlService Holdings Inc. - Common Shares	789,609.60	52,000.00
10/19/2006	1	Exposoft Solutions Inc. - Option	0.00	N/A
10/19/2006	1	Felcor Lodging Limited Partnership - Notes	1,684,050.00	1,500,000.00
10/01/2005 to 09/30/2006	9	Fidelity Canada International Growth Trust - Trust Units	91,051,846.33	6,242,531.38
10/01/2005 to 09/30/2006	10	Fidelity Canadian Bond Trust - Trust Units	132,088,105.78	10,248,802.08
09/27/2006 to 09/30/2006	1	Fidelity Canadian Bond Core Plus Trust - Trust Units	1,000,000.00	100,000.00
10/01/2005 to 09/30/2006	10	Fidelity Canadian Core Equity Trust - Trust Units	89,908,132.27	4,475,295.19
06/29/2006 to 09/30/2006	1	Fidelity Canadian Long Bond Trust - Trust Units	5,000,000.00	500,000.00
09/21/2006 to 09/30/2006	1	Fidelity Currency Hedged Emerging Markets Debt Trust - Trust Units	630,000.00	62,973.15
09/21/2006 to 09/30/2006	1	Fidelity Currency Hedged Global Bond Trust - Trust Units	1,030,000.00	103,012.71
09/21/2006 to 09/30/2006	1	Fidelity Global Bond Trust - Trust Units	10,000,000.00	1,000,000.00

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Pur. Price (\$)</b>	<b>#of Securities Distributed</b>
05/31/2006 to 09/30/2006	2	Fidelity Select Global Equity Trust - Trust Units	27,574,177.03	2,748,274.85
10/01/2005 to 09/30/2006	6	Fidelity Select International Equity Trust - Trust Units	78,051,400.36	4,842,323.10
12/22/2005 to 09/30/2006	1	Fidelity U.S. Total Market Equity Trust- Non Registered - Trust Units	5,937,000.00	593,452.14
10/01/2005 to 09/30/2006	7	Fidelity U.S. Total Market Equity Trust - Trust Units	30,957,379.91	2,580,317.16
09/30/2006	11	Fleetwood Fine Furniture LP - L.P. Units	430,000.00	516.00
12/07/2005	1	Foyston Gordon & Payne Canadian Equity Pooled Fund - Units	357,000.00	3,939.00
10/21/2005	1	Foyston Gordon & Payne Private International Equity Fund - Units	25,000.00	431.83
10/21/2005	1	Foyston Gordon & Payne U.S. Equity Fund - Units	25,000.00	913.11
10/30/2006 to 11/03/2006	15	General Motors Acceptance Corporation of Canada, Limited - Notes	8,058,208.28	8,058,208.28
11/03/2006	4	Geologix Explorations Inc. - Common Shares	1,350,000.00	3,000,000.00
11/03/2006	2	Giraffe Capital Limited Partnership - L.P. Units	650,000.00	458.03
11/03/2006	1	Giraffe Capital Limited Partnership III - L.P. Units	150,000.00	1,721.03
11/06/2006	1	Glass Earth Limited - Units	3,621,051.00	19,320,000.00
10/26/2006	6	Goldman Sachs Vintage Fund IV Offshore Holdings, L.P. - L.P. Interest	315,112,000.00	N/A
09/01/2006 to 11/01/2006	4	GPS Income Fund (Cayman) Ltd - Common Shares	15,076,155.00	13,350.00
11/03/2006 to 11/10/2006	7	Green Breeze Energy Systems Inc. - Common Shares	80,000.00	40,000.00
10/31/2006	1	HTR Fund - Trust Units	35,516,730.00	3,551,673.00
11/08/2006	2	Iberian Minerals Corp. - Warrants	4,428,000.00	3,406,154.00
11/01/2006	4	Idearc Inc. - Notes	15,000,000.00	15,000,000.00
10/16/2006	2	Idemitsu Kosan Co. Ltd - Common Shares	680,662.64	7,500.00
10/31/2006 to 11/09/2006	99	Immersive Media Corp. - Units	3,850,000.00	2,200,000.00
08/23/2006	2	InNEXUS BIOTECHNOLOGY INC. - Units	700,000.00	700,000.00



**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Pur. Price (\$)</b>	<b>#of Securities Distributed</b>
09/01/2006	8	InScotia Developments Limited Partnership - L.P. Units	1,925,000.00	350,000.00
10/12/2006	26	Inspiration Mining Corporation - Units	2,600,200.00	3,250,250.00
11/09/2006	6	Ittihad Capital Corporation - Common Shares	250,000.00	250,000.00
10/24/2006	15	J-Pacific Gold Inc. - Units	2,351,125.00	6,717,500.00
12/15/2005 to 10/13/2006	1	J.L. Albright IV Parallel Venture Fund L.P. - L.P. Units	126,262.63	126.26
12/14/2005 to 10/13/2006	2	J.L. Albright IV Venture Fund L.P. - L.P. Units	7,500,000.00	7,500.00
10/27/2006	1	Kemet Corporation - Notes	1,118,900.00	1,000.00
10/30/2006	2	Kensington Fund IV GP L.P. - L.P. Units	3,001,000.00	3,000.00
11/30/2006 to 11/07/2006	10	Kensington Private Equity Fund IV Funding Limited Partnership - Units	2,002,000.00	2,001.00
01/04/2005 to 05/30/2006	102	KJH Strategic Investors Fund - Units	15,746,643.51	140,269.00
03/09/2005	1	KJH Strategic Investors Fund #2 - Units	313,435.48	2,690.00
01/01/2005 to 12/22/2005	73	KJH Strategic Investors RRSP Fund - Units	2,680,204.13	24,837.00
10/19/2006	24	Landrill International Inc. - Units	1,191,500.00	5,957,500.00
10/25/2006	1	Level 3 Financing, Inc. - Notes	2,808,750.00	2,500,000.00
11/03/2006	12	Liquid Computing Corporation - Common Shares	8,186,795.78	36,046,788.00
11/03/2006	11	Liquid Computing, Inc. - Preferred Shares	19,042,223.06	82,531,389.00
02/09/2006	40	Lomiko Enterprises Ltd. - Units	277,500.00	2,775,000.00
10/24/2006	5	Macquarie Infrastructure Company Trust - Common Shares	15,709,900.50	474,000.00
11/02/2006	157	Madalena Ventures Inc. - Units	20,049,200.00	25,061,500.00
11/02/2006	1	Majescor Resources Inc. - Flow-Through Shares	640,000.00	4,000,000.00
11/03/2006	7	MAK Strategies Resource 2006 Flow-Through Limited Partnership - Units	490,000.00	4,900.00
10/31/2006	60	Marble Point Energy Ltd. - Common Shares	7,481,720.00	7,684,900.00
10/27/2006	5	Maximum Throughput Inc. - Preferred Shares	4,999,999.00	15,928,636.00

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Pur. Price (\$)</b>	<b>#of Securities Distributed</b>
02/01/2006	10	Mellon Offshore Global Opportunity Fund, Ltd, - Common Shares	39,907,000.00	N/A
11/03/2006	3	Mengold Resources Inc. - Units	599,999.40	1,999,998.00
10/27/2006	7	Metrobridge Networks Corporation - Common Shares	404,524.80	898,944.00
11/03/2006	12	Mines Dynacor Inc. - Units	3,150,000.00	7,875,000.00
10/31/2006	20	Mint Technology Corp. - Units	1,513,550.00	21,622,140.00
10/17/2006	2	Mistral Pharma Inc. - Warrants	0.00	2,389,170.00
10/17/2006	5	Mountain Lake Resources Inc. - Common Shares	500,000.00	833,331.00
10/30/2006 to 10/31/2006	4	Natural Convergence Inc. - Debentures	533,482.50	533,482.50
11/01/2006	1	Neutron Enterprises, Inc. - Units	1,200,000.00	4,000,000.00
10/24/2006 to 11/03/2006	4	New Solutions Financial (II) Corporation - Debentures	3,220,000.00	4.00
11/01/2006	16	Next Millennium Commercial Corp. - Units	500,000.00	4,000,000.00
11/02/2006	18	Novawest Resources Inc. - Units	259,650.00	2,625,000.00
10/13/2006	20	Nyah Resources Inc. - Common Shares	999,999.96	200,000.00
10/27/2006	14	Odyssey Resources Limited - Units	1,654,630.00	16,546,300.00
11/03/2006	31	Orex Ventures Inc. - Units	1,540,000.00	4,400,000.00
10/31/2006	1	Outlook Resources Inc. - Common Shares	19,999.95	133,333.00
07/19/2006 to 08/19/2006	14	Palladon Ventures Ltd. - Units	2,752,474.00	5,004,497.00
11/06/2006	1	Pele Mountain Resources Inc. - Units	1,008,000.00	3,600,000.00
11/03/2006	1	Plato Gold Corp - Common Shares	20,000.00	166,668.00
11/03/2006	3	Plato Gold Corp. - Units	250,000.00	2,083,332.00
11/03/2006 to 11/10/2006	8	Powertree Limited Partnership 2 - L.P. Units	75,000.00	15.00
11/01/2006	6	Promittere Retirement Trust - Units	149,536.80	15,384,444.00
10/31/2006	2	Queenston Mining Inc. - Common Shares	8,100.00	7,500.00

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Pur. Price (\$)</b>	<b>#of Securities Distributed</b>
04/05/2006	17	Redcorp Ventures Ltd. - Common Shares	3,069,000.00	9,300,000.00
04/05/2006	17	Redcorp Ventures Ltd. - Flow-Through Shares	2,749,500.00	7,050,000.00
10/27/2006	25	Renegade Oil & Gas Ltd. - Flow-Through Shares	1,574,748.00	899,856.00
11/06/2006	18	Resin Systems Inc. - Common Shares	4,999,999.44	3,378,378.00
11/01/2006 to 11/09/2006	3	Saxony Petroleum Inc. - Common Shares	1,000,401.00	305,667.00
11/06/2006	30	Selkirk Metals Corp. - Flow-Through Shares	999,598.20	1,665,997.00
09/08/2006	1	Sextant Strategic Opportunities Hedge Fund LP - Units	75,000.00	3,378.00
10/12/2006	1	Shoppdex.com Corporation - Common Shares	15,000.00	15,000.00
11/06/2006	1	Skyharbour Resources Ltd. - Common Shares	5,750.00	50,000.00
10/27/2006	1	SMART Trust - Notes	143,464.19	1.00
10/21/2006 to 10/30/2006	10	Sniper Resources Ltd - Units	267,500.00	200,000.00
10/31/2006	16	Solace Systems, Inc. - Preferred Shares	18,550,000.00	16,130,430.00
11/03/2006	3	St Andrew Goldfields Ltd - Debentures	91,000,000.00	91,000,000.00
11/01/2006	1	Stacey Investment Limited Partnership - L.P. Units	150,032.64	4,472.00
11/01/2006	2	Stacey RSP Fund - Trust Units	212,373.39	20,323.59
11/02/2006	49	Stonefire Energy Corp. - Common Shares	5,040,000.00	2,100,000.00
11/04/2006	30	St. Jacob's Country Inn Inc. - Bonds	2,855,000.00	2,855,000.00
05/29/2006	37	Sunrise Minerals Inc. - Units	1,299,999.90	4,333,333.00
10/24/2006	1	SuperValu Inc. - Notes	1,684,050.00	1,500,000.00
10/23/2006	1	Tagish Lake Gold Corp. - Warrants	0.00	510,000.00
10/31/2006	2	TD Harbour Capital Balanced Fund - Trust Units	4,746,709.19	39,945.38
10/31/2006	3	TD Harbour Capital Commodity Fund - Trust Units	235,000.00	2,095.22
11/03/2006	75	Terrane Metals Corp. - Common Shares	10,050,000.00	N/A
10/31/2006	11	The McElvaine Investment Trust - Trust Units	213,231.44	8,085.52

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Pur. Price (\$)</b>	<b>#of Securities Distributed</b>
10/31/2006 to 11/08/2006	56	TimberRock Energy Corp. - Flow-Through Shares	3,892,244.40	2,358,936.00
11/07/2006	46	Transgaming Inc. - Units	980,000.00	4,000,000.00
10/27/2006 to 11/03/2006	56	Trigon Exploration Canada Ltd. - Units	1,545,369.54	7,024,407.00
11/02/2006	4	TrueContext Corporation - Units	369,265.00	N/A
11/09/2006	1	T.F. Capital Investors II Offshore L.P. - Units	1,443,600.00	1,000.00
09/22/2006	11	Uniterre Resources Inc. - Debentures	225,000.00	225.00
09/22/2006	20	Uniterre Resources Inc. - Flow-Through Shares	1,120,000.00	2,240,000.00
10/24/2006	2	Uranium World Energy Inc. - Common Shares	39,999.90	266,666.00
10/24/2006	2	Uranium World Energy Inc. - Flow-Through Shares	45,000.00	225,000.00
11/03/2006	2	Valhalla Partners II. L.P. - L.P. Interest	705,556.00	2.00
09/29/2006	10	Valt.X Holdings Inc. - Common Shares	333,949.65	306,387.00
08/10/2006	154	Valt.X Holdings Inc. - Common Shares	561,147.00	36,580,767.00
11/01/2006	1	van Biema Value Fund, Ltd. - Common Shares	169,725,000.00	15,000.00
10/31/2006	6	VendTek Systems Inc. - Common Shares	500,002.30	1,428,578.00
10/31/2006	3	Veris Health Sciences Inc. - Units	182,249.35	214,411.00
11/03/2006	1	WALLBRIDGE MINING COMPANY LIMITED - Flow-Through Shares	756,000.00	2,800,000.00
11/07/2006	54	Walton Alliston Investment Corporation - Common Shares	1,352,360.00	135,236.00
11/08/2006	90	Walton AZ Sunland Ranch Investment Corporation - Common Shares	1,659,810.00	165,981.00
11/08/2006	59	Walton AZ Sunland Ranch Limited Partnership - L.P. Units	3,509,953.99	310,094.00
11/02/2006	185	Watch Resources Ltd. - Receipts	18,000,000.00	90,000,000.00
11/01/2006	31	Western Uranium Corporation - Units	6,666,000.00	6,060,000.00
11/07/2006	40	Win Energy Corporation - Common Shares	10,000,500.00	5,650,000.00

This page intentionally left blank

## Chapter 11

# IPOs, New Issues and Secondary Financings

---

---

**Issuer Name:**

AIC Global Premium Dividend Income Fund  
AIC World Financial Infrastructure Income and Growth Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectuses dated November 8, 2006

Mutual Reliance Review System Receipt dated November 13, 2006

**Offering Price and Description:**

Mutual Fund and Class F Units

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

-

**Promoter(s):**

AIC Limited

Project #1014635

---

**Issuer Name:**

Allied Properties Real Estate Investment Trust  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated November 14, 2006

Mutual Reliance Review System Receipt dated November 14, 2006

**Offering Price and Description:**

\$41,000,000.00 - 2,000,000 Units Price: \$20.50 per Unit

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

Scotia Capital Inc.  
RBC Dominion Securities Inc.  
National Bank Financial Inc.  
Desjardins Securities Inc.  
TD Securities Inc.  
Canaccord Capital Corporation  
Genuity Capital Markets  
HSBC Securities (Canada) Inc.

**Promoter(s):**

-

Project #1015696

---

**Issuer Name:**

BA Energy Inc.  
Principal Regulator - Alberta

**Type and Date:**

Amended and Restated Preliminary Prospectus dated November 8, 2006

Mutual Reliance Review System Receipt dated November 9, 2006

**Offering Price and Description:**

Up to \$230,000,000.00 - \* Common Shares Price: \$ \* per Common Share

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

TD Securities Inc.  
Scotia Capital Inc.  
BMO Nesbitt Burns Inc.  
CIBC World Markets Inc.  
Merrill Lynch Canada Inc.  
National Bank Financial Inc.  
HSBC Securities (Canada) Inc.  
FirstEnergy Capital Corp.  
Orion Securities Inc.  
Sprott Securities Inc.  
Genuity Capital Markets G.P.

**Promoter(s):**

Value Creation Inc.

Project #1004323

---

**Issuer Name:**

Bissett Canadian Balanced Corporate Class  
Bissett Corporate Bond Fund  
Franklin Templeton Managed Corporate Yield Class  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectuses dated November 10, 2006

Mutual Reliance Review System Receipt dated November 13, 2006

**Offering Price and Description:**

Series A, F and O Units and Series A, F and O Shares

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

Franklin Templeton Investments Corp.

**Promoter(s):**

-

Project #1014153

---

**Issuer Name:**

Bowram Energy Inc.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary CPC Prospectus dated November 9, 2006  
Mutual Reliance Review System Receipt dated November 10, 2006

**Offering Price and Description:**

\$300,000.00 - 3,000,000 Common Shares PRICE: \$0.10  
PER COMMON SHARE

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

Woodstone Capital Inc.

**Promoter(s):**

-

**Project #1013472**

---

**Issuer Name:**

Canadian Closed-End Trust  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Prospectus dated November 8, 2006  
Mutual Reliance Review System Receipt dated November 10, 2006

**Offering Price and Description:**

\$ \* - \* Trust Units Exchange Offer

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

Canaccord Capital Corporation

**Promoter(s):**

Navina Capital Corp.

**Project #1013503**

---

**Issuer Name:**

Conjuchem Biotechnologies Inc.  
Principal Regulator - Quebec

**Type and Date:**

Preliminary Short Form Prospectus dated November 8, 2006

Mutual Reliance Review System Receipt dated November 8, 2006

**Offering Price and Description:**

\$37,498,500.00 (Minimum Offering); \$120,250,000.00 (Maximum Offering) - A Minimum of 57,690,000 Units and a Maximum of 185,000,000 Units Each Unit consisting of One Common Share and One Half of a Common Share Purchase Warrant At a price of \$0.65 per Unit

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

Dundee Securities Corporation

Sprott Securities Inc.

Orion Securities Inc.

Versant Partners Inc.

**Promoter(s):**

-

**Project #1012209**

---

**Issuer Name:**

Cumberland Resources Ltd.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated November 8, 2006

Mutual Reliance Review System Receipt dated November 8, 2006

**Offering Price and Description:**

\$86,940,000.00 - 16,100,000 Shares Price: \$5.40 per Share

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

BMO Nesbitt Burns Inc.

Raymond James Ltd.

Canaccord Capital Corporation

National Bank Financial Inc.

Orion Securities Inc.

Genuity Capital Markets

Paradigm Capital Inc.

Research Capital Corporation

**Promoter(s):**

-

**Project #1012165**

---

**Issuer Name:**

Diversified Convertible Debenture Fund(Formerly: Income Trust Convertible Denebture Fund )

Principal Regulator - Ontario

**Type and Date:**

Amended and Restated Preliminary Prospectus dated November 7, 2006

Mutual Reliance Review System Receipt dated November 8, 2006

**Offering Price and Description:**

\$ \* - \* Unit Price: \$10.00 per Unit Minimum Purchase: 100 Units

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

CIBC World Markets Inc.

National Bank Financial Inc.

Scotia Capital Inc.

BMO Nesbitt Burns Inc.

TD Securities Inc.

HSBC Securities (Canada) Inc.

Dundee Securities Corporation

Canaccord Capital Corporation

Raymond James Ltd.

Wellington West Capital Inc.

Blackmont Capital Inc.

Berkshire Securities Inc.

Desjardins Securities Inc.

Research Capital Corporation

**Promoter(s):**

First Asset Funds Inc.

**Project #1006486**

---

**Issuer Name:**

Excel Growth & Income Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated November 13, 2006

Mutual Reliance Review System Receipt dated November 14, 2006

**Offering Price and Description:**

Series A and F Units

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

Excel Funds Management Inc.

**Promoter(s):**

Excel Funds Management Inc.

Project #1014849

---

**Issuer Name:**

Glacier Credit Card Trust  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated November 10, 2006

Mutual Reliance Review System Receipt dated November 10, 2006

**Offering Price and Description:**

(1) \$• - •% Asset-Backed Senior Notes, Series 2006-1  
Expected Repayment Date •, 20••;

(2) \$• - •% Asset-Backed Subordinated Notes, Series 2006-1  
Expected Repayment Date •, 20••

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

CIBC World Markets Inc.

BMO Neibitt Burns Inc.

RBC Dominion Securities Inc.

Scotia Capital Inc.

Merrill Lynch Canada Inc.

National Bank Financial Inc.

TD Securities Inc.

**Promoter(s):**

-

Project #1013702

---

**Issuer Name:**

Glacier Credit Card Trust  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated November 10, 2006

Mutual Reliance Review System Receipt dated November 10, 2006

**Offering Price and Description:**

(1) \$• - •% Asset-Backed Senior Notes, Series 2006-2  
Expected Repayment Date •, 20••;

(2) \$• - •% Asset-Backed Subordinated Notes, Series 2006-2  
Expected Repayment Date •, 20••

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

CIBC World Markets Inc.

**Promoter(s):**

-

Project #1013707

---

**Issuer Name:**

Horizons BetaPro S&P/TSX 60 Bear Plus ETF  
Horizons BetaPro S&P/TSX 60 Bull Plus ETF

Principal Regulator - Ontario

**Type and Date:**

Preliminary Prospectus dated November 10, 2006

Mutual Reliance Review System Receipt dated November 13, 2006

**Offering Price and Description:**

Class A Units

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

-

**Promoter(s):**

BetaPro Management Inc.

Project #1014244

---

**Issuer Name:**

NACG Holdings Inc.  
Principal Regulator - Alberta

**Type and Date:**

Second Amended and Restated Preliminary PREP  
Prospectus dated November 8, 2006

Mutual Reliance Review System Receipt dated November 8, 2006

**Offering Price and Description:**

\$ \* - 12,500,000 Common Shares Price: \$ \* per Common  
Share

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

Credit Suisse Securities (Canada), Inc.

UBS Securities Canada Inc.

CIBC World Markets Inc.

Peters & Co. Limited

**Promoter(s):**

-

Project #966536

---

**Issuer Name:**

New Millennium Capital Corp.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated November 14, 2006

Mutual Reliance Review System Receipt dated November 14, 2006

**Offering Price and Description:**

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

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

TD Securities Inc.

Raymond James Ltd.

Research Capital Corporation

Dundee Securities Corporation

**Promoter(s):**

Robert A. Martin

Dean Journeaux

Project #1015783

---



**Issuer Name:**

Real Estate Asset Liquidity Trust  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated November 9, 2006

Mutual Reliance Review System Receipt dated November 9, 2006

**Offering Price and Description:**

\$400,626,000.00 - (Approximate) Commercial Mortgage  
Pass-Through Certificates, Series 2006-3

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

RBC Dominion Securities Inc.

**Promoter(s):**

Royal Bank of Canada

**Project #1012742**

---

**Issuer Name:**

Resolve Energy Inc.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Prospectus dated November 9, 2006

Mutual Reliance Review System Receipt dated November 10, 2006

**Offering Price and Description:**

Minimum: 3,000 Units (\$3,000,000.00); Maximum: 6,000  
Units (\$6,000,000.00) Price: \$1,000 per Unit

Minimum Subscription: 5 Units (\$5,000)

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

Blackmont Capital Inc.

**Promoter(s):**

Owen C. Pinnell

Ross O. Drysdale

**Project #1013904**

**Issuer Name:**

Sentry Select 40 Split Income Trust  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Prospectus dated November 7, 2006

Mutual Reliance Review System Receipt dated November 8, 2006

**Offering Price and Description:**

\$ \* (Maximum); \$\* (Maximum) - \* Preferred Securities \*  
Capital Units Prices: \$10 per Preferred Security and \$10  
per Capital Unit

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

CIBC World Markets Inc.

RBC Dominion Securities Inc.

BMO Nesbitt Burns Inc.

National Bank Financial Inc.

Scotia Capital Inc.

TD Securities Inc.

Canaccord Capital Inc.

Dundee Securities Corporation

HSBC Securities (Canada) Inc.

Raymond James Ltd.

Berkshire Securities Inc.

Blackmont Capital Inc.

Wellington West Capital Inc.

Desjardins Securities Inc.

IPC Securities Corporation

Jory Capital Inc.

Research Capital Corporation

**Promoter(s):**

Sentry Select Capital Corp.

**Project #1012062**

---

**Issuer Name:**

Triumph Pacific Oil and Gas Corporation  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Prospectus dated November 10, 2006

Mutual Reliance Review System Receipt dated November 14, 2006

**Offering Price and Description:**

\$12,000,000.00: \$10,793,000.00 Offering of Flow-Through  
Shares (10,793,000 Flow-Through Shares at a price of  
\$1.00 per Flow-Through Share) \$1,207,000.00 Offering of  
Units (each Unit consisting of one Non-Flow Through  
Common Share and one half of one Warrant) (1,420,000  
Units at a price of \$0.85 per Unit)

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

Haywood Securities Inc.

**Promoter(s):**

Benjamin M. Jones

Kyle R. Burnett

**Project #1014534**

**Issuer Name:**

Ventus Energy West Cape Windpower LP  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Prospectus dated November 10, 2006  
Mutual Reliance Review System Receipt dated November 13, 2006

**Offering Price and Description:**

MINIMUM: \$25,000,000.00 (2,500,000 LIMITED PARTNERSHIP UNITS); MAXIMUM: \$55,000,000.00 (5,500,000 LIMITED PARTNERSHIP UNITS) Price: \$10.00 per unit Minimum Purchase: 250 units

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

Scotia Capital Inc.

**Promoter(s):**

Ventus Energy Inc.

Project #1014634

---

**Issuer Name:**

Western Financial Group Inc. (Formerly Hi Alta Capital Inc.)  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated November 9, 2006  
Mutual Reliance Review System Receipt dated November 9, 2006

**Offering Price and Description:**

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

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

Desjardins Securities Inc.

Jennings Capital Inc.

**Promoter(s):**

-

Project #1012673

---

**Issuer Name:**

Zermatt Capital Inc.  
Principal Regulator - Quebec

**Type and Date:**

Preliminary Prospectus dated November 10, 2006  
Mutual Reliance Review System Receipt dated November 10, 2006

**Offering Price and Description:**

Minimum Offer: 25,000,000 Common Shares - \$5,000,000.00 Maximum Offer: \* Common Shares - \$ \* Price: \$0.20 per Common Share

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

Paradigm Capital Inc.

**Promoter(s):**

-

Project #1013906

---

**Issuer Name:**

Algonquin Power Income Fund  
Principal Regulator - Ontario

**Type and Date:**

Amended and Restated Short Form Prospectus dated November 10, 2006  
Mutual Reliance Review System Receipt dated November 14, 2006

**Offering Price and Description:**

\$60,000,000.00 - 6.20% Convertible Unsecured Subordinated Debentures due November 30, 2016  
Price: 100% plus accrued interest, if any

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

BMO Nesbitt Burns Inc.

CIBC World Markets Inc.

National Bank Financial Inc.

Scotia Capital Inc.

RBC Dominion Securities Inc.

TD Securities Inc.

Canaccord Capital Corporation

Dundee Securities Corporation

FirstEnergy Capital Corp.

HSBC Securities (Canada) Inc.

Raymond James Ltd.

**Promoter(s):**

-

Project #1003291

---

**Issuer Name:**

Chartwell Seniors Housing Real Estate Investment Trust  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated November 6, 2006 to the Short Form Prospectus dated October 31, 2006  
Mutual Reliance Review System Receipt dated November 8, 2006

**Offering Price and Description:**

\$150,500,000.00 - 10,750,000 Units and \$125,000,000 - 5.75% Convertible Unsecured Subordinated Debentures Due December 1, 2011 Price: \$14.00 Per Unit Price: \$1,000 Per Debenture

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

RBC Dominion Securities Inc.

CIBC World Markets Inc.

BMO Nesbitt Burns Inc.

Canaccord Capital Corporation

National bank Financial Inc.

Scotia Capital Inc.

TD Securities Inc.

HSBC Securities (Canada) Inc.

Raymond James Ltd.

**Promoter(s):**

-

Project #1004655

---

**Issuer Name:**

Copernican World Banks Split Inc.  
Principal Regulator - Ontario

**Type and Date:**

Final Prospectus dated November 10, 2006  
Mutual Reliance Review System Receipt dated November 14, 2006

**Offering Price and Description:**

\$125,000,000.00 (Maximum) Preferred Shares and Class A Shares

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

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

**Promoter(s):**

-

**Project #999183**

---

**Issuer Name:**

Enterra Energy Trust  
Principal Regulator - Alberta

**Type and Date:**

Final Short Form Prospectus dated November 10, 2006  
Mutual Reliance Review System Receipt dated November 13, 2006

**Offering Price and Description:**

\$120,000,000.00 - 4,330,000 Trust Units \$35,073,000 8.0%  
Convertible Unsecured Subordinated Debentures

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

Scotia Capital Inc.  
CIBC World Markets Inc.  
Orion Securities Inc.

**Promoter(s):**

-

**Project #1007572**

**Issuer Name:**

Galileo Absolute Return Fund  
(Class A and F Units)  
Galileo Canadian Active/Passive Fund  
(Class A and F Units)  
Galileo Fund  
(Class A and F Units)  
Galileo Global Active/Passive Fund  
(Class A and F Units)  
Galileo High Income Plus Fund  
(Class A and F Units)  
Galileo Money Market Fund  
(Class A Units Only)  
Galileo Small/Mid Cap Fund  
(Class A and F Units)  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated November 7, 2006  
Mutual Reliance Review System Receipt dated November 14, 2006

**Offering Price and Description:**

Class A and Class F Units @ Net Asset Value

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

-

**Promoter(s):**

Galileo Fund Inc.

**Project #995157**

---

**Issuer Name:**

Galleon Energy Inc.  
Principal Regulator - Alberta

**Type and Date:**

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

**Offering Price and Description:**

\$20,001,150.00 - 1,025,700 Class A Shares and  
\$20,000,000.00 - 800,000 Flow-Through Shares Price:  
\$19.50 per Class A Share and \$25.00 per Flow-Through  
Share

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

GMP Securities L.P.  
Sprott Securities Inc.  
Scotia Capital Inc.  
TD Securities Inc.  
FirstEnergy Capital Inc.  
Maison Placements Canada Inc.

**Promoter(s):**

Glenn R. Carley

**Project #1006259**

**Issuer Name:**

iShares CDN S&P/TSX Capped Gold Index Fund  
iShares CDN Scotia Capital Short Term Bond Index Fund  
iShares CDN Scotia Capital Universe Bond Index Fund  
iShares CDN Scotia Capital Real Return Bond Index Fund  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated November 3, 2006 to the Prospectus dated April 25, 2006  
Mutual Reliance Review System Receipt dated November 8, 2006

**Offering Price and Description:**

Mutual Fund Securities Net Asset Value

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

Barclays Global Investors Canada Limited

**Promoter(s):**

-

**Project #**901044

---

**Issuer Name:**

Katanga Mining Limited  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated November 10, 2006  
Mutual Reliance Review System Receipt dated November 14, 2006

**Offering Price and Description:**

\$100,000,000.00 - 100,000 Units Price: \$1,000 per Unit

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

GMP Securities L.P.  
Sprott Securities Inc.  
Haywood Securities Inc.  
RBC Dominion Securities Inc.  
CIBC World Markets Inc.  
Dundee Securities Corporation

**Promoter(s):**

-

**Project #**1003617

---

**Issuer Name:**

**Series A Securities of :**

Keystone AGF Equity Fund  
Keystone AIM Trimark Global Equity Fund  
Keystone Beutel Goodman Bond Fund  
Keystone Bissett Canadian Equity Fund  
Keystone Dreman U.S. Value Fund  
Keystone Elliott & Page High Income Fund  
Keystone Saxon Smaller Companies Fund  
Keystone Growth Portfolio Fund  
Keystone Maximum Growth Portfolio Fund

**Series A and T Securities of :**

Keystone Diversified Income Portfolio Fund  
Keystone Conservative Portfolio Fund  
Keystone Balanced Portfolio Fund  
Keystone Balanced Growth Portfolio Fund

**Series A, I, O and R Securities of :**

Keystone Dynamic Power Small -Cap Capital Class  
Keystone Templeton International Stock Capital Class  
of

Mackenzie Financial Capital Corporation  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated November 6, 2006 to the Simplified Prospectuses and Annual Information Forms dated May 25, 2006

Mutual Reliance Review System Receipt dated November 9, 2006

**Offering Price and Description:**

-

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

-

**Promoter(s):**

Mackenzie Financial Corporation

**Project #**927849

---

**Issuer Name:**

**Series A Units (unless otherwise indicated ) of:**

Mackenzie Cundill Canadian Security Fund (Series C)  
Mackenzie Growth Fund  
Mackenzie Ivy Canadian Fund  
Mackenzie Ivy Enterprise Fund  
Mackenzie Maxxum Canadian Equity Growth Fund  
Mackenzie Maxxum Canadian Value Fund  
Mackenzie Maxxum Dividend Fund (Series A and Series T)  
Mackenzie Maxxum Dividend Growth Fund  
Mackenzie Select Managers Canada Fund  
Mackenzie Universal Canadian Growth Fund  
Mackenzie Cundill Value Fund (Series C and Series T )  
Mackenzie Ivy Foreign Equity Fund  
Mackenzie Select Managers Fund  
Mackenzie Universal European Opportunities Fund  
Mackenzie Universal Global Future Fund  
Mackenzie Universal International Stock Fund  
Mackenzie Universal U .S. Growth Leaders Fund  
Mackenzie Universal World Growth RRSP Fund  
Mackenzie Universal Canadian Resource Fund  
Mackenzie Universal Precious Metals Fund  
Mackenzie Balanced Fund (Series A and Series T)  
Mackenzie Cundill Canadian Balanced Fund (Series C and Series T )  
Mackenzie Ivy Growth and Income Fund (Series A and Series T)  
Mackenzie Maxxum Canadian Balanced Fund (Series A and Series T)  
Mackenzie Maxxum Monthly Income Fund (Series A and Series T)  
Mackenzie Sentinel Bond Fund  
Mackenzie Sentinel Corporate Bond Fund  
Mackenzie Sentinel High Income Fund  
Mackenzie Sentinel Income Fund (Series A and Series B)  
Mackenzie Sentinel Income Trust Fund  
Mackenzie Sentinel Money Market Fund  
Mackenzie Sentinel Mortgage Fund  
Mackenzie Sentinel Real Return Bond Fund  
Mackenzie Sentinel Short -Term Bond Fund  
Mackenzie Universal Canadian Balanced Fund (Series A and Series T)  
Mackenzie Cundill Global Balanced Fund (Series C and Series T )  
Mackenzie Ivy Global Balanced Fund (Series A and Series T)  
Mackenzie Sentinel Global Bond Fund  
Principal Regulator - Ontario

**Type and Date:**

Amendment #11 dated November 6, 2006 to the Simplified Prospectuses and Annual Information Forms dated November 30, 2005

Mutual Reliance Review System Receipt dated November 9, 2006

**Offering Price and Description:**

-

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

Quadrus Investment Services Ltd.

**Promoter(s):**

Mackenzie Financial Corporation

**Project #842703**

---

**Issuer Name:**

Mackenzie Sentinel Diversified Income Fund  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated November 6, 2006 to the Simplified Prospectus and Annual Information Form dated September 29, 2006

Mutual Reliance Review System Receipt dated November 9, 2006

**Offering Price and Description:**

-

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

-

**Promoter(s):**

Mackenzie Financial Corporation

**Project #989927**

---

**Issuer Name:**

Mackenzie Universal U.S. Dividend Income Fund  
(Hedged Class, Series A Units and  
Unhedged Class, Series A Units)  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated November 6, 2006 to the Simplified Prospectus and Annual Information Form dated May 12, 2006

Mutual Reliance Review System Receipt dated November 9, 2006

**Offering Price and Description:**

-

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

-

**Promoter(s):**

Mackenzie Financial Corporation

**Project #922598**

---

**Issuer Name:**

MINCO SILVER CORPORATION  
Principal Regulator - British Columbia

**Type and Date:**

Final Short Form Prospectus dated November 10, 2006

Mutual Reliance Review System Receipt dated November 10, 2006

**Offering Price and Description:**

\$15,000,000.00 - 5,000,000 Units Price \$3.00 per Unit

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

CIBC World Markets Inc.  
Canaccord Capital Corporation  
Sprott Securities Inc.

**Promoter(s):**

Minco Mining & Metals Corporation

**Project #1006248**

---

**Issuer Name:**

Mosam Capital Corp.  
Principal Regulator - British Columbia

**Type and Date:**

Final Prospectus dated November 10, 2006  
Mutual Reliance Review System Receipt dated November 10, 2006

**Offering Price and Description:**

\$1,000,000.00 - 5,000,000 common shares at \$0.20 per share

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

Canaccord Capital Corporation

**Promoter(s):**

-

**Project #**990848

---

**Issuer Name:**

Pretium Capital Corp.  
Principal Regulator - British Columbia

**Type and Date:**

Final Prospectus dated November 8, 2006  
Mutual Reliance Review System Receipt dated November 14, 2006

**Offering Price and Description:**

\$300,000.00 - 1,200,000 COMMON SHARES Price: \$0.25 per Common Share

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

Haywood Securities Inc.

**Promoter(s):**

Quest Capital Corp.

**Project #**1002618

---

**Issuer Name:**

Quadra Mining Ltd.  
Principal Regulator - British Columbia

**Type and Date:**

Final Short Form Base Shelf Prospectus dated November 8, 2006  
Mutual Reliance Review System Receipt dated November 10, 2006

**Offering Price and Description:**

CAD\$1,000,000,000.00 - Common Shares Debt Securities Warrants Subscription Receipts

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

-

**Promoter(s):**

-

**Project #**1007495

**Issuer Name:**

RCGT Balanced Fund no.1 for partners  
RCGT Balanced Fund no.2 for partners  
RCGT Money Market Fund for partners

**Type and Date:**

Final Simplified Prospectuses dated November 7, 2006  
Received on November 9, 2006

**Offering Price and Description:**

Mutual Fund Units @ Net Asset Value

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

-

**Promoter(s):**

Raymond Chabot Grant Thornton, Limited Liability Partnership

**Project #**991911

---

**Issuer Name:**

Series A Units, Series F Units, Series F-5 Units, Series F-7 Units, Series O Units,  
Series 5 Units and Series 7 Units  
of

ROI Sceptre Canadian Pension Fund  
(formerly ROI Sceptre Monthly Income Fund )  
ROI Global Pension Fund  
(formerly ROI Global Monthly Income Fund )  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated November 10, 2006  
Mutual Reliance Review System Receipt dated November 14, 2006

**Offering Price and Description:**

Series A Units, Series F Units, Series F-5 Units, Series F-7 Units, Series O Units, Series 5 Units and Series 7 Units @ Net Asset Value

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

-

**Promoter(s):**

Return on Innovation Management Ltd.

**Project #**1001375

**Issuer Name:**

Sound Energy Trust  
Principal Regulator - Alberta

**Type and Date:**

Final Short Form Prospectus dated November 13, 2006  
Mutual Reliance Review System Receipt dated November 13, 2006

**Offering Price and Description:**

\$40,000,000.00 - 8.0% Convertible Unsecured  
Subordinated Debentures

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

TD Securities Inc.  
BMO Nesbitt Burns Inc.  
Canaccord Capital Corporation  
FirstEnergy Capital Corp.  
National Bank Financial Inc.  
Tristone Capital Inc.

**Promoter(s):**

-

**Project #1007874**

---

**Issuer Name:**

**Series A, F, I, O and W shares of:**

Symmetry Canadian Stock Capital Class  
Symmetry US Stock Capital Class  
Symmetry EAFE Stock Capital Class  
Symmetry Specialty Stock Capital Class  
Symmetry Managed Return Capital Class  
of

Mackenzie Financial Capital Corporation

**Series A units of:**

Symmetry Registered Fixed Income Pool  
Symmetry Allocation Pool  
Principal Regulator - Ontario

**Type and Date:**

Amendment #3 dated November 6, 2006 to the Simplified  
Prospectuses and Annual Information Forms dated  
February 10, 2006

Mutual Reliance Review System Receipt dated November 9, 2006

**Offering Price and Description:**

-

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

-

**Promoter(s):**

Mackenzie Financial Corporation  
**Project #873681**

**Issuer Name:**

Village Farms Income Fund (formerly Hot House Growers  
Income Fund)

Principal Regulator - British Columbia

**Type and Date:**

Final Short Form Prospectus dated November 10, 2006  
Mutual Reliance Review System Receipt dated November 10, 2006

**Offering Price and Description:**

\$10,000,000.00 - Rights to Subscribe for up to 3,623,189  
Units at a Price of \$2.76 per Unit (Each Right entitles the  
holder thereof to subscribe for 0.512 Units)

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

-

**Promoter(s):**

-

**Project #1004659**

---

**Issuer Name:**

World Energy Solutions, Inc.  
Principal Regulator - Ontario

**Type and Date:**

Final Prospectus dated November 8, 2006  
Mutual Reliance Review System Receipt dated November 9, 2006

**Offering Price and Description:**

C\$28,813,117.20.00 - 27,441,064 Shares of Common  
Stock Price: C\$1.05 Per Share

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

Sprott Securities Inc.  
Canaccord Capital Corporation  
CIBC World Markets Inc.

**Promoter(s):**

Richard Domaleski

**Project #976399**

## Chapter 12

# Registrations

### 12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Name Change	From: Navigator Capital Management Inc. To: Regenesys Capital Management Inc.	Limited Market Dealer and Investment Counsel & Portfolio Manager	October 2, 2006
Change of Category	Morgan Stanley & Co. Incorporated	From: International Adviser (Investment Counsel and Portfolio Manager) and International Dealer  To: International Adviser (Investment Counsel and Portfolio Manager) and International Dealer and Limited Market Dealer	November 7, 2006
Consent to Suspension (Rule 35-502 – <i>Surrender of Registration</i> )	Mohamed, Siddiq	Limited Market Dealer	November 8, 2006
New Registration	Park Hill Real Estate Group LLC	International Dealer	November 8, 2006
Change of Category	Anchor Securities Limited	From: Securities Dealer  To: Securities Dealer and Limited Market Dealer	November 10, 2006
Consent to Suspension (Rule 35-502 – <i>Surrender of Registration</i> )	ClaringtonFunds Inc.	Limited Market Dealer and Mutual Fund Dealer	November 13, 2006
New Registration	OFI Institutional Asset Management, Inc.	International Adviser (Investment Counsel & Portfolio Manager)	November 14, 2006



This page intentionally left blank

## Chapter 13

# SRO Notices and Disciplinary Proceedings

---

---

### 13.1.1 MFDA Central Regional Council Hearing Panel Adjourns Dale Michael Graveline Hearing to November 27, 2006

**NEWS RELEASE**  
For immediate release

#### **MFDA CENTRAL REGIONAL COUNCIL HEARING PANEL ADJOURNS DALE MICHAEL GRAVELINE HEARING TO NOVEMBER 27, 2006**

**November 14, 2006** (Toronto, Ontario) - The Mutual Fund Dealers Association of Canada ("MFDA") commenced a disciplinary proceeding in respect of Dale Michael Graveline by Notice of Hearing dated July 6, 2006.

The hearing of this matter on its merits commenced as scheduled on November 10, 2006 before a Hearing Panel of the Central Regional Council and was adjourned to November 27, 2006 at 10:00 a.m. (Eastern) at the offices of Atchison & Denman Court Reporting, 155 University Ave., Suite 302, Toronto, Ontario, or as soon thereafter as the hearing can be held.

The hearing will be open to the public, except as may be required for the protection of confidential matters.

A copy of the Notice of Hearing is available on the MFDA website at [www.mfda.ca](http://www.mfda.ca).

The Mutual Fund Dealers Association of Canada is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 170 members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

*For further information, please contact:*

Jason D. Bennett  
Registrar & Assistant Director, Regional Councils  
(416) 943-7431 or [jbennett@mfda.ca](mailto:jbennett@mfda.ca)

**13.1.2 RS Discipline Notice - W. Scott Wardle**

**DISCIPLINARY NOTICE**

**W. SCOTT WARDLE**

**November 14, 2006**

**Summary**

A Hearing Panel constituted under the Universal Market Integrity Rules today approved a settlement agreement between Market Regulation Services Inc. and W. Scott Wardle. In the settlement, Wardle agrees that between October 2004 and March 2005 he contravened UMIR Rules 4.1(1)(a), 2.1, 5.3(1), 6.2(1)(b)(viii), 6.3(1) and 10.11(1). Wardle was fined \$40,000 plus \$35,000 in costs and suspended from access to all marketplaces regulated by RS for one (1) month.

**Questions / Further Information**

For further information or questions concerning this notice contact:

Melissa MacKewn  
Acting Chief Enforcement Counsel, Eastern Region

Telephone: 416.646-7229

Fax: 416.646.7285

e-mail: melissa.mackewn@rs.ca

**Person Disciplined**

On November 14, 2006, a Hearing Panel of the Hearing Committee of Market Regulation Services Inc. ("RS") approved a settlement agreement (the "Settlement Agreement") concerning W. Scott Wardle ("Wardle").

**Requirements Contravened**

Under the terms of the Settlement Agreement, Wardle agrees that between October 2004 and March 2005 he contravened:

- (a) UMIR 4.1(1)(a) (frontrunning) on one (1) occasion, for which he is liable pursuant to UMIR 10.4(1)(a);
- (b) UMIR 2.1 (just and equitable principles of trade) on two (2) occasions, for which he is liable pursuant to UMIR 10.4(1)(a);
- (c) he engaged in conduct which resulted in W.D. Latimer Co. Limited ("W.D. Latimer") contravening:
  - (i) UMIR 5.3(1) (client priority) on four (4) occasions, for which he is liable pursuant to UMIR 10.3(4);
  - (ii) UMIR 6.2(1)(b)(viii) (order marking) on one (1) occasion, for which he is liable pursuant to UMIR 10.3(4);
  - (iii) UMIR 6.3(1) (exposure of client orders) on four (4) occasions, for which he is liable pursuant to UMIR 10.3(4); and,
  - (iv) UMIR 10.11(1) (audit trail) on three (3) occasions, for which he is liable pursuant to UMIR 10.3(4).

**Sanctions Approved**

The following sanctions were approved:

- (a) a fine of \$40,000 payable by Wardle to RS, which includes the financial benefit to Wardle as a result of the contraventions;
- (b) suspension of access to marketplaces regulated by RS for 1 month commencing November 22, 2006; and
- (c) costs of \$35,000 payable to RS.

## **Summary of Facts**

Between October 2004 and March 2005, Wardle engaged in trading on the CNQ marketplace which financially benefited himself, usually in small increments, without regard for the best interests of his clients and in some cases to the financial or other detriment of his clients.

Wardle's handling of client orders and trades for the CNQ marketplace resulted in 15 contraventions of UMIR, including four client priority violations and one frontrunning violation, which pose significant market integrity risks.

The contraventions are summarized as follows:

- (i) UMIR 2.1 (just and equitable principles of trade): on two occasions, Wardle, with knowledge of a client order, first entered an order for his inventory account. In the circumstances, this activity constituted a violation of just and equitable principles of trade;
- (ii) UMIR 4.1(1)(a) (frontrunning): on one occasion, Wardle entered an order for the sale of shares for his inventory account when he had knowledge of a client order that on entry could reasonably be expected to affect the market price of the security;
- (iii) UMIR 5.3(1) (client priority): on four occasions, Wardle traded ahead of clients, without specific client consent; two of the client priority violations resulted in double-printing, which although inadvertent, did falsely inflate trading volumes;
- (iv) UMIR 6.2(b)(viii) (improper marking): on one occasion, Wardle failed to mark an order as a short sale.
- (v) UMIR 6.3(1) (order exposure): on one occasion, Wardle did not immediately enter three client orders onto CNQ as required. On one occasion, Wardle failed to enter the client's order onto CNQ. The client order, therefore, had no possibility of being filled, disadvantaging the client; and
- (vi) UMIR 10.11(1) (audit trail): on three occasions, client orders were time-stamped late, after the orders had been filled or partially filled.

For further particulars of the contraventions, see the Statement of Allegations and Schedule "B" attached thereto.

W.D. Latimer voluntarily agreed to disgorge the amount of \$2,118, representing its profit from the conduct described in the Statement of Allegations.

## **Further Information**

Participants who require additional information should direct questions to Melissa MacKewn, Acting Chief Enforcement Counsel, Market Regulation Services Inc., Eastern Region, at 416 646-7229.

## **About Market Regulation Services Inc. (RS)**

RS is the independent regulation services provider for Canadian equity marketplaces, including the Toronto Stock Exchange, TSX Venture Exchange, CNQ, Bloomberg Tradebook Canada Company, Liquidnet Canada Inc., BlockBook, Shorcan ATS Limited and Pure Trading. RS is recognized by the securities commissions of British Columbia, Alberta, Manitoba, Ontario, and by the *Autorité des marchés financiers* in Québec to regulate the trading of securities on these marketplaces by participant firms and their trading and sales staff. RS helps protect investors and ensure market integrity by ensuring all equities transactions are executed properly, fairly and in compliance with trading rules.

13.1.3 MFDA Issues Notice of Hearing Regarding Donald Kenneth Coatsworth

**NEWS RELEASE**  
For immediate release

**MFDA ISSUES NOTICE OF HEARING  
REGARDING DONALD KENNETH COATSWORTH**

**November 14, 2006** (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada (“MFDA”) today announced that it has commenced disciplinary proceedings against Donald Kenneth Coatsworth.

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

Allegation #1: Commencing in or around 2003, Mr. Coatsworth engaged in gainful occupation outside the business of the Member without so advising the Member and obtaining the approval of the Member, contrary to MFDA Rule 1.2.1 (d)(iii).

Allegation #2: Commencing on or about November 7, 2005, Mr. Coatsworth failed to attend and give information relevant to the matters being investigated and failed to produce for inspection and provide copies of books, records and accounts respecting such matters, contrary to s. 22.1 (b) and s. 22.1(c) of MFDA By-Law No. 1.

The first appearance in this matter will take place by teleconference before a Hearing Panel of the MFDA Central Regional Council in the Hearing Room located at the offices of the MFDA, 121 King Street West, Suite 1000, Toronto, Ontario on Wednesday, December 13, 2006 at 10:00 a.m. (Eastern) or as soon thereafter as can be held.

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

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

A copy of the Notice of Hearing is available on the MFDA website at [www.mfda.ca](http://www.mfda.ca).

The Mutual Fund Dealers Association of Canada is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 170 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

*For further information, please contact:*

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

**13.1.4 RS Notice - Request for Comments - Proposed Allocation of Costs - First Group**

November 17, 2006

No. 2006-007

**RS NOTICE**

**REQUEST FOR COMMENTS**

**PROPOSED ALLOCATION OF COSTS – FIRST GROUP**

**Summary**

This RS Notice provides notice that, on September 29, 2006, the Board of Directors of Market Regulation Services Inc. approved an allocation model for a series of direct charges to marketplaces to recover operational and capital costs caused by the introduction of new marketplaces. This model relates to the first group of a number of pending charges and proposals relating to RS costs and fees.

The charges in this first group relate to the following: (1) RS's internal administrative start-up costs associated with the launch of each new marketplace; (2) the cost of the work performed by RS's technology provider to allow RS's systems to receive each new marketplace's data through the existing firewall and to validate connectivity; (3) the cost of the work performed by RS's technology provider as a result of unique features of each new marketplace (if applicable) that require additional changes to RS's systems; and (4) the cost of modifying RS's existing systems to receive data from all of those marketplaces for which RS cannot currently perform automated monitoring.

If the recognizing regulators approve the proposed allocation of these charges, RS will implement them immediately for all affected marketplaces.

**Questions / Further Information**

For further information or questions concerning this notice contact:

Doug Harris  
Director of Policy, Research and Strategy  
Telephone: 416.646.7275 / Fax: 416.646.7265  
e-mail: doug.harris@rs.ca

**PROPOSED ALLOCATION OF COSTS – FIRST GROUP**

**Summary**

This RS Notice provides notice that, on September 29, 2006, the Board of Directors ("Board") of Market Regulation Services Inc. ("RS") approved an allocation model (the "**Allocation Proposal**") for a series of direct charges to marketplaces (the "**Marketplace Charges**") to recover operational and capital costs caused by the introduction of new marketplaces. This model relates to the first group of a number of pending charges and proposals relating to RS costs and fees.

The Marketplace Charges relate to the following:

1. RS's internal administrative start-up costs associated with the launch of each new marketplace ("**Start-Up Costs**");
2. the cost of the work performed by RS's technology provider to allow RS's systems to receive each new marketplace's data through the existing firewall and to validate connectivity ("**Connection Costs**");
3. the cost of the work performed by RS's technology provider as a result of unique features of each new marketplace (if applicable) that require additional changes to RS's systems ("**Marketplace-Specific Costs**"); and
4. the cost of modifying RS's existing systems to receive data from all of those marketplaces for which RS cannot currently perform automated monitoring ("**Phase 1 Costs**").

If the recognizing regulators approve the Allocation Proposal for these Marketplace Charges, RS will implement them immediately for all affected marketplaces.

RS will be developing further proposals in relation to (i) the costs to consolidate marketplace data and develop displays and tools to provide effective cross-market monitoring, and (ii) a new model for UMIR regulation fees. Both of these proposals are still subject to RS Board review and approval, and so will be published separately.

### **Approval Process**

RS has been recognized as a self-regulatory organization by the Alberta Securities Commission, British Columbia Securities Commission, Manitoba Securities Commission, Ontario Securities Commission and, in Quebec, by the Autorité des marchés financiers (the “**Recognizing Regulators**”) and, as such, is authorized to be a regulation services provider for the purposes of the National Instrument 21-101 and National Instrument 23-101.

Section 2(b)(ii) of RS’s recognition order provides that RS will not, without prior Recognizing Regulator approval, make any significant changes to its fee model. RS has requested Recognizing Regulator approval of the Allocation Proposal.

The Allocation Proposal will be effective upon approval by the Recognizing Regulators following public notice and comment. Comments on the Allocation Proposal should be in writing and delivered by **December 17, 2006** to:

Doug Harris  
Director of Policy, Research and Strategy  
Market Policy and General Counsel’s Office  
Market Regulation Services Inc.  
Suite 900  
145 King Street West  
Toronto, Ontario M5H 1J8  
  
Fax: 416.646.7265  
e-mail: doug.harris@rs.ca

A copy should also be provided to the Recognizing Regulators by forwarding a copy to:

Cindy Petlock  
Manager, Market Regulation  
Capital Markets Branch  
Ontario Securities Commission  
Suite 1903, Box 55  
20 Queen Street West  
Toronto, Ontario. M5H 3S8  
  
Fax: (416) 595-8940  
e-mail: cpetlock@osc.gov.on.ca

***Commentators should be aware that a copy of their comment letter will be publicly available on the RS website ([www.rs.ca](http://www.rs.ca) under the heading “Market Policy”). A summary of the comments contained in each submission will also be included in a future RS Notice dealing with the revision or the approval of the Allocation Proposal.***

### **Background to the Allocation Proposal**

#### *Current RS Fee Model*

RS currently recovers its operating and capital costs of providing UMIR regulation services through fees charged to marketplaces (in some cases, RS bills a marketplace’s participating organizations or members directly), with the sole exception of Start-Up Costs, which RS collects directly from each marketplace.

In connection with the actual and anticipated introduction of new marketplaces, RS has incurred and will continue to incur one-time extraordinary costs to modify its technology systems to support RS’s provision of regulation services to all marketplaces. In connection with approving these costs, the RS Board also considered the most appropriate allocation of these costs among the marketplaces for which RS provides regulation services, and appropriate payment arrangements.

Section 2 of Schedule A to RS’s recognition order requires RS to charge fees on a cost recovery basis, to have a fair, transparent and appropriate process for setting fees, and to allocate those fees on an equitable basis among marketplaces and marketplace participants. The recognition order also provides that RS’s fees will balance the need for RS Inc. to satisfy its responsibilities without creating barriers to access. The RS Board has observed each of these directives in approving the Allocation Proposal.

*RS Review of Fee Model and Costs Associated with New Marketplaces*

Beginning in April of 2006, the RS Board and Finance and Audit Committee undertook a detailed review of RS's fee model, as it relates to ongoing UMIR regulation fees and to one-time capital expenditures like those required in connection with the introduction of new marketplaces.

To assist with this review, RS engaged consultants from PricewaterhouseCoopers LLP, who performed a detailed analysis of RS's existing fee model and cost structure, and provided analysis and recommendations for a new fee structure that would best allow RS to charge fees on a cost recovery basis in accordance with its recognition order and other requirements set out in RS's regulation services agreements.

The Board and Finance and Audit Committee engaged in extensive analysis of the issues associated with ongoing UMIR regulation costs and capital expenditures, bringing to bear the expertise of their members as well as of PricewaterhouseCoopers LLP and RS management and staff. The development of a fee model unavoidably requires trade-offs and compromises. RS believes that the Allocation Proposal represents the best possible balancing of the competing interests of RS's many stakeholder groups. It is the result of a comprehensive process of analysis and deliberation by RS's Directors.

RS also considered the allocation models used in other regulated industries (including telecommunications and electricity), which provide support for the principle that new entrants to a market must bear an equitable share of the costs of their entry.

RS also considered the U.S. experience with technology and cost-sharing relating to cross-market monitoring; Appendix "A" provides an overview of how similar issues were addressed in the U.S., and demonstrates that inter-market surveillance is conducted through coordination arrangements among multiple self-regulatory organizations. There are conflicting views as to the efficacy of these coordination arrangements, compared to the potential benefits of consolidated monitoring. Because monitoring activity is conducted separately by the NASD and NYSE, U.S. regulators have not had to address the allocation issues that RS has considered. The costs of coordinating monitoring activity (e.g., through the Intermarket Surveillance Group) in the U.S. are shared among the participating U.S. self-regulatory organizations.

**Details of and Rationale for Allocation Proposal**

*Start-Up Costs*

Start-Up Costs reflect RS's costs for the internal legal and operational work required in connection with the launch of a new marketplace, including:

- preparation of regulation services agreement;
- review of trading model and consultation on UMIR issues;
- development of procedural manuals; and
- training.

To date, RS has charged a fixed fee of \$25,000 to each marketplace to recover these costs. RS engaged in detailed tracking of the actual hours spent by RS staff in connection with four recent marketplace launches. Based on charge rates for RS staff time, the average cost for three of these marketplaces was \$45,838. (The fourth marketplace was an outlier – if it were to be included in the calculation of average cost, the average cost would be significantly higher.)

It is therefore clear that the current fixed charge does not accurately reflect RS's costs associated with the launch of a new marketplace, and therefore creates a subsidy from existing marketplaces to each new marketplace to the extent that RS's costs in excess of the fixed amount are recovered through UMIR regulation fees.

RS therefore proposes to introduce a higher minimum Start-Up Cost, and to recover from each marketplace the greater of that amount and RS's actual cost, based on time tracking by RS staff, associated with the launch of that marketplace.

RS believes that it is appropriate for each new marketplace to bear its Start-Up Costs directly, since these costs are directly caused by the introduction of the new marketplace and should therefore be recovered directly from that marketplace. RS also believes that this direct charge to the marketplace that allows RS to fully recover its internal costs creates a more appropriate incentive for the marketplace to participate in an efficient and timely process to finalize the regulation services agreement and other arrangements associated with the marketplace's launch. If these costs were shared by all marketplaces (as they would be if recovered through UMIR regulation fees), there would be no incentive for a new marketplace to work towards a timely and efficient resolution of issues associated with its launch. The "greater of" formula reflects the significant amount of RS's Start-Up Costs that are fixed, while retaining discipline on the process of finalizing the arrangements for the launch of a new marketplace.



### *Connection Costs*

For each new marketplace for which RS performs automated monitoring, RS's technology provider (TSX Inc., under the current Corporate Services Agreement between RS and TSX Inc.) must perform approximately twenty person days of work to connect, configure and test RS's systems to receive the individual marketplace's data through RS's existing firewall and other security systems. There are no economies of scale applicable to this work; it must be performed for each new marketplace.

Again, RS believes that it is appropriate for each new marketplace to bear its Connection Costs directly, since these costs are directly caused by the introduction of the new marketplace and should therefore be recovered directly from that marketplace.

### *Marketplace-Specific Costs*

In addition to Connection Costs, a new marketplace may have unique features that require RS's technology provider to perform additional work to make additional changes to RS's systems. For example, Marketplace-Specific Costs would arise where a marketplace had unique markers, or a unique trading session that required modifications to RS's systems to accommodate, or forecast a level or type of trading activity that would require RS to expand its technology infrastructure.

To date, only one marketplace has incurred Marketplace-Specific Costs (for modifications required because the marketplace will not be providing all of its data in the format required by RS's standard feed specifications). Additional Marketplace-Specific Costs will likely be identified in the course of the work to consolidate marketplace data and develop displays and tools to provide effective cross-market monitoring.

RS believes that it is appropriate for each new marketplace to bear its Marketplace-Specific Costs directly, since these costs are directly caused by the unique features of the new marketplace and should therefore be recovered directly from that marketplace.

### *Phase 1 Costs*

In order to effectively monitor all marketplaces that RS regulates on an automated, real-time basis, RS must:

- receive data feeds from each of the marketplaces, using common feed standards; and
- consolidate marketplace data and develop displays and tools to provide effective cross-market monitoring.

RS refers to the first stage as "Phase 1" and the second stage as "Phase 2".

The need for RS to receive automated real-time feeds from different marketplaces, and to consolidate those feeds to enable cross-market monitoring, did not arise when RS was created in 2002 because the only marketplaces to be regulated were TSX and TSXV, and RS could monitor trading on these marketplaces using existing tools acquired from those marketplaces. Since CNQ launched in 2003, RS has been monitoring trading on CNQ manually and on a post-trade basis. Current volumes on CNQ make manual monitoring feasible.

Recent developments have created the need for RS to address these issues:

- With respect to automated monitoring, Shorcan ATS launched in August 2006, CNQ's Pure Trading facility launched in October 2006, and TriAct has also announced its intention to launch by the end of 2006.
- With respect to cross-market monitoring, in 2005 BlockBook began trading TSX-listed securities, and securities were interlisted between TSXV and CNQ. In addition, TriAct, Shorcan and Pure Trading trade TSX-listed securities.<sup>1</sup>

Phase 1 delivers the various marketplaces' data to RS and stores that data in RS's systems. This will enable RS to review and access information on a post-trade basis without having to rely on a marketplace itself. Some of RS's current real-time alerts will work but, since the data from the various marketplaces will not be consolidated, RS will not have cross-market monitoring available. Additionally, it is possible that some alerts may actually need to be turned off for specific marketplaces as they will generate false positives.

The IT assets created by Phase 1 and Phase 2 will be "common" assets in the sense that they will allow RS to use its tools to monitor any marketplace that provides a data feed conforming to the RS feed standard. To the extent that a marketplace

---

<sup>1</sup> RS must monitor cross-market activity in order to enforce UMIR provisions that rely on the concept of "last sale price" across multiple markets trading the same security, as well as the UMIR provisions relating to trade-through, best execution and best price. If RS were to monitor marketplaces as "silos" (i.e., if RS did not compare trading activity across marketplaces), RS would have no ability to enforce these rules, or to monitor trading in order to refer violations of analogous securities laws to the commissions.

requires RS to have marketplace-specific “dedicated” IT assets necessary to monitor trading specifically on that marketplace, the marketplace will pay the entire cost for RS to develop those assets as Marketplace-Specific Costs.

RS’s technology provider completed Phase 1 in July 2006. The cost to RS of Phase 1 was, by mutual agreement between RS and its technology provider, capped at \$300,000, comprising \$40,000 for requirements gathering and \$260,000 for development.

RS management and the RS Board engaged in detailed and extensive deliberations regarding the appropriate allocation of Phase 1 Costs among the marketplaces. Considerations included:

- the marketplaces that would receive a benefit from Phase 1;
- the extent to which the chosen allocation of Phase 1 Costs represents an equitable allocation among marketplaces;
- the extent to which a particular allocation was neutral among marketplaces;
- the extent to which imposing Phase 1 Costs on new marketplaces could represent a barrier to entry (which RS interpreted as imposing costs on a marketplace that exceed the cost of available alternatives); and
- the extent to which an inappropriate allocation of Phase 1 Costs could create the risk of “inefficient entry” (i.e., in which the costs of entry are held artificially low by a subsidy from other marketplaces).

On the basis of this analysis, the Board approved a model in which the marketplaces for which RS is providing dedicated surveillance but cannot currently perform automated monitoring (i.e., all marketplaces other than Bloomberg Tradebook, the TSX and TSXV) will share equally the Phase 1 Costs. RS believes that this represents the best allocation to reflect the benefit to those marketplaces of enabling RS to receive automated data feeds from them (as a precondition to RS engaging in automated cross-market monitoring), and that it avoids a subsidy from currently automated marketplaces while not requiring payment of an amount that represents a barrier to entry for new marketplaces.

RS believes that equal sharing of Phase 1 Costs is appropriate, as opposed to sharing according to a formula based on trading activity or some other indicator, because the Phase 1 Costs are independent of expected trading volumes on any particular marketplace and the combined trading volumes of the marketplaces that will benefit from Phase 1.

RS also believes that the marketplaces that will pay the Phase 1 Costs should all pay an equal share, even though some of those marketplaces will not be monitored using the new technology until Phase 2 is completed. While Phase 1 has been completed, RS still cannot receive data feeds from certain marketplaces until Phase 2 is completed, because those marketplaces have unique features that must be addressed in Phase 2. Nevertheless, RS believes that these marketplaces should share in the Phase 1 Costs now, because Phase 1 is a necessary precondition to completing Phase 2.

Also, even though Phase 1 results in RS being able to receive a data feed from a marketplace that is required for automated monitoring, RS has the option to continue to perform manual monitoring of marketplaces where activity levels are low or RS otherwise considers it advisable. RS intends to continue to elect to perform manual monitoring of several marketplaces that could be monitored on an automated basis even though Phase 1 has been completed. (These marketplaces will not have to pay the Connection Costs until RS begins automated monitoring.) Nevertheless, RS believes that these marketplaces should also share in the Phase 1 Costs now, also because Phase 1 is a necessary precondition to completing Phase 2, and RS will require all marketplaces to move to automated monitoring once Phase 2 is completed so that RS can perform effective automated cross-market monitoring.

If a new marketplace launches within three years of the date on which RS implements this proposal relating to Phase 1 Costs, that marketplace will assume a share of the total Phase 1 Costs, with a corresponding credit back to the marketplaces that have already paid a share of Phase 1 Costs. Further details of these payment arrangements are set out below.

### **Current Quantum and Payment of Marketplace Charges**

#### *Start-Up Costs*

RS has set the minimum Start-Up Cost amount at \$50,000, and will bill Start-Up Costs in two stages:

- an initial payment of \$25,000 will be due at the time that RS provides the first draft of the Regulation Services Agreement to the marketplace; and
- the second payment of the greater of \$25,000 and RS’s actual costs in excess of \$25,000 will be due at the time that the marketplace and RS sign the definitive Regulation Services Agreement.

*Connection Costs*

Connection Costs currently are \$26,393 for each new marketplace. This amount represents the actual charge to RS from its technology provider (billed to RS on a “cost plus 15%” basis). If the charge to RS changes in the future, marketplaces paying Connection Costs at that time will pay the new amount.

Each marketplace will be invoiced for its Connection Costs at the time that RS is invoiced by its technology provider.

*Marketplace-Specific Costs*

The amount of Marketplace-Specific Costs for each marketplace will represent the actual charge to RS from its technology provider (billed to RS on a “cost plus” basis).

Each marketplace will be invoiced for its Marketplace-Specific Costs at the time that RS is invoiced by its technology provider.

*Phase 1 Costs*

The total Phase 1 Costs of \$300,000 will be divided evenly among the number of marketplaces that will pay the Phase 1 Costs. These marketplaces will be the marketplaces in operation on the date that the Recognizing Regulators approve the Allocation Proposal.

If the Recognizing Regulators approve this proposal by the end of the 2006 calendar year, based on expected launch dates there would be six marketplaces sharing the Phase 1 Costs, resulting in a cost-per-marketplace of \$50,000.<sup>2</sup> Each marketplace sharing in Phase 1 Costs will be invoiced immediately after RS receives regulatory approval for the Allocation Proposal as it relates to Phase 1 Costs.

If a new marketplace, not included in the original paying group, launches prior to the third anniversary of the date of Recognizing Regulator approval, the total Phase 1 Costs of \$300,000 would be re-divided among the new number of marketplaces and the new marketplace would pay its share in the manner described above. RS would divide the payment it receives from the new marketplace evenly among the existing marketplaces paying Phase 1 Costs and issue a refund to those marketplaces. For example, if six marketplaces share the Phase 1 Costs and pay \$50,000 each, and a new marketplace launches within three years, the new marketplace will pay \$42,857 (equal to \$300,000 divided by seven), and each of the six marketplaces that contributed to Phase 1 Costs will receive a refund of \$7,143. RS may also require a new marketplace that launches after the third anniversary of Recognizing Regulator approval to bear an equitable portion of the Phase 1 Costs.

*Aggregate Impact on Marketplaces*

Appendix “B” sets out the total payments to be made by each of the marketplaces currently in operation or planned to launch by the end of this calendar year under the Allocation Proposal. The amounts in Appendix “B” do not include any amounts that the marketplaces may have to pay as their share of Phase 2 Costs (see “Further Proposals re Fee Model”, below).

RS believes that the total amounts to be paid by individual marketplaces do not represent a barrier to entry and are reasonable since they are significantly lower than the costs that these marketplaces would incur – each individually or together – to duplicate the existing technology in place at RS and that RS will use to monitor trading on those marketplaces. The new marketplaces that are sharing in the Phase 1 Costs are benefiting from the considerable economies of scale and scope provided by RS’s existing technology infrastructure. As noted below, RS may propose that these marketplaces share in Phase 2 Costs if those costs are approved by the RS Board and depending on the allocation model approved by the Board. RS has considered the impact of the aggregate cost, including Phase 2 Costs, and believes that the total costs to each marketplace would not represent a barrier to entry.

**Further Proposals re Fee Model**

RS will be developing further proposals in relation to:

- the costs to consolidate marketplace data and develop displays and tools to provide effective cross-market monitoring (referred to above as “Phase 2”); and

---

<sup>2</sup> That is, \$300,000 divided six ways among CNQ, Pure Trading, BlockBook, Liquidnet, Shorcan, and TriAct. RS has not included Bloomberg because its current operating model does not require dedicated surveillance by RS, but RS would revisit this decision if Bloomberg were to change its operating model.

- a new model for UMIR regulation fees, developed in conjunction with PricewaterhouseCoopers LLP, that uses activity-based costing principles to more closely align RS's costs incurred in providing UMIR regulation services with the fees charged to marketplaces for those services.

Both of these proposals are still subject to RS Board review and approval, and so will be published separately. Note that RS may propose that the marketplaces listed in Appendix "B" share in Phase 2 Costs, which will be in addition to those costs set out in Appendix "B".

RS believes that the Allocation Proposal is consistent with the goal of a fair and transparent fee structure for the self-regulatory organization to be formed by the merger of RS and the IDA, and intends to carry this model forward into the new organization.

**Status and Timetable**

If the Recognizing Regulators approve the Allocation Proposal, RS will issue invoices to the relevant marketplaces as soon as possible following approval. RS has already paid its technology provider for the Phase 1 Costs and Connection Costs for certain marketplaces, and will be invoiced for the remaining Connection Costs and Marketplace-Specific Costs as they are incurred, and so needs to recover these amounts as soon as possible to minimize the interest and other carrying costs that will otherwise have to be recovered through UMIR regulation fees. Therefore, RS must recover these amounts from the marketplaces as soon as possible.

**Questions / Further Information**

For further information or questions concerning this notice contact:

Doug Harris  
Director of Policy, Research and Strategy  
Market Policy and General Counsel's Office  
Market Regulation Services Inc.  
Suite 900  
145 King Street West  
Toronto, Ontario M5H 1J8  
  
Telephone: 416.646.7275  
Fax: 416.646.7265  
e-mail: doug.harris@rs.ca

ROSEMARY CHAN  
VICE PRESIDENT, MARKET POLICY AND GENERAL COUNSEL

**Appendix A**  
**Cross-Market Monitoring in the United States**

**Intermarket Monitoring Arrangements in the U.S.**

*Overview*

Each SRO (i.e., NASD, Nasdaq, NYSE and the other national securities exchanges in the U.S.) is required to have rules designed, among other things, to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and to refrain from imposing any unnecessary or inappropriate burdens on competition. For example, an SRO must maintain procedures to surveil against rule violations, including insider trading and market manipulation. While different market structures may imply different procedures for accomplishing this task, SROs are required to expend sufficient resources, in terms of both staff and technology, to support their surveillance functions. This includes having officers with expertise in monitoring for compliance with federal securities laws and SRO rules, and an understanding of the role of a registered exchange or association as an SRO. An SRO must deploy adequate examination and surveillance systems and maintain an audit trail of the transactions in its system. SROs' regulatory programs are periodically inspected by the SEC.

The NASD and the NYSE maintain central audit trail systems for trading in Nasdaq and NYSE securities, respectively. The NASD system is called OATS (Order Audit Trail System) and the NYSE system is called OTS (Order Tracking System). NASD and NYSE members are required to provide order data to the regulator through these systems. These systems are then used in the market surveillance conducted by the NASD and NYSE for their respective securities.

Nasdaq and NYSE securities are traded on numerous other U.S. markets through unlisted trading privileges. The U.S. markets created the Intermarket Surveillance Group (ISG) to coordinate their monitoring of trading across markets. ISG has established information sharing arrangements that provide for the exchange of market data surveillance information among the SROs through various means. Generally, information is shared between the members on an as-needed basis and only upon request.

The U.S. members of ISG share trading information, including audit trail information, on a formalized basis electronically via the facilities of the Securities Industry Automation Corporation (SIAC). For example, the ISG makes its Consolidated Equity Audit Trail available through the SIAC. The ISG also has a Consolidated Options Audit Trail System. These systems are intended to supplement the surveillance systems of individual markets.

ISG has developed and implemented investigative practices for coordinated investigations. ISG's general meetings held three times each year, as well as frequent meetings of the Surveillance Practices, Surveillance Investigative Practices, Technology, and Option sub-groups, are intended to develop uniform definitions of intermarket abuses and provide a forum for coordinating joint surveillance efforts.

*Recent Developments*

In 2003, Nasdaq filed a petition with the SEC that contained numerous complaints about these arrangements, including the following claims:

- investors are potentially harmed by the lack of uniform trading rules and from unequal surveillance and enforcement of rules by the various SROs;
- no other market currently executing trades in Nasdaq-listed securities has rules requiring its members to report order audit trail information or operates a Commission-approved order audit trail;
- for transactions reported away from Nasdaq, the ISG/SIAC audit trail has the following deficiencies:
  - it only provides trade information at the clearing firm level, as opposed to both the clearing firm and the executing firm levels;
  - the time fields in the data are not generated by clocks subject to uniform synchronization protocols, as is the case with OATS data;
  - ISG/SIAC data is not provided in a format that is conducive to integration into NASD's automated surveillance systems – as a result, manually processing this information can be time-intensive;
  - ISG/SIAC data is not received until two days after the trade date; Nasdaq claimed that such a delay can significantly hinder NASD's ability to investigate unlawful trading activity on a real-time basis and can prevent NASD from obtaining non-stale regulatory information in an ongoing investigation;

- consolidated regulation protects investors better than the coordinated regulation that ISG/SIAC facilitates;
- consolidated regulation should be crafted by the entities that will be governed, whereas ISG is a voluntary organization whose membership includes SROs (only some of which trade Nasdaq-listed securities) and certain foreign entities that are not regulated as SROs by the SEC; and
- in the absence of a framework for adopting uniform order audit trails and uniform enforcement of marketplace rules, Nasdaq is forced to subsidize other markets' regulatory costs; Nasdaq funds NASD's OATS to collect trading information from all NASD members, whether or not the trades are reported to Nasdaq.

These issues have not been resolved. In the *Concept Release Concerning Self-Regulation* issued in November 2004, the SEC again solicited comment on intermarket monitoring arrangements among the various SROs. The SEC summarized the comments received on Nasdaq's 2003 petition as follows:

- some commenters argued that existing audit trail systems were well-designed, even though they did not interact with Nasdaq's;
- many commenters were concerned that complying with multiple SROs' different order audit trail systems would be burdensome and expensive to implement and administer;
- other commenters argued that Nasdaq had understated the effectiveness of ISG and that the organization should be allowed to continue in its role as the facilitator of regulatory data sharing among markets;
- the ISG stated that
  - the SROs are able to view trading activity in the context of all markets' clearing level quote and trade data;
  - its Equity Audit Trail system provides a consolidated view across all markets of quotes and trades, including clearing information;
  - no other market had raised the issues that Nasdaq raised in its petition; and
  - neither the time delays in receiving information through ISG nor the lack of a uniform synchronization protocol had proven to be problematic;
- the NYSE generally supported the traditional role of the ISG, and raised the possibility of the SEC requiring that each individual market establish an order audit trail system similar to the NYSE's and the NASD's and mandating that the data from these separate order audit trails be integrated into the ISG's consolidated order audit trail; and
- the NASD argued that the current model of coordinated regulation results in regulatory gaps and that potential misconduct can occur across markets undetected by regulators, and that the less detailed regulatory information collected by the ISG/SIAC lacks certain critical pieces of information to effectively assist SROs in regulating intermarket trading activity.

In the SRO Concept Release, the SEC asked for responses to the following questions:

- To what extent does our market model of multiple competing SROs create gaps in intermarket trading surveillance? What types of illicit trading activity in particular can be hidden from regulators by dispersing trading across multiple markets?
- How effectively does the ISG serve as a facilitator of regulatory data sharing and surveillance coordination among SROs? Is the ISG's order audit trail effective as a regulatory tool? How feasible would it be to require all markets to adopt order audit trails similar to those of the NYSE and the NASD and ultimately to integrate all markets' order audit trails into the ISG's consolidated order audit trail?
- How similar are the order audit trail systems of the NYSE and the NASD? Could they be merged into one consolidated system and what would be the benefits of such a consolidated system? Should NASD's OATS or NYSE's OTS requirements be extended to all equity markets to enhance the ability of SROs to surveil intermarket activity? If so, could all markets' individual order audit trails be successfully integrated into the ISG's consolidated order audit trail or another consolidated system? How useful a regulatory tool would the

ISG's consolidated order audit trail system be if all markets were required to adopt their own order audit trail systems and their data was required to be integrated into the ISG's?

- To what extent is there a need for an order audit trail to provide crossover surveillance between the equities and options markets? To what extent would such crossover surveillance detect specific types of illicit trading activity?

There has been no further SEC communication following the issuance of the SRO Concept Release that contained these questions.

It therefore appears clear that the interaction of SRO monitoring of separate markets is a work in progress in the U.S. and that there are significant outstanding issues relating to the effectiveness of inter-market surveillance.

**Allocation of Costs of Intermarket Monitoring in the U.S.**

The NASD agreed to create OATS in response to an SEC order issued in 1996 following the discovery of collusion among market makers and other misconduct on Nasdaq. The NASD also agreed to increase its staffing in the areas of examinations, surveillance, enforcement, and internal audit in response to that order. The offer of settlement from the NASD to SEC stated that the NASD had authorized US\$25 million and committed to expend an additional US\$75 million over the following five years to enhance its systems for market surveillance, including the development and implementation of OATS. Nasdaq funded the creation of the OATS system and, as Nasdaq's 2003 petition noted, funds the continued operation of OATS.

The NYSE implemented OTS in response to a separate SEC finding that the NYSE had failed to provide adequate supervision, in its case of independent floor brokers. We have not found any information indicating that the NYSE did not fund the development of OTS itself, or the cost of the system.

The costs involved with the development and maintenance of ISG surveillance tools and the operation of ISG with respect to U.S. intermarket monitoring are funded by the U.S. ISG members by mutual agreement.

**Appendix B**  
**Impact on Marketplaces of Allocation Proposal**

Marketplace	Start-Up Costs <sup>3</sup>	Connection Costs <sup>4</sup>	Marketplace-Specific Costs <sup>5</sup>	Phase 1 Costs <sup>6</sup>	Total
Group A (1 marketplace)	\$25,000	\$26,393	\$12,000	\$50,000	<b>\$113,393</b>
Group B (1 marketplace)	\$25,000	\$26,393	-	\$50,000	<b>\$101,393</b>
Group C (4 marketplaces)	\$25,000	-	-	\$50,000	<b>\$75,000</b>
Group D (1 marketplace)	\$25,000	-	-	-	<b>\$25,000</b>

<sup>3</sup> This amount is proposed, for future new marketplaces, to increase to the greater of \$50,000 and RS's actual Start-Up Costs.

<sup>4</sup> The amounts set out in the table reflect current Connection Costs. Actual Connection Costs may change in the future. Also, a marketplace will not be invoiced for Connection Costs until RS decides to commence automated monitoring of that marketplace.

<sup>5</sup> To date, only one marketplace has incurred Marketplace-Specific Costs (totalling approximately \$12,000 for modifications required because the marketplace will not be providing all of its data in the format required by RS's standard feed specifications). Additional Marketplace-Specific Costs will likely be identified in the course of Phase 2.

<sup>6</sup> Each marketplace's share of Phase 1 Costs will decrease if additional new marketplaces begin operations and contribute to Phase 1 Costs.



13.1.5 CDS Rule Amendment Notice – Technical Amendments to CDS Rules Relating to the USTA

**THE CANADIAN DEPOSITORY FOR SECURITIES LIMITED (CDS)**

**TECHNICAL AMENDMENTS TO CDS RULES  
RELATING TO THE USTA**

**NOTICE OF EFFECTIVE DATE**

**A. DESCRIPTION OF THE PROPOSED AMENDMENTS**

The proposed amendments to the CDS Participant Rules are intended to ensure that CDS Participant Rules conform to new provincial legislation governing securities holdings and transfers through a clearing agency. A number of provinces have passed legislation to implement the principles of the Uniform Securities Transfer Act ("USTA") adopted by the Uniform Law Conference. The Ontario legislation, which is expected to be implemented in January 2007, includes the Securities Transfer Act, 2006 and amendments to the Personal Property Security Act and the Business Corporations Act. British Columbia and Alberta have passed substantially similar legislation.

The CDS Participant Rules marked for the proposed amendments may be accessed at the CDS website at:

<http://www.cds.ca/cdsclearinghome.nsf/Pages/-EN-NoticeofProposedAmendmentstoCDSParticipantRulesandRequestforCommentsUniformSecuritiesTransferAct?Open>

**B. REASONS FOR TECHNICAL CLASSIFICATION**

The amendments proposed pursuant to this Notice are considered technical amendments as they are required to ensure consistency or compliance with securities legislation and other regulatory requirements.

**C. EFFECTIVE DATE OF THE RULE**

Pursuant to Appendix A ("Rule Protocol Regarding The Review And Approval Of CDS Rules By The OSC") of the Recognition and Designation Order, as varied and restated, these amendments are expected to become effective on January 01, 2007.

**D. QUESTIONS**

Questions regarding this notice may be directed to:

Jamie Anderson  
Senior Legal Counsel  
The Canadian Depository for Securities Limited  
85 Richmond Street West  
Toronto, Ontario M5H 2C9

Fax: 416-365-1984  
e-mail: [attention@cds.ca](mailto:attention@cds.ca)

TOOMAS MARLEY  
Chief Legal Officer

**13.1.6 CDS Rule Amendment Notice – Technical Amendments to CDS Application for Participation – Corporate Restructuring**

**THE CANADIAN DEPOSITORY FOR SECURITIES LIMITED (CDS)  
TECHNICAL AMENDMENTS TO CDS APPLICATION FOR PARTICIPATION**

**NOTICE OF EFFECTIVE DATE**

**A. DESCRIPTION OF THE RULE AMENDMENT**

The proposed amendments update the Application for Participation for changes resulting from CDS's corporate restructuring initiative. References to "The Canadian Depository for Securities Limited" have been changed to "CDS Clearing and Depository Services Inc." There is no longer an inclusion of the United States Internal Revenue Service ("IRS") form W-8IMY in the application – applicants are now directed to obtain the most recent version of the form from the IRS. Checkboxes have been added to Schedule C to reflect the offering of various services by CDS Clearing and Depository Services Inc. Additionally, typographical corrections have been made.

The Application for Participation marked for the amendments may be accessed at the CDS website at:

<http://www.cds.ca/applications/webforms/onlineforms.nsf/PublishedByDocID/02F6BD67864F1CB98525720E0002F3B5>

**B. REASONS FOR TECHNICAL CLASSIFICATION**

The amendments related to Corporate Restructuring proposed pursuant to this Notice are considered technical amendments as they are required to ensure consistency or compliance with an existing rule, securities legislation or other regulatory requirement.

**C. EFFECTIVE DATE OF THE RULE**

Pursuant to Appendix A ("Rule Protocol Regarding The Review And Approval Of CDS Rules By The OSC") of the Recognition and Designation Order, as varied and restated on July 12, 2005, CDS has determined that these amendments will be effective on November 1, 2006.

**D. QUESTIONS**

Questions regarding this notice may be directed to:

Jamie Anderson  
Senior Legal Counsel  
The Canadian Depository for Securities Limited  
85 Richmond Street West  
Toronto, Ontario M5H 2C9

Telephone: 416-365-3876  
Fax: 416-365-1984  
e-mail: [attention@cds.ca](mailto:attention@cds.ca)

TOOMAS MARLEY  
Chief Legal Officer

13.1.7 CDS Rule Amendment Notice – Technical Amendments to ATON User Guide

THE CANADIAN DEPOSITORY FOR SECURITIES LIMITED (CDS)

TECHNICAL AMENDMENTS TO ATON USER GUIDE

NOTICE OF EFFECTIVE DATE

**A. DESCRIPTION OF THE RULE AMENDMENT**

*Background*

CDS has implemented CDS Participant Rule amendments creating a new category of participants for the purpose of accessing the Account Transfer Online Notification (“ATON”) service. In conjunction with the creation of this new participant category and the CDS corporate restructuring initiative, CDS has proposed amendments to its ATON User Guide.

The *ATON User Guide* marked for the amendments may be accessed at the CDS website at:

[http://www.cds.ca/cdsclearinghome.nsf/Downloads/-EN-ager7p1erblp/\\$File/ager7p1erblp.pdf?OpenElement](http://www.cds.ca/cdsclearinghome.nsf/Downloads/-EN-ager7p1erblp/$File/ager7p1erblp.pdf?OpenElement)

*Description of Proposed Amendments*

The proposed amendments to the *ATON User Guide* involve the replacement of all references to ‘Subscriber’ with a reference to ‘Participant’; further, reference to the ATON Subscriber Agreement has been redacted and replaced with reference to the CDS Participant Rules.

**B. REASONS FOR TECHNICAL CLASSIFICATION**

The amendments proposed pursuant to this Notice are considered technical as they are required to ensure consistency and compliance with the existing CDS Participant Rule governing ATON.

**C. EFFECTIVE DATE OF THE RULE**

Pursuant to Appendix A (“Rule Protocol Regarding The Review And Approval Of CDS Rules By The OSC”) of the Recognition and Designation Order, as varied and restated on July 12, 2005, CDS has determined that these amendments will be effective on November 1, 2006.

**D. QUESTIONS**

Questions regarding this notice may be directed to:

Jamie Anderson  
Senior Legal Counsel  
The Canadian Depository for Securities Limited  
85 Richmond Street West  
Toronto, Ontario M5H 2C9

Telephone: 416-365-3876  
Fax: 416-365-1984  
e-mail: [attention@cds.ca](mailto:attention@cds.ca)

TOOMAS MARLEY  
Chief Legal Officer

## Chapter 25

# Other Information

### 25.1 Consents

#### 25.1.1 Croesus Gold Inc. - s. 4(b) of the Regulation

##### Headnote

Consent given to an offering corporation under the Business Corporations Act (Ontario) to continue under the Business Corporations Act (British Columbia).

##### Statutes Cited

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

Business Corporations Act, S.B.C. 2002, c. 57.  
Securities Act, R.S.O. 1990, c. S.5, as am.

##### Regulations Cited

Regulation made under the Business Corporations Act, Ont. Reg. 289/00, as am., s. 4(b).

**IN THE MATTER OF  
ONT. REG. 289/00, AS AMENDED (THE  
"REGULATION")**

**MADE UNDER THE BUSINESS CORPORATIONS ACT,  
R.S.O. 1990, c. B. 16, AS AMENDED (THE "OBCA")**

**AND**

**IN THE MATTER OF  
CROESUS GOLD INC.**

**CONSENT  
(Subsection 4(b) of the Regulation)**

**UPON** the application of Croesus Gold Inc. ("Croesus") to the Ontario Securities Commission (the "Commission") requesting a consent from the Commission for Croesus to continue into another jurisdiction pursuant to subsection 4(b) of the Regulation;

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

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

1. Croesus is a corporation incorporated under the OBCA, with its registered office located at Suite 605, 80 Richmond Street West, Toronto, Ontario M5H 2S9.
2. Croesus's authorized share capital consists of an unlimited number of common shares of which 18,969,445 were issued and outstanding as of

October 27, 2006. Croesus's common shares are listed for trading on the TSX Venture Exchange under the symbol "CGN".

3. Croesus is an offering corporation under the OBCA and is a reporting issuer under the Securities Act, R.S.O. 1990, c. S. 5 as amended (the "Act"). Croesus is also a reporting issuer under the securities legislation of the provinces of British Columbia and Alberta (the "Legislation").
4. Croesus is proposing to submit an application to the Director under the OBCA pursuant to section 181 of the OBCA (the "Application for Continuance") for authorization to continue as a corporation under the British Columbia *Business Corporations Act*, S.B.C. 2002, c. 57 (the "BCBCA").
5. Pursuant to clause 4(b) of the Regulation, where a corporation is an offering corporation (as such term is defined in the OBCA), the Application for Continuance must be accompanied by a consent from the Commission.
6. Croesus is not in default of any of the provisions of the Act or the regulations or rules made thereunder and is not in default under the Legislation of any other jurisdiction where it is a reporting issuer.
7. Croesus is not a party to any proceeding nor, to the best of its knowledge, information and belief, any pending proceeding under the Act.
8. Croesus currently intends to remain a reporting issuer under the Act and under the Legislation following the continuance.
9. The continuance of Croesus as a corporation under the BCBCA was approved by Croesus's shareholders by special resolution at the Annual and Special Meeting of shareholders held on June 2, 2006 (the "Meeting"). The special resolution authorizing the continuance was approved at the Meeting by more than 66 2/3 of the votes cast.
10. Pursuant to section 185 of the OBCA, all shareholders of record as of the record date of the Meeting were entitled to dissent rights with respect to the proposed continuance ("Dissent Rights").
11. The management information circular of Croesus dated April 19, 2006, provided to all shareholders of Croesus in connection with the Meeting, advised the holders of common shares of Croesus

**Other Information**

---

of their Dissent Rights and included a summary of the differences between the BCBCA and the OBCA.

12. The Continuance is proposed because the majority of the directors and officers of Croesus are based in British Columbia.
13. The material rights, duties and obligations of a corporation governed by the BCBCA are substantially similar to those of a corporation governed by the OBCA.

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

**THE COMMISSION HEREBY CONSENTS** to the continuance of Croesus as a corporation under the BCBCA.

**DATED** November 3rd, 2006.

"Robert W. Davis"  
Commissioner  
Ontario Securities Commission

"Robert L. Shirriff"  
Commissioner  
Ontario Securities Commission

# Index

---

---

<b>Æterna Zentaris Inc.</b> MRRS Decision.....	9003	<b>Coatsworth, Donald Kenneth</b> SRO Notices and Disciplinary Proceedings.....	9126
<b>AllianceBernstein L.P.</b> Order - s. 80 of the CFA.....	9010	<b>Copernican World Banks Split Inc.</b> MRRS Decision .....	9001
<b>Amtelecom Income Fund</b> MRRS Decision.....	9006	<b>Core Canadian Dividend Trust</b> MRRS Decision .....	8999
<b>Anchor Securities Limited</b> Change of Category.....	9121	<b>Croesus Gold Inc.</b> Consent - s. 4(b) of the Regulation.....	9141
<b>Argus Corporation Limited</b> Cease Trading Order .....	9017	<b>CSA Staff Notice 51-321 - Questions and Answers Concerning Resources and Possible Reserves - NI 51- 101 Standards of Disclosure for Oil and Gas Activities</b> Notice .....	8974
<b>Atlas Cold Storage Income Trust</b> Decision - s. 83 .....	8998	<b>Darius Capital Limited</b> Order - s. 104(2)(c).....	9015
<b>Bell Aliant Regional Communications Holdings, Limited Partnership</b> MRRS Decision.....	8992	<b>ESI Entertainment Systems Inc.</b> Cease Trading Order.....	9017
<b>Bell Aliant Regional Communications, Inc.</b> MRRS Decision.....	8992	<b>Esprit Energy Trust</b> Decision - s. 83.....	8990
<b>Bell Aliant Regional Communications, Limited Partnership</b> MRRS Decision.....	8992	<b>Fareport Capital Inc.</b> Cease Trading Order.....	9017
<b>Blue Note Mining Inc.</b> Order - s. 83.1(1) .....	9009	<b>Gallery Resources Limited</b> Cease Trading Order.....	9017
<b>Canadian Arctic Gas Ltd.</b> Decision - s. 83 .....	8991	<b>Garrison International Ltd.</b> Cease Trading Order.....	9017
<b>CDS Procedures Relating to International Services Procedures, Material Amendments to</b> Notice.....	8978	<b>Graveline, Dale Michael</b> SRO Notices and Disciplinary Proceedings.....	9123
<b>CDS Rule Amendment Notice – Technical Amendments to ATON User Guide</b> SRO Notices and Disciplinary Proceedings .....	9140	<b>Great Lakes Holdings Inc.</b> Decision - s. 83.....	8985
<b>CDS Rule Amendment Notice – Technical Amendments to CDS Application for Participation – Corporate Restructuring</b> SRO Notices and Disciplinary Proceedings .....	9139	<b>Hinke, Thomas</b> Notice of Hearing - ss. 127, 127.1 .....	8971
<b>CDS Rule Amendment Notice – Technical Amendments to CDS Rules Relating to the USTA</b> SRO Notices and Disciplinary Proceedings .....	9138	Notice from the Office of the Secretary .....	8982
<b>ClaringtonFunds Inc.</b> Consent to Suspension (Rule 35-502 – Surrender of Registration).....	9121	<b>Hip Interactive Corp.</b> Cease Trading Order.....	9017
		<b>HMZ Metals Inc.</b> Cease Trading Order.....	9017
		<b>Hollinger Inc.</b> Cease Trading Order.....	9017
		<b>Manulife Finance (Delaware), L.P.</b> MRRS Decision .....	8983

---

---

---

---

**Index**

<b>Mohamed, Siddiq</b>		<b>Regenesis Capital Management Inc.</b>	
Consent to Suspension (Rule 35-502 – Surrender of Registration) .....	9121	Name Change .....	9121
<b>Morgan Stanley &amp; Co. Incorporated</b>		<b>Research In Motion Limited</b>	
Change of Category .....	9121	Cease Trading Order.....	9017
<b>Navigator Capital Management Inc.</b>		<b>RS Notice - Request for Comments - Proposed Allocation of Costs - First Group</b>	
Name Change.....	9121	SRO Notices and Disciplinary Proceedings.....	9127
<b>Neotel International Inc.</b>		<b>Sears Holdings Corporation</b>	
Cease Trading Order .....	9017	News Release .....	8982
<b>OFI Institutional Asset Management, Inc.</b>		<b>Sequoia Oil &amp; Gas Trust</b>	
New Registration.....	9121	Decision - s. 83.....	8989
<b>Pacrim International Capital Inc.</b>		<b>Spider Resources Inc.</b>	
Cease Trading Order .....	9017	Order - s. 83.1(1).....	9012
<b>Park Hill Real Estate Group LLC</b>		<b>Straight Forward Marketing Corporation</b>	
New Registration.....	9121	Cease Trading Order.....	9017
<b>Peerless Oil &amp; Gas Inc.</b>		<b>UCB SA</b>	
Decision - s. 83 .....	8997	MRRS Decision .....	8986
<b>Rankin, Andrew</b>		<b>UCB SP GMBH</b>	
News Release.....	8981	MRRS Decision .....	8986
<b>Recognition Order of the Mutual Fund Dealers Association of Canada, Application to Amend</b>		<b>Wardle, W. Scott</b>	
Notice.....	8978	SRO Notices and Disciplinary Proceedings.....	9124
Order - s. 144.....	9014		