The Ontario Securities Commission

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

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Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

APRIL 27, 2007

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

- -

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

The Harry S. Bray Hearing Room
Ontario Securities Commission
Cadillac Fairview Tower
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Suresh Thakrar, FIBC	—	ST
Wendell S. Wigle, Q.C.	—	WSW

SCHEDULED OSC HEARINGS

April 27, 2007 10:00 a.m.	**Merax Resource Management Ltd. carrying on business as Crown Capital Partners, Richard Mellon and Alex Elin** s. 127 H. Craig in attendance for Staff Panel: LER/WSW
May 1, 2007 2:30 p.m.	**Frank Dunn, Douglas Beatty, Michael Gollogly** s.127 K. Daniels in attendance for Staff Panel: JEAT
May 7, 2007 10:00 a.m.	**Limelight Entertainment Inc., Carlos A. Da Silva, David C. Campbell, Jacob Moore and Joseph Daniels** s. 127 and 127.1 D. Ferris in attendance for Staff Panel: PJL/ST/JEAT
May 22, 2007 10:00 a.m.	**Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues)** s.127 and 127.1 D. Ferris in attendance for Staff Panel: ST/DLK
May 28, 2007 10:00 a.m.	**Jose Castaneda** s. 127 and 127.1 H. Craig in attendance for Staff Panel: WSW/DLK

June 4, 2007 10:00 a.m.	**Eugene N. Melnyk, Roger D. Rowan, Watt Carmichael Inc., Harry J. Carmichael and G. Michael McKenney** s. 127 and 127.1 J. Superina in attendance for Staff Panel: TBA
June 5, 2007 10:00 a.m.	**Certain Directors, Officers and Insiders of Research In Motion Limited** s. 144 J.S. Angus in attendance for Staff Panel: JEAT/CSP
June 14, 2007 10:00 a.m.	**Peter Sabourin, W. Jeffrey Haver, Greg Irwin, Patrick Keaveney, Shane Smith, Andrew Lloyd, Sandra Delahaye, Sabourin and Sun Inc., Sabourin and Sun (BVI) Inc., Sabourin and Sun Group of Companies Inc., Camdeton Trading Ltd. and Camdeton Trading S.A.** s. 127 and 127.1 Y. Chisholm in attendance for Staff Panel: TBA
June 21, 2007 10:00 a.m.	**Momentas Corporation, Howard Rash, Alexander Funt, Suzanne Morrison* and Malcolm Rogers*** s. 127 and 127.1 P. Foy in attendance for Staff Panel: WSW/CSP * Settled April 4, 2006
July 5, 2007 10:00 a.m.	**Sulja Bros. Building Supplies, Ltd. (Nevada), Sulja Bros. Building Supplies Ltd., Kore International Management Inc., Petar Vucicevich and Andrew DeVries** s. 127 & 127.1 P. Foy in attendance for Staff Panel: WSW/MCH
July 5, 2007 11:30 a.m.	**Norshield Asset Management (Canada) Ltd., Olympus United Group Inc., John Xanthoudakis, Dale Smith and Peter Kefalas** s.127 M. MacKewn in attendance for Staff Panel: WSW/DLK
July 9, 2007 10:00 a.m.	***AiT Advanced Information Technologies Corporation, *Bernard Jude Ashe and Deborah Weinstein** s. 127 K. Manarin in attendance for Staff Panel: TBA * Settlement Agreements approved February 26, 2007
October 9, 2007 10:00 a.m.	**John Daubney and Cheryl Littler** s. 127 and 127.1 A.Clark in attendance for Staff Panel: TBA
October 12, 2007 10:00 a.m.	**Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton** s. 127 H. Craig in attendance for Staff Panel: TBA
October 29, 2007 10:00 a.m.	**Mega-C Power Corporation, Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited** S. 127 A. Sonnen in attendance for Staff Panel: TBA

November 12, 2007
10:00 a.m.

Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boultbee and Peter Y. Atkinson

s.127

J. Superina in attendance for Staff

Panel: TBA

December 10, 2007
10:00 a.m.

Rex Diamond Mining Corporation, Serge Muller and Benoit Holemans

s. 127 & 127(1)

H. Craig in attendance for Staff

Panel: TBA

TBA

Yama Abdullah Yaqeen

s. 8(2)

J. Superina in attendance for Staff

Panel: TBA

TBA

John Illidge, Patricia McLean, David Cathcart, Stafford Kelley and Devendranauth Misir

S. 127 & 127.1

K. Manarin in attendance for Staff

Panel: TBA

TBA

Euston Capital Corporation and George Schwartz

s. 127

Y. Chisholm in attendance for Staff

Panel: TBA

TBA

Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell

s. 127

J. Waechter in attendance for Staff

Panel: TBA

TBA

Philip Services Corp. and Robert Waxman

s. 127

K. Manarin/M. Adams in attendance for Staff

Panel: TBA

Colin Soule settled November 25, 2005

Allen Fracassi, Philip Fracassi, Marvin Boughton, Graham Hoey and John Woodcroft settled March 3, 2006

TBA

First Global Ventures, S.A., Allen Grossman and Alan Marsh Shuman

s. 127

D. Ferris in attendance for Staff

Panel: WSW/ST/MCH

TBA

John Alexander Cornwall, Kathryn A. Cook, David Simpson, Jerome Stanislaus Xavier, CGC Financial Services Inc. and First Financial Services

s. 127 and 127.1

S. Horgan in attendance for Staff

Panel: RLS/DLK/MCH

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

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

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 OSC Staff Notice 11-760 - Report on Mutual Fund Sales Practices under Part 5 of NI 81-105 Mutual Fund Sales Practices

Ontario Securities Commission
Staff Notice 11-760
Report on Mutual Fund Sales Practices under Part 5 of National Instrument 81-105 - Mutual Fund Sales Practices

Executive Summary

Introduction

In the fall of 2006, OSC staff conducted a focused review of the marketing and educational practices of fund managers under Part 5 of National Instrument 81-105 *Mutual Fund Sales Practices* (NI 81-105). This report summarizes our findings and provides guidance to industry participants on complying with these requirements.

Background

NI 81-105 regulates the sales practices of industry participants in connection with the distribution of publicly offered securities of mutual funds. This includes the manager and the principal distributor of the mutual fund, as well as dealers and their sales representatives.

The intention of NI 81-105 is to reduce conflicts between the interests of investors and those of dealers, their sales representatives and managers. NI 81-105 came into force in May 1998 in response to the concern that certain sales practices and compensation arrangements common in the industry at the time could be perceived as inducing dealers and their sales representatives to sell mutual fund securities based on the incentives they were receiving, rather than on what was suitable for, and in the best interests of, investors.

By prohibiting certain sales practices and compensation arrangements, NI 81-105 establishes a minimum standard of conduct for industry participants to follow in their sales practices.

We last reviewed industry sales practices under NI 81-105 in October 1998 as part of a national compliance review. In our view, sufficient time had passed to warrant a review of Part 5 of NI 81-105, which deals with the following marketing and educational practices:

- cooperative marketing practices (section 5.1)
- mutual fund sponsored conferences (section 5.2)
- third party sponsored educational events (section 5.3)
- industry association sponsored events (section 5.4)

- participating dealer sponsored events (section 5.5) and
- promotional items and business promotion activities (section 5.6)

Purpose of the review

The goals of the review were to:

- confirm our understanding of how managers are interpreting and complying with Part 5 of NI 81-105
- review and assess managers' policies, procedures and practices relating to sales practices
- assess whether additional guidance to industry participants is necessary and
- determine whether NI 81-105 is meeting our objectives, or whether amendments are necessary

Scope of the review

We reviewed a sample of 20 managers with assets under management totaling $306 billion as at July 31, 2006. The managers varied in size from $6 million to $67 billion in assets under management.

The review teams consisted of staff from the Compliance team of the Capital Markets Branch and staff from the Investment Funds Branch. We conducted onsite reviews of the managers included in the sample during the period from September to December 2006. We reviewed samples of documentation dating from August 1, 2005 to July 31, 2006 that related to events sponsored by managers.

Each manager that we reviewed received a report in February 2007, which set out the specific deficiencies staff noted during their reviews. The managers were required to respond in writing to staff within 30 days of receiving the report and explain how they were going to correct the deficiencies.

Key findings

Overall, the managers we reviewed substantially complied with Part 5 of NI 81-105. While the deficiency reports sent to each manager identified areas for improvement, none of the deficiencies warranted enforcement action.

We identified the following three areas of deficiency that were common to the managers in the sample:

1. Primary purpose test

Meeting the primary purpose test under Part 5 is essential to managers deciding to accept or reject a cooperative marketing request.

Primary purpose tests were not met because broader topics such as financial planning or investing in securities were included in the sales communications, investor conferences or seminars organized under section 5.1. In addition, significant time was spent on practice management sessions, motivational speakers, award ceremonies, sessions on general business operations or recreational activities for conferences or events organized under sections 5.2 to sections 5.6.

2. Policies and procedures

Policies and procedures for sales practices were inadequate because there was not enough detail to ensure compliance with Part 5. For example, policies and procedures simply repeated the provisions of NI 81-105 and did not provide guidelines or processes to assist managers in reviewing and approving requests and reimbursing expenses.

In some instances, the managers had detailed policies and procedures in place but they did not consistently adhere to them.

Additionally, some managers' policies and procedures under Part 5 did not appropriately capture events hosted or attended by dealers and sales representatives who distribute both mutual fund securities and non-mutual fund securities, such as segregated funds and closed-end funds.

3. Monitoring promotional items and business promotion activities

Managers did not adequately monitor promotional items and business promotion activities. They did not have adequate processes in place to:

- monitor the total dollar amount of benefits given to individual sales representatives as promotional items or in promotion activities or
- track the frequency with which these benefits were provided to individual sales representatives.

Specific deficiencies relating to each section of Part 5 of NI 81-105 are described below under *Detailed findings*.

Conclusion

We recognize that managers engage in a variety of sales practices and must use their judgment when applying the principles set out in NI 81-105, in particular under Part 5. To meet their standard of care under securities legislation, we expect managers to develop policies and procedures specific to their businesses and to apply them consistently to their sales practices.

In particular, we expect managers to maintain documentation to support decisions to provide sponsorship under Part 5. See Appendix A for a list of guidelines managers may want to consider including in their policies and procedures manual.

We believe the spirit and intent of NI 81-105 remain relevant today and strike the right balance between protecting investors, and fostering fair and efficient capital markets. As a result, we are not proposing any amendments to NI 81-105 at this time.

We will, however, continue to review cooperative marketing and other sales practices as part of our regular reviews of fund managers. We expect industry participants to look to the guidance included in this report in meeting the requirements under Part 5 of NI 81-105.

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April 27, 2007

Detailed findings

The following pages describe the deficiencies we observed for each section of Part 5 and our guidance for managers to meet the requirements. In many cases, the specific guidance noted under a section will also apply to other sections of Part 5.

Section 5.1 Cooperative marketing practices

Section 5.1 permits managers to pay the costs of sales communications, investor conferences and seminars that dealers organize and present to investors, within certain parameters.

Deficiencies

We observed the following deficiencies:

- **Primary purpose**. Sales communications and investor conferences and seminars did not meet the primary purpose of promoting or providing educational information concerning a mutual fund, a mutual fund family or mutual funds generally. Instead, the sales communications and seminars dealt with the broader topic of investing generally.

- **Documentation**. There was inadequate supporting documentation to demonstrate:

  - that sales communications and investor conferences and seminars met the primary purpose test

  - that the manager reviewed requests from dealers for financial support

  - that manager sponsorship of investor conferences and seminars was disclosed to the attendees in writing

  - that the 50% contribution limit on mutual fund organizations was met when more than one manager paid direct costs

  - who managers made payments to

- **Payments.** Managers paid for items that dealers used for client appreciation purposes, for example, golf tournaments, tickets to sporting events, books on investing and gift certificates.

  Managers made cooperative payments directly to sales representatives instead of to dealers.

- **Policies and procedures.** In some instances, events were not identified and tracked under the appropriate section of Part 5. In other instances, the review process for sponsorship requests was handled solely by the manager's sales department with no independent oversight by, for example, the manager's compliance department.

Managers did not follow the guidelines in their policies and procedures for paying for cooperative marketing under section 5.1.

- **Disclosure**. Sales communications did not disclose manager sponsorship.

Guidance

We expect managers to consider the following:

Primary purpose

The primary purpose for sales communications, investor seminars and conferences in section 5.1 is more limited in scope than in other sections of Part 5 and may not include topics on financial planning or investing in securities. Managers require exemptive relief if they want to sponsor seminars or conferences on broader topics under this section.

We expect managers to have internal policies and procedures to evaluate the content of sales communications and investor conferences or seminars under this section. Managers may want to consider developing an internal percentage benchmark to assess whether the primary purpose test is met. For example, if the amount of time spent on permitted topics at an investor seminar or conference exceeds a certain percentage, the event meets the primary purpose requirement.

If the investor seminar or conference is a lunch or dinner presentation, looking solely at the time allotted to the educational portion of the event may not be an appropriate way to evaluate whether the primary purpose test is met. In this instance, we expect managers to consider the whole event, including:

- the content of the presentations
- the cost of meals or refreshments and
- any other costs

Managers may want to consider setting an internal dollar amount per person per event as a general guideline for sponsoring lunch or dinner seminars and conferences. If the costs appear excessive compared to the purpose of the event, the objective of the event may be viewed as client appreciation, which is not permitted by section 5.1.

Documentation

We expect managers to maintain documentation to support their decisions on providing sponsorship. We expect the documentation to include:

- a copy of the written communication identifying the manager as a sponsor

- final copies of any advertisement, newsletter or transcripts for television or radio advertisements
- a final agenda that sets out the topics covered and the time allotted to each topic
- evidence that sponsorship by multiple managers in total did not exceed 50% of the direct costs and
- copies of all invoices and receipts

Payments

Paragraph 5.1(c) specifies that the participating dealer—not the sales representative—must provide the manager with invoices and receipts associated with the event. Section 5.1 also requires managers to make reimbursement cheques payable to dealers, not to sales representatives.

Disclosure

Paragraph 5.1(e) specifies that attendees of investor seminars and conferences must be informed in writing of the manager's sponsorship. We do not consider verbally introducing the manager as a sponsor at the investor seminar or conference to fulfill this requirement.

If the manager has not been identified in the invitation to the seminar or conference as a sponsor, we expect the manager to be clearly identified in writing as a sponsor on items such as signs, posters and banners.

We consider using the fund company's logo instead of the manager's full legal name on a sales communication to satisfy the disclosure requirement in paragraph 5.1(e) if:

- the logo is easily identifiable and
- it is clear that the manager is sponsoring the event

The following are acceptable disclosure statements:

- "paid in part by XXX"
- "sponsored in part by XXX"
- "a portion of the costs has been paid by XXX" and
- "brought to you by XXX"
  (where XXX is the fund manager's full legal name or its logo)

Section 5.2 Mutual fund sponsored conferences

Section 5.2 permits managers to organize educational conferences or seminars for sales representatives of dealers, subject to certain conditions.

Deficiencies

We observed the following deficiencies:

- **Primary purpose**. Conferences and seminars did not meet the primary purpose test because significant parts of the conference were devoted to topics not permitted in paragraph 5.2(a) or to recreational activities.

- **Documentation**. There was a lack of documentation to support how the conferences and seminars met the primary purpose test.

- **Policies and procedures**. Managers did not follow their policies and procedures for assessing whether a conference or seminar met the requirements of section 5.2.

- **Payments**. Managers paid expenses that sales representatives incurred to attend the conference, such as arrival and departure ground transportation costs, and personal incidental expenses.

- **Participants**. Managers influenced which sales representatives attended the conference. Clients were invited to conferences and seminars with their sales representative.

Guidance

We expect managers to consider the following:

Primary purpose

Conferences or seminars for sales representatives of dealers may include organized recreational activities and free time, including entertainment in the evenings. However, the primary purpose of the conference or seminar must be to provide educational information as described in paragraph 5.2(a).

We do not consider it appropriate for events under section 5.6 to be combined with events under section 5.2.

When determining primary purpose, we expect managers to consider the whole event including:

- the content of the presentations

- how much of the business day is spent on permitted educational topics (allowing for reasonable breaks, meals and time to travel between activities)

- the cost of meals or refreshments and

- any other costs

We expect the time spent on permitted educational topics to be proportionate to the time spent on other topics or activities, such as practice management, recreational activities or entertainment. If the organized recreational activities and free time appear excessive, the overall objective of the event may be viewed as business promotion, which is not permitted by section 5.2.

We consider topics that help sales representatives meet their obligations as registrants to be permissible educational information under section 5.2. An example is "how to ensure compliance with securities legislation". Topics that relate to practice management are not permissible.

We expect managers to have internal policies and procedures to evaluate the content of conferences or seminars and ensure compliance under section 5.2. This can include:

- comparing the conference or seminar agenda to an internal percentage benchmark to assess whether the primary purpose test will be met and
- reviewing agenda items by topic and the amount of time allotted to each topic

In addition, managers should consider having people who are not involved in organizing the events review them.

Documentation

We expect managers to maintain documentation that supports their decisions to provide sponsorship under this section. We expect the documentation to include:

- the budget for the event
- a final agenda that sets out the topics covered and the time allotted to each topic
- a final list of the attendees
- evidence that:
  - the conference or seminar complies with section 5.2
  - the manager's internal guidelines for the section have been met and
- copies of all invoices and receipts

Payments

We expect managers to maintain a budget for all conferences and seminars, and to ensure that the costs incurred are directly attributable to the conference or seminar.

Participants

Paragraph 5.2(b) specifies that the selection of sales representatives be made exclusively by the dealer. Managers may contact sales representatives directly only if they have the permission of the dealer and they invite all of the dealer's sales representatives.

We view the invitation and attendance of clients of sales representatives to conferences or seminars as client appreciation, which is not permitted by section 5.2.

Section 5.3 Third party sponsored educational events

Section 5.3 permits managers to pay the registration fees for sales representatives attending conferences, seminars or courses offered by organizations that are not members of the mutual fund organization or the dealer, within certain parameters.

Deficiencies

We observed the following deficiencies:

- **Primary purpose**. Courses did not meet the primary purpose test. While there were educational components dealing with financial planning and investing, the course content focused primarily on topics not permitted in paragraph 5.3(a).

- **Policies and procedures**. Managers did not follow their policies and procedures. For example, managers did not comply with their internal policies to reimburse only 50% of the total cost of a course, but reimbursed the full amount.

- **Documentation**. We noted a lack of documentation that supported the managers' assessment that the conferences, seminars and courses met the primary purpose test, and the managers' pre-approval decisions and reimbursement of expenses.

  In addition, managers relied on the dealer to confirm that the events met the requirements of section 5.3 or to maintain all documentation which, by itself, is not sufficient.

- **Payments**. Managers reimbursed sales representatives for items other than the registration fee for the conference, seminar or course, such as dinners and course material.

Guidance

We expect managers to consider the following:

Primary purpose

It is the manager's responsibility to assess whether the primary purpose test is met under section 5.3. We expect managers to have internal policies and procedures to evaluate the content of a third party conference, seminar or course under this section.

When determining primary purpose, we expect managers to consider the whole event including:

- the content of the presentations and
- how much of the business day is spent on permitted educational topics (allowing for reasonable breaks, meals and time to travel between activities)

Certain organizations, such as the Canadian Securities Institute and the Investment Funds Institute of Canada, offer courses that normally meet the primary purpose test in paragraph 5.3(a). However, due to the variety of courses that may be offered, we expect managers to review the content of each conference, seminar and course before providing sponsorship.

Documentation

We do not consider a manager's standard of care under securities legislation to be satisfied by relying solely on third party certifications that the regulatory requirements under Part 5 have been met. We expect managers to carry out their own due diligence to determine compliance with this section and NI 81-105.

Payments

Section 5.3 permits managers to pay only the registration fees. Accordingly, managers should review invoices carefully to ensure they are paying only for expenses covered under this section.

Section 5.4 Industry association sponsored events

Section 5.4 permits managers to pay to a trade or industry association the costs or expenses incurred relating to a conference, seminar or course organized by them, subject to certain conditions.

Deficiencies

We observed the following deficiencies:

- **Primary purpose**. Managers did not adequately review the content of the conference, seminar or course to determine primary purpose.
- **Documentation**. We noted a lack of documentation that supported how the conference, seminar or course met the primary purpose test, and how the manager assessed the total direct costs of the conference, seminar or course to ensure compliance with the sponsorship limit in paragraph 5.4(2)(b). In some cases there was no documentation relating to the event, for example, there were no invoices for the costs of the conference.
- **Payments**. Managers paid more than 10 per cent of the total direct costs of the conference.

Guidance

We expect managers to consider the following:

Primary purpose

When determining primary purpose, we expect managers to consider the whole event including:

- the content of the presentations
- how much of the business day is spent on permitted educational topics (allowing for reasonable breaks, meals and time spent traveling between activities)
- the cost of meals or refreshments and
- any other costs

Managers may want to consider reviewing agenda items by topic and the amount of time allotted to each topic.

It is the manager's responsibility to ensure that the industry association sponsoring the event has obtained exemptive relief to receive cooperative support under section 5.4.

Documentation

We expect managers to maintain documentation that supports their decisions to provide sponsorship and their compliance with this section. In particular, we expect managers to have records that they have not paid more than 10% of the total direct costs of the event as set out in paragraph 5.4(2)(b).

Section 5.5 Participating dealer sponsored events

Section 5.5 permits managers to pay the costs of conferences and seminars organized and presented by dealers (that are not investor conferences or seminars referred to in section 5.1), within certain parameters.

Deficiencies

We observed the following deficiencies:

- **Primary purpose**. Conferences and seminars did not meet the primary purpose of providing educational information about financial planning, investing in securities, mutual fund industry matters, the managers' mutual funds or mutual funds generally because significant portions of the content of the events were devoted to topics not captured in paragraph 5.5(a) or significant parts of the day were devoted to recreational activities.

  Managers did not adequately review the content of the conference or seminar to determine primary purpose. For example, a manager reviewed only the content of the

sessions that its staff presented, but did not look into the content of the other sessions presented at a multi-day conference.

Managers did not follow their policies and procedures for determining primary purpose when processing requests from affiliated dealers.

- **Documentation**. There was inadequate documentation to support managers' pre-approval decision and its reimbursement of expenses. Managers sponsored events that did not meet the primary purpose test under their policies and procedures, with no documentation to demonstrate why the decision was made.

- **Processes**. Managers did not implement procedures to handle requests for pre-approval in a timely manner.

- **Payments**. Managers paid more than 10% of the total direct costs of the conference or seminar.

Guidance

We expect managers to consider the following:

Primary purpose

Conferences or seminars may include organized recreational activities and free time, including entertainment in the evenings. However, to meet the primary purpose test in section 5.5, the overall purpose of the conference or seminar must be to provide educational information described in paragraph 5.5(a).

When determining primary purpose, we expect managers to consider the whole event, including:

- the content of the presentations

- how much of the business day is spent on permitted educational topics (allowing for reasonable breaks, meals and time to travel between activities)

- the cost of meals or refreshments and

- any other costs

Documentation

We expect managers to maintain documentation to support their decisions to provide sponsorship under this section. We expect the documentation to include:

- a final agenda that sets out the topics covered and the time allotted to each topic

- records that:
  - the conference or seminar complied with section 5.5
  - the manager's internal policies and procedures for its pre-approval and final consideration and approval were met
  - the manager's total sponsorship did not exceed 10% of the direct costs
  - sponsorship by multiple managers in total did not exceed 66% of the direct costs
- the total costs of the event and the amount paid by the manager and
- copies of all invoices and receipts

We do not consider a manager's standard of care under securities legislation to be satisfied by relying solely on third party certifications that the regulatory requirements under Part 5 have been met. We expect managers to carry out their own due diligence to ensure compliance with section 5.5 and NI 81-105.

Payments

Section 5.5 permits a manager to pay the direct costs incurred by the dealer in organizing and presenting the conference or seminar. Direct costs do not include the travel, accommodation or personal incidental expenses of attendees.

We recognize conferences and seminars often take many months to organize, and the details of the events, such as agenda items, estimated costs, the total number of sponsors and the amount of their contributions, may change. However, we expect managers to review a final agenda that sets out the topics covered and the time allotted to each topic, costs, list of sponsors, etc. when determining whether to reimburse the dealer under this section.

Section 5.6 Promotional items and business promotion activities

Section 5.6 permits managers to provide to sales representatives non-monetary benefits of a promotional nature if the benefits are not too extensive or frequent, and subject to certain conditions.

Deficiencies

We observed the following deficiencies:

- **Policies and procedures**. Managers did not have adequate guidelines for the frequency and extent of promotional items and business promotion activities they provided to sales representatives or adequate processes to effectively monitor them. For example, promotional items and promotion activities provided to sales representatives were often tracked separately.

Managers did not follow the dollar thresholds and frequency limits in their policies and procedures. For example, managers exceeded their quarterly and annual dollar limits per sales representative.

- **Non-monetary benefits**. The non-monetary benefits provided to individual sales representatives were too frequent or too excessive.

Guidance

We expect managers to consider the following:

Policies and procedures

We expect managers to have internal processes and monitoring procedures to assess whether the requirements of this section will be met. Among other things, managers should consider including the following items in their policies and procedures:

- an annual dollar limit that can be spent on a per sales representative basis, for example, $1,000
- frequency limits for benefits on a quarterly and annual basis and
- internal guidelines for dollar amounts for different types of promotional items and events, such as trinkets, sports events, concerts, etc.

Participants

We view the attendance of clients of sales representatives at promotional activities intended for sales representatives as client appreciation, which is not permitted by section 5.6.

Appendix A

Managers may want to consider including the following items in their policies and procedures manual on sales practices to help them comply with Part 5 of NI 81-105:

Section 5.1 Cooperative marketing practices

- guidelines for ensuring the primary purpose test is met
- procedures for:
  - ensuring that no more than 50% of the total direct costs are paid by all mutual fund organizations in total
  - obtaining receipts for expenditures incurred by the dealer
  - ensuring the manager's sponsorship is disclosed in writing
- processes to ensure managers make payments to dealers, not to sales representatives

Section 5.2 Mutual fund sponsored conferences

- guidelines for:
  - ensuring the primary purpose test is met
  - ensuring the manager does not influence the selection of sales representatives of dealers
  - appropriate costs associated with an event
- permitted locations to hold conferences and seminars
- processes to ensure the manager does not pay for travel, accommodation or personal incidental expenses of sales representatives attending an event

Section 5.3 Third party sponsored educational events

- guidelines for ensuring:
  - the primary purpose test is met
  - the manager does not influence the selection of sales representatives of dealers
- procedures for obtaining receipts for registration fees
- permitted locations for conferences and seminars

Section 5.4 Industry association sponsored events

- guidelines for ensuring:
  - the primary purpose test is met
  - the manager does not influence the selection of sales representatives of dealers
- procedures for ensuring that no more than 10% of the total direct costs are paid by all members of a mutual fund family in aggregate
- permitted locations for conferences and seminars

Section 5.5 Participating dealer sponsored events

- guidelines for ensuring:
  - the primary purpose test is met
  - the manager does not influence the selection of sales representatives of dealers
- procedures for ensuring:
  - no more than 10% of the total direct costs are paid by all members of a mutual fund family in total
  - no more than 66% of the total direct costs are paid by all members of sponsoring mutual fund families in total
- permitted locations to hold conferences and seminars

Section 5.6 Promotional items and business promotion activities

- guidelines for assessing the frequency and extent of promotional items and promotion activities
- processes for monitoring the non-monetary benefits that individual sales representatives receive

1.1.3 OSC Request for Comments Regarding Statement of Priorities for Fiscal Year Ending March 31, 2008

OSC REQUEST FOR COMMENTS
REGARDING STATEMENT OF PRIORITIES
FOR FISCAL YEAR ENDING MARCH 31, 2008

The *Securities Act* requires the Commission to deliver to the Minister and publish in its Bulletin by June 30 of each year a statement of the Chair setting out the proposed priorities of the Commission in connection with the administration of the Act, the regulations and the rules, together with a summary of the reasons for the adoption of the priorities.

Before publishing the statement of proposed priorities, the Commission is directed by the Act to publish a notice inviting interested persons or companies to make written representations as to the matters that should be identified as priorities. In this Notice, we refer to this as a Request for Comments.

In an effort to obtain feedback and specific advice on our proposed goals and initiatives, the Commission is publishing a draft Statement of Priorities which follows this Request for Comments. The Commission will consider the feedback received, and make any necessary revisions prior to finalizing and publishing its 2007/2008 Statement of Priorities.

The Statement of Priorities will serve as the guide for the Commission's ongoing operations. Following delivery of the Statement of Priorities to the Minister, we will also publish on our website a report on our progress against our 2006/2007 priorities.

Comments

Interested parties are invited to make written submissions by June 11, 2007, to:

Robert Day
Manager, Business Planning
Ontario Securities Commission
20 Queen Street West
Suite 1900, Box 55
Toronto, Ontario M5H 3S8
[416] 593-8179
rday@osc.gov.on.ca

ONTARIO SECURITIES COMMISSION
DRAFT STATEMENT OF PRIORITIES
FOR FISCAL 2007/2008

June 2007

Introduction

The *Securities Act* requires the Ontario Securities Commission (OSC) to publish in its Bulletin and to deliver to the Minister by June 30 of each year a statement by the Chair setting out the proposed priorities for the Commission for the current financial year. The OSC remains committed to delivering its regulatory services in a businesslike manner and to working closely with its colleagues within the Canadian Securities Administrators (CSA) and with market participants to ensure that the regulatory system remains relevant to the changing marketplace.

Our Mandate

The OSC's mandate is set by statute:

To provide protection to investors from unfair, improper or fraudulent practices and to foster fair and efficient capital markets and confidence in the capital markets.

Our Role

The OSC safeguards and strengthens the integrity and soundness of Ontario's securities markets for the benefit of domestic and international investors, issuers, intermediaries and other market participants. We operate in a flexible and accountable manner that is responsive to the dynamic securities markets we regulate. We strive to operate in concert with other regulators in Canada and internationally.

Message from the Chair

The Ontario Securities Commission works to foster confidence in the integrity, fairness and competitiveness of Ontario's capital markets on behalf of investors, public companies and other market participants. Robust markets are essential to the health of the economy of our country.

In this Statement of Priorities, the Commission has set out its strategic goals for meeting its mandate and has identified specific initiatives in support of each goal for the current fiscal year. As you will see, we are focused on conducting effective compliance programs, delivering vigilant enforcement and strengthening investor protection, as well as providing greater organizational accountability.

The OSC will maintain a proactive approach to prevent, detect and deter harm to investors and the overall markets. Moreover, we will work to strengthen the securities regulatory system within Canada's framework of provincial and territorial securities regulators.

I trust our Statement of Priorities will give you a clear understanding of the objectives and direction of the Commission, as we work to provide protection to investors and foster confidence in the integrity of the capital markets in Ontario.

Yours very truly,
David Wilson
Chair

Key Challenges

The OSC faces many challenges as it strives to fulfill its mandate and meet its objectives. These challenges include providing strong investor protection, effective compliance and enforcement programs and efficient regulation in a rapidly changing marketplace. Canada's framework of 13 provincial and territorial securities regulators presents a structural challenge in working with other regulators to strengthen the regulatory system. These challenges emphasize the importance of fostering confidence in the fairness and efficiency of the capital markets.

The investor community has grown significantly in recent years, as almost all adult Canadians are now invested in the capital markets through direct retail investments, or indirectly through mutual funds and pension plans. More investors are relying on the capital markets in order to grow their wealth, purchase homes and improve the standard of living for them and their families. Moreover, in an aging society, Ontarians will come to rely more on the capital markets to preserve their assets and generate a

steady income in retirement. To meet these demands from investors, the investment industry has created increasingly innovative, and sometimes highly sophisticated, investment products, services, trading strategies and advice.

The expansion of the investor community, both institutional and retail, has intensified issues of investment risk. As individual Canadians have taken more responsibility for their personal financial planning, the need for investor education has also grown. One challenge for the OSC is to continue to better understand and address the needs of investors. We must remain focused on ensuring regulatory compliance and adequacy of disclosure. We must also increase the vigilance of our enforcement activities to prevent, detect and deter harm to both investors and the overall markets. By doing so, we will foster confidence in investors that capital markets are fair and efficient.

Today's securities industry operates in a global marketplace and Canadian public companies compete with corporations around the world for cost-effective sources of capital. Companies rely on the capital markets to provide the funding needed to start new businesses and allow existing businesses to grow. Global competition for capital has contributed to the emergence of new market structures, technological innovations in trading systems and the development of new investment products.

Securities regulators face the challenge of keeping pace with the level of innovation in the marketplace and balancing the costs of regulation. Our regulatory framework must facilitate the competitiveness of Ontario's businesses in a global context and promote the resilience of our capital markets. Striking the right balance involves developing practical, accountable and transparent regulation and policies, while carefully avoiding placing undue burdens on market participants. Pursuing flexibility and balance will allow our capital markets to continue to attract domestic and foreign capital to meet the needs of Canadian public and private companies.

The OSC will co-operate with our provincial, territorial and international regulatory colleagues to foster a harmonized and modernized regulatory framework. We will work with the Government of Ontario in supporting measures that are consistent with creating a common regulator, a common set of securities laws and a single fee structure for Canada. Capital markets are an essential part of the engine for economic growth in Ontario, and we believe regulatory reform can benefit investors, business and the province as a whole.

In this context, we must ensure that the OSC conducts itself as an efficient, accountable and flexible organization as it serves investors, issuers, intermediaries and other market participants. We will also continue to maintain excellent internal controls and promote high staff morale.

Our Goals

The OSC's mandate is to provide protection to investors from unfair, improper or fraudulent practices and to foster fair and efficient capital markets and confidence in those markets. To meet this mandate, the Commission has identified four strategic goals to achieve over the next five fiscal years. They are:

1. Identify the important issues and deal with them in a timely way;

2. Deliver fair, vigorous and timely enforcement and compliance programs;

3. Champion investor protection, especially for retail investors; and

4. Support and promote a more flexible, efficient and accountable organization.

The Statement of Priorities is an annual document required under the *Securities Act*. This year's Statement sets out the Commission's strategic goals for the next five years, along with specific initiatives for the 2007/08 fiscal year in support of each of those goals.

GOAL 1 – Identify the important issues and deal with them in a timely way.

Our goal is to deal with today's concerns, while anticipating tomorrow's challenges. We want to be a strategic leader in fulfilling our mandate to Ontario investors and the Ontario marketplace. We will:

- Consult and collaborate with investors, issuers, intermediaries, other industry participants and academics;

- Identify trends and emerging issues, and develop solutions to address them in a risk-based framework;

- Work with the Government of Ontario, other securities regulators and market participants to strengthen the Canadian securities regulatory system. We will work to further harmonize, streamline and modernize securities laws and eliminate obsolete and redundant requirements to ease the regulatory burden on market participants;

- Adopt best regulatory practices from other Canadian and international jurisdictions to support Ontario markets and investors. We will work to enhance the global competitiveness of our capital markets as well as foster co-operative relationships with other securities regulators and standards setters;

- Use the full range of tools available to achieve our mandate, and assign priorities to all our work based on our strategic goals; and

- Ensure our priorities are communicated in a timely and effective manner.

In 2007/08, specifically we plan to:

- Achieve progress in strengthening the registration regime by harmonizing, streamlining and modernizing current registration requirements;

- Improve disclosure of executive compensation by proposing amendments to National Instrument 51-102 *Continuous Disclosure Obligations*;

- Harmonize and modernize prospectus requirements by proposing updates to National Instrument 41-101 *General Prospectus Requirements*;

- Complete and implement the revised National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* to bring greater transparency to the state of internal control over financial reporting by reporting issuers;

- Re-assess the impact of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*;

- Identify the appropriate means to address investor protection concerns arising from the sale and distribution of Principal Protected Notes;

- Monitor the implementation of National Instrument 81-107 *Independent Review Committee for Investment Funds* to assess its effectiveness in achieving the objective relating to the management of conflicts of interest facing investment fund managers;

- Propose amendments to National Instrument 81-106 *Investment Fund Continuous Disclosure* to provide guidance on fair-value principles that investment funds should use in calculating their net asset value and eliminate the need for investment fund managers to change valuation practices to align with new accounting measurement standards;

- Identify the appropriate regulatory response to market developments in the area of non-conventional investment funds and structured products such as linked notes offered under a shelf prospectus;

- Address recent market developments by working with Market Regulation Services Inc. to update the Alternative Trading System (ATS) rules (National Instrument 21-101 *Marketplace Operation* and National Instrument 23-101 *Trading Rules*) to improve consistency of rules at the self-regulatory organization (SRO) level and at the Canadian Securities Administrators (CSA) level;

- Implement National Instrument 24-101 *Institutional Trade Matching and Settlement* and support industry progress toward achieving institutional trade matching on the trade date or "T" by July 1, 2008;

- Collaborate with the CSA to develop and implement practices to enable regulators to interpret and apply harmonized securities requirements in a uniform way;

- Work with the CSA to build appropriate interfaces between the OSC and any CSA members that proceed with Phase 2 of the proposed Passport System;

- Align our securities regulatory system with international best practices by participating in the International Monetary Fund/World Bank Financial Sector Assessment Program Update initiative; and

- Assess the policy and operating implications for the marketplace of adopting International Financial Reporting Standards to replace Canadian Generally Accepted Accounting Principles and implement strategies to facilitate the transition.

GOAL 2 – Deliver fair, vigorous and timely enforcement and compliance programs.

Timely and appropriate compliance and enforcement are integral to fostering confidence in capital markets and preventing harm to investors. The Canadian regulatory and enforcement framework is perceived by many stakeholders to be fragmented and not operating in an effective or efficient manner. To address this, we will:

- Focus additional enforcement and compliance resources and ensure effective coordination among OSC branches relating to improper market conduct;
- Identify gaps in the enforcement framework and co-operate with others to find practical solutions;
- Improve the effectiveness of our enforcement work through reduced timelines for completing investigations and bringing regulatory proceedings forward;
- Provide leadership and assistance to improve collaboration among Canadian and international regulatory and criminal law enforcement agencies;
- Foster inter-jurisdictional co-operation to improve the coordination of investigative efforts, enforcement, and legal tools for enforcement; and
- Increase our transparency through timely and effective communications of enforcement actions where warranted.

In 2007/08, specifically we plan to:

- Articulate and promote a coherent statement of enforcement and compliance priorities;
- Improve the internal processes for identifying and referring cases to enforcement under a risk-based approach to regulation;
- Increase the number of enforcement proceedings commenced within four months of the date of transfer to litigation, where there have not been settlement discussions;
- Increase the effectiveness of the protection provided to investors against frauds and scams by creating a specialized multi-disciplinary unit dedicated to investigating economic crimes such as illegal distributions and unregistered trading in securities;
- Implement further improvements to the electronic processing and storage of documentary evidence to permit more efficient and effective access by investigators and counsel and provide enhanced disclosure of documents;
- Increase the efficiency and value of the continuous disclosure review program for corporate issuers by continuing to implement an industry-specialization approach. External resources will be employed where specialized industry knowledge is needed to achieve program objectives;
- Increase utilization of coordinated inter-Branch compliance field reviews of investment fund market participants;
- Support efforts of federal, provincial and territorial ministers responsible for justice to develop recommendations to improve the enforcement regime in Canada for securities fraud and other economic crimes. Play a leadership role by co-chairing the Task Force on Securities Fraud Enforcement, which plans to report its recommendations to the ministers in November 2007; and
- Work with the International Organization of Securities Commissions (IOSCO) and other international bodies to enhance global co-operation in enforcement matters.

GOAL 3 – Champion investor protection, especially for retail investors.

The interests and needs of investors, particularly retail investors, will continue to be strongly reflected in all the OSC's operations. In addition to our enforcement activities, investor education and awareness and timely access to accurate information are important components of investor protection. We will:

- Continue to reflect investor interests in all that we do;
- Increase support for investor education;
- Continue to support and grow plain-language initiatives for investors to achieve better communications;
- Work with the Government and self-regulatory organizations (SROs) to improve investor access to timely and affordable means of redress. This includes improving investor awareness of and access to existing mechanisms for resolution of complaints and restitution, such as those offered by the Ombudsman for Banking Services and Investments (OBSI);
- Work with the SROs and lead or support initiatives that recognize the importance of the adviser to the retail investor and strengthen and improve the adviser/retail investor relationship;
- Communicate our commitment to investor protection and the importance of that commitment;
- Increase and enhance targeted outreach efforts to the investor through such vehicles as Investor Town Halls and the Investor Advisory Committee; and
- Increase the involvement of other industry groups, such as SROs, through their participation and information exchange.

In 2007/08, specifically we plan to:

- Work with the Joint Forum of Financial Market Regulators to publish for comment a proposed framework for point-of-sale disclosure that would require clear, concise and plain-language product and sales fee disclosure for investors in mutual funds and segregated funds;
- Improve our understanding of investor expectations of the complaint-handling process, working in partnership with the SROs and OBSI, and also research and consider more effective means for the resolution of complaints and restitution;
- Work with the Joint Forum of Financial Market Regulators to enhance the effectiveness of the Financial Services OmbudsNetwork;
- Hear directly from retail investors by co-hosting a 2007 Investor Town Hall with the SROs and OBSI;
- Seek retail investor perspectives on key issues such as the investor/adviser relationship, transparency and accountability;
- Broaden implementation of reviews of investment fund prospectuses and continuous/integrated disclosure to assess sufficiency of disclosure and identify emerging issues, including trends in fees; and
- Explore opportunities for enabling investors to receive, compare and analyze financial information through eXtensible Business Reporting Language (XBRL).

GOAL 4 – Support and promote a more flexible, efficient and accountable organization.

The OSC's strength is its people. We will make the best use of all our resources, including people, technology, research and financial, to achieve timely and effective execution of all that we do. We expect OSC Commissioners and employees to maintain the highest standards of conduct and personal integrity and to deal openly and fairly with all of our stakeholders. We shall continue to constantly advance our business competence and effectiveness. We will:

- Continuously monitor and improve the efficiency and effectiveness of our operations;
- Be responsive and flexible as an organization and treat all stakeholders with respect and fairness ;
- Leverage information technology effectively to support our operations and optimize our electronic interface with our stakeholders;
- Secure the most appropriate resources and justify their acquisition through cost-benefit analyses and similar tools;

- Identify skills requirements and ensure that we attract, retain and motivate staff who possess the required skills, and continue improving and enhancing our succession plans;
- Increase the knowledge management and risk analysis capabilities of the OSC;
- Supplement OSC staff resources with external resources where appropriate; and
- Identify those situations where greater reliance on other jurisdictions or organizations is appropriate.

In 2007/08, specifically we plan to:

- Develop more expertise and rigour in the conduct of cost-benefit analyses to enhance the development of cost-effective regulation without compromising investor protection;
- Identify opportunities for improving service to the public and market participants who make inquiries of and/or complaints to the OSC;
- Update the OSC's IT strategic plan, recognizing the technology needs of the Commission and its stakeholders;
- Work with the other provincial and territorial securities regulators to develop an IT strategic plan for the Canadian Securities Administrators;
- Implement improved internal knowledge-management initiatives across the OSC;
- Continue to develop an OSC human resources strategic plan that strengthens initiatives for leadership development, succession planning and compensation policies; and
- Review and strengthen the OSC's robust standards of ethics, integrity and accountability, consistent with the Government of Ontario's planned implementation of the new *Public Service of Ontario Act, 2006*.

2007/2008 Financial Outlook

The coming year is the second year of a three-year cycle for setting fees, which began April 1, 2006. The budgeted growth in revenues during 2007/08 is due solely to market forces, which affect the revenues of registrants and capital of issuers, on which the fees are based. There is no proposed increase in the fees.

Higher than anticipated market growth in 2006/07 resulted in actual revenues that were $10.5 million higher than originally forecasted. Delays in hiring positions approved in the 2006/07 budget led to $1.3 million of underspending on salaries, which also contributed to a surplus. As anticipated, the budget for 2007/08 is for a deficit in order to reduce our surplus and return the surplus to market participants by way of fees that are lower than would otherwise be the case.

Salaries and benefits make up 73% of the OSC's budget for 2007/08 and the forecasted actual for 2006/07. This is the only area of expenditure that exceeds 10% of expenses. The 19.6% growth in the expense budget for the year is due to the addition of staff, primarily in enforcement, along with enforcement-related services to address the actions outlined above. The OSC has also reviewed its priorities and is redeploying existing staff to meet the identified goals. The increase in budget includes increases in occupancy costs, training and other costs that are a result of the staff increases. This is also reflected in the increased capital expenditures, which includes the cost of refurbishing and equipping the additional space.

2008 Budget versus 2007 Forecasted Actual

(Thousands)	2007 Forecasted	2008 Budget	Change	% Change
Revenues	$70,541	$75,189	$4,648	6.6%
Expenses	$68,941	$82,437	$13,496	19.6%
Excess/(deficit) of revenue over expenses	$1,600	($7,248)	($8,848)	
Capital expenditures	$1,089	$3,698	$2,609	239.6%

1.2 Notices of Hearing

1.2.1 Nuvo Research Inc. and Rebecca E. Keeler - 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
NUVO RESEARCH INC. AND REBECCA E. KEELER

NOTICE OF HEARING
(Sections 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. c. S.5, as amended (the "Act") in respect of the Respondent Nuvo Research Inc. (formerly Dimethaid Research Inc. and hereinafter referred to as "Dimethaid"), at the offices of the Commission at 20 Queen Street West, Toronto, Ontario, in the Large Hearing Room, 17th Floor, commencing on April 26, 2007 at 2:30 p.m. or as soon thereafter as the hearing can be held;

AND TAKE NOTICE that the purpose of the hearing in respect of the Respondent Dimethaid, is to consider whether in the opinion of the Commission it is in the public interest to approve a settlement agreement entered into between Staff of the Commission and Dimethaid.

AND TAKE FURTHER NOTICE that the Commission will hold a hearing pursuant to sections 127 and 127.1 of the Act in respect of the Respondent, Rebecca Keeler ("Keeler"), at the offices of the Commission at 20 Queen Street West, Toronto, Ontario, in the Large Hearing Room, 17th Floor, on a date to be set by the Commission;

AND TAKE FURTHER NOTICE that the purpose of the hearing in respect of the Respondent, Rebecca Keeler, is to consider, whether by reason of the allegations of Staff as set out in the Statement of Allegations dated April 24, 2007, to make an order:

(i) pursuant to paragraph 2 of subsection 127(1) of the Act, that trading in any securities by the Respondent Keeler cease for such other period as specified by the Commission;

(ii) pursuant to paragraph 3 of subsection 127(1) of the Act, that any exemptions contained in Ontario securities law do not apply to the Respondent Keeler for such other period as specified by the Commission;

(iii) pursuant to paragraph 7 of subsection 127(1) of the Act, that the Respondent Keeler resign from any positions as directors or officers of an issuer for such period as specified by the Commission; and

(iv) pursuant to paragraph 8 of subsection 127(1) of the Act, that the Respondent Keeler be prohibited from becoming or acting as a director or officer of any issuer for such period as specified by the Commission.

(v) pursuant to paragraph 9 of subsection 127(1) of the Act, that the Respondent Keeler pay an administrative penalty for failing to comply with Ontario securities law;

(vii) pursuant to section 127.1 of the Act, that the Respondent Keeler pay the costs of the investigation and/or the costs of or related to the hearing incurred by or on behalf of the Commission;

AND TAKE FUTHER NOTICE THAT any party to the proceedings may be represented by counsel at the respective hearings;

AND TAKE FURTHER NOTICE THAT, upon failure of any party to attend at the time and place aforesaid, the respective hearings 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 24th day of April, 2007.

"Christos Grivas"
per 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
NUVO RESEARCH INC. AND REBECCA E. KEELER**

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

Staff of the Ontario Securities Commission ("Staff") make the following allegations:

I. THE RESPONDENTS

1. Dimethaid Research Inc. (now Nuvo Research Inc. and hereinafter referred to as "Dimethaid") is a reporting issuer in Ontario and in other Canadian provinces. At all relevant times, Dimethaid's shares were listed and posted for trading on the Toronto Stock Exchange under the symbol DMX.

2. Dimethaid develops and manufactures pharmaceutical products. During the relevant period, one of Dimethaid's two leading drugs was Pennsaid, a topical medication used to relieve pain and physical symptoms associated with primary knee osteoarthritis.

3. As of November 2003, Dimethaid had received regulatory approval to market Pennsaid in Canada, the United Kingdom, and certain European countries. Pennsaid was also being marketed and sold in certain Caribbean countries where approval to market was not required.

4. At all relevant times, Rebecca E. Keeler ("Keeler") was the President, Chief Executive Officer ("CEO") and Chairman of the board of directors of Dimethaid. Keeler was terminated on September 22, 2004 following the appointment of a new board of directors at Dimethaid's annual general meeting ("AGM") on September 21, 2004.

II. FACTS

A. Dimethaid's New Drug Application and the Non-Approvable Letter

5. On August 7, 2001, Dimethaid filed a new drug application (the "New Drug Application") with the Food and Drug Administration ("FDA") to obtain approval to market Pennsaid in the United States.

6. One year later, by letter dated August 7, 2002, the FDA rejected Dimethaid's application for Pennsaid as "not approvable" under FDA legislation on the basis that the clinical data presented by Dimethaid in support of the application was insufficient to determine if Pennsaid was safe and effective under the proposed conditions of use (the "Non-Approvable Letter").

7. The particular deficiencies, as summarized in the Non-Approvable Letter, were with respect to the pharmacokinetic data, and the efficacy and safety data submitted by Dimethaid.

8. Upon receipt of the Non-Approvable Letter, Dimethaid provided notice to the FDA of its intention to file an amended New Drug Application for consideration.

9. The Non-Approval Letter expressly stated that any amendment by Dimethaid "should respond to all the deficiencies listed" and that the FDA would not process a partial reply by the company nor would the review clock be reactivated until all deficiencies have been addressed.

B. Design of Protocols and Additional Clinical Trials

10. Between August 2002 and November 2003, Keeler and others internally from Dimethaid met with representatives of the FDA to discuss and negotiate protocols for additional clinical trials.

11. In that period, two pharmacokinetic protocols and a safety and efficacy protocol were designed by Dimethaid in an effort to address the deficiencies outlined in the Non-Approvable Letter.

12. The pharmacokinetic protocols were submitted to the FDA by Dimethaid in December 2002 and found to be adequate. The studies were then carried out and completed by March 2003.

13. The safety and efficacy protocol, known as PEN-03-112 ("Protocol 112"), was provided to the FDA in July 2003 and finalized in November 2003. Two clinical trials were carried out in accordance with Protocol 112. The first trial, designated "Study 112", began in February 2004 but was not complete until late 2005. The second trial, designated "Study 112E" began in March 2004 but was not complete until early 2006.

14. Approval of Dimethaid's amended New Drug Application was dependent upon a totality of the data submitted by Dimethaid from Study 112 and Study 112E, data from the pharmacokinetic studies, and the data from Dimethaid's original submissions under the New Drug Application.

C. Misleading Statements and Omission of Material Facts

15. On November 26, 2003 and June 24, 2004, Dimethaid filed short form prospectuses with the Commission in respect of two separate special

warrant offerings (collectively referred to as the "Prospectuses").

16. Each of the Prospectuses, certified by Keeler and others as containing full, true and plain disclosure of all material facts relating to the securities offered by the Prospectuses, stated the following with respect to Pennsaid's status in the United States:

    (a) that "Pennsaid has completed all clinical studies in Canada and the United States"; and

    (b) that "the Company's marketing approval for Pennsaid in the United States is being considered by the United States Food and Drug Administration".

17. Each of the Prospectuses failed to disclose the following facts which, in isolation or in combination, constituted material facts with respect to Pennsaid's status in the United States, specifically:

    (a) that, in August 2002, the New Drug Application was rejected as "not approvable" under FDA legislation;

    (b) that the basis for the FDA's rejection of the New Drug Application was that the information presented by Dimethaid was insufficient to determine if Pennsaid was safe and effective under the proposed conditions of use;

    (c) that the FDA would not consider an amended New Drug Application until all of the deficiencies identified by the FDA had been addressed by Dimethaid;

    (d) that Dimethaid had taken steps to preserve its ability to file an amended New Drug Application for consideration by the FDA;

    (e) that Dimethaid had not, as of the dates of the Prospectuses, filed an amended New Drug Application;

    (f) from September 2002 to November 2003, that Dimethaid was in discussions with the FDA to develop study protocols necessary to address the deficiencies identified in the Non-Approvable Letter;

    (g) that, by March 2003, Dimethaid had completed two studies to address the pharmacokinetic deficiencies identified by the FDA in the Non-Approvable Letter; and

    (h) that, in July 2003, Dimethaid had submitted Protocol 112 (which was finalized in November 2003) to address the safety and efficacy deficiencies identified by the FDA in the Non-Approvable Letter.

18. With respect to Dimethaid's prospectus dated June 24, 2004, Dimethaid failed to disclose additional material facts with respect to the status of Pennsaid, specifically:

    (a) that Dimethaid had begun patient enrolment in February 2004 for Study 112;

    (b) that Dimethaid had begun patient enrolment in March 2004 for Study 112E.

D. Non-Disclosure to Dimethaid's Board of Directors and Misleading Statements to the Underwriters

19. At no time during the relevant period did Keeler disclose to Dimethaid's board of directors that it had received the Non-Approvable Letter or the consequences of the Non-Approvable Letter.

20. Furthermore, during the due diligence process for the offerings, Keeler made statements to Dimethaid's counsel and to counsel for the underwriters that were misleading or untrue by claiming that Dimethaid's last written communication with the FDA in respect of the New Drug Application was July 23, 2002 and, further, that Dimethaid was not aware of any unresolved issues for Pennsaid.

IV. CONDUCT CONTRARY TO ONTARIO SECURITIES LAW AND THE PUBLIC INTEREST

21. By failing to disclose the material facts set out in paragraphs 21 and 22, Dimethaid failed to make full, true and plain disclosure in the Prospectuses of material facts relating to the securities proposed to be distributed; specifically material facts with respect to status of its New Drug Application with the FDA for marketing approval of Pennsaid in the United States. In so doing, Dimethaid breached section 56 of the Act and acted in a manner contrary to the public interest.

22. As the sole officer and a director of Dimethaid, Keeler authorized, permitted or acquiesced in Dimethaid's filing of the Prospectuses that failed to provide full, true and plain disclosure of all material facts relating to the securities proposed to be distributed. In so doing, Keeler is deemed to have breached the Act pursuant to section 129.2 of the Act.

23. Keeler misled the directors of Dimethaid during the relevant period by withholding material information with respect to the Non-Approvable Letter. Furthermore, in the course of the underwriters' due diligence process, Keeler intentionally provided information that was misleading or untrue to Dimethaid's counsel and to counsel for the underwriters with respect to the status of the New Drug Application. In so doing, Keeler acted in a manner contrary to the public interest.

24. Such further and other allegations as Staff may advise and the Ontario Securities Commission may permit.

DATED at Toronto this 24th day of April, 2007.

1.3 News Releases

1.3.1 CSA Renews Terms of Chair and Vice-Chair

FOR IMMEDIATE RELEASE
April 23, 2007

CSA RENEWS TERMS OF CHAIR AND VICE-CHAIR

Montréal – At the latest meeting of the members of the Canadian Securities Administrators (CSA), held in Toronto on March 28 and 29, 2007, the term of CSA Chair Jean St-Gelais, President and CEO of the Autorité des marchés financiers (AMF), was renewed for two years. Mr. St-Gelais was appointed CSA Chair in April 2005.

"I am delighted to be able to assume this role for another two years and look forward to further co-operation with my colleagues from other jurisdictions to further harmonize and improve the regulation of capital markets," said Mr. St-Gelais.

The term of CSA Vice-Chair Don Murray, Chair of the Manitoba Securities Commission, was also renewed for two years. "We will continue to apply the CSA's strategic principles and pursue our efforts toward the implementation of a more harmonized and streamlined securities regime in Canada," noted Mr. Murray.

The CSA, the council of securities regulators of Canada's provinces and territories, coordinate and harmonize regulation for the Canadian capital markets. Their mandate is to protect investors from unfair or fraudulent practices through regulation of the securities industry. Part of this protection is educating investors about the risk, responsibilities and rewards of investing.

Information:

Frédéric Alberro
Autorité des marchés financiers
514-940-2176

Jane Gillies
New Brunswick Securities Commission
506-643-7745

Carolyn Shaw-Rimmington
Ontario Securities Commission
416-593-2361

Ainsley Cunningham
Manitoba Securities Commission
204-945-4733

Andrew Poon
British Columbia Securities Commission
604-899-6880

Nicholas A. Pittas
Nova Scotia Securities Commission
902-424-6859

Tamera Van Brunt
Alberta Securities Commission
403-297-2664

Barbara Shourounis
Saskatchewan Financial Services Commission
306-787-5842

Marc Gallant
Office of the Attorney General
Prince Edward Island
902-368-4552

Doug Connolly
Financial Services Regulation Division
Newfoundland and Labrador
709-729-2594

Donald MacDougall
Securities Registry
Northwest Territories
867-920-8984

Jennifer MacIsaac
Nunavut Securities Registry
867-975-6591

Bette Boyd
Yukon Securities Registry
867-667-5225

1.3.2 OSC Chair David Wilson to Address Strong Investor Protection and Effective Compliance and Enforcement

MEDIA ADVISORY

FOR IMMEDIATE RELEASE
April 23, 2007

OSC CHAIR DAVID WILSON TO ADDRESS STRONG INVESTOR PROTECTION AND EFFECTIVE COMPLIANCE AND ENFORCEMENT

TORONTO – David Wilson, Chair of the Ontario Securities Commission, will address the Economic Club of Toronto on Thursday, April 26, 2007. Mr. Wilson will speak on two key priorities for the Commission: strong investor protection and effective compliance and enforcement.

Interested media are required to register with Carolyn Shaw-Rimmington at (416) 593-2361.

When:	Thursday, April 26, 2007 12:15 p.m. – 1:30 p.m.
Where:	The National Club 303 Bay Street Toronto, Ontario
For Media Inquiries:	Wendy Dey Director, Communications & Public Affairs 416-593-8120
	Carolyn Shaw-Rimmington 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 Robert Patrick Zuk et al.

FOR IMMEDIATE RELEASE
April 19, 2007

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

AND

IN THE MATTER OF
ROBERT PATRICK ZUK, DANE ALAN WALTON,
DEREK REID, IVAN DJORDJEVIC,
AND MATTHEW NOAH COLEMAN

TORONTO – Following a hearing held on April 18, 2007, the Commission issued an Order approving the Settlement Agreement reached between Staff of the Commission and Dane Alan Walton.

A copy of the Order and Settlement Agreement are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries: Wendy Dey
Director, Communications
& Public Affairs
416-593-8120

Carolyn Shaw-Rimmington
Manager, Public Affairs
416-593-2361

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

1.4.2 Nuvo Research Inc. and Rebecca E. Keeler

FOR IMMEDIATE RELEASE
April 26, 2007

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

AND

IN THE MATTER OF
NUVO RESEARCH INC. AND REBECCA E. KEELER

TORONTO – The Office of the Secretary issued a Notice of Hearing on April 24, 2007 to consider whether to approve the proposed settlement of the proceeding entered into between Staff of the Commission and Nuvo Research Inc. (formerly Dimethaid Research Inc.) and Rebecca Keeler to be heard on April 26, 2007 at 2:30 p.m. in the Large Hearing room, respectively.

A copy of the Notice of Hearing and Statement of Allegations are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries: Wendy Dey
Director, Communications
& Public Affairs
416-593-8120

Carolyn Shaw-Rimmington
Manager, Public Affairs
416-593-2361

For investor inquiries: OSC Contact Centre
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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Owens Corning Sales, LLC (formerly Owens Corning Sales, Inc. and formerly Owens Corning) - s. 1(10)

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. 1(10).

April 18, 2007

Owens Corning Sales, LLC
c/o McMillan Binch Mendelsohn LLP
BCE Place, Suite 4400
Bay Wellington Tower
181 Bay Street
Toronto, Ontario
M5J 2T3

Attention: Stephen C.E. Rigby

Dear Sirs/Mesdames:

Re: Owens Corning Sales, LLC (formerly Owens Corning Sales, Inc. and formerly Owens Corning) (the "Applicant") – Application for an order not to be a reporting issuer under clause 1(10)b of the *Securities Act* (Ontario)

The Applicant has applied to the Ontario Securities Commission for an order under clause 1(10)b of the Act that the applicant is not a reporting issuer.

As the Applicant has represented to the Commission that:

(a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in Ontario and less than 51 security holders in Canada;

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

(c) the Applicant is not in default of any of its obligations under the Act as a reporting issuer; and

(d) the Applicant will not be a reporting issuer or the equivalent in any jurisdiction in Canada immediately following the Director granting the relief requested,

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

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

2.1.2 Catapult Energy Small Cap FTS Limited Partnership - MRRS Decision

Headnote

MRRS Decision — Exemption from the requirement to file an annual information form pursuant to NI 81-106 - flow-through limited partnership - limited partnership is closed-end, has a short life span, has no readily available secondary market, and limited business activity - limited partners have adequate alternative disclosure in the prospectus, financial statements and management report of fund performance - cost of annual information form outweighs benefits - relief not prejudicial to public interest.

Applicable Legislative Provisions

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 9.2, 17.1.

Citation: Catapult Energy Small Cap FTS Limited Partnership, 2007 ABASC 197

April 18, 2007

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

AND

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

AND

IN THE MATTER OF
CATAPULT ENERGY SMALL CAP FTS
LIMITED PARTNERSHIP
(the Filer)

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) exempting the Filer from the requirement in section 9.2 of National Instrument 81-106 *Investment Fund Continuous Disclosure* (**NI 81-106**) to file an annual information form (the **Requested Relief**).

2. Under the Mutual Reliance Review System for Exemptive Relief Applications:

   (a) the Alberta Securities Commission is the principal regulator for this application; and

   (b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

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

Representations

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

   (a) The Filer was formed by a preliminary limited partnership agreement made as of September 8, 2006 between Catapult Energy 2006 Inc. as general partner (the **General Partner**) and Overlord Financial Inc. (**Overlord**) as the initial limited partner, and was established as a limited partnership pursuant to the provisions of the Partnership Act (Alberta). The definitive form of partnership agreement governing the Filer is the amended and restated limited partnership agreement dated as of October 19, 2006 (the **Partnership Agreement**). On October 23, 2006, Overlord transferred its initial limited partnership interest in the Filer and the units representing such interest to OFI Fund Management (2004) Inc. (**OFI**), an affiliate of Overlord. OFI's initial limited partnership interest was redeemed by the Filer on October 31, 2006.

   (b) The Filer was formed with the investment objectives of (a) achieving capital appreciation through investment in a diversified portfolio of equity securities of selected small cap resource issuers identified by Catapult Financial Management Inc., the Filer's investment advisor, and (b) maximizing tax benefits for investors by purchasing flow-through shares (**Flow-Through Shares**) of resource issuers.

   (c) The Filer was granted a decision document, dated October 19, 2006, by the Alberta Securities Commission in its capacity as principal regulator under National Policy 43-201 *Mutual Reliance Review System for Prospectuses and Annual Information Forms* on behalf of the securities regulatory authority or regulator for each of the other provinces of Canada, which decision document

evidences the issue of final receipts for the Filer's prospectus (the **Prospectus**) dated October 19, 2006 relating to an offering of up to 800,000 limited partnership units. As a result, the Filer is a reporting issuer or the equivalent thereof in each province of Canada.

(d) On November 30, 2006, the Filer completed the issue of all the units offered under the Prospectus. No additional units have been or may be issued by the Filer. The units have not been and will not be listed or quoted for trading on any stock exchange or market.

(e) The Partnership Agreement provides the General Partner with the ability to propose to the limited partners, at a special meeting of limited partners to be held no later than October 31, 2008, an alternative (the **Liquidity Alternative**) to the termination of the Filer. Such Liquidity Alternative may include, without limitation, a proposal that the Filer exchange its assets for securities of a mutual fund corporation or other appropriate investment vehicle established by Overlord that, in either case deals at arm's length with each resource issuer of which the Filer owns securities. Upon such exchange, the Filer will be dissolved and the securities of the mutual fund corporation or other investment vehicle, as the case may be, will be distributed pro rata to the limited partners upon such dissolution. In the event that the Liquidity Alternative is not proposed to the limited partners on or before October 31, 2008, the Filer will dissolve and its net assets will be distributed *pro rata* to the limited partners on or before December 31, 2008.

(f) Since its formation, the Filer's activities have been limited to (i) completing the issue of the units under the Prospectus, (ii) investing its available funds in accordance with its investment objectives, and (iii) incurring expenses as described in the Prospectus.

(g) Unless a material change takes place in the business and affairs of the Filer (which the Filer would in any event be obligated to disclose pursuant to its continuous disclosure obligations), the limited partners will obtain adequate financial information from the Filer's annual and interim financial statements and management report of fund performance thereon. The Prospectus, the financial statements and management reports of fund performance provide sufficient information necessary for a limited partner to understand the Filer's business, financial position and future plans. In addition, if a Liquidity Alternative is proposed, limited partners will receive an information circular which describes the proposed alternative and will be given an opportunity to vote in respect of such proposed alternative at a special meeting of the limited partners.

(h) In light of the limited range of business activities to be conducted by the Filer, the nature of the investment of the limited partners in the Filer and the fact that the Filer intends to dissolve within 2.5 years after its formation, the requirement to file an annual information form may impose a material financial burden on the Filer without producing a corresponding benefit to its limited partners.

Decision

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

6. The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that this exemption shall terminate in respect of the Filer upon the occurrence of a material change in the affairs of the Filer unless the Filer satisfies the Decision Makers in writing that the exemption should continue, which satisfaction shall be evidenced in writing.

"Patricia Leeson"
Associate Director, Corporate Finance
Alberta Securities Commission

2.1.3 Sony Corporation - MRRS Decision

Headnote

Subsection 1(10) of the Securities Act – Application by reporting issuer for an order that it is not a reporting issuer – Canadian resident shareholders beneficially own less than 2% of the Issuer's outstanding securities and represent less than 2% of total number of beneficial shareholders – Issuer's securities voluntarily de-listed from the TSX in 2005 – Issuer has not distributed any of its securities to Canadian residents since it was de-listed from the TSX – Issuer does not currently intend to offer securities in Canada – No securities of the Issuer trade on any market or exchange in Canada – Issuer is registered with the U.S. Securities Exchange Commission and subject to reporting requirements under U.S. securities legislation – Issuer has securities listed on New York Stock Exchange and other international exchanges – Issuer has issued a press release announcing that it has submitted an application to cease to be a reporting issuer in Ontario – Issuer has undertaken to the Commission to continue to deliver all disclosure materials required by U.S. securities law to be delivered to securityholders residents in the U.S. to securityholders in Canada in the same manner and at the same time as required by U.S. securities law and U.S. market requirements – Issuer is not a reporting issuer in any province or territory of Canada other than Ontario, British Columbia and Québec – Requested relief granted.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10).

April 19, 2007

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

AND

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

AND

IN THE MATTER OF
SONY CORPORATION
(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) that the Filer is not a reporting issuer (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 14-401 - *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

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

1. The Filer is a Japanese joint stock company (*Kabushiki Kaisha*), and is a reporting issuer in Ontario, Québec, and British Columbia.

2. The registered office of the Filer is located at 1-7-1 Konan, Minatu-ku, Tokyo, Japan.

3. The Filer's authorized share capital is 3.6 billion shares of common stock. As of September 30, 2006, there were 1,002,100,164 shares of common stock issued.

4. As of December 6, 2006, there were 161,364,741 American Depositary Receipts (ADRs) outstanding, representing an equal number of shares of common stock of the Filer. Each of the Filer's ADRs represents one American Depository Share (ADS). In turn, each ADS represents one outstanding share of common stock of the Filer held by a depositary.

5. The shares of common stock of the Filer are currently listed on the Tokyo, Osaka, and London exchanges, and the ADRs of the Filer are currently listed on the New York Stock Exchange (the NYSE) and the Filer is not in default of any listing requirement of these exchanges.

6. The ADRs of the Filer were previously listed in 1974 on the Toronto Stock Exchange (the TSX), but were de-listed from TSX at the Filer's request, as of the close of trading on November 22, 2005.

7. The ADRs of the Filer were previously also listed on the Montreal and Vancouver stock exchanges, but were de-listed from those exchanges at the Filer's request in 1993.

8. As a result of its prior listings on the TSX, Montreal and Vancouver stock exchanges, the Filer became, and continues to be, a reporting issuer in Ontario, Québec and British Columbia. The Filer is not a "reporting issuer" or its

equivalent under the securities legislation of any other province or territory of Canada.

9. None of the Filer's securities are traded on a marketplace in Canada as defined in National Instrument 21-101 – *Marketplace Operation*.

10. The Filer is currently subject to reporting requirements of the United States Securities Exchange Act of 1934, as amended (the 1934 Act) and is not in default of any of the periodic reporting requirements under the 1934 Act.

11. Under National Instrument 71-102 *Continuous Disclosure and Other Exemptions relating to Foreign Issuers*, the Filer is classified as a "SEC foreign issuer."

12. Under National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)* (NI 13-101), the Filer is a "foreign issuer (SEDAR)". As a result, the Filer is not required to comply with NI 13-101.

13. The Filer is not in default of any of the requirements of the Legislation of each Jurisdiction.

14. With respect to registered holders of the Filer's ADRs and shares of common stock:

    (a) as of September 30, 2006, there were 14 registered holders of the Filer's shares of common stock with addresses in Canada, holding 4,793,496 shares of common stock;

    (b) as of December 6, 2006, there were 177 registered holders of ADRs with addresses in Canada, holding 5,869 ADRs; and

    (c) registered holders of the Filer's shares of common stock and ADRs represent less than 1% (0.0268%) of holders of the Filer's outstanding shares of common stock and ADRs worldwide, and less than 1% (0.4789%) of the Filer's outstanding shares of common stock and ADRs worldwide.

15. With respect to beneficial holders of the Filer's ADRs and shares of common stock:

    (a) as of December 6, 2006, there were 13,126 holders of ADRs with addresses in Canada, holding 2,405,199 ADRs, representing less than 1% (0.2400%) of the Filer's outstanding ADRs and shares of common stock; and

    (b) the Filer does not have information regarding the number of beneficial holders of its shares of common stock in Canada, but believes the number is insignificant.

16. Based upon the foregoing, residents of Canada:

    (a) do not beneficially own directly or indirectly more than 2% of a class or series of the outstanding securities of the Filer; and

    (b) do not represent in number more than 2% of the total number of owners directly or indirectly of a class or series of securities of the Filer.

17. Between January 1, 1999, and November 22, 2005, the TSX accounted, on average, for 0.012% of the trading volume of ADRs and 0.013% of the number of trades of ADRs. In 2005, there were only 236 trades of ADRs on the TSX.

18. The Filer has no plans to seek public financing by offering its securities in Canada.

19. The Filer does not intend to have its securities posted for trading on the TSX or any Canadian Exchange.

20. The Filer has undertaken in favour of the securities regulatory authorities of the Jurisdictions that it will continue to deliver all disclosure material required by U.S. federal securities law to be delivered to holders of its securities in the United States to holders of its securities resident in every jurisdiction in Canada, in the manner and at the time required by the U.S. federal securities law and the requirements of any exchange registered as a "national securities exchange" under the 1934 Act on which its securities are traded.

21. On March 29, 2007, the Filer issued and filed a news release announcing that the Filer has submitted an application to the Decision Makers to cease to be a reporting issuer in the Jurisdictions.

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.

"Wendell S. Wigle, Q.C."
Commissioner
Ontario Securities Commission

"Kevin J. Kelly"
Commissioner
Ontario Securities Commission

2.1.4 Retirement Residences Real Estate Investment Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Application by reporting issuer for an order that it is not a reporting issuer - as a result of a take-over bid, issuer has one beneficial holder of equity securities - following take-over bid, issuer offered to acquire all outstanding 8.25% and 5.50% convertible debentures and acquired 8.47% and 44.97%, respectively of the principal amount of each class of debt security outstanding - following expiry of offer to acquire convertible debentures, both classes of convertible debentures were de-listed and defeased, issuer has more than 15 beneficial holders of debt securities in a jurisdiction and more than 51 in Canada – conversion feature of each of the 8.25% and 5.50% convertible debentures are "out of the money" and issuer has undertaken to redeem all units issued on exercise of conversion right within 5 business days of such conversion for per-unit cash consideration equal to the per-unit consideration paid by the acquirer for the issuer's units pursuant to the take-over bid – requested relief granted.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10).

March 30, 2007

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO, 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
RETIREMENT RESIDENCES
REAL ESTATE INVESTMENT TRUST
(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 from the Applicant for a decision (the "Requested Relief") under the securities legislation of the Jurisdictions (the "Legislation") that the Applicant is not a reporting issuer in all of the Jurisdictions.

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

(a) the Ontario Securities Commission is the principal regulator for this application, and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

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

Representations

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

1. The Applicant was formed on December 28, 2000 pursuant to a declaration of trust (the "Declaration of Trust") as amended and restated on March 1, 2001, April 30, 2002 and on March 7, 2007, and is a reporting issuer or the equivalent in each of the Jurisdictions.

2. The Applicant's registered and principal place of business is 55 Standish Court, 8th Floor, Mississauga, Ontario L5R 4B2.

3. Pursuant to the Declaration of Trust, the Applicant is authorized to issue an unlimited number of units (the "Units"). There are currently 93,445,745 Units outstanding.

4. Pursuant to a trust indenture (the "Original Indenture") dated August 6, 2003, 8.25% convertible unsecured debentures maturing on January 31, 2011 (the "8.25% Convertible Debentures") were issued. Pursuant to a supplemental trust indenture (the "Supplemental Trust Indenture", and together with the Original Indenture, the "Indenture") dated April 5, 2005, 5.50% convertible unsecured debentures maturing on March 31, 2015 (the "5.50% Convertible Debentures", and together with the 8.25% Convertible Debentures, the "Debentures") were issued. The 8.25% Convertible Debentures and the 5.50% Convertible Debentures are each held in book-entry form with one global certificate for each registered in the name of CDS Clearing and Depositary Services Inc. ("CDS"). CDS is the only registered holder of the Debentures.

5. Pursuant to a support agreement entered into with the Applicant on October 5, 2006, PSPIB Destiny Inc. ("PSPIB Destiny"), a corporation wholly and directly owned by Public Sector Pension Investment Board ("PSPIB"), a crown corporation established by the Parliament of Canada, made an offer on October 23, 2006 (the "Take-over Offer") to purchase, at a price of $8.35 per unit, all

of the issued and outstanding Units of the Applicant. The Take-over Offer, which expired at 11:59 p.m. (local time) on January 26, 2007, was accepted by holders of approximately 93.7% of the outstanding Units.

6. PSPIB Destiny took up and paid for all Units tendered to the Take-over Offer and exercised its right (which intention was disclosed in the take over bid circular relating to the Take-over Offer), pursuant to section 5.25 of the Declaration of Trust, to effect a compulsory acquisition, at a price of $8.35 per unit, of the remaining Units of the Applicant. PSPIB Destiny now owns 93,445,745 Units, representing 100% of the issued and outstanding Units.

7. The Units of the Applicant were delisted from the Toronto Stock Exchange (the "TSX") on February 2, 2007.

8. Pursuant to the terms of the Indenture, the Applicant was required to make an offer for the 8.25% Convertible Debentures and the 5.50% Convertible Debentures for 101% of their respective principal amounts plus accrued and unpaid interest (the "Debenture Offer") as a change in control of the Applicant had occurred. The Debenture Offer was made on January 31, 2007 in accordance with the terms of the Indenture and such Debenture Offer expired at noon (Toronto time) on March 8, 2007. By the expiry of the Debenture Offer, $13,286,000 of the 8.25% Convertible Debentures representing 8.47% of the principal amount outstanding of the 8.25% Convertible Debentures outstanding were tendered to the Debenture Offer and $89,837,000 of the 5.50% Convertible Debentures representing 44.97% of the principal amount outstanding of the 5.50% Convertible Debentures were tendered to the Debenture Offer. The tendered Debentures were immediately taken up by the Applicant and cancelled.

9. The Applicant defeased the 8.25% Convertible Debentures and 5.50% Convertible Debentures which were not tendered to the Debenture Offer on March 13, 2007 pursuant to the terms of the Indenture. Defeasance was done by the Applicant depositing sufficient cash and direct obligations of the Government of Canada with CIBC Mellon Trust Company ("CIBC Mellon"), the trustee under the Indenture, as trust property for the benefit of debenture holders, pursuant to a trust agreement that was entered into by the Applicant and CIBC Mellon. The cash and direct obligations of the Government of Canada deposited with CIBC Mellon are sufficient to fund all payments of principal and interest to holders of defeased Debentures to the respective maturity dates of the Debentures. The Debentures were thereafter deemed to be fully paid, satisfied and discharged and the provisions of the Indenture are no longer be binding on the Applicant, except certain provisions dealing with payment of principal and interest, redemption, conversion and enforcement by the trustee. Holders of defeased Debentures are entitled to payments of principal and interest in accordance with the Indenture and to exercise their conversion privilege.

10. There is no longer any obligation in the provisions of the Indenture which are binding on the Applicant to maintain the listing of the Debentures nor to maintain its status as a reporting issuer or equivalent in any of the Jurisdictions, and holders of defeased Debentures have no right to receive any financial or other disclosure of the Applicant.

11. The principal amount currently outstanding for the 8.25% Convertible Debentures is $143,592,000. To the best of the Applicant's knowledge, there were approximately 4,067 beneficial holders of the 8.25% Convertible Debentures as of March 15, 2007 and the geographic distribution of the beneficial holders in the Jurisdictions was as follows:

Jurisdiction	**No. of Beneficial Holders**
Ontario	1,307
British Columbia	949
Alberta	1,017
Saskatchewan	27
Manitoba	96
Quebec	557
New Brunswick	21
Nova Scotia	17
Newfoundland	0

12. The principal amount currently outstanding for the 5.50% Convertible Debentures is $109,920,000. To the best of the Applicant's knowledge, there were approximately 2,820 beneficial holders of the 5.50% Convertible Debentures as of March 15, 2007 and the geographic distribution of the beneficial holders in the Jurisdictions was as follows:

Jurisdiction	**No. of Beneficial Holders**
Ontario	1,019
British Columbia	521
Alberta	636
Saskatchewan	98
Manitoba	53

Jurisdiction	No. of Beneficial Holders
Quebec	408
New Brunswick	22
Nova Scotia	16
Newfoundland	22

13. The 8.25% Convertible Debentures and the 5.50% Convertible Debentures were delisted from the TSX on March 13, 2007 and none of the Applicant's securities are traded on a marketplace in Canada as defined in National Instrument 21-101 *Marketplace Operation*.

14. Regardless of the number of holders of Debentures, the Units and Debentures have been delisted and the Applicant does not anticipate a market for the Units or Debentures to develop. It is unlikely that a holder of 8.25% Convertible Debentures or 5.50% Convertible Debentures would ever exercise their conversion privilege as such conversion privilege is "out-of-the-money". The conversion price for the 8.25% Convertible Debentures is $12.35 per unit and the conversion price for the 5.50% Convertible Debentures is $11.35 per unit. All outstanding Units were acquired by PSPIB Destiny at $8.35 per Unit and pursuant to the Declaration of Trust, any Units issued upon conversion of Debentures will be redeemed by the Applicant for $8.35 (which information was disclosed to holders of Debentures in the Debenture Offer). Unitholders also have the right to request redemption of their Units at any time pursuant to the Declaration of Trust. The defeased debentures really became the right to receive the payments that are being held in trust for them and as such no longer have the characteristics of a true security.

15. The Applicant is applying for the Requested Relief in all of the jurisdictions in Canada in which it is currently a reporting issuer.

16. To the best of its knowledge, the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer.

17. The Applicant has no outstanding securities, including debt securities, other than the Units, the 8.25% Convertible Debentures and the 5.50% Convertible Debentures.

18. The Applicant has no plans to seek public financing by way of an offering of its securities in Canada.

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 pursuant to the Legislation is that the Requested Relief is granted.

"Robert L. Shirriff, Q.C."
Commissioner
Ontario Securities Commission

"Wendell S. Wigle, Q.C."
Commissioner
Ontario Securities Commission

2.1.5 Kensington Capital Partners Limited and Kensington Global Private Equity Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – investment fund that invests in private equity investments exempted from the requirements to disclose the current value of portfolio assets in its statement of investment portfolio and disclosing, in respect of its top 25 positions, the percentage of net assets of the fund represented by each in its summary of investment portfolio provided that certain alternative disclosure is given – investment fund granted an exemption to calculate its NAV twice monthly subject to certain conditions – relief needed from the requirement that an investment fund that uses specified derivatives must calculate its NAV daily.

Applicable Legislative Provisions

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 3.5(1)5, 14.2(3)(a), 17.1 and Form 81-106F1, Part B, Item 5(2)(b).

April 12, 2007

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
KENSINGTON CAPITAL PARTNERS LIMITED
(THE FILER)
AND
KENSINGTON GLOBAL PRIVATE EQUITY FUND
(THE FUND)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application (the Application) from the Filer for a decision under National Instrument 81-106 *Investment Fund Continuous Disclosure* (**NI 81-106** or the **Legislation**) for an exemption from the following provisions of NI 81-106 (the **Requested Relief**):

(a) the requirement in paragraph 3.5(1)5 of NI 81-106 to include in the statement of investment portfolio for the Fund the current value of the portfolio asset;

(b) with respect to the preparation of management reports of fund performance under Part 4 of NI 81-106 and quarterly portfolio disclosure under Part 6 of NI 81-106, both required to be prepared in accordance with Form 81-106F1 or parts thereof, the requirement in Item 5(2)(b), Part B of Form 81-106F1 to disclose, in respect of the top 25 positions of the Fund, the percentage of net assets of the Fund represented by each;

((a) and (b), collectively, the **Disclosure Relief**), and

(c) the requirement in paragraph 14.2(3)(b) of NI 81-106 to calculate the net asset value (**NAV**) of the Fund daily (the **NAV Calculation Relief**).

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

(a) the Ontario Securities Commission is the principal regulator for this application; and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

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

Representations

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

The Fund

1. The Fund will be established under the laws of Ontario pursuant to a declaration of trust. The head office of the Fund will be located in Toronto, Ontario.

2. The Filer will be the manager and trustee of the Fund. The head office of the Filer is located in Toronto, Ontario.

The Offering

3. The Fund has filed a preliminary prospectus (the **Preliminary Prospectus**) dated February 2, 2007 in each of the Jurisdictions under SEDAR #1048586.

4. It is expected that the Fund will become a reporting issuer in those Jurisdictions whose securities legislation contemplates such status and will be a non-redeemable investment fund.

5. The Fund proposes to issue transferable units (the **Units**) at a price of $20.00 per Unit (the **Offering**), represented by instalment receipts (the **Instalment Receipts**) to public investors (**Unitholders**). The subscription price of $20.00 per Unit is payable in two instalments. The first instalment of $10.00 (the **First Instalment**) is payable upon the closing of the Offering. The second instalment of $10.00 (the **Second Instalment**) is payable on or before December 5, 2007. Until Units are fully paid by making the Second Instalment, beneficial ownership of the Units will be evidenced by Instalment Receipts, and the Units will be pledged to the Fund to secure the obligation to pay the Second Instalment. Units may be fully paid at the closing of the Offering, in which case such Units will not be represented by Instalment Receipts.

6. The Fund's investment objective is to maximize long-term total returns for Unitholders through distributions of net income and net realized capital gains from Underlying Investments (as defined below).

7. The Fund will invest the net proceeds of the Offering in (i) private equity funds and in funds of private equity funds (collectively, the **Underlying Funds**), and (ii) directly in private companies typically by co-investing alongside a private equity fund (together with the Underlying Funds, the **Underlying Investments**). To the extent proceeds are not invested in Underlying Investments, they will be invested in liquid securities (**Liquid Investments**). All investment decisions regarding Underlying Investments and Liquid Investments will be made by the Fund's investment adviser, Kensington Investment Management Inc., which is registered under the *Securities Act* (Ontario) as an investment counsel and portfolio manager.

8. The Instalment Receipts and the Units of the Fund will not be listed on the Toronto Stock Exchange (**TSX**) on the closing of the Offering. If the Fund does not obtain a listing of the Units, the Fund's distribution policy will require the Fund to return invested capital as its Underlying Investments are realized and to wind up the Fund within a period of eight years.

9. The Fund will offer investors annual redemption rights beginning in December 2007. The redemption price will be 90% of NAV per Unit for so long as the Units of the Fund are not listed. Upon listing of the Units, the redemption price will increase to 95% of NAV per Unit.

The Underlying Investments

10. The Underlying Investments will be comprised of investments in issuers that are private and generally not subject to any continuous disclosure requirements in any jurisdiction.

11. Paragraph 3.5(1)5 of NI 81-106 requires the Fund to include the current value of each portfolio asset in its statement of investment portfolio (the **Statement of Investment Portfolio**).

12. Item 5, Part B of Form 81-106F1 requires the Fund to prepare a summary of portfolio investment (the **Summary of Portfolio Investment**) which statement includes the Fund's top 25 positions and the percentage of net assets of the Fund represented by each position. The disclosure of the percentage of net assets of the Fund represented by each position would effectively disclose the current value for each Underlying Investment since a reasonable person could derive the current value by taking the percentage and multiplying it by the NAV of the Fund which would be disclosed in the financial statements of the Fund.

13. The Fund will be required to enter into confidentiality agreements with the various managers of the Underlying Investments as a condition of investment. These confidentiality agreements may provide for non-disclosure of current values and other financial information related to the Underlying Investments.

14. Disclosure of the current value of the Underlying Investments would be contrary to the interests of the Fund and its Unitholders because some investment opportunities may not be offered to the Fund if it is required to make disclosure that other potential investors need not make. If the Fund is unduly restricted by disclosure requirements, the Filer believes that the Fund will be become a non-preferred investor and lose access to many investment opportunities, leading to lower returns for Unitholders.

15. The Fund believes that providing the current value of the Underlying Investments according to industry class and geographic region would be more useful to Unitholders than providing the current value of each portfolio asset since information about the Underlying Investments, which are private investments, is less readily available relative to public investments whereas investment and economic information regarding industries and geographic regions is generally publicly available.

16. The Fund believes that providing Unitholders with the current value of the Underlying Investments according to industry class and geographic region rather than the current value of each portfolio asset would not be prejudicial to the interests of Unitholders and balances the interests of the Unitholders, who require adequate financial disclosure to make investment decisions, and the

interests of the issuers of the Underlying Investments who are concerned with keeping certain financial information with respect to their investments or businesses confidential.

17. The Fund intends to treat all Unitholders equally with respect to the disclosure of financial information regarding the Underlying Investments. The Fund will not provide current values of individual Underlying Investments to some investors to the exclusion of other investors.

NAV Calculation

18. Under paragraph 14.2(3)(b) of NI 81-106, an investment fund that is a reporting issuer that uses or holds specified derivatives, as the Fund may do, must calculate its NAV daily.

19. The Fund intends to calculate its NAV twice monthly, (i) on the 15th day of each month, or if the 15th day is not a business day, on the preceding business day, and (ii) on the last business day of each month.

20. The Preliminary Prospectus discloses and the final prospectus of the Fund will disclose that the NAV calculation of the Fund will be available to the public on the Filer's website at www.kpcl.ca and will be available to the public upon request.

21. NAV calculation on a daily basis is not necessary for redemption purposes because the Fund only allows investors to redeem annually, thus the Filer believes it would not be prejudicial to investors to allow the Fund to calculate its NAV twice monthly.

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:

1. In respect of the Disclosure Relief,

   i. the Fund discloses in its Statement of Investment Portfolio,

      (a) the cost amount for each Underlying Investment;

      (b) the total aggregate cost of the Underlying Investments;

      (c) the total adjustment from cost to current value for all Underlying Investments; and

      (d) the total current value of the Underlying Investments;

   ii. the Fund discloses in its Summary of Investment Portfolio, the top 25 positions of the Fund broken down as follows:

      (a) the names of the Liquid Investments, the current value of each Liquid Investment expressed as a percentage of net assets of the Fund and the aggregate current value of the Liquid Investments expressed as a percentage of net assets of the Fund; and

      (b) the names of the Underlying Investments and the aggregate current value of the Underlying Investments expressed as a percentage of net assets of the Fund;

   iii. the Fund discloses in its Statement of Investment Portfolio the allocation of the Underlying Investments by industry class and by geographic region, in tabular form, including,

      (a) the number of Underlying Investments in each industry class and geographic region;

      (b) the total cost and aggregate current value of the Underlying Investments in each industry class and geographic region; and

      (e) the total cost and aggregate current value of the Underlying Investments for each industry class and geographic region as a percentage of the NAV of the Fund; and

2. In respect of the NAV Calculation Relief, the Fund discloses in its prospectus:

   (a) that the NAV calculation of the Fund is available to the public upon request; and

   (b) a website that the public can access to obtain the NAV of the Fund;

   for so long as:

   (c) the Fund calculates its NAV at least twice monthly, (i) on the 15th day of each month, or if the 15th is not a business day, on the preceding business day, and

(ii) on the last business day of each month.

"Leslie Byberg"
Manager, Investment Funds Branch
Ontario Securities Commission

2.1.6 Goodman & Company, Investment Counsel Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Exemption to allow dealer managed mutual funds to invest in securities of an issuer during the 60 days after the distribution period in which an affiliate of the dealer manager has acted as an underwriter in connection with the distribution of securities of the issuer – The conflict is mitigated by the oversight of an independent review committee – Subsection 4.1(1) of National Instrument 81-102 Mutual Funds.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 4.1(1), 19.1.

April 3, 2007

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,
THE NORTHWEST TERRITORIES, NUNAVUT
AND THE YUKON
(the "Jurisdictions")

AND

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

AND

IN THE MATTER OF
GOODMAN & COMPANY, INVESTMENT COUNSEL LTD.
(the "Applicant" or "Dealer Manager")

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 Applicant for and on behalf of the mutual funds named in Appendix "A" (the "**Funds**" or "**Dealer Managed Funds**") for whom the Applicant acts as manager or portfolio advisor or both, for a decision under section 19.1 of National Instrument 81-102 *Mutual Funds* ("**NI 81-102**") for:

- an exemption from subsection 4.1(1) of NI 81-102 to enable the Dealer Managed Funds to invest in common shares (the "**Common Shares**") of Equinox Minerals Limited (the "**Issuer**") on the Toronto Stock Exchange (the "**TSX**") during the 60-day period (the "**Prohibition Period**") following the completion of the distribution of the Issuer's

Units (the "**Units**") notwithstanding that an affiliate of the Dealer Manager has acted as an underwriter in connection with the offering (the "**Offering**") of Units pursuant to a final short form prospectus (the "**Prospectus**") dated February 27, 2007 filed in each of the provinces and territories of Canada (the "**Requested Relief**").

Under the Mutual Reliance Review System for Exemptive Relief Applications:

(a) the Ontario Securities Commission (the "**OSC**") is the principal regulator for this application, and

(b) this MRRS decision document evidences the decision of each Decision Maker.

It is the responsibility of each of the Decision Makers to make a global assessment of the risks involved in granting exemptive relief from subsection 4.1 of NI 81-102 in relation to the specific facts of each application.

Interpretation

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

Representations

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

1. The Dealer Manager is a "dealer manager" with respect to the Dealer Managed Funds, and each Dealer Managed Fund is a "dealer managed fund", as such terms are defined in section 1.1 of NI 81-102.

2. The securities of the Dealer Managed Funds are qualified for distribution in each of the Jurisdictions pursuant to simplified prospectuses that have been prepared and filed in accordance with the legislation of each of the Jurisdictions.

3. The head office of the Dealer Manager is in Toronto, Ontario.

4. Investments in the Common Shares by the Funds are consistent with the investment objectives and strategies of the Funds.

5. The Offering was underwritten, subject to certain terms, by an underwriting syndicate which included Dundee Securities Corporation (the "**Related Underwriter**"), among others (the Related Underwriter together with the other underwriters, the "**Underwriters**").

6. The Related Underwriter is an affiliate of the Dealer Manager.

7. The Issuer announced on March 6, 2007 (the "**Closing Date**") that it closed the Offering, including the exercise of the Over-Allotment Option (as defined below), pursuant to the terms of an underwriting agreement dated February 20, 2007 between the Issuer and the Underwriters. Pursuant to the terms of the Underwriting Agreement, the Issuer was to pay a commission to the Underwriters equal to 4.5% of the gross proceeds of the Offering.

8. The Issuer is a company incorporated in accordance with the laws of Canada. The Issuer is an international mineral exploration and development company listed on the TSX with a focus on base and precious metals.

9. Each Unit consists of one Common Share and one-quarter of a Common Share purchase warrant (each whole warrant, a "**Warrant**"). Each full Warrant is exercisable for one Common Share at an exercise price of Cdn$2.30 per share for a period of 14 months following closing of the Offering.

10. The Lumwana Copper Project ("**Lumwana Project**") is located in the North Western Province of Zambia, 220 km northwest of the Zambian Copperbelt, one of the world's most significant copper producing regions, and includes the two major copper deposits, Malundwe and Chimiwungo, together with numerous exploration prospects. The Issuer has a 100% interest in the Lumwana Project.

11. According to the Prospectus, the Offering consisted of 92,500,000 Units at Cdn$2.00 per Unit with gross proceeds of Cdn$185,000,000.00. In addition, the Issuer granted and the Underwriters exercised on the Closing Date, an option (the "**Over-Allotment Option**") to purchase 13,125,000 additional Units on the same terms as set out above.

12. According to the Prospectus, the Issuer intends to use the net proceeds from the Offering mainly to fund ongoing costs associated with the development of the Issuer's Lumwana Copper Project ("**Lumwana Project**"). The Lumwana Copper Project located, in the North Western Province of Zambia, 220 km northwest of the Zambian Copperbelt, one of the world's most significant copper producing regions, includes the two major copper deposits, Malundwe and Chimiwungo, together with numerous exploration prospects. The Issuer has a 100% interest in the Lumwana Project.

13. The Issuer also intends to use the funds for a feasibility study on the treatment of Lumwana uranium ore, the funding of ongoing exploration for both copper and uranium in Zambia and general working capital purposes.

14. The Issuer's outstanding units are listed on the Toronto Stock Exchange ("**TSX**") under the symbol "EQN".

15. The Prospectus does not disclose that the Issuer is a "Connected Issuer" as defined in National Instrument 33-105 *Underwriting Conflicts* ("**NI 33-105**") of the Related Underwriter.

16. Despite the affiliation between the Dealer Manager and the Related Underwriter, they operate independently of each other. In particular, the investment banking and related dealer activities of the Related Underwriter and the investment portfolio management activities of the Dealer Manager are separated by "ethical" walls. Accordingly, no information flows from one to the other concerning their respective business operations or activities generally, except in the following or similar circumstances:

    (a) in respect of compliance matters (for example, the Dealer Manager and the Related Underwriter may communicate to enable the Dealer Manager to maintain an up to date restricted-issuer list to ensure that the Dealer Manager complies with applicable securities laws); and

    (b) the Dealer Manager and the Related Underwriter may share general market information such as discussion on general economic conditions, bank rates, etc.

17. The Dealer Managed Funds are not required or obligated to purchase any Common Shares during the Prohibition Period.

18. The Dealer Manager may cause the Dealer Managed Funds to invest in Common Shares during the Prohibition Period. Any purchase of the Common Shares will be consistent with the investment objectives of the Dealer Managed Funds and represent the business judgment of the Dealer Manager uninfluenced by considerations other than the best interests of the Dealer Managed Funds or in fact be in the best interests of the Dealer Managed Funds.

19. To the extent that the same portfolio manager or team of portfolio managers of a Dealer Manager manages two or more Dealer Managed Funds and other client accounts that are managed on a discretionary basis (the "**Managed Accounts**"), the Common Shares purchased for them will be allocated:

    (a) in accordance with the allocation factors or criteria stated in the written policies or procedures put in place by the Dealer Manager for its Dealer Managed Funds and Managed Accounts, and

    (b) taking into account the amount of cash available to each Dealer Managed Fund for investment.

20. There will be an independent committee (the "**Independent Committee**") appointed in respect of the Dealer Managed Funds to review the investments of the Dealer Managed Funds in Common Shares during the Prohibition Period.

21. The Independent Committee will have at least three members and every member must be independent. A member of the Independent Committee is not independent if the member has a direct or indirect material relationship with its Dealer Manager, the Dealer Managed Funds, or any affiliate or associate thereof. For the purpose of this Decision, a material relationship means a relationship which could, in the view of a reasonable person, reasonably interfere with the exercise of the member's independent judgment regarding conflicts of interest facing the Dealer Manager.

22. The members of the Independent Committee will exercise their powers and discharge their duties honestly, in good faith, and in the best interests of investors in the Dealer Managed Funds and, in so doing, exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances.

23. The Dealer Manager, in respect of the Dealer Managed Funds, will notify a member of staff in the Investment Funds Branch of the Ontario Securities Commission, of the filing of the SEDAR Report (as defined below) on SEDAR, as soon as practicable after the filing of such report, and the Notice shall include the SEDAR project number of the SEDAR Report and the date on which it was filed.

24. The Dealer Manager has not been involved in the work of its Related Underwriter and the Related Underwriter has not been and will not be involved in the decisions of the Dealer Manager as to whether the Dealer Managed Funds will purchase Common Shares during the Prohibition Period.

Decision

Each of the Decision Makers has assessed the conflict of interest risks associated with granting an exemption in this instance from subsection 4.1(1) of NI 81-102 and is satisfied that, at the time this Decision is granted, the potential risks are sufficiently mitigated.

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

The Decision of the Decision Makers under the Legislation is that the Requested Relief is granted, notwithstanding

that the Related Underwriter acts or has acted as underwriter in the Offering provided that, in respect of the Dealer Manager and its Dealer Managed Funds, the following conditions are satisfied:

I. At the time of each purchase (the "**Purchase**") of Common Shares by a Dealer Managed Fund pursuant to this Decision, the following conditions are satisfied:

(a) the Purchase

(i) represents the business judgment of the Dealer Manager uninfluenced by considerations other than the best interests of the Dealer Managed Fund, or

(ii) is, in fact, in the best interests of the Dealer Managed Fund;

(b) the Purchase is consistent with, or is necessary to meet, the investment objective of the Dealer Managed Fund as disclosed in its simplified prospectus; and

(c) the Dealer Managed Fund does not place the order to purchase, on a principal or agency basis, with the Related Underwriter;

II. Prior to effecting any Purchase pursuant to this Decision, each Dealer Managed Fund has in place written policies or procedures to ensure that,

(a) there is compliance with the conditions of this Decision; and

(b) in connection with any Purchase,

(i) there are stated factors or criteria for allocating the Common Shares purchased for two or more Dealer Managed Funds and other Managed Accounts, and

(ii) there is full documentation of the reasons for any allocation to a Dealer Managed Fund or Managed Account that departs from the stated allocation factors or criteria;

III. The Dealer Manager does not accept solicitation by its Related Underwriter for the Purchase of Common Shares for the Dealer Managed Fund;

IV. The Dealer Managed Fund has an Independent Committee to review the Dealer Managed Fund's investments in the Common Shares during the Prohibition Period;

V. The Independent Committee has a written mandate describing its duties and standard of care which, as a minimum, sets out the applicable conditions of this Decision;

VI. The members of the Independent Committee exercise their powers and discharge their duties honestly, in good faith, and in the best interests of investors in the Dealer Managed Funds and, in so doing, exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances;

VII. The Dealer Managed Fund does not relieve the members of the Independent Committee from liability for loss that arises out of a failure to satisfy the standard of care set out in paragraph VI above:,

VIII. The Dealer Managed Fund does not incur the cost of any portion of liability insurance that insures a member of the Independent Committee for a liability for loss that arises out of a failure to satisfy the standard of care set out in paragraph VI above;

IX. The cost of any indemnification or insurance coverage paid for by the Dealer Manager, any portfolio manager of the Dealer Managed Fund, or any associate or affiliate of the Dealer Manager or any portfolio manager of the Dealer Managed Funds to indemnify or insure the members of the Independent Committee in respect of a loss that arises out of a failure to satisfy the standard of care set out in paragraph VI above is not paid either directly or indirectly by the Dealer Managed Fund;

X. The Dealer Manager files a certified report on SEDAR (the "**SEDAR Report**") in respect of the Dealer Managed Fund, no later than 30 days after the end of the Prohibition Period, that contains a certification by the Dealer Manager that contains:

(a) the following particulars of each Purchase:

(i) the number of Common Shares purchased by the Dealer Managed Fund;

(ii) the date of the Purchase and purchase price;

(iii) whether it is known whether any underwriter or syndicate member has engaged in market stabilization activities in respect of the Common Shares;

(iv) if the Common Shares were purchased for two or more Dealer Managed Funds and

other Managed Accounts of the Dealer Manager, the aggregate amount so purchased and the percentage of such aggregate amount that was allocated to each Dealer Managed Fund; and

(v) the dealer from whom the Dealer Managed Fund purchased the Common Shares and the fees or commissions, if any, paid by the Dealer Managed Fund in respect of such Purchase;

(b) a certification by the Dealer Manager that the Purchase:

(i) was made free from any influence by the Related Underwriter or any affiliate or associate thereof and without taking into account any consideration relevant to the Related Underwriter or any associate or affiliate thereof; and

(ii) represented the business judgment of the Dealer Manager uninfluenced by considerations other than the best interests of the Dealer Managed Fund, or

(iii) was, in fact, in the best interests of the Dealer Managed Fund;

(c) confirmation of the existence of the Independent Committee to review the Purchase of the Common Shares by the Dealer Managed Funds, the names of the members of the Independent Committee, the fact that they meet the independence requirements set forth in this Decision, and whether and how they were compensated for their review;

(d) a certification by each member of the Independent Committee that after reasonable inquiry the member formed the opinion that the policies and procedures referred to in Condition II(a) above are adequate and effective to ensure compliance with this Decision and that the decision made on behalf of each Dealer Managed Fund by the Dealer Manager to purchase Common Shares for the Dealer Managed Funds and each Purchase by the Dealer Managed Fund:

(i) was made in compliance with the conditions of this Decision;

(ii) was made by the Dealer Manager free from any influence by the Related Underwriter or any affiliate or associate thereof and without taking into account any consideration relevant to the Related Underwriter or any associate or affiliate thereof; and

(iii) represented the business judgment of the Dealer Manager uninfluenced by considerations other than the best interests of the Dealer Managed Fund, or

(iv) was, in fact, in the best interests of the Dealer Managed Fund.

XI. The Independent Committee advises the Decision Makers in writing of:

(a) any determination by it that the condition set out in paragraph X(d) has not been satisfied with respect to any Purchase of the Common Shares by a Dealer Managed Fund;

(b) any determination by it that any other condition of this Decision has not been satisfied;

(c) any action it has taken or proposes to take following the determinations referred to above; and

(d) any action taken, or proposed to be taken, by the Dealer Manager or a portfolio manager of a Dealer Managed Fund, in response to the determinations referred to above.

XII. Each Purchase of Common Shares during the Prohibition Period is made on the TSX; and

XIII. An underwriter provides to the Dealer Manager written confirmation that the "dealer restricted period" in respect of the Offering, as defined in Ontario Securities Commission Rule 48-501 *Trading During Distributions, Formal Bids and Share Exchange Transactions*, has ended.

"Leslie Byberg"
Leslie Byberg
Manager, Investment Funds Branch
Ontario Securities Commission

APPENDIX "A"

THE MUTUAL FUNDS

Dynamic Funds
Dynamic Power Canadian Growth Fund
Dynamic Power Canadian Growth Class
Dynamic Power Balanced Fund
Dynamic Precious Metals Fund

DMP Resource Class
Marquis Investment Program
Marquis Enhanced Canadian Equity Pool

2.1.7 Elliott & Page Limited et al. - MRRS Decision

MRRS – Approval of fund mergers – financial statements of continuing fund not required to be sent to unitholders of the terminating funds provided information circular sent in connection with the unitholder meeting clearly discloses the various ways unitholders can access the financial statements – exemption from sending financial statements for future mergers as well.

Applicable Legislative Provisions

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

April 13, 2007

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

AND

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

AND

IN THE MATTER OF
ELLIOTT & PAGE LIMITED
(the Manager)

AND

ELLIOTT & PAGE GENERATION WAVE FUND,
MIX SEAMARK TOTAL CANADIAN EQUITY CLASS
AND
MIX TRIMARK SELECT CANADIAN CLASS
(collectively, the Terminating Funds)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from the Manager and the Terminating Funds (together, the "Filers") for a decision under the securities legislation of the Jurisdictions (the "Legislation") for:

(a) approval of the mergers (the "Mergers") of the Terminating Funds into the applicable Continuing Funds (as defined below); and

(b) approval of any merger, after the date of this decision, of funds managed by the Manager that meet all of the criteria for pre-approval of mergers under section 5.6 of the Instrument except for the financial statement delivery requirements of subparagraph 5.6(1)(f)(ii) of the Instrument (the "Future Mergers").

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.

"Continuing Funds" means Elliott & Page Canadian Equity Fund, MIX Canadian Large Cap Core Class and MIX Canadian Equity Value Class;

"Fund" or **"Funds"** means, individually or collectively, the Terminating Funds and the Continuing Funds.

Representations

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

1. The Manager is a corporation established under the laws of Ontario. The Manager is the manager of each of the Funds.

2. The Elliott & Page Generation Wave Fund is an open-ended mutual fund trust established under the laws of the Province of Ontario pursuant to certain trust agreements.

3. Each of the MIX SEAMARK Total Canadian Equity Class and MIX Trimark Select Canadian Class is a class of shares of Manulife Investment Exchange Funds Corp. (the "Corporation"), a mutual fund corporation formed by articles of incorporation dated September 12, 2002 under the laws of the Province of Ontario.

4. Securities of the Funds are currently qualified for sale in all of the provinces and territories of Canada by a simplified prospectus and an annual information form, each dated August 24, 2006, as amended by amendment no. 1 thereto dated March 2, 2007.

5. Each of the Funds is a reporting issuer under the applicable securities legislation of each province and territory of Canada and is not in default of any requirements of applicable securities legislation.

6. The net asset value of each Fund is calculated on a daily basis on each day that the Manager is open for business.

7. The Manager proposes to merge each of the Terminating Funds into the Continuing Funds on a tax-deferred basis as follows:

   (a) Elliott & Page Generation Wave Fund into Elliott & Page Canadian Equity Fund;

   (b) MIX SEAMARK Total Canadian Equity Class into MIX Canadian Large Cap Core Class; and

   (c) MIX Trimark Select Canadian Class into MIX Canadian Equity Value Class.

8. The proposed Merger of Elliott & Page Generation Wave Fund into Elliott & Page Canadian Equity Fund will be structured substantially as follows:

   (i) The Terminating Fund will transfer all of its assets and liabilities to the Continuing Fund for an amount equal to the net value of the assets transferred, which amount will be satisfied as described in (ii) below.

   (ii) The Continuing Fund will issue securities of the Continuing Fund to the Terminating Fund having a net asset value equal to the net value of the assets transferred by the Terminating Fund.

   (iii) The Terminating Fund will redeem its outstanding securities and pay the redemption price for these securities by distributing securities of the Continuing Fund to the Terminating Fund's securityholders.

   (iv) Securities of the Continuing Fund received by the securityholders of the Terminating Fund will have an aggregate net asset value equal to the aggregate net asset value of the securities of the Terminating Fund which are being redeemed.

   (v) As soon as reasonably practicable after the distribution of securities of the Continuing Fund by the Terminating Fund, the Terminating Fund will be wound-up.

9. The proposed Mergers of MIX SEAMARK Total Canadian Equity Class into MIX Canadian Large Cap Core Class and MIX Trimark Select Canadian Class into MIX Canadian Equity Value Class will be structured substantially as follows:

(i) The articles of incorporation of the Corporation will be amended to allow for the completion of the MIX Mergers as described in (ii) below.

(ii) The securities of each Terminating Fund will be exchanged for securities of the corresponding Continuing Fund based on their relative net asset values.

(iii) Securities of the Continuing Fund received by the securityholders of the Terminating Fund will have an aggregate net asset value equal to the aggregate net asset value of the securities of the Terminating Fund which are being exchanged.

(iv) The assets and liabilities attributed to each Terminating Fund will be reallocated to the corresponding Continuing Fund.

(v) As soon as reasonably practicable following the Merger, the articles of incorporation of the Corporation will be amended to delete the Terminating Funds.

10. The assets of each Terminating Fund are acceptable to the portfolio manager of the corresponding Continuing Fund and are, or will be, consistent with the investment objectives of the corresponding Continuing Fund.

11. The securities of the Continuing Fund received by a securityholder of the corresponding Terminating Fund will have the same fee structure as the securities of the Terminating Fund held by that securityholder or, in some cases, will benefit from a decrease in management fees.

12. Securityholders of the Terminating Funds will continue to have the right to redeem securities of the Terminating Funds at any time up to the close of business on the effective date of the Mergers.

13. Any automatic reinvestments of distributions, purchases under pre-authorized chequing plans and automatic withdrawal plans in effect prior to the Merger for the Terminating Fund will be re-established in the applicable Continuing Fund unless the investor advises the Manager otherwise.

14. The costs attributable to the Mergers (consisting primarily of legal, proxy solicitation, printing and mailing costs) will be borne by the Manager and will not be borne by the Terminating Funds or the Continuing Funds.

15. At special meetings of securityholders of each Terminating Fund to be held on May 16, 2007, securityholders of each Terminating Fund will be asked to approve the Mergers. In accordance with applicable corporations legislation, securityholders of MIX Canadian Large Cap Core Class and MIX Canadian Equity Value Class will also be asked at such special meetings to approve the Mergers involving these funds. A notice of meeting and a management information circular will be mailed to securityholders of the Terminating Funds and MIX Canadian Large Cap Core Class and MIX Canadian Equity Value Class and filed on SEDAR in accordance with applicable securities legislation.

16. Approval of the Mergers is required because each of the Mergers does not satisfy all of the criteria for pre-approved reorganizations and transfers set forth in section 5.6 of NI 81-102 because, in the case of each Merger, the Manager proposes to indicate to securityholders of the Terminating Fund the manner in which the annual and interim financial statements of the applicable Continuing Fund may be obtained rather than delivering such statements. In addition, the Merger of Elliott & Page Generation Wave Fund into Elliott & Page Canadian Equity Fund involves the merger of funds that do not, in the opinion of the Manager, have “substantially similar investment objectives”.

17. The primary difference between the fundamental investment objectives of the Elliott & Page Generation Wave Fund and the Elliott & Page Canadian Equity Fund is that the Elliott & Page Canadian Equity Fund invests primarily in equity securities of large, established Canadian companies and Canadian securities that offer potential for capital growth rather than the limited number of Canadian securities which meet the Elliott & Page Generation Wave Fund’s criteria of investing in companies that are expected to benefit from demographic shifts and improvements in technology. However, the Filers submit that the Merger will reduce duplication between the Funds, thereby increasing operational efficiency as costs of the Continuing Fund will be spread across a greater pool of assets, also allowing for greater diversification and ensuring that the Continuing Fund remains a viable, long-term, attractive investment vehicle for existing and potential investors.

18. The most recent annual and interim financial statements of the Continuing Funds will not be sent to securityholders of the corresponding Terminating Funds but, instead, the Manager will prominently disclose in the information circular sent to securitytholders of the Terminating Funds that they can obtain the most recent interim and annual financial statements of the Continuing Funds by accessing the Manulife Investments and SEDAR websites, by toll-free number, by fax or by e-mail.

19. The Filers submit that if a securityholder is interested in reading the financial statements of the applicable Continuing Fund, he or she would take the time to access them by one of the means available. There would be cost savings if the Manager did not have to include the financial statements in the proxy packages sent to securityholders of the Terminating Funds.

20. Except as noted above, as at the time of the Mergers, the Mergers will meet all of the other conditions necessary for mutual funds to complete a merger without regulatory approval as prescribed by section 5.6 of NI 81-102.

Decision

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

The decision of the Decision Makers under the Legislation is that the Mergers and the Future Mergers are approved provided that:

(a) the information circular sent to securityholders with respect to a Merger or Future Merger provides sufficient information about the applicable merger to permit securityholders to make an informed decision about that merger;

(b) the information circular sent to securityholders in connection with a Merger or a Future Merger prominently discloses that securityholders can obtain the most recent interim and annual financial statements of the applicable Continuing Fund by accessing the Manulife Investments and SEDAR websites, upon request and at no cost by calling toll-free, by fax or by e-mail;

(c) upon request by a securityholder for financial statements, the Manager will make best efforts to provide the securityholder with financial statements of the applicable continuing fund in a timely manner so that the securityholder can make an informed decision regarding a Merger or a Future Merger; and

(d) each Terminating Fund, Continuing Fund and any mutual fund involved in a Merger or a Future Merger has, or will have, an unqualified audit report in respect of its last completed financial period.

This Decision, as it relates to the jurisdiction of a Decision Maker, will terminate one year after the publication in final form of any legislation or rule of that Decision Maker dealing with matters in paragraph 5.5(1)(b) of NI 81-102.

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

2.1.8 Harris Steel Group Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Issuer has only one security holder – Issuer deemed to cease to be a reporting issuer under applicable securities laws

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(b).

April 20, 2007

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
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
HARRIS STEEL GROUP 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**") that the Filer be deemed to have ceased to be a reporting issuer in the Jurisdictions (the "**Requested Relief**").

Under the Mutual Reliance Review System for Exemptive Relief Applications

(a) the Ontario Securities Commission (the **OSC**) 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 corporation incorporated under the laws of Ontario by letters patent dated May 20, 1953. By supplementary letters patent dated April 27, 1967, the company changed its status from a private to a public company. The company changed its name to "Harris Steel Group Inc." on November 6, 1979 and, on September 1, 1984, the company amalgamated with G&H Steel Industries Limited but continued to be known as "Harris Steel Group Inc."

2. The Filer is engaged in the steel industry, and participates in steel trading and in the distribution of reinforcing steel and allied products.

3. The head office and registered office of the Filer is located at 4120 Yonge Street, Suite 404, Toronto, Ontario M2P 2B8.

4. The authorized capital of the Filer consists of an unlimited number of common shares (the "**Common Shares**"). As at the date hereof, there are 26,924,320 Common Shares issued and outstanding.

5. The Filer is a reporting issuer or the equivalent in each of the provinces and territories of Canada where that concept exists, except British Columbia, where the Filer elected to cease to be a reporting issuer prior to the date hereof.

6. Pursuant to an offer (the "**Offer**") dated January 22, 2007 by an indirect wholly-owned subsidiary of Nucor Corporation (the "**Offeror**"), the Offeror offered to purchase all of the Common Shares at a price of Cdn. $46.25 per Common Share (the "**Offer Price**"). The Offer was made by way of take-over bid pursuant to Part XX of the *Securities Act* (Ontario).

7. The Offer expired on March 2, 2007. At the expiry of the Offer approximately 96.6% of the outstanding Common Shares had been deposited under the Offer and were taken up and paid for by the Offeror.

8. Following the completion of the Offer, the Offeror exercised its right under Section 188 of the *Business Corporations Act* (Ontario) (the "**OBCA**") to acquire the remaining issued and outstanding Common Shares not deposited under the Offer and this compulsory acquisition was completed on April 8, 2007. As a result, on April 8, 2007, the Offeror became the beneficial owner of all of the Common Shares. The Filer has no other securities outstanding.

9. On March 9, 2007, the Offeror delivered a notice of compulsory acquisition to shareholders of the Filer who did not tender their shares under the Offer. Shareholders who did not elect to demand fair value for their Common Shares in accordance with the OBCA were only entitled to receive the Offer Price, in cash, for their Common Shares and there was no public market for their Common Shares.

10. The Filer has no current intention to seek public financing by way of an offering of securities.

11. The Common Shares were delisted from the Toronto Stock Exchange on March 13, 2007, and no securities of the Filer are listed or traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.

12. The Filer is not in default of any of its obligations as a reporting issuer under the Legislation, other than its obligation to file its annual information form, annual financial statements, related management's discussion and analysis, and certificates under Multilateral Instrument 52-109 for the year ended December 31, 2006. Prior to the last date by which the Filer was required to file its annual information form, annual financial statements, related management's discussion and analysis and certificates for such period, the Filer had applied for a decision that the Filer be deemed to have ceased to be a reporting issuer in the Jurisdictions, and the Offeror (i) owned approximately 96.6% of the Common Shares and (ii) had delivered a notice of compulsory acquisition to shareholders of the Filer who had not tendered their shares under the Offer. Consequently, the Filer has not prepared or filed its annual information form, annual financial statements, related management's discussion and analysis or certificates for the year ended December 31, 2006.

13. Upon the grant of the relief requested herein, the Filer will not be a reporting issuer or the equivalent in any jurisdiction of Canada.

Decision

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

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted.

"Robert L. Shirriff"

"Paul K. Bates"

2.1.9 James Richardson International Limited - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – The Filer is undertaking a two step transaction involving a securities exchange take-over bid followed by an arrangement– The structure of the transaction results in the Filer becoming a reporting issuer at different dates in different jurisdictions – The Filer will become a reporting issuer in Ontario upon listing on the TSX – Relief provides a consistent date across jurisdictions for when reporting issuer status commences and provides for consistent resale requirements. Relief is conditional upon the Filer receiving conditional listing approval from the TSX.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, s. 1(11).
National Instrument 45-102 – Resale of Securities.

March 28, 2007

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

AND

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

AND

IN THE MATTER OF
JAMES RICHARDSON INTERNATIONAL LIMITED
(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 requirement in the Legislation to offer identical consideration to all holders of the class of securities subject to a take-over bid (the "Identical Consideration Requirement") in connection with the securities exchange take-over bid to be made by the Filer for all issued and outstanding Limited Voting Common Shares (the "Common Shares") and the Series A Convertible Preferred Shares (the "Preferred Shares", and, together with the Common Shares and Preferred Shares, the "Securities") of United Grain Growers Limited, carrying

on business as Agricore United ("Agricore") (the "Requested Relief").

Under the Mutual Reliance Review System for Exemptive Relief Applications:

(a) The Manitoba Securities Commission is the principal regulator for this application, and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

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

Representations

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

1. The Filer is a corporation amalgamated under the *Canada Business Corporations Act*, with its head office in Winnipeg, Manitoba.

2. The Filer is not a reporting issuer in any jurisdiction that recognizes the concept of reporting issuer status.

3. All of the common shares of the Filer (the "JRI Shares") are currently owned by James Richardson & Sons, Limited.

4. Agricore was continued under the *United Grain Growers Act* in 1992 and has its head office in Winnipeg, Manitoba.

5. To the knowledge of the Filer, Agricore is a reporting issuer in each of the Jurisdictions that recognizes the concept of reporting issuer status.

6. The Common Shares and the Preferred Shares of Agricore are listed and posted for trading on the Toronto Stock Exchange.

7. The Filer intends to make offers to acquire all of the outstanding Securities (the "Offers").

8. The consideration offered for each of the Securities under the Offers will be:

   (a) $6.50 per Common Share, plus 0.509 of a JRI Share; and

   (b) $24.00 per Preferred Share, plus any accrued and unpaid dividends.

9. Securityholder lists delivered to the Filer by Agricore disclosed that, as of March 2, 2007, residents of the United States comprise 21 registered holders of Common Shares (collectively holding approximately 1.6% of the outstanding Common Shares on a fully diluted basis) and residents of jurisdictions other than the United States or Canada comprise 3 registered holders of Common Shares (collectively holding approximately 1.2% of the outstanding Common Shares on a fully diluted basis).

10. As of January 10, 2007, Archer Daniels Midland Company ("ADM"), headquartered in Decatur, Illinois, held 16,634,269 Common Shares (representing approximately 28% of the Common Shares on a fully-diluted basis) through its wholly-owned subsidiary ADM Agri-Industries Company, a Nova Scotia unlimited liability company ("ADM Nova Scotia").

11. According to ADM's most recent 10-Q filed with the SEC, as of December 31, 2006, ADM had US$25,045,614 in assets. Based on these facts, both ADM and ADM Nova Scotia would qualify as an "accredited investor" as defined in Rule 501 under the 1933 Act, and would also qualify for exemptions from the registration or qualification requirements of the state blue sky securities laws of many states.

12. The JRI Shares offered pursuant to the Offers to holders of Securities in the United States (the "U.S. Securityholders") have not been and will not be registered or otherwise qualified for distribution under the U.S. Securities Act of 1933, as amended (the "1933 Act") or U.S. state securities laws.

13. Rule 802 under the 1933 Act provides an exemption from the registration requirements of that Act for offers and sales in any exchange offer for a class of securities of a foreign private issuer or in any exchange of securities for the securities of a foreign private issuer in any business combination if the holders in the United States of the foreign subject company hold no more than 10% of the securities that are the subject of the exchange offer or business combination. Rule 802 provides that for purposes of this calculation, securities held by persons who hold more than 10% of the subject securities are to be excluded. In order for this exemption to apply, holders in the United States must participate in the exchange offer or business combination on terms at least as favourable as the other holders of the subject securities, subject to an exception which allows the offeror to offer cash consideration to securityholders resident in states of the United States which do not have an applicable state blue sky exemption from the registration or qualification requirements of state securities laws.

14. The Filer is a "foreign private issuer" for the purposes of Rule 802 under the 1933 Act, meeting the definitions of such term referred to in Rule 800 and contained in Rule 405 under the 1933 Act.

15. As a result of the exclusion of the shares held by ADM Nova Scotia from the calculation of the U.S. ownership level in accordance with the provisions of Rule 802, fewer than 10% of the Securities are held in the United States. As the 10% ownership condition and the other conditions of Rule 802 will be met, the offer and sale of the JRI Shares will be exempt from the registration requirements of the 1933 Act.

16. Although some states have adopted an exemption from the registration or qualification requirements of state blue sky laws corresponding to Rule 802 under the 1933 Act, in many states there is no exemption from those requirements of state blue sky laws that corresponds to Rule 802 under the 1933 Act. As a result, the securities laws of a significant number of states of the United States would prohibit delivery of the JRI Shares to holders of subject securities located in those states without registration or qualification of the JRI Shares to be issued to them unless another state law exemption is available to such holders. The Multijurisdictional Disclosure System does not provide relief from the registration or qualification requirements of U.S. state securities laws.

17. Registration under certain U.S. state securities laws of the JRI Shares deliverable to U.S. Securityholders would be extremely costly and burdensome to the Filer.

18. For U.S. Securityholders who are, or who appear to the Filer or to the depositary to be, resident in one of the states of the United States with no state blue sky exemption corresponding to Rule 802 under the 1933 Act and no other readily available exemption from the registration or qualification requirements of state blue sky laws, and for holders of Securities in jurisdictions other than the United States and Canada to whom the JRI Shares may not be delivered without registration or qualification under the laws of their own jurisdiction (collectively with the U.S. Securityholders, the "Non-Resident Securityholders"), the Filer proposes to deliver to the depositary or other selling agent the JRI Shares such holders would otherwise be entitled to receive under the relevant Offer. The depositary or selling agent will then sell such JRI Shares on behalf of such holders through the facilities of the TSX. As soon as possible after the completion of the sale, the depositary or selling agent will send to each such holder a cheque equal to that holder's pro rata share of the proceeds of the sale, less commissions and applicable withholding taxes. Such procedure has been disclosed in the Offers.

19. Any sale of JRI Shares described in paragraph 18 will be completed as soon as commercially reasonable following the date on which the Filer takes up Securities tendered under the Offers.

20. The offer and sale of JRI Shares to ADM Nova Scotia may not be subject to any U.S. state blue sky requirements if ADM Nova Scotia is resident and headquartered in Canada, its Securities are by it held in Canada, and no offer or sale of JRI Shares is made to ADM Nova Scotia in any U.S. state. However, even if the laws of the State of Illinois, where ADM is headquartered, apply to the offer and sale of JRI Shares to ADM Nova Scotia, an exemption from the registration requirements of Illinois state law would be available in respect of the offer and sale of JRI Shares to ADM Nova Scotia specifically, despite the fact that Illinois does not have an exemption which corresponds to Rule 802 under the 1933 Act. The Filer intends to deliver JRI Shares to ADM Nova Scotia in respect of its Securities pursuant to the Offers a manner exempt from, or not subject to, state blue sky requirements and not rely upon the procedure set out in paragraph 18 with respect to the Securities held by ADM Nova Scotia.

21. Except to the extent that relief from the Identical Consideration Requirement is granted, the Offers will be made in compliance with the requirements under the Legislation governing take-over bids.

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, in connection with the Offers, the Requested Relief is granted so that the Filer is exempt from the Identical Consideration Requirement insofar as Non-Resident Securityholders who would otherwise receive JRI Shares pursuant to the Offers receive instead cash proceeds from the sale of such JRI Shares in accordance with the procedure set out in paragraph 18 above.

"Chris Besko"
Deputy Director
The Manitoba Securities Commission

2.1.10 Norcast Income Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – application for an order that the issuer is not a reporting issuer.

Ontario Statutes

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10).

April 24, 2007

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

AND

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

AND

IN THE MATTER OF
NORCAST INCOME FUND

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Ontario, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia and Newfoundland and Labrador (the Jurisdictions) has received an application from Norcast Income Fund (the Applicant) for a decision under the securities legislation of the Jurisdictions (the Legislation) that the Applicant not be a reporting issuer in the Jurisdictions (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 factual information below as provided by the Applicant.

1. The Applicant is an unincorporated, open-ended limited purpose trust governed by the laws of the Province of Ontario pursuant to an Amended and Restated Declaration of Trust dated June 15, 2005, as Amended (the Declaration of Trust).

2. Effective as of April 1, 2007, the registered and principal office of the Applicant is located at 90 Richmond Street East, Suite 400, Toronto, Ontario, M5C 1N8.

3. The authorized capital of the Applicant consists of an unlimited number of units (the Units) of which 7,702,500 were issued and outstanding as of March 27, 2007.

4. The Applicant is a reporting issuer under the Legislation in each of the Jurisdictions. On March 27, 2007 the Applicant filed a notice in British Columbia under BC Instrument 11-502 – *Voluntary Surrender of Reporting Issuer Status* to voluntarily surrender its reporting issuer status in British Columbia.

5. An indirect wholly-owned subsidiary of Pala Investments Holdings Limited (Bidco) became the sole beneficial holder of all of the Applicant's issued and outstanding Units following the expiry on March 23, 2007 of the take-over bid by Bidco for all of the issued and outstanding Units of the Applicant not already owned by Bidco and its affiliates and the subsequent acquisition, also on March 23, 2007, of the remaining Units of the Applicant not then held by Bidco pursuant to the compulsory acquisition provisions set out in the Declaration of Trust.

6. The Units of the Applicant were de-listed from the Toronto Stock Exchange as of the close of markets on March 27, 2007.

7. No securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 – **Marketplace Operation**.

8. The Applicant has no current intention to seek public financing by way of an offering of securities.

10. The Applicant is applying for relief to not be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer.

11. The Applicant is in default of its obligation as a reporting issuer under the Legislation to file audited annual financial statements, related management discussion and analysis, officer's certificates and an annual information form within

90 days after the end of its financial year ended December 31, 2006.

12. Except as described in paragraph 11 above, the Applicant is not in default of any of its obligations as a reporting issuer under the Legislation.

13. Upon the grant of the relief requested herein, the Applicant will not be a reporting issuer in any jurisdiction in Canada.

Decision

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

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted.

"Robert L. Shirriff"
Commissioner
Ontario Securities Commission

"James Turner"
Vice-Chair
Ontario Securities Commission

2.1.11 SignalEnergy Inc. - s. 1(10)

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – application for an order that the issuer is not a reporting issuer.

Ontario Statutes

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10).

April 19, 2007

SignalEnergy Inc.
1500, 407 – 2nd Street S.W.
Calgary, Alberta
T2P 2Y3

Attention: Mr Donald R. Leitch

Dear Sir:

Re: SignalEnergy Inc. (the "Applicant") – Application to Cease to be a Reporting Issuer under the securities legislation of Québec, Alberta, Saskatchewan, Manitoba, Ontario, 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,

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

"Benoit Dionne"
Manager of the Corporate Financing Department
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2.1.12 I.G. Investment Management, Ltd. et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – revocation and replacement of an existing order under National Policy No. 39 – Mutual Funds for relief from certain provisions of NI 81-102 – Mutual Funds to permit the Fund's investment objective, structure and operation as set out in the Decision Document.

Applicable Legislative Provisions

National Instrument 81-102 – Mutual Funds, ss. 2.2(1), 2.3(a), 2.3(b), 2.3(i), 2.4, 2.6(a), 2.6(f), 2.6(g), 4.1(2), Part 6, ss. 10.4(1), 10.6.

April 18, 2007

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

AND

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

AND

IN THE MATTER OF
I.G. INVESTMENT MANAGEMENT, LTD. (IGIM),
INVESTORS GROUP TRUST CO. LTD. (IGTC)
AND
INVESTORS REAL PROPERTY FUND (the Fund)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application (the Application) from IGIM and IGTC on behalf of the Fund for which IGIM acts as manager and IGTC acts as the trustee for:

- a Decision under the securities legislation of the Jurisdictions (the Legislation) to revoke and replace the Decision Document dated June 13, 1997 in respect of the Fund (the Existing Decision Document) which decided that paragraph 2.04(1)(c) of former National Policy No. 39 – Mutual Funds (NP 39) did not apply to the Fund, provided the Fund complied with all of the provisions of former OSC Policy Statement 11.5 – Real Estate Mutual Funds – General Prospectus

Guidelines (former OSC 11.5) unless deviation therefrom was approved by the securities regulatory authorities, and

- an exemption from the following provisions of National Instrument 81-102 - Mutual Funds (NI 81-102) (the Requested Relief) to the extent necessary to permit the Fund's investment objective, structure and operation as set out in this Decision:

  (i) subsection 2.2(1) which prohibits a mutual fund from holding securities which represent more than 10% of the voting or equity securities of an issuer and from purchasing securities for the purpose of control or management;

  (ii) paragraph 2.3(a) which prohibits a mutual fund from purchasing real property;

  (iii) paragraph 2.3(b) which prohibits a mutual fund from purchasing a mortgage other than a guaranteed mortgage;

  (iv) paragraph 2.3(i) which prohibits a mutual fund from purchasing an interest in a loan participation if the mutual fund assumes responsibilities in administering the loan;

  (v) section 2.4 which prohibits a mutual fund from making certain illiquid investments;

  (vi) paragraph 2.6(a) which prohibits a mutual fund from borrowing or providing a security interest over its assets unless the requirements of the paragraph are complied with;

  (vii) paragraph 2.6(f) which prohibits a mutual fund from lending cash or other assets;

  (viii) paragraph 2.6(g) which prohibits a mutual fund from guaranteeing securities or obligations;

  (ix) subsection 4.1(2) which prohibits a mutual fund from investing in certain related entities in order that the Fund can invest in joint venture corporations and wholly-owned corporations;

  (x) Part 6 which requires that portfolio assets of a mutual fund be held in accordance with that Part in order that the real property and mortgage assets of the Fund can be held in accordance with the conditions set out in paragraphs B.5 and B.13, respectively, below;

  (xi) subsection 10.4(1) which requires that the redemption price for securities redeemed be paid by a mutual fund in accordance with that subsection within three business days; and

  (xii) section 10.6 which governs the circumstances in which a mutual fund may suspend redemptions.

Under the Mutual Reliance Review System for Exemptive Relief Applications:

(a) the Manitoba Securities Commission is the principal regulator for the Application, and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 – Definitions (NI 14-101), in NI 81-102, and in National Instrument 81-107 – Independent Review Committee for Investment Funds (NI 81-107) 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 IGTC:

1. The Fund is an open end real estate mutual fund organized by a Trust Agreement dated November 2, 1983, as amended from time to time. The Fund is currently governed by an Amended and Restated Trust Agreement dated as of December 6, 2004 (the Trust Agreement).

2. Units of the Fund were first offered under a prospectus dated December 5, 1983. At that time, to the knowledge of IGTC, there was no prohibition on a mutual fund investing in real property.

3. Until the introduction of former OSC 11.5 in January, 1987 (and other similar policies) the Fund operated in accordance with an investment objective, investment restrictions and other operating guidelines that were set out in the prospectus of the Fund and accepted by the Decision Makers at the time, as evidenced by the issue of a receipt for the prospectus.

4. Former OSC 11.5 (and other similar policies) was introduced, to the knowledge of IGTC, to formalize the basis on which the Decision Makers at the time would permit mutual funds to invest in real property. Former OSC 11.5 (and other similar policies) provided an exemption from conflicting provisions of other policies and, accordingly, the Fund did not require any relief from section 2.04(1)(c) of NP 39 when NP 39 came into force in 1988.

5. Former OSC 11.5 (and other similar policies with the exception of Quebec Regulation Q-25) was rescinded in 1997. To the knowledge of IGTC, real estate mutual funds (other than the Fund) had, prior to that time, suspended redemptions and either reorganized or wound up such that the Fund was the only open end real estate mutual fund being offered in 1997.

6. The Fund was subject to NP 39 and is now subject to NI 81-102.

7. Subsection 2.04(1)(c) of NP 39 stated:

"Investment Restrictions

1. A mutual fund shall not without the prior approval of the securities authorities:

. . . (c) purchase real estate."

8. Paragraph 2.3(a) of NI 81-102 currently states:

"2.3 Restrictions Concerning Types of Investments – A mutual fund shall not

(a) purchase real property."

9. The Fund's principal investment objective is stated in its prospectus to be:

"…long term capital growth combined with a continued income stream through investments in real property. To achieve this objective the Fund has assembled and intends to continue to assemble a diversified portfolio of income producing real properties with a better than average growth potential."

10. As a result of its investment objective, with the rescission of former OSC 11.5 (and other similar policies) the Fund required a waiver from paragraph 2.04(1)(c) of NP 39 (now paragraph 2.3(a) of NI 81-102).

11. On June 13, 1997, the Deputy Director, Corporate Finance of the MSC issued the Existing Decision Document under NP 39 on condition that the Fund comply:

"…with all of the provisions of the former local OSC Statement 11.5 – Real Estate Mutual Funds – General Prospectus Guidelines of the Ontario Securities Commission. Proposed deviations from the said conditions will require the approval of the securities regulatory authorities."

12. Following the replacement of NP 39 with NI 81-102, the Fund continued to be subject to the Existing Decision Document.

13. The Fund has previously received the following relief, either pursuant to the issue of a waiver letter, a decision from the Autorité des Marchés Financiers (the AMF) or as the result of the issue of a receipt for the prospectus of the Fund, from complying with certain provisions of former OSC 11.5:

(a) relief from the appraisal disclosure requirements in sections Q.1 (c) (viii) and Q.1 (d) provided that:

(i) the Fund file, on a confidential basis, a schedule setting forth the appraised value of each individual property held by it as part of the annual renewal of its prospectus with the Decision Maker in each of the Jurisdictions (such schedule not to form part of the public record of the Fund); and

(ii) the Fund discloses in its prospectus and in its annual and interim financial statements the aggregate value of all of the real properties held by it by region of location;

(b) relief from the single class of unit requirement in section C.1 to permit the Fund to issue additional classes of units; and

(c) relief from various prospectus disclosure requirements provided that alternative disclosure as requested by the MSC, as principal regulator, is included in the prospectus of the Fund.

14. Units of the Fund are currently being offered to the public under a prospectus dated June 30, 2006. To the knowledge of IGTC and IGIM the Fund is not in default under the Legislation.

15. The Fund is the only open end real estate mutual fund offered in Canada.

16. A number of provisions of former OSC 11.5 are out of date, redundant or no longer applicable due to changes in the industry and securities legislation that have occurred since 1987.

17. The following is a summary of the governance structure of the Fund at the time of the Application:

(i) IGTC is the trustee and I.G. Investment Management, Ltd. ("IGIM") is the manager;

(ii) the Board of Directors of IGTC consists of eight members, at least one-third of

whom are independent of IGTC, IGIM and their affiliates;

(iii) IGIM is the manager, portfolio advisor and registrar;

(iv) the Board of Directors of IGIM consists of six members, none of whom is independent of IGTC, IGIM and its affiliates;

(v) Canadian Imperial Bank of Commerce through CIBC Mellon Global Custody Services (CIBC Mellon) is the custodian of the assets, other than real property assets;

(vi) the real property assets are registered in the name of IGTC or a nominee corporation wholly owned by IGTC, as trustee;

(vii) IGIM has, as part of its skilled personnel, at least nine individuals who have had at least five years of substantial experience in the real estate field;

(viii) IGTC has retained IGIM to, among other things, provide the Fund with advice and recommendations with respect to the purchase and sale of real property assets and securities of the Fund. IGIM also provides administrative, accounting and other services and facilities;

(ix) IGIM's recommendations with respect to the purchase, sale or new or assumed mortgage financing of real properties are reviewed and approved by an IGIM investment committee (the Investment Committee) comprised of four individuals, all of whom have at least five years of substantial experience in the real estate field;

(x) the Board of Directors of IGTC has appointed a Fund investment approval committee (the Approval Committee) to review and approve, in accordance with former OSC 11.5, the purchase, sale and mortgage financing of specific real properties that are recommended by the Investment Committee. The Approval Committee consists of three members of the IGTC Board, two of whom are independent[1] of IGTC and IGIM and their affiliates and one of whom is a director of IGIM (and also a member of the Investment Committee). All members of the Approval Committee have had at least five years of substantial experience in the real estate field;

(xi) IGIM is responsible for the implementation of portfolio transactions in securities and in real property investments;

(xii) IGIM also provides or, on behalf of IGTC, engages others to provide real estate management services for the Fund;

(xiii) IGTC has, in addition to the Approval Committee, appointed an audit committee and an investment and conduct review committee which provide oversight in respect of the Fund and other mutual funds of which IGTC is the trustee. A majority of the members of each are independent.

18. Pursuant to section 3.2 of NI 81-107, IGIM must appoint an independent review committee (IRC) for the Fund.

19. Pursuant to section 3.7 of NI 81-107, each member of the IRC must be independent, as defined in NI 81-107, and there must be at least three members.

20. Pursuant to section 5.1 of NI 81-107, IGIM must refer all conflict of interest matters relating to the Fund to the IRC and in respect of certain matters IGIM must not proceed without the approval of the IRC.

21. In conjunction with the implementation of NI 81-107 and in recognition of the fact that certain provisions of former OSC 11.5 are out of date, redundant, not required in respect of other types of mutual funds or no longer applicable due to changes in the industry and securities legislation, IGTC is proposing to make certain changes to the governance structure of the Fund, including the following:

(i) IGTC will transfer its role as trustee of the Fund to IGIM and IGIM will continue to be the manager;

(ii) the title to the real property currently owned by the Fund, and registered in the name of IGTC or a nominee corporation wholly owned by IGTC, will remain registered in the name of IGTC or the nominee corporation, on behalf of the Fund;

(iii) the title to real property subsequently acquired by the Fund will be held in compliance with section G.5 of former OSC 11.5;

[1] Within the meaning of former OSC 11.5.

(iv) the Board of Directors of IGIM will appoint a fund oversight committee (the Fund Oversight Committee) that will assist the Board of Directors with the general oversight responsibility for the Fund and other mutual funds managed by IGIM and an audit committee (the Audit Committee) that will assist the Board of Directors with the financial oversight responsibility for the Fund and other mutual funds managed by IGIM;

(v) IGIM will appoint an IRC for the Fund;

(vi) IGIM will continue the Investment Committee as follows:

(a) it will be composed of at least three members;

(b) all of the members will either have at least five years substantial experience in commercial real estate or be registered as an advising officer or an advising representative of IGIM;

(c) at least two of the three members will have five years substantial experience in commercial real estate;

(d) at least one of the three members will be a senior advising officer or senior advising representative of IGIM; and

(e) all of the members will be either employees or officers of IGIM.

(vii) a member of the Investment Committee who has experience in commercial real estate but is not qualified to be registered as an advising officer or advising representative will be registered as a non-advising officer of IGIM. Other members of the Investment Committee will be registered as advising officers or advising representatives of IGIM;

(viii) the portfolio manager of the Fund (who will not be a member of the Investment Committee) will be an employee of IGIM who will have at least five years substantial experience in commercial real estate and will be registered with IGIM if there is an appropriate category of registration ;

(ix) the Investment Committee will approve purchases, sales and new or assumed mortgages in connection with real property of the Fund; provided that the IRC will, in accordance with NI 81-107, make recommendations in respect of conflict of interest matters and will approve arrangements, in accordance with NI 81-107, described in paragraph 7 of section B below; and

(x) the Board of Directors of IGIM, on behalf of IGIM, will perform the functions currently required to be performed by the trustees under sections H.2., I.3., L.1., L.3., L.4. and P.3. of former OSC 11.5.

22. The Fund has filed an application with the AMF for an exemption from the application of Quebec Regulation Q-25.

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 Existing Decision Document is hereby revoked and replaced with the following Decision with effect as of, and from, the date hereof;

And the decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that:

A. Borrowings – Limit on Leverage

1. The Fund shall not assume or incur any indebtedness under a mortgage on the security of real property unless, at the date of the proposed assumption or incurring of indebtedness:

(a) the aggregate of (i) the amount of all indebtedness secured on such real property and (ii) the amount of additional indebtedness proposed to be assumed or incurred does not exceed 75 per cent of the market value of such real property; and

(b) the aggregate of (i) of the total indebtedness of the Fund under mortgages on the security of real property and (ii) the amount of additional indebtedness proposed to be assumed does not exceed 50 per cent of the total asset value of the Fund;

2. Borrowing other than by way of mortgages on the security of real property is prohibited except for temporary borrowings, up to a maximum of 10 per cent of net asset value of the Fund, to meet redemptions; and

3. The Fund shall not directly or indirectly guarantee any indebtedness or liabilities of any kind except indebtedness assumed or incurred under a mortgage on the security of real property by a corporation wholly-owned by the Fund and operated solely for the purpose of holding a particular real property or properties where which mortgage, if granted by the Fund directly, would not cause the Fund to contravene paragraph 1 of this section A.

B. Investments

1. Subject to paragraphs 3 and 13 of this section B, the Fund shall invest only in equity interests in income-producing real property (including fee ownership and leasehold interests) in Canada;

2. For the purposes of this decision, a "joint venture arrangement" is an arrangement pursuant to which the Fund holds an interest in real property jointly or in common with others ("joint venturers") either directly or through the ownership of securities of a corporation ("joint venture corporation") formed and operated solely for the purpose of holding a particular real property or properties, and references in this section B to an investment in real property shall be deemed to include an investment in a joint venture arrangement;

3. The Fund shall not invest in any real property if the investment would have the effect of reducing the Fund's liquid assets to an amount less than the amount required by the following table:

Net Asset Value of the Fund	Minimum Amount to be Maintained in Liquid Assets
$10,000,0000 to $20,000,000	10% of net asset value of the Fund
$20,000,000 to $30,000000	$2,000,000 plus 9% of net asset value of the Fund over $20,000,000
$30,000,000 to $40,000,000	$2,900,000 plus 8% of net asset value of the Fund over $30,000,000
$40,000,000 to $50,000,000	$3,700,000 plus 7% of net asset value of the Fund over $40,000,000
$50,000,000 or more	$4,400,000 plus 6% of net asset value of the Fund over $50,000,000

"Liquid assets" means cash or deposits with a Canadian chartered bank or a trust company registered under the laws of Canada or of a province of Canada which are cashable or saleable prior to maturity, or securities issued or guaranteed by the Government of Canada or of a province or territory of Canada or money market instruments maturing prior to one year from the date of issue. No more than 20 per cent of the minimum amount required to be maintained by the Fund in liquid assets may be invested in the securities of any one issuer except for securities issued or guaranteed by the Government of Canada or of a province or territory of Canada, or short term paper and certificates of deposit issued or guaranteed by a Canadian chartered bank;

4. The Fund shall not acquire any single investment in real property if the cost to the Fund of such acquisition (net of the amount of encumbrances assumed) will exceed the greater of:

   (i) $5,000,000

   (ii) 20 percent of the net asset value of the Fund;

5. Title to each real property currently owned by the Fund, and registered in the name of IGTC or a nominee corporation wholly owned by IGTC, on behalf of the Fund may remain registered in the name of IGTC or the nominee corporation, on behalf of the Fund and title to each real property subsequently acquired by the Fund shall be held by, and registered in, the name of the Fund or IGIM as trustee of the Fund or a corporation wholly owned by the Fund (either alone or jointly with joint venturers), or in the name of a joint venture corporation;

6. The Fund may invest in a joint venture arrangement only if:

   (a) the Fund's interest in the joint venture arrangement is not subject to any restrictions on transfer other than a right of first refusal, if any, in favour of the joint ventures

   (b) the Fund has a right of first refusal to buy the interests of joint venturers; and

   (c) the joint venture arrangement provides an appropriate buy-sell mechanism to enable the Fund to cause the joint venturers to purchase the Fund's interest or to sell their interests to the Fund;

7. The Fund may not enter a joint venture arrangement with (i) the manager of any affiliate or associate of the manager, (ii) a trustee or any affiliate or associate of a trustee, (iii) a promoter or any affiliate or associate of a promoter; (iv) a substantial security holder of the Fund, manager or promoter or any affiliate or associate of such substantial security holder, or (v) an officer, director or employee of the Fund, or the manager or of the promoter or of any affiliate of the Fund, manager, or promoter unless the agreement is approved by the Fund's IRC pursuant to NI 81-

107 and is not otherwise prohibited by the Legislation;

8. Subject to paragraph 3 of this section B, the Fund may not hold securities of a corporation other than a joint venture corporation or a corporation wholly owned by the Fund formed and operated solely for the purpose of holding a particular real property or properties;

9. Any written instrument creating an obligation which is or includes the granting by the Fund of a lease, sublease or mortgage or which is, in the judgment of the manager, a material obligation shall contain a provision to the effect that the obligation being created is not personally binding upon, and that resort shall not be had to, nor shall recourse or satisfaction be sought from, the private property of any of the security holders, but the property of the Fund or a specific portion thereof only shall be bound. The Fund is not required to comply with this requirement in respect of obligations assumed by the Fund upon the acquisition of real property;

10. The Fund shall not lease or sublease to any person a real property, premises or space where that person and its affiliates would, after the contemplated lease or sublease, be leasing or subleasing real property, premises or space having a fair market value net of encumbrances in excess of 20 percent of the net asset value of the Fund;

11. The Fund shall not enter into any transaction involving the purchase of lands or land improvements thereon and the leasing thereof back to the vendor where the fair market value net of encumbrances of the property being leased to the vendor together with all other property being leased by the Fund to the vendor and its affiliates is in excess of 20 percent of the net asset value of the Fund;

12. The limitation contained in paragraph 10 of this section B shall not apply to the renewal of a lease or sublease and the limitations contained in paragraphs 10 and 11 of this section B shall not apply where the person to whom the lease or sublease is made is, or where the lease or sublease is guaranteed by:

    (a) the Government of Canada, any Province of Canada, any municipality of Canada or any agency thereof; or

    (b) any corporation, the preferred shares or common shares of which are, at the time of lease or sublease, authorized as an investment for insurance companies pursuant to the *Insurance Companies Act* (Canada); or

    (c) any corporation, the bonds, debentures or other evidences of indebtedness of which are authorized as an investment for insurance companies pursuant to the *Insurance Companies Act* (Canada);

13. The Fund may invest in a mortgage only where:

    (a) the mortgage is taken back by the Fund as part consideration for the disposition of the property by the Fund;

    (b) the mortgage is a first charge on the property;

    (c) the amount of the mortgage loan is not in excess of 75 percent of the fair market value of the property securing the mortgage, as determined by an appraisal of the real property at the time of the disposition;

    (d) the term of the mortgage is five years or less and the amortization period is 30 years or less;

    (e) the mortgage is registered on title to the real property which is security therefore; and

    (f) the aggregate value of the investments of the Fund in mortgages after giving effect to the proposed investment will not exceed 10 percent of the net asset value of the Fund;

14. The Fund shall not engage in construction or development of real property except to the extent necessary to maintain its real properties in good repair or to enhance the income-producing ability of properties owned by the Fund;

15. For the purposes of compliance with the requirements of this section B, the assets, liabilities and transactions of a corporation wholly owned by the Fund shall be deemed to be those of the Fund; and

16. The Fund may invest or expend an amount (which, in the case of an invested to acquire real property, is the purchase price less the amount of any indebtedness assumed or incurred by the Fund and secured by a mortgage on such property), up to 15 percent of the net asset value of the Fund in investments or transactions which do not comply with paragraphs 1, 8, 10, 11, 13 and 14 of this section B.

C. Investment Policies

1. The Fund's prospectus shall contain a statement in reasonable detail of the investment policies and objectives of the Fund; and

2. The Board of Directors of the manager, on behalf of the manager, shall review the investment policies at least annually to determine that the policies being followed by the Fund at any time are in the best interests of its security holders. Each such determination and the basis therefore shall be recorded in the minutes of the meetings of the Board of Directors of the manager.

D. Prudent Investment Standards

1. The manager shall adhere to prudent investment standards in making investment recommendations and decisions and in managing the investments of the Fund and shall establish procedures to ensure that prudent investment standards are applied in making investment recommendations and decisions and in managing the investments of the fund. Prudent investment standards are those which a reasonably prudent person of like experience would apply to investments made on behalf of another person with whom there exists a fiduciary relationship to make such investments, without undue risk of loss or impairment and with a reasonable expectation of fair return or appreciation;

2. The manager shall develop the procedures referred to in paragraph 1 of this section D and shall refer them to its Board of Directors for approval. At least once each year, the manager shall review the procedures and refer them to its Board of Directors with its recommendations, if any, with respect to the procedures; and

3. The Board of Directors of the manager shall ensure that the procedures are developed and referred to them by the manager at least once each year for approval. They shall review such procedures and the recommendations of the manager and make such changes as they consider necessary.

E. Prohibition Against Self-Dealing

1. Except as permitted under paragraph 7 of section B, the Fund shall not make or dispose of any investment in real property where (i) the manager or any affiliate or associate of the manager, (ii) a trustee or any affiliate or associate of a trustee, (iii) a promoter or any affiliate or associate of a promoter, (iv) a substantial security holder of the Fund, manager or promoter or any affiliate or associate of such substantial security holder, or (v) an officer, director or employee of the Fund, of the manager or of the promoter or of any affiliate of the Fund, manager or promoter:

   (a) has or expects to obtain directly or indirectly an interest in the transaction (other than usual brokerage fees or commissions, property management fees, or management fees paid to the Fund manager pursuant to the management agreement);

   (b) has at any time in the period of 24 months preceding the date of the transaction had a direct or indirect material financial interest in the real property being acquired or disposed of; or

   (c) has an interest in a mortgage on the real property being acquired (other than an interest as lender if the lending of money on the security of mortgages is part of the ordinary business of the lender and the mortgage was made in the course of the lender's business).

   unless each such transaction has been approved by the Fund's IRC pursuant to NI 81-107 and is not otherwise prohibited by the Legislation.

For the purposes of this section E a "substantial security holder" means any person, company or combination of persons or companies that beneficially owns directly or indirectly more than 10 per cent of the voting rights attached to all outstanding equity securities.

F. Appraisers

1. The Fund shall appoint one or more independent professional appraisers to appraise the interest of the Fund in real property investments in its portfolio;

2. An appraiser must be a member of the Appraisal Institute of Canada and a recipient of the AACI (Accredited Appraiser Canadian Institute) designation and shall have had at least five years experience in appraising the type of property being appraised in the province where the property being appraised is located;

3. In general, an appraiser should not be considered to be independent if:

   (a) the appraiser receives a fee from the Fund or the manager or their associates or affiliates for acting in any capacity other than as an independent professional or appraiser; or

   (b) the appraiser receives a substantial portion of its annual gross income from the Fund, the manager and their associates and affiliates;

4. The Fund shall not engage as an appraiser a person or company who:

   (a) is a salaried employee, director, officer or trustee of the Fund, the manager or their associates or affiliates; or

(b) has a direct or indirect material financial interest in the Fund or the manager or the real property being appraised;

5. A person or company shall not act as an appraiser of a property to be purchased or sold by the Fund or any reappraisal of a property held by the Fund where that person or company was or will be the vendor or purchaser, or the agent of the vendor or purchaser, of the property;

6. Neither the engagement of the appraiser nor the payment of the appraiser's fee shall be contingent upon the appraiser reporting a predetermined value or reaching a predetermined opinion or conclusion, nor shall the appraiser's fee be based upon its valuation conclusions; and

7. Each appraiser who has prepared an appraisal shall be named in the prospectus and the written consent of the appraiser to being so named and to the use of the appraisal shall be delivered at the time of the filing of a prospectus or pro forma renewal prospectus.

G. Appraisals

1. The Fund shall obtain from an independent professional appraiser an appraisal of the Fund's interest in each real property annually (an "annual reappraisal") effective as at each anniversary date of its acquisition or of the last annual appraisal and more frequently (an "interim reappraisal") if, in the opinion of the Board of Directors of the manager, there has been some factor or change which has materially affected the value of the property as expressed in the most recent appraisal of the property. Except as provided in paragraph 2 of section I, no adjustments shall be made to the appraisal or to the value shown for a real property unless the property has been reappraised, or costs have been incurred subsequent to the appraisal and capitalized in accordance with generally accepted accounting principles;

2. Subject to the requirement that each property be reappraised annually and that such annual reappraisal be performed on a date no later than the anniversary date of the acquisition of the property, the Fund shall not perform annual reappraisals of properties representing more than 50 per cent of the market value of the Fund's real estate portfolio in the same calendar quarter. The purpose of this prohibition is to spread the timing of reappraisals over a year in order to avoid undue fluctuations in net asset value;

3. The report to security holders which accompanies the interim financial statements of the Fund shall contain a statement, in respect of each property for which no interim reappraisal has been performed, to the effect that the Board of Directors of the manager are not aware of any factor or change which has materially affected the most recent appraisal of the property;

4. The Board of Directors of the manager and any property manager appointed to manage any of the Fund's real properties shall have a duty to inform the appraiser prior to the completion of an appraisal of any factors or changes which may affect any of the real property which is the subject of the appraisal; and

5. Appraisal reports shall be maintained with the Fund's records for a minimum of five years.

H. Appraisal and Reporting Standards

1. An appraisal report shall state the market value of the Fund's interest in the real property. For the purposes of this decision, "market value" means the most probable price in money that would be realized in an arm's length sale in an open and competitive market under conditions requisite to a fair and typical sale by a willing seller to a willing buyer, each acting prudently and knowledgeably and assuming the price is not affected by undue stimulus;

2. An appraiser shall use relevant and accepted appraisal methods and techniques necessary to arrive at a reasoned and factually supported estimate of market value and, where the income capitalization approach is used, the appraiser shall justify in the appraisal report its selection of the capitalization rate by reference to the market at the time;

3. An appraiser's opinion of market value shall not be based upon anticipated income to be received from the property unless it can be demonstrated that it is highly probable that the anticipated income will be received;

4. In determining market value, the appraiser shall take into consideration all existing and proposed land-use regulations and other restrictions relating to the use of the real property which reasonably should be known to the appraiser and shall consider the effect which a probable change in existing land-use regulations or other restrictions may have on the value of the real property being appraised;

5. An appraiser's opinion of market value shall not be based upon the anticipated completion of a public or private improvement or undertaking, either on or off the property being appraised, unless the effect of the anticipated completion of the public or private improvement or undertaking is reflected in the market, or unless it is highly probable that such improvement or undertaking will be completed and the time of completion is taken into account;

6. In determining market value, an appraiser shall give due consideration to the effect of existing leases, mortgages, charges, and hypothecs on the value of the real property. If the appraiser has been instructed to omit consideration of such matters, the appraiser shall make specific references to that instruction in the appraisal report and shall state that the opinion of market value presumes the absence of such encumbrances;

7. In determining the market value of a leasehold interest in real property, an appraiser shall take into account all the terms and conditions of the lease and the effect of such terms and conditions on the market value of the real property;

8. An appraiser's opinion of market value shall not be based on market conditions which are highly subjective, conjectural, speculative of hypothetical in character or on the use of appraisal methodology which cannot reasonably be supported by market evidence as to the acceptance, use and applicability of such methodology by persons experienced in dealing with properties similar to that being appraised;

9. An appraiser's opinion of market value shall not be based on conditions or circumstances so limited or so special that the resulting analysis, opinions or conclusions would tend to mislead or deceive users of the appraisal report or persons relying on the opinion of market value;

10. An appraiser's opinion of market value shall not be based solely on the summation of the individual values of the various estates or fractional interests in the property and shall taken into account the effect, if any, upon such market value of the merging or combining of the various estates or fractional interests;

11. An appraisal report relating to the market value of an interest in real property that is less than the entire fee simple estate shall state that the value reported relates only to a fractional interest in the real property and that the value of such fractional interest plus the value of all other fractional interests will not necessarily be the same as the value of the entire fee simple estate considered as a whole;

12. An appraisal report shall clearly and accurately set forth all relevant information necessary to ensure that the report is properly understood and not misleading to users of the report; and

13. An appraisal report shall contain, at a minimum, the following:

    (a) a statement of the specific instructions or terms of reference upon which the appraisal was performed;

    (b) a statement of the purpose and function of the appraisal and the definition of market value;

    (c) a description of the real property;

    (d) a summary of the data upon which the appraisal is based;

    (e) a statement of the estimated highest and best use of the real property;

    (f) a summary of the reasons of the appraiser supporting the appraiser's opinion;

    (g) a description of the appraisal methods and techniques used;

    (h) the assumptions and limiting conditions upon which the appraisal is based;

    (i) a description of all relevant documents used or referred to in the appraisal process (for example, major leases, cross-operating agreements, special management contracts, mortgages, etc.); and

    (j) the appraiser's certification and signature.

I. Valuation of the Issuer and Units

1. The prospectus shall disclose the methods used to compute the net asset value of the Fund and the net asset value per unit. Such methods must be acceptable to the securities regulatory authorities; and

2. In determining net asset value, the value of each real property may be determined by either of the following methods (or by any other method acceptable to the securities regulatory authorities):

    (A) The value of a real property on any valuation date, if prior to the first appraisal, shall be the purchase price and thereafter the market value stated in the most recent appraisal report, or

    (B) The value of a real property upon any valuation date, if prior to the first appraisal, shall be the purchase price and thereafter the market value stated in the most recent appraisal report and, monthly thereafter until annual or interim reappraisal is obtained, shall be the amount determined by computing the present value of the stabilized net operating income stream at a capitalization rate acceptable in the market place at the time of valuation.

Stabilized net operating income for each property shall be determined by adjusting the actual annualized net operating income to take into account abnormal current income and expense valuations and expected future changes in income and expense.

Values stated in the annual reappraisal or in any interim reappraisal shall be reflected in the net asset value commencing with the first valuation date following the anniversary date of the acquisition of a property in the case of annual reappraisals and with the first valuation date following the receipt by the fund of the interim appraisal.

J. Redemption of Units

1. Redemption shall be made no less frequently than once per calendar quarter or, if the valuation procedure described in subparagraph (B) of paragraph 2 of section I is used, no less frequently than once per month;

2. The Fund may require a request for redemption to be delivered up to one month prior to the date of the computation of net asset value upon which that redemption is based;

3. The Fund shall pay the proceeds of redemption to the security holder within 15 days of the date of the computation of net asset value upon which that redemption is based;

4. If on a redemption date the Fund is unable to redeem all units in respect of which redemption has been requested, redemptions shall be made pro rata;

5. The Fund may not suspend or delay payment for redeemed units except:

   (a) if Canadian chartered banks are closed (other than weekend and holiday closings in the ordinary course of business), in which case the suspension or delay shall only be for that period of time during which such banks are closed; or

   (b) with the consent of the securities regulatory authorities. No such suspension or delay in payment shall continue for more than six months from the date on which payment would otherwise have been made unless, prior to the expiry of the six-month period, the continuation of such suspension or delay has been approved by the securities regulatory authorities and by two-thirds of the votes cast at a meeting of the security holders called for that purpose. No such suspension or delay in payment shall continue for more than 12 months from the date on which payment would otherwise have been made unless, prior to the expiry of the 12-month period, the continuation of such suspension or delay has been approved by the securities regulatory authorities and by 80 per cent of the votes cast at a meeting of the security holders called for that purpose; and

6. In the event that the redemption of units is suspended or the payment for redeemed units is delayed:

   (a) a security holder shall retain all rights with respect to its units, including the right to vote and to receive distributions, notwithstanding the delivery by such security holder of a request for redemption; and

   (b) the redemption price payable to a security holder who has requested redemption prior to or during the period of suspension or delay shall be based upon the computation of net asset value immediately prior to the termination of such suspension or delay.

K. Fees, Commissions and Expenses

1. The payment to the manager of incentive fees based on the performance of the Fund is prohibited except that the manager may be paid a fee of not more than 25 percent of the amount by which the gain realized on a disposition of a real property exceeds 8 per cent per year (not compounded) of the total acquisition cost of the property, calculated from the time such property was acquired until the time of disposition of such property, provided that the manager's entitlement to receive its participation in the gain realized at any time shall be postponed so long as and to the extent that the aggregate acquisition cost of all of the real properties then held by the Fund exceeds the aggregate proceeds that would have been realized had all of the Fund's real properties been sold at such time at their current values;

2. No arrangement, understanding or agreement between the Fund and the manager shall provide for the payment, directly or indirectly, of any fee or penalty by the Fund or the security holders upon the termination or non-renewal of the management agreement;

3. The Board of Directors of the manager shall determine, from time to time but at least annually, that the total fees and expenses of the Fund, including the fees paid to the manager, are reasonable in light of the investment experience of

the Fund, its net assets, its net income and the fees and expenses of other comparable funds and managers; and

4. The amount of all expenses, fees and commissions paid or payable, directly or indirectly, by the Fund to any person or company associated or affiliated with the Fund, the manager and the trustee, including, without limitation, property management fees, advisory fees, acquisition fees, real estate brokerage commissions, finder's fees and financing fees, and the identity of the person or company to whom such expenses, fees or commissions are paid or payable shall be disclosed in the annual financial statements;

L. Disclosure and Reporting

1. The Fund's prospectus shall:

   (a) emphasize the long-term nature of an investment in units of a real estate mutual fund;

   (b) state that units can be redeemed only on specified dates and only on a specified number of days prior notice and accordingly are not a suitable investment for investors who require ready convertibility of their investment into cash;

   (c) state that the redemption of units may be suspended or delayed for up to six months with the consent of the securities regulatory authorities and for longer periods with the approval of security holders and the consent of the securities regulatory authorities;

   (d) state and explain that the net asset value at which units are issued and redeemed is based upon appraisals of the real property; that for any given real property there is a range of market values; that an appraisal is an opinion only and that no assurance can be given that the appraised value will be equal to the price for which the property is ultimately sold;

   (e) state and explain that the net asset value per unit for the purchase or redemption of units may differ from the amounts that would be paid to security holders on dissolution of the Fund;

   (f) contain a statement explaining in which respects the operation of the Fund is distinguishable from the operation of mutual funds organized for the purpose of investment in equity or debt securities, including differences relating to the frequency of calculation of net asset value, the timing of payment for redeemed units and the possibility of delay or suspension of payment for redeemed units;

   (g) disclose the nature and extent of the potential personal liability of each security holder;

   (h) disclose the investment policies of the Fund;

   (i) disclose the policies of the Fund with respect to geographic diversification of its real property investments and, if such investments are or are proposed to be concentrated in a single geographic market, the risks associated with such concentration;

   (j) disclose the conflicts of interest or potential conflicts of interest of the manager and the Fund and the steps taken to avoid or minimize these conflicts;

   (k) disclose the suitability standards for investors to be applied in marketing the units; and

   (l) disclose for each real property of the Fund: the address, a description of the type of property, the date and cost of acquisition, the area in square feet, the percentage of leasable area actually leased, the amount of any mortgage granted or assumed and the amount of pre-tax net income generated during the previous period;

2. The Fund shall file, on a confidential basis, a schedule setting forth the appraised value of each individual property held by it as part of the annual renewal of its prospectus with the Decision Maker in each of the Jurisdictions (such schedule not to form part of the public record of the Fund);

3. The Fund shall disclose in its prospectus and in its annual and interim financial statements the aggregate value of all of the real properties held by it by region of location; and

4. The Fund shall use a long form prospectus containing any alternative disclosure to that described above as may be requested or accepted by the Manitoba Securities Commission as principal regulator of the Fund.

M. Investment Committee

1. The Fund will maintain the Investment Committee in accordance with paragraphs (vi), (vii) and (ix) of Representation number 21.

N. Sunset Provision

1. The Requested Relief will terminate one year after the coming into force, subsequent to the date of this Decision Document, of a rule or other regulation under the Legislation that relates, in whole or in part, to a mutual fund investing in real property.

"R.B. Bouchard"
Director – Corporate Finance
The Manitoba Securities Commission

2.2 Orders

2.2.1 TD Asset Management Inc. et al.

Headnote

Mutual fund in Ontario (non-reporting issuer) granted extension of the annual financial statement filing deadline as wholly invested in offshore investment fund subject to different reporting requirements.

Rules Cited

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 2.2, 5.1(2).

April 2, 2007

IN THE MATTER OF
NATIONAL INSTRUMENT 81-106
INVESTMENT FUND CONTINUOUS DISCLOSURE

AND

IN THE MATTER OF
TD ASSET MANAGEMENT INC. (the Applicant)

AND

IN THE MATTER OF
TD WATERHOUSE $CDN ALTERNATIVE
INVESTMENT FUND
TD WATERHOUSE $US ALTERNATIVE
INVESTMENT FUND
(the Funds)

ORDER

Background

The Ontario Securities Commission received an application from the Applicant, on behalf of the Funds, for a decision pursuant to section 17.1 of National Instrument 81-106 *Investment Fund Continuous Disclosure* (NI 81-106) exempting the Funds from:

(a) the requirement in section 2.2 of NI 81-106 that the Funds file their audited annual financial statements on or before the 90th day after their most recently completed financial year (the Filing Deadline); and

(b) the requirement in subsection 5.1(2) of NI 81-106 that the Funds deliver their audited annual financial statements to securityholders by the Filing Deadline (the Delivery Requirement).

Representations

This Order is based on the following facts represented by the Applicant:

1. The Applicant is a corporation amalgamated under the *Business Corporations Act* (Ontario). It is wholly-owned subsidiary of The Toronto-Dominion Bank, a bank listed in Schedule I to the *Bank Act* (Canada).

2. The Applicant is registered as an investment counsel and portfolio manager or their equivalent in all provinces and territories of Canada, as a limited market dealer under the *Securities Act* (Ontario) and the *Securities Act* (Newfoundland and Labrador), and as a commodity trading manger under the *Commodity Futures Act* (Ontario).

3. The Applicant is manager of the Funds. The Funds are open-end mutual funds established under the laws of Ontario on April 27, 2005. They are offered to investors pursuant to exemptions from the prospectus requirement under applicable Canadian securities laws. The Funds have a financial year-end of December 31.

4. Each Fund's investment objective is to achieve long-term capital appreciation and to consistently generate positive returns for investors irrespective of stock market volatility or direction, while focusing on preservation of capital. The Funds seek to achieve their investment objectives by investing primarily in units of hedge funds or units of funds that invest primarily in hedge funds. The Funds are currently 100% invested in shares of Tremont Opportunity Fund Limited (the Tremont Fund).

5. The Tremont Fund is an open-end investment company organized as an exempted company under the laws of the Cayman Islands. The Tremont Fund invests its assets in a diverse group of non-U.S. investment funds whose managers employ a broad class of investment strategies including: long-short equity investing, hedging and arbitrage techniques in equity, fixed income and currency markets, index arbitrage, interest rate arbitrage, convertible bond and warrant hedging, merger arbitrage, statistical long/short equity strategies, pairs trading, and investment in non U.S. securities.

6. The underlying investment funds of the Tremont Fund have varying financial year-ends and are subject to financial reporting deadlines of varying lengths. As a result, the Tremont Fund is not in a position to complete its annual and interim financial statements until each of the underlying investment funds has completed its financial reporting. Accordingly, the Funds are not able to complete their audited annual financial statements and interim financial statements until the Tremont Fund provides its audited annual financial statements and interim financial statements to the Applicant. The Tremont Fund anticipates that audited annual financial statements will not be completed until late June of each year. This timing lag is expected to be an on-going issue that will occur year after year for so long as the Funds invest in the Tremont Fund or similar other investment funds that invest in hedge funds.

7. The Funds' auditors have indicated that in order to complete their audit of the Funds, they need to confirm the completion of the audit of the underlying funds so that proper assessments can be made with respect to valuations. As a result, the Funds' auditors will not provide an audit opinion on the Funds' annual financial statements unless they receive the audited financial statements of the Tremont Fund and any other investment fund that the Funds have invested in directly. TDAM and the Funds' auditors do not believe that it would be appropriate to prepare interim financial statements until the Funds have received the applicable financial statements of the Tremont Fund, or any other investment fund that the Funds have invested in directly.

8. Section 2.2 together with subsection 5.1(2) of NI 81-106 requires the Funds to file and deliver their annual audited financial statements by March 31 of each year.

9. The Funds will not be able to meet the Filing Deadlines and will not be able to comply with the Delivery Requirement.

10. The OSC granted similar relief with respect to the annual financial statements of the Funds for 2005 and the Funds received no complaints from securityholders with respect to the delay in delivering the financial statements.

11. Each of the Funds will notify its securityholders that it has received and intends to rely on relief from the Filing Deadline and the Delivery Requirement.

12. Each of the Funds will include a note in the offering memorandum of the Fund, if any, that it has received and intends to rely on relief from the Filing Deadline and the Delivery Requirement.

Order

The Director is satisfied that it would not be prejudicial to the public interest to grant the requested relief and orders that the Funds are exempt from the requirement to file their annual audited financial statements by the Filing Deadline and from the Delivery Requirement, provided that the audited annual financial statements are filed and delivered by June 30 of the year following the financial year for which the audited annual financial statements are prepared.

Nothing in this Order precludes the Funds from relying on the exemption contained in section 2.11 of NI 81-106 with respect to the audited financial statements for any given

year provided the audited financial statements are delivered by the deadline specified above.

"Leslie Byberg"
Manager, Investment Funds
Ontario Securities Commission

2.2.2 Robert Patrick Zuk et al.

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

AND

**ROBERT PATRICK ZUK, DANE ALAN WALTON,
DEREK REID, IVAN DJORDJEVIC,
AND MATTHEW NOAH COLEMAN**

ORDER

WHEREAS on March 11, 2005 the Commission issued a Notice of Hearing pursuant to section 127 of the *Securities Act* (the "Act") in respect of trading in the shares of Visa Gold Explorations Inc.;

AND WHEREAS on March 11, 2005 Staff of the Commission filed a Statement of Allegations;

AND WHEREAS on September 25, 2006, Staff of the Commission filed an Amended Statement of Allegations;

AND WHEREAS on March 14, 2007, Staff of the Commission filed an Amended Amended Statement of Allegations dated March 7, 2007;

AND WHEREAS on March 26, 2007, Staff of the Commission filed an Amended Amended Amended Statement of Allegations (the "Statement of Allegations");

AND WHEREAS Dane Alan Walton entered into a settlement agreement dated April 17, 2007 (the "Settlement Agreement") in relation to the matters set out in the Statement of Allegations;

AND WHEREAS the Commission issued a Notice of Hearing dated April 17, 2007 setting out that it proposed to consider the Settlement Agreement;

UPON reviewing the Settlement Agreement, the Notice of Hearing, the Statement of Allegations, and upon considering submissions from counsel for Dane Alan Walton and from Staff of the Commission;

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

IT IS HEREBY ORDERED, PURSUANT TO SECTIONS 127 AND 127.1 OF THE ACT, THAT:

(a) the Settlement Agreement is hereby approved;

(b) trading, directly or indirectly, in any securities by the Respondent, for his own account or for the account of others, will cease for a period of 4 months from the date of the Order. Thereafter, for a period of 5 years from the date of this Order, the Respondent's trading will be restricted as follows:

(1) the Respondent will be permitted to trade in securities on behalf of a registered dealer who provides Staff of the Commission with an undertaking to supervise the Respondent's trading activities, with the following restrictions:

(A) the Respondent will be permitted to act as an agent to input orders for client trades entered on behalf of retail clients by Registered Representatives at the registered dealer;

(B) the Respondent will be permitted to act as an agent to input orders for Toronto Stock Exchange or TSX Venture Exchange trades on behalf of U.S. brokerage firms that are disclosed to, and approved by, Staff of the Commission;

(C) the Respondent will be permitted to conduct trading in a firm inventory account at the registered dealer, provided that the securities:

(i) are debt instruments that cannot be converted (directly or indirectly) into shares;

(ii) are securities listed on the Toronto Stock Exchange, TSX Venture Exchange, NASDAQ, Amex and New York Stock Exchange;

(iii) are not exempt securities for purposes of the Ontario Securities Act; or

(iv) are securities in which the Respondent and the registered dealer, in the aggregate, do not hold an interest of 10% or more;

(D) for a period of 6 months immediately following the 4-month cease trade period referred to in paragraph (b) above, the Respondent will be permitted to sell any securities contained in an account referred to in paragraph (b)(1)(C) above that would otherwise contravene the restrictions set out therein;

(E) the Respondent will be permitted to sell an existing interest in D'Angelo Brands Inc. that would otherwise contravene the restrictions set out in paragraph (b)(1)(C) above;

(2) the Respondent will be permitted to trade in securities in one RRSP and one non-RRSP account, which he will identify in writing to the Staff of the Commission and, in those accounts, the Respondent will be permitted to trade in securities as permitted in paragraph (b)(1)(C) (i) to (iv) above;

(c) for a period of 3 years immediately following the 4-month cease trade period referred to in paragraph (b) above, the Respondent will not be permitted to apply to be a specialist or market maker for any publicly traded security, and will relinquish any such positions that he currently holds;

(d) subject to being permitted to trade as contemplated by paragraph (b) and (c) above, any exemptions contained in Ontario securities law do not apply to the Respondent for a period of 5 years from the date of this Order;

(e) the Respondent undertakes not to apply for registration that would permit him to represent clients as a registered representative for a period of 15 years from the date of this Order;

(f) for a period of 5 years from the date of the Order, the Respondent's registration will be subject to the restrictions set out in paragraph (b)(1) and (c) above;

(g) that the Respondent will not act as an officer or director of any reporting issuer or registrant for a period of 5 years from the date of this Order; and

(h) that the Respondent pay to the Commission the amount of $6,000 in costs and disgorge to the Commission the amount of $9,000 for allocation to or for the benefit of third parties pursuant to s. 3.4(2)(b) of the Act, and if such costs and disgorgement are not paid within 5 years from the date of this Order, the restrictions referred to in paragraph (b) and (f) above shall remain in place until further Order of the Commission.

Dated at Toronto, Ontario this 18th day of April, 2007

"James E.A. Turner"

"Suresh Thakrar"

2.2.3 Authorization Order - s. 3.5(3)

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

AND

IN THE MATTER OF
AN AUTHORIZATION PURSUANT
TO SUBSECTION 3.5(3) OF THE ACT

AUTHORIZATION ORDER
(Subsection 3.5(3))

WHEREAS a quorum of the Ontario Securities Commission (the "Commission") may, pursuant to subsection 3.5(3) of the Act, in writing authorize any member of the Commission to exercise any of the powers and perform any of the duties of the Commission, except the power to conduct contested hearings on the merits.

AND WHEREAS, by an authorization order made on March 7, 2007, pursuant to subsection 3.5(3) of the Act (the "Authorization") the Commission authorized each of W. David Wilson, James E. A. Turner, Robert L. Shirriff, Harold P. Hands, Paul K. Bates and David L. Knight, acting alone, to exercise, subject to subsection 3.5(4) of the Act, the powers of the Commission to grant adjournments and set dates for hearings, to hear and determine procedural matters, and to make and give any orders, directions, appointments, applications and consents under sections 5, 11, 12, 17, 19, 20, 122, 126, 127, 128, 129, 144, 146 and 152 of the Act that the Commission is authorized to make and give, except the power to conduct contested hearings on the merits.

NOW, THEREFORE, IT IS ORDERED that the Authorization is hereby revoked as of noon on April 4, 2007; and

THE COMMISSION HEREBY AUTHORIZES, pursuant to subsection 3.5(3) of the Act, each of W. David Wilson, James E. A. Turner, Lawrence E. Ritchie, Robert L. Shirriff, Harold P. Hands, Paul K. Bates and David L. Knight, acting alone, to exercise, subject to subsection 3.5(4) of the Act, the powers of the Commission to grant adjournments and set dates for hearings, to hear and determine procedural matters, and to make and give any orders, directions, appointments, applications and consents under sections 5, 11, 12, 17, 19, 20, 122, 126, 127, 128, 129, 144, 146 and 152 of the Act that the Commission is authorized to make and give, except the power to conduct contested hearings on the merits; and

THE COMMISSION FURTHER ORDERS that this Authorization Order shall have full force and effect as at 1:00 p.m. on April 4, 2007 until revoked or such further amendment may be made.

DATED at Toronto, this fourth day of April, 2007.

"W. David Wilson"
Chair

"Robert L. Shirriff"
Commissioner

2.2.4 Consolidated Envirowaste Industries Inc. - s. 144

Headnote

Section 144 – full revocation of cease trade order upon remedying of defaults.

Statutes Cited:

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127, 144.

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

AND

IN THE MATTER OF
CONSOLIDATED ENVIROWASTE INDUSTRIES INC.

ORDER
(Section 144)

WHEREAS the securities of Consolidated Envirowaste Industries Inc. (the "Applicant") are subject to a cease trade order made by the Director dated February 19, 2007 pursuant to subsection 127(1) of the Securities Act (Ontario) (the "Act"), which order was made following a temporary cease trade order made by the Director dated February 7, 2007 pursuant to paragraph 2.1 of subsection 127(1) and subsection 127(5) of the Act (collectively, the "Cease Trade Order") directing that trading in the securities of the Applicant cease until the Cease Trade Order is revoked by a further order of revocation;

AND WHEREAS the Applicant has applied to the Ontario Securities Commission (the "Commission") pursuant to section 144 of the Act for a revocation of the Cease Trade Order (the "Application");

AND UPON the Applicant having represented to the Commission that:

1. The Applicant was incorporated under the *Company Act* (British Columbia) (now the *Business Corporations Act* (British Columbia)) on September 1, 1983 and is a reporting issuer in British Columbia, Alberta and Ontario.

2. The Applicant is authorized to issue 100,000,000 common shares (the "Common Shares") without par value, of which 10,414,699 Common Shares are issued and outstanding.

3. The Common Shares of the Applicant are listed for trading on the TSX Venture Exchange but are currently suspended from trading as a result of the Cease Trade Order and a cease trade order issued against the Applicant by the British Columbia Securities Commission.

4. The Cease Trade Order was issued due to the failure by the Applicant to file with the Commission audited annual financial statements for the year ended September 30, 2006 and management's discussion and analysis relating to the audited annual financial statements for the year ended September 30, 2006 (the "Annual Financial Statement Documents") as required by the Act.

5. The Applicant was subject to a cease trade order issued by the British Columbia Securities Commission dated February 6, 2007 for failure to file the Annual Financial Statement Documents.

6. Subsequent to the Cease Trade Order being imposed, the Applicant failed to file with the Commission its interim financial statements for the period ended December 31, 2006 and management's discussion and analysis relating to the interim financial statements for the period ended December 31, 2006 (the "Interim Financial Statement Documents") as required by the Act;

7. The Applicant filed the Annual Financial Statement Documents and the Interim Financial Statement Documents on SEDAR with the Commission on April 3 and April 13, 2007, respectively.

8. The Applicant was granted a full revocation of the British Columbia Securities Commission's cease trade order on April 16, 2007.

9. The Applicant is up to date in its continuous disclosure filings with the Commission and has paid all outstanding filing fees associated therewith and, except for the Cease Trade Order, is no longer in default of any requirement of the Act or the regulations made thereunder.

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

AND WHEREAS the undersigned being satisfied that it would not be prejudicial to the public interest to revoke the Cease Trade Order;

IT IS ORDERED under section 144 of the Act that the Cease Trade Order is revoked.

DATED this 24th day of April, 2007.

"Cameron McInnis"
Manager, Corporate Finance

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Robert Patrick Zuk et al.

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

AND

ROBERT PATRICK ZUK, DANE ALAN WALTON,
DEREK REID, IVAN DJORDJEVIC,
AND MATTHEW NOAH COLEMAN

SETTLEMENT AGREEMENT BETWEEN
DANE ALAN WALTON AND
STAFF OF THE ONTARIO SECURITIES COMMISSION

I. INTRODUCTION

1. By Notice of Hearing dated April 17, 2007, the Commission announced that it proposed to hold a hearing to consider whether, pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5 (the "*Act*"), it is in the public interest for the Commission to make an order approving the settlement agreement entered into between Staff of the Commission and the respondent Dane Alan Walton.

II. JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission ("Staff") recommend settlement with Dane Alan Walton (also referred to hereafter as the "Respondent") in accordance with the terms and conditions set out below. The Respondent agrees to the settlement on the basis of the facts set out in Part III herein and consents to the making of an Order in the form attached as Schedule "A" on the basis of the facts set out in Part III herein.

3. The terms of this settlement agreement, including the attached Schedule "A" (collectively, the "Settlement Agreement") will be released to the public only if and when the Settlement Agreement is approved by the Commission.

III. AGREED FACTS

4. For the purposes of this settlement agreement only, the Respondent agrees with the facts set out in Part III of this agreement.

(a) Background

5. Visa Gold Explorations Inc. ("Visa Gold") was a reporting issuer that was involved in the recovery of underwater artefacts. Trading in Visa Gold's shares was first reported on the Canadian Dealing Network ("CDN") on August 25, 1999. Visa Gold common shares traded over the counter and were quoted on the CDN until October 10, 2000, when Visa Gold shares began trading on the CDNX. Visa Gold shares continued to trade on the CDNX until December 19, 2002 when trading in Visa Gold's shares was suspended. Visa Gold's shares were cease traded on May 28, 2003 and remain cease traded.

6. Robert Patrick Zuk ("Zuk") is a resident of Toronto, Ontario. He is a stock promoter who, at all material times and to the Respondent's knowledge, was an active trader of Visa Gold shares and was involved in generating trading interest in Visa Gold shares. Zuk had business and personal relationships of many years' duration with the Respondent.

7. The respondent Dane Alan Walton ("Walton") is a trader who, at all material times, was employed by Taurus Capital Markets Limited ("Taurus"). Walton was the Manager of Trading and, in that capacity, supervised the other traders at Taurus. Walton is currently registered as a salesperson at Canaccord Capital Corporation, subject to the term and condition that he is restricted to trading by means of Computer Assisted Trading System (CATS) only.

8. Taurus applied to be a market maker for Visa Gold and was approved as such by the CDN. The day-to-day market making function at Taurus was performed by individuals at the trading desk at Taurus, including the Respondent, and others who were supervised by the Respondent. Individuals at three other registered dealers also acted as market makers for Visa Gold. The Taurus traders were compensated by a share of the trading profits in the firm's inventory account (the "Taurus Inventory Account"). The Respondent received a larger share of the trading profits due to his position of Manager of Trading.

(b) Background of Visa Gold and of Zuk's Shareholding in Visa Gold

9. Visa Gold originated as a privately-held company. In February 1998, Visa Gold entered into a joint venture agreement with a Cuban state-owned entity to explore historic shipwrecks and recover artefacts within Cuba's territorial waters. Visa Gold became a public company on or about August 25, 1999, and its trades were reported to the public on the CDN and subsequently, the CDNX.

(c) Trading Activity in Visa Gold shares

10. Through his position as the Manager of Trading and as a trader, the Respondent was aware that Zuk was an active trader and promoter of Visa Gold shares. From time to time, Zuk would call the Respondent and others under the Respondent's supervision at the Taurus trading desk and advise the traders of possible upcoming purchases or sales of Visa Gold shares.

11. In the period between August 1999 and November 2001, the Taurus Inventory Account acted as purchaser in 11 trades at a price higher than the last reported trade and 4 trades that resulted in a high closing price for Visa Gold shares. Staff of the Commission have disclosed a trading analysis to the Respondent which indicates that the Taurus Inventory Account supplied Visa Gold shares for 23 trades at a price higher than the last reported trade and 3 trades that resulted in a high closing price for Visa Gold shares, where an account shown to be controlled by Zuk was the purchaser. The Respondent was aware that if a pattern develops of up-ticking or high closing a stock, this can affect the market price of the stock.

12. The Taurus Inventory Account also entered into 12 sets of trades that were arranged through Zuk. For 9 of the 12 sets of trades, there was at least one purchase by the Taurus Inventory Account that was marked for next day settlement (the "special term trades"). In all 9 instances, the Taurus Inventory Account bought a large number of Visa Gold shares (on average, 230,000 shares), in effect providing the client on the other side of the trade with a significant cash position the following day. The offsetting trade for the Taurus Inventory Account, which disposed of the same number of shares for ordinary settlement terms, was entered at or around the same time as the purchase transaction. The total profit to the inventory account for the 9 trades was $25,855.00. There was little risk, if any, to the Taurus Inventory Account in not being able to offset the position when the required offsetting transactions had taken place prior to, or commensurate with, the special terms trade.

13. Although the client selling shares for next day settlement could expect to accept a discount to the posted best bid for the Visa Gold shares, the prices of the transactions within the 9 sets of trades instead occurred between the posted bid and offer price. The pricing of these 9 sets of trades, if done outside of the posted market, would have allowed other market participants to discern that a special term trade had been reported and that they may have been in a position to profit from a market maker having to offset its position.

14. These trades involving the Taurus Inventory Accounts were used to facilitate the transfer of positions between accounts controlled by Zuk. Staff of the Commission have disclosed a trading analysis which indicates that the offsetting buyer and seller in each of the 12 sets of trades with the Taurus Inventory Accounts were accounts associated with Zuk. The Respondent should have been aware that these recurring trades could assist a significant shareholder in accessing cash to cover debit balances, on a temporary basis, that were being re-established elsewhere.

15. The effect of the trades was that they did not contribute to the overall liquidity of the market for the shares of Visa Gold and market participants may have been denied information as to the true nature of the orders and thereby been denied information that would have helped other participants make informed decisions about their trading strategies.

16. Some of the Uptick Trades and High Close Trades in which the Taurus Inventory Account was involved caused an upward pressure on the price of Visa Gold's shares. The large volume trades described in paragraphs 12 to 14 contributed to an appearance of trading interest in Visa Gold shares. The Respondent ought to have known that these were likely outcomes.

17. In addition, on at least 9 occasions, the Taurus Inventory Account was involved in month end trades in which large share positions in Visa Gold were traded, with reversing trades occurring a number of days later after the month end. One or both of the initial trades and the reversing trades were reported to the public through the market. This trading showed a higher volume for Visa Gold trading than was reflective of an arm's length market.

18. The Respondent conducted some but not all of the trades described above. As the manager of trading, he ought to have made inquiries of the trader who conducted the other trades.

19. The Respondent did not receive the entire profit from the trades described in paragraph 12 above, but rather shared those profits with 2 other traders. Those trades generated a personal profit of approximately $9,000 for the Respondent.

(d) Market price of Visa Gold shares

20. At the commencement of public trading, the common shares of Visa Gold were trading in the range of $1.50-$1.70 per share on August 25, 1999. The stock peaked at $2.05 per share on September 9, 1999. Other than this initial price increase and a short-lived increase in February 2000, during the period when the Respondent was a market maker, the shares of Visa Gold did not increase or decline precipitously and traded within relatively narrow price bands for extended periods.

IV. THE RESPONDENT'S POSITION

21. The Respondent is 41 years of age. He has been married for 11 years and has 4 children but is currently going through a separation.

22. The Respondent has been under supervision for approximately 4 years since the investigation leading to this proceeding was commenced. The effect is that the Respondent has not been able to take any managerial positions which would have allowed him to earn a higher income than he has for the last 4 years. There is no suggestion that his conduct during his period of supervision was in any way contrary to the public interest. The settlement herein takes into account that the Respondent was subject to this supervision.

23. The Respondent is not currently in a financial position to make a disgorgement or costs payment to the Commission.

24. The Respondent acknowledges liability because of a failure to exercise due diligence in his position as a trader and a manager with respect to the trading of Visa Gold shares. The Respondent did not, however, have any direct knowledge of Zuk's intentions. During the relevant period the Respondent and others on the Taurus trading desk were involved in numerous other trades not related to Visa Gold Shares, which was among one of many stocks in which the Respondent traded. The Respondent was involved in a very busy trading desk over the relevant time frame. The Respondent's failing was not in exercising due diligence over the trades for which he was a Visa Gold market maker.

V. CONDUCT CONTRARY TO THE PUBLIC INTEREST

25. The trading described in paragraphs 12, 13 14 and 17, under the management of the Respondent, had the effect of creating a misleading impression that there was a higher volume of trading in Visa Gold shares than there truly was. The trading described in paragraph 11, under the management of the Respondent, caused an upward pressure on the price for Visa Gold shares.

26. The Respondent ought to have known that the trades described above could create a misleading appearance as to market activity for Visa Gold shares or as to the price of those shares. The Respondent ought to have realized that, through his firm's market making facility, he might be assisting Zuk in masking the true nature of certain of his trades.

27. The Respondent's conduct was contrary to the public interest.

VI. TERMS OF SETTLEMENT

28. The Respondent agrees to the following terms of settlement, to be set out in an order by the Commission pursuant to s. 127(1) of the Act, as follows:

(a) trading, directly or indirectly, in any securities by the Respondent, for his own account or for the account of others, will cease for a period of 4 months from the date of the Order. Thereafter, for a period of 5 years from the date of the Order, the Respondent's trading will be restricted as follows:

(1) the Respondent will be permitted to trade in securities on behalf of a registered dealer who provides Staff of the Commission with an undertaking to supervise the Respondent's trading activities, with the following restrictions:

(A) the Respondent will be permitted to act as an agent to input orders for client trades entered on behalf of retail clients by Registered Representatives at the registered dealer;

(B) the Respondent will be permitted to act as an agent to input orders for Toronto Stock Exchange or TSX Venture Exchange trades on behalf of U.S. brokerage firms that are disclosed to, and approved by, Staff of the Commission;

(C) the Respondent will be permitted to conduct trading in a firm inventory account at the registered dealer, provided that the securities:

(i) are debt instruments that cannot be converted (directly or indirectly) into shares;

(ii) are securities listed on the Toronto Stock Exchange, TSX Venture Exchange, NASDAQ, Amex and New York Stock Exchange;

(iii) are not exempt securities for purposes of the Ontario Securities Act; or

(iv) are securities in which the Respondent and the registered dealer, in the aggregate, do not hold a 10% interest;

(D) for a period of 6 months immediately following the 4-month cease trade period referred to in paragraph 28(a) above, the Respondent will be permitted to sell any securities contained in an account referred to in paragraph 28(a)(1)(C) above that would otherwise contravene the restrictions set out therein;

(E) the Respondent will be permitted to sell an existing interest in D'Angelo Brands Inc. that would otherwise contravene the restrictions set out in paragraph 28(a)(1)(C);

(2) the Respondent will be permitted to trade in securities in one RRSP and one non-RRSP account, which he will identify in writing to the Staff of the Commission and, in those accounts, the Respondent will be permitted to trade in securities described in paragraph 28(a)(1)(C) (i) to (iv) above;

(b) for a period of 3 years immediately following the 4-month cease trade period referred to in paragraph 28(a) above, the Respondent will not be permitted to apply to be a specialist or market maker for any publicly traded security, and will relinquish any such positions that he currently holds;

(c) subject to being permitted to trade as contemplated by paragraph 28(a) and (b) above, any exemptions contained in Ontario securities law do not apply to the Respondent for a period of 5 years from the date of the Order;

(d) the Respondent undertakes not to apply for registration that would permit him to represent clients as a registered representative for a period of 15 years from the date of the Order;

(e) for a period of 5 years from the date of the Order, the Respondent's registration will be subject to the restrictions set out in paragraph 28(a)(1) and (b) above;

(f) that the Respondent will not act as an officer or director of any reporting issuer or registrant for a period of 5 years from the date of the Order; and

(g) that the Respondent pay to the Commission the amount of $6,000 in costs and disgorge to the Commission the amount of $9,000 for allocation to or for the benefit of third parties pursuant to s. 3.4(2)(b) of the Act, and if such costs and disgorgement are not paid within 5 years from the date of the Order, the restrictions referred to in paragraph 28(a) and (e) above shall remain in place until further Order of the Commission.

VII. STAFF COMMITMENT

29. If this Settlement Agreement is approved by the Commission, Staff will not initiate any proceeding under Ontario securities law in respect of any conduct or alleged conduct of the Respondent in relation to the facts set out in Part III of this Settlement Agreement, subject to the provisions of paragraph 33 below.

VIII. PROCEDURE FOR APPROVAL OF SETTLEMENT

30. Approval of this Settlement Agreement shall be sought at a hearing of the Commission on a date agreed to by Staff and the Respondent.

31. Staff and the Respondent may refer to any part, or all, of the Settlement Agreement at the Settlement Hearing. Staff and the Respondent also agree that if this Settlement Agreement is approved by the Commission, it will constitute the entirety of the evidence to be submitted respecting the Respondent in this matter, and the Respondent agrees to waive his rights to a full hearing, judicial review or appeal of the matter under the Act.

32. Staff and the Respondent agree that if this Settlement Agreement is approved by the Commission, neither Staff nor the Respondent will make any public statement inconsistent with this Settlement Agreement.

33. If this Settlement Agreement is approved by the Commission and, at any subsequent time, the Respondent fails to honour any of the Terms of Settlement set out in Part VI herein, Staff reserve the right to bring proceedings under Ontario securities law against the Respondent based on, but not limited to, the facts set out in Part III of the Settlement Agreement, as well as the breach of the Settlement Agreement.

34. If, for any reason whatsoever, this Settlement Agreement is not approved by the Commission or an Order in the form attached as Schedule "A" is not made by the Commission, each of Staff and the Respondent will be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations in the Notice of Hearing and Statement of Allegations, unaffected by this Settlement Agreement or the settlement negotiations.

35. Whether or not this Settlement Agreement is approved by the Commission, the Respondent agrees that he will not, in any proceeding, refer to or rely upon this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement as the basis for any allegation against the Commission of lack of jurisdiction, bias, appearance of bias, unfairness, or any other remedy or challenge that may otherwise be available.

IX. DISCLOSURE OF AGREEMENT

36. The terms of this Settlement Agreement will be treated as confidential by all parties hereto until approved by the Commission, and forever if, for any reason whatsoever, this Settlement Agreement is not approved by the Commission, except with the written consent of both the Respondent and Staff or as may be required by law.

37. Any obligations of confidentiality shall terminate upon approval of this Settlement Agreement by the Commission.

X. EXECUTION OF SETTLEMENT AGREEMENT

38. This Settlement Agreement may be signed in one or more counterparts which together shall constitute a binding agreement.

39. A facsimile copy of any signature shall be effective as an original signature.

Dated this 17th day of April, 2007

"J.Wilkinson"
Witness

"Dane Walton"
Dane Alan Walton

Dated this 16th day of April, 2007

STAFF OF THE ONTARIO SECURITIES COMMISSION

"Michael Watson"
Michael Watson, Director, Enforcement

Schedule A

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

AND

ROBERT PATRICK ZUK, DANE ALAN WALTON,
DEREK REID, IVAN DJORDJEVIC,
AND MATTHEW NOAH COLEMAN

ORDER

WHEREAS on March 11, 2005 the Commission issued a Notice of Hearing pursuant to section 127 of the *Securities Act* (the "Act") in respect of trading in the shares of Visa Gold Explorations Inc.;

AND WHEREAS on March 11, 2005 Staff of the Commission filed a Statement of Allegations;

AND WHEREAS on September 25, 2006, Staff of the Commission filed an Amended Statement of Allegations;

AND WHEREAS on March 14, 2007, Staff of the Commission filed an Amended Amended Statement of Allegations dated March 7, 2007;

AND WHEREAS on March 26, 2007, Staff of the Commission filed an Amended Amended Amended Statement of Allegations;

AND WHEREAS Dane Alan Walton entered into a settlement agreement dated April 17, 2007 (the "Settlement Agreement") in relation to the matters set out in the Statement of Allegations;

AND WHEREAS the Commission issued a Notice of Hearing dated April 17, 2007 setting out that it proposed to consider the Settlement Agreement;

UPON reviewing the Settlement Agreement, the Notice of Hearing, the Amended Statement of Allegations, and upon considering submissions from counsel for Dane Alan Walton and from Staff of the Commission;

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

IT IS HEREBY ORDERED, PURSUANT TO SECTIONS 127 AND 127.1 OF THE ACT, THAT:

(a) the Settlement Agreement is hereby approved;

(b) trading, directly or indirectly, in any securities by the Respondent, for his own account or for the account of others, will cease for a period of 4 months from the date of the Order. Thereafter, for a period of 5 years from the date of the Order, the Respondent's trading will be restricted as follows:

(1) the Respondent will be permitted to trade in securities on behalf of a registered dealer who provides Staff of the Commission with an undertaking to supervise the Respondent's trading activities, with the following restrictions:

(A) the Respondent will be permitted to act as an agent to input orders for client trades entered on behalf of retail clients by Registered Representatives at the registered dealer;

(B) the Respondent will be permitted to act as an agent to input orders for Toronto Stock Exchange or TSX Venture Exchange trades on behalf of U.S. brokerage firms that are disclosed to, and approved by, Staff of the Commission;

(C) the Respondent will be permitted to conduct trading in a firm inventory account at the registered dealer, provided that the securities:

(i) are debt instruments that cannot be converted (directly or indirectly) into shares;

(ii) are securities listed on the Toronto Stock Exchange, TSX Venture Exchange, NASDAQ, Amex and New York Stock Exchange;

(iii) are not exempt securities for purposes of the Ontario Securities Act; or

(iv) are securities in which the Respondent and the registered dealer, in the aggregate, do not hold a 10% interest;

(D) for a period of 6 months immediately following the 4-month cease trade period referred to in paragraph (b) above, the Respondent will be permitted to sell any securities contained in an account referred to in paragraph (b)(1)(C) above that would otherwise contravene the restrictions set out therein;

(E) the Respondent will be permitted to sell an existing interest in D'Angelo Brands Inc. that would otherwise contravene the restrictions set out in paragraph (b)(1)(C) above;

(2) the Respondent will be permitted to trade in securities in one RRSP and one non-RRSP account, which he will identify in writing to the Staff of the Commission and, in those accounts, the Respondent will be permitted to trade in securities described in paragraph (b)(1)(C) (i) to (iv) above;

(c) for a period of 3 years immediately following the 4-month cease trade period referred to in paragraph (b) above, the Respondent will not be permitted to apply to be a specialist or market maker for any publicly traded security, and will relinquish any such positions that he currently holds;

(d) subject to being permitted to trade as contemplated by paragraph (b) and (c) above, any exemptions contained in Ontario securities law do not apply to the Respondent for a period of 5 years from the date of the Order;

(e) the Respondent undertakes not to apply for registration that would permit him to represent clients as a registered representative for a period of 15 years from the date of the Order;

(f) for a period of 5 years from the date of the Order, the Respondent's registration will be subject to the restrictions set out in paragraph (b)(1) and (c) above;

(g) that the Respondent will not act as an officer or director of any reporting issuer or registrant for a period of 5 years from the date of the Order; and

(h) that the Respondent pay to the Commission the amount of $6,000 in costs and disgorge to the Commission the amount of $9,000 for allocation to or for the benefit of third parties pursuant to s. 3.4(2)(b) of the Act, and if such costs and disgorgement are not paid within 5 years from the date of the Order, the restrictions referred to in paragraph (b) and (f) above shall remain in place until further Order of the Commission.

Dated at Toronto, Ontario this day of April, 2007

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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
Consolidated Envirowaste Industries Inc.	07 Feb 07	19 Feb 07	19 Feb 07	24 Apr 07
CV Technologies Inc.	23 Apr 07	04 May 07		
Guest-Tek Interactive Entertainment Ltd.	23 Apr 07	04 May 07		
M8 Entertainment Inc.	12 Apr 07	24 Apr 07	24 Apr 07	
Mindready Solutions Inc.	19 Apr 07	01 May 07		

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
Eurasia Gold Inc.	03 Apr 07	16 Apr 07	16 Apr 07	25 Apr 07	
SR Telecom Inc.	05 Apr 07	18 Apr 07	19 Apr 07		

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		
CoolBrands International Inc.	30 Nov 06	13 Dec 06	13 Dec 06		
DEQ Systems Corp.	05 Apr 07	18 Apr 07	18 Apr 07		
Eurasia Gold Inc.	03 Apr 07	16 Apr 07	16 Apr 07	25 Apr 07	
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		
IMAX Corporation	03 Apr 07	16 Apr 07	16 Apr 07		
Research In Motion Limited	24 Oct 06	07 Nov 06	07 Nov 06		
Sierra Minerals Inc.	04 Apr 07	17 Apr 07	17 Apr 07		
SR Telecom Inc.	05 Apr 07	18 Apr 07	19 Apr 07		

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Chapter 8

Notice of Exempt Financings

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

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
04/12/2007	8	Amera Resources Corporation - Units	770,000.00	N/A
04/10/2007	12	Anglo-Canadian Uranium Corp. - Units	901,200.00	110,000.00
03/30/2007	56	Anglo Columbia Mines Inc. - Common Shares	1,261,000.00	5,044,000.00
04/05/2007	2	Annidis Health Systems Corp. - Common Shares	500,000.00	510.00
12/27/0206 to 01/10/2007	12	Arctic Star Diamond Corp. - Units	1,418,999.80	7,468,420.00
03/29/2007	1	Ares Capital Corporation - Common Shares	14,571,513.60	700,000.00
03/31/2007	35	Arura Pharma Inc. - Receipts	1,165,000.00	4,660,000.00
03/14/2007	1	Australis Ltd. - Notes	1,763,100.00	N/A
03/30/2007	48	Barracuda Gold Inc. - Common Shares	1,328,250.00	5,313,000.00
03/30/2007	44	BCD Mining Incorporated - Common Shares	1,202,000.00	4,808,000.00
03/30/2007	8	Blind Creek Resource Ltd. - Warrants	1,204,382.55	3,441,093.00
04/19/2007	1	Blue Pearl Mining Ltd. - Common Shares	36,000,000.00	N/A
06/30/2006 to 12/30/2006	56	BT Energy Fund LP I - Limited Partnership Units	5,424,554.00	N/A
04/03/2007	3	Camden Park Capital LP - Notes	600,000.00	60.00
04/05/2007	10	Canada's Pizza Delivery Corp. - Common Shares	1,418,407.50	2,836,815.00
04/17/2007	32	Canadian Arrow Mines Limited - Units	6,600,000.00	15,000,000.00
04/09/2007	39	Castillian Resources Corp. - Units	15,105,000.00	15,900,000.00
02/23/2007	10	Charter Realty Holdings Ltd. - Common Shares	3,000,000.00	15,000,000.00
02/23/2007	49	CIC Energy Corp. - Common Shares	33,000,000.00	2,200,000.00
03/16/2007	77	Cleveland BioLabs Inc. - Units	35,124,555.96	N/A
04/04/2007 to 04/13/2007	20	CMC Markets Canada Inc. - Contracts for Differences	92,500.00	20.00
04/12/2007	4	Connor, Clark & Lunn Global Financials Fund II - Units	475,000.00	47,500.00
04/12/2007	41	Consolidated Abaddon Resources Inc. - Units	1,250,000.00	2,574,250.00
03/28/2007	31	Consolidated Spire Ventures Ltd. - Units	540,000.00	2,160,000.00
04/02/2007	62	Denison Mines Corp - Flow-Through Shares	15,182,227.00	931,425.00
04/10/2007	2	Domus Co-Investment Holdings LLC - Limited Liability Interest	358,750,000.00	2.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
01/26/2007	8	Endeavour Silver Corp. - Common Shares	754,140.28	176,201.00
04/12/2007	43	Erdene Gold Inc - Common Shares	10,000,000.00	10,000,000.00
03/30/2007	73	Exploration Dios Inc. - Units	4,999,999.50	6,666,666.00
04/10/2007	1	Fifty-Plus.Net International Inc. - Units	50,000.00	500,000.00
04/11/2007	4	Finlay Minerals Ltd. - Units	1,000,000.00	4,347,824.00
04/01/2007	2	Flatiron Market Neutral LP - Units	230,000.00	213.14
04/01/2007	59	Flatiron Trust - Trust Units	16,789,201.37	8,455.40
04/03/2007	1	FuelCell Energy, Inc. - Common Shares	260,955.00	30,000.00
04/19/2007	57	Galleon Energy Inc. - Flow-Through Shares	30,000,375.00	1,481,500.00
04/13/2007	9	Galore Resources Inc. - Units	1,999,997.95	4,210,522.00
04/09/2007 to 04/13/2007	21	General Motors Acceptance Corporation of Canada, Limited - Notes	6,332,034.87	6,332,034.87
04/11/2007	32	Glamis Resources Ltd. - Common Shares	2,614,500.00	2,905,000.00
03/30/2007 to 04/08/2007	8	Global Trader Europe Limited - Special Trust Securities	17,118.50	12,855.00
04/03/2007 to 04/05/2007	21	Global Uranium Corp. - Common Shares	1,865,000.00	1,865,000.00
01/01/2006 to 12/01/2006	8	GlobeFlex International Partners (QP), L.P. - Limited Partnership Interest	46,683,759.20	N/A
02/28/2007	14	Gold World Resources Inc. - Units	727,250.00	4,848,331.00
04/10/2007	12	Golden Dawn Minerals Inc. - Warrants	13,800.00	69,000.00
03/26/2007	4	Golden Odyssey Mining Inc. - Units	311,990.00	1,039,966.00
02/14/2007	117	Great Canadian Gaming Corporation - Notes	200,000,000.05	N/A
02/23/2007	1	Great Western Diamonds Corp. - Common Shares	1,800,000.00	4,000,000.00
02/23/2007	1	Great Western Minerals Group Ltd. - Units	1,800,000.00	4,000,000.00
04/03/2007 to 04/13/2007	24	Green Breeze Energy Systems Inc. - Common Shares	990,000.00	495,000.00
04/13/2007	214	Hanwei Energy Services Corp. - Common Shares	30,000,025.00	13,953,500.00
01/29/2007	18	Hawk Precious Minerals Inc. - Common Shares	622,500.00	N/A
01/19/2007	13	Hawk Precious Minerals Inc. - Flow-Through Shares	725,000.00	N/A
04/05/2007	1	Ignition Point Technologies Corp. - Units	500,000.00	500.00
03/12/2007	1	International Kirkland Minerals Inc. - Units	300,000.00	2,000,000.00
12/28/2006	13	International Millennium Mining Corp. - Flow-Through Units	2,407,225.00	N/A
04/10/2007	1	KBSH Private - Global Value Fund - Units	16,300.00	1,414.81
04/10/2007	1	KBSH Private - Special Equity Fund - Units	5,600.00	199.04

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
03/31/2007	4	Kingwest Avenue Portfolio - Units	391,245.12	11,241.42
03/31/2007	1	Kingwest Canadian Equity Portfolio - Units	31,000.00	2,366.76
03/31/2007	4	Kingwest U.S. Equity Portfolio - Units	38,584.53	2,159.98
04/11/2007	2	Klondike Gold Corp. - Common Shares	19,000.00	200,000.00
04/10/2007	21	Mantle Resources Inc. - Units	4,025,000.00	3,500,000.00
04/11/2007	16	Mesa Uranium Corp. - Units	3,000,000.00	6,000,000.00
02/22/2007	97	Migao Corporation - Units	25,003,750.00	6,025,000.00
04/02/2007	1	Morgan Stanley Real Estate Special Situations Fund III, L.P. - Limited Partnership Interest	86,415,000.00	N/A
04/05/2007 to 04/13/2007	4	New Solutions Financial (II) Corporation - Debentures	330,000.00	4.00
04/01/2007	1	North American Financial Group Inc. - Debt	19,000.00	35.00
04/11/2007	5	Northfield Metals Inc. - Common Shares	450,000.00	3,000,000.00
04/16/2007	1	NXA Inc. - Units	50,400.00	840,000.00
03/19/2007	7	Olympus Pacific Minerals Inc. - Common Shares	12,000,000.00	21,428,571.00
04/04/2007	2	OneMove Technologies Inc. - Common Shares	0.00	250,000.00
02/01/2007	1	Opel International Inc. - Debentures	2,362,600.00	1.00
04/03/2007	21	Petroworth Resources Inc. - Units	2,400,000.00	N/A
04/03/2007	1	PharmEng International Inc. - Units	980,000.00	4,900,000.00
04/16/2007	104	Pinetree Capital Ltd. - Units	121,300,000.00	10,000,000.00
02/09/2007	84	Plexmar Resources Inc. - Units	1,250,000.00	20,833,329.00
08/24/2003 to 04/05/2007	27	Polar Mining Corporation - Common Shares	2,322,500.00	-1.00
04/04/2007 to 04/11/2007	20	Power Play Resources Ltd. - Common Shares	2,148,125.25	2,864,167.00
04/04/2007	80	Ressources Pro-Spect-Or Inc. - Units	1,477,000.00	14,770,000.00
02/23/2007	20	RJK Explorations Ltd. - Units	300,000.00	3,000,000.00
04/02/2007	8	RxElite Holdings Inc. - Units	515,000.80	858,335.00
04/02/2007	83	Sabina Silver Corporation - Units	30,000,000.00	10,000,000.00
04/11/2007	3	Sea Green Capital Corp. - Flow-Through Shares	135,000.00	1,350,000.00
03/23/2007 to 03/30/2007	2	Sextant Strategic Opportunities Hedge Fund LP - Units	30,483.00	N/A
04/05/2007	1	Sextant Strategic Opportunities Hedge Fund LP - Units	48,500.00	1,841.70
03/06/2007	21	Sheltered Oak Resources Inc. - Flow-Through Shares	850,299.80	N/A
01/26/2007	5	Silverbirch Inc. - Common Shares	106,793.00	1,067,930.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
04/04/2007	86	Silverstone Resources Corp. - Units	32,073,500.00	22,120,000.00
04/10/2007	4	Sino-Forest Corporation - Common Shares	200,000,000.00	25,355,191.00
04/16/2007	115	Skyline Apartment Real Estate Investment Trust - Units	19,968,830.00	1,996,883.00
04/04/2007	54	Sola Resources Corp. - Units	2,661,000.00	10,644,000.00
02/23/2007	74	South American Gold and Copper Company Limited - Units	1,366,240.00	34,156,000.00
01/30/2007	13	Storm Cat Energy Corporation - Common Shares	21,897,249.00	15,867,571.73
03/30/2007	20	Storm Cat Energy Corporation - Notes	36,500,814.00	N/A
02/12/2007	1	Stornoway Diamond Corporation - Common Shares	4,009,826.25	3,207,861.00
04/05/2007	12	Streetlight Intelligence Inc - Common Shares	704,000.00	938,666.00
04/05/2007	432	Sun Capital Partners V, L.P. - Limited Partnership Interest	6,158,580,990.00	N/A
01/15/2007	97	Sutchliffe Resources Ltd. - Common Shares	8,410,000.00	8,410,000.00
03/30/2007	97	Tanzania Minerals Inc. - Common Shares	2,228,750.00	9,115,000.00
04/03/2007	228	Terra Ventures Inc. - Units	12,450,000.00	9,500,000.00
03/14/2007	220	Thallion Pharmaceuticals Inc. - Units	44,348,300.00	180,000,000.00
04/06/2007	1	The Resolute Fund II, L.P. - Limited Partnership Interest	230,440,000.00	N/A
04/01/2007	4	The Toronto United Church Council - Notes	782,668.35	N/A
03/30/2007	5	Timbercreek Mortgage Investment Fund - Units	900,000.00	90,000.00
04/10/2007	1	TMIC Inc. - Common Shares	30,000.00	N/A
04/13/2007	1	Travos Automotive Inc. - Common Shares	391,250.00	1,311,833.00
01/01/2006 to 12/31/2006	80	Tremont Core Diversified Fund - Trust Units	7,945,086.87	85,717.02
02/02/2007	57	Tripple Uranium Resources Inc. - Flow-Through Shares	853,580.35	2,639,230.00
02/02/2007	41	Tripple Uranium Resources Inc. - Non-Flow Through Units	891,000.00	3,000,000.00
04/16/2007	28	Tyner Resources Ltd. - Units	2,274,400.00	5,054,222.00
04/03/2007	119	Vena Resources Inc. - Units	18,898,924.00	13,499,231.00
04/11/2007	1	Veraz Networks Inc. - Common Shares	3,214,400.00	350,000.00
04/04/2007	1	Veraz Networks Inc. - Common Shares	3,245,760.00	350,000.00
03/31/2007	135	Vertex Fund - Trust Units	12,062,627.72	N/A
04/04/2007	216	Walton AZ Sunland Ranch 2 Investment Corporation - Common Shares	3,949,500.00	394,950.00
04/07/2007	32	Walton AZ Sunland Ranch Limited Partnership 2 - Limited Partnership Units	4,889,477.09	415,064.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
03/13/2007 to 03/16/2007	130	Wildcat Silver Corporation - Units	9,300,000.00	12,400,000.00
04/06/2007	2	Zounds Inc. - Common Shares	32,225.20	40,000.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Africo Resources Ltd.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated April 19, 2007
Mutual Reliance Review System Receipt dated April 19, 2007
Offering Price and Description:
$130,055,000.00 - 35,150,000 Common Shares Price: $3.70 per Common Share
Underwriter(s) or Distributor(s):
Paradigm Capital Inc.
GMP Securities L.P.
Promoter(s):
-
Project #1085625

Issuer Name:
Canadian World Fund Limited
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated April 19, 2007
Mutual Reliance Review System Receipt dated April 19, 2007
Offering Price and Description:
Offering of Rights to Subscribe for Common Shares
Subscription Price: One Right and $* per Common Share
Underwriter(s) or Distributor(s):
Blackmont Capital Inc.
TD Securities Inc.
Promoter(s):
-
Project #1085335

Issuer Name:
Capital BLF Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary CPC Prospectus dated April 18, 2007
Mutual Reliance Review System Receipt dated April 18, 2007
Offering Price and Description:
Minimum Offering: $1,000,000.00 or 5,000,000 common shares; Maximum Offering: $1,500,000.00 or 7,500,000 common shares Price: $0.20 per common share
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Promoter(s):
Claude Blanchet
Project #1084512

Issuer Name:
Claymore Canadian Fundamental Index ETF
Claymore S&P/TSX Global Mining ETF
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated April 20, 2007
Mutual Reliance Review System Receipt dated April 23, 2007
Offering Price and Description:
Common Units and Advisor Class Units
Underwriter(s) or Distributor(s):
Claymore Investments, Inc.
Promoter(s):
-
Project #1086395

Issuer Name:
Cominar Real Estate Investment Trust
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated April 19, 2007
Mutual Reliance Review System Receipt dated April 20, 2007
Offering Price and Description:
$170,000,700.00 - 7,113,000 Subscription Receipts each representing the right to receive one Unit; and $70,000,000.00 - Series B 5.70% Convertible Unsecured Subordinated Debentures Price: $23.90 per Subscription Receipt and ` $1,000 per Debenture
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Desjardins Securities Inc.
Canaccord Capital Corporation
Genuity Capital Markets G.P.
Raymond James Ltd.
Promoter(s):
-
Project #1085862

Issuer Name:
Financial Preferred Securities Corporation
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated April 16, 2007
Mutual Reliance Review System Receipt dated April 18, 2007
Offering Price and Description:
$ * - * Preferred Shares
Price: $ * per Share
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
National Bank Financial Inc.
Scotia Capital Inc.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Blackmont Capital Inc.
Dundee Securities Corporation
Raymond James Ltd.
Research Capital Corporation
Wellington West Capital Inc.
Bieber Securities Inc.
GMP Securities L.P.
Promoter(s):
Canadian Income Fund Group Inc.
CCF Funds Management Ltd.
Project #1084970

Issuer Name:
First Asset Global Infrastructure Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated April 23, 2007
Mutual Reliance Review System Receipt dated April 23, 2007
Offering Price and Description:
$ * - * Units
Price: $ * per Unit
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
Richardson Partners Financial Limited
Promoter(s):
First Asset Funds Inc.
Project #1086508

Issuer Name:
Global Uranium Fund Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated April 24, 2007
Mutual Reliance Review System Receipt dated April 24, 2007
Offering Price and Description:
Maximum $ * - * Units
(Each Unit consisting of one Equity Share and one-half of a Warrant for one Equity Share)
Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Raymond James Ltd.
Blackmont Capital Inc.
Dundee Securities Corp.
IPC Securities Corporation
Research Capital Corporation
Wellington West Capital Inc.
Richardson Partners Financial Limited
Promoter(s):
Brompton Funds Management Limited
Project #1087190

Issuer Name:
Molystar Resources Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Prospectus dated April 23, 2007
Mutual Reliance Review System Receipt dated April 24, 2007
Offering Price and Description:
Maximum Public Offering: $1,500,000.00; Minimum Public Offering: $1,100,000.00 - Comprised of such combination of: (a) a minimum of zero up to a maximum of 2,750,000 Flow Through Common Shares at $0.40 per share; and (b) a minimum of 800,000 up to a maximum of 6,000,000 Non Flow Through Common Shares at $0.25 per share, as is equal in value to the Minimum Public Offering but not greater in value than the Maximum Public Offering.
Underwriter(s) or Distributor(s):
Global Securities Corporation
Promoter(s):
Andre Molnar
Project #1086941

Issuer Name:
Northstar Healthcare Inc.
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Prospectus dated April 23, 2007
Mutual Reliance Review System Receipt dated April 23, 2007
Offering Price and Description:
$ * - * Common Shares
Price: $ * per Common Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
Canaccord Capital Corporation
Wellington West Capital Markets Inc.
Promoter(s):
Healthcare Ventures, Ltd.
Project #1074685

Issuer Name:
NovaBay Pharmaceuticals, Inc.
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary PREP Prospectus dated April 18, 2007
Mutual Reliance Review System Receipt dated April 19, 2007
Offering Price and Description:
US$ * - * Shares
Price: US$ * per Share
Underwriter(s) or Distributor(s):
Dundee Securities Corporation
Promoter(s):
-
Project #1051403

Issuer Name:
RBC Subordinated Notes Trust
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated April 17, 2007
Mutual Reliance Review System Receipt dated April 18, 2007
Offering Price and Description:
$ * - *% Trust Subordinated Notes due *, 2017
Fully and unconditionally guaranteed on a subordinated basis by Royal Bank of Canada
(RBC TSNs - Series A)
Price: $1,000 per Suboridinated Note
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
TD Securities Inc.
HSBC Securities (Canada) Inc.
Merrill Lynch Canada Inc.
National Bank Financial Inc.
Desjardins Securities Inc.
Deutsche Bank Securities Limited
JP Morgan Securities Canada Inc.
Laurentian Bank Securities Inc.
Promoter(s):
-
Project #1084366

Issuer Name:
Royal Bank of Canada
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated April 17, 2007
Mutual Reliance Review System Receipt dated April 18, 2007
Offering Price and Description:
$ * - * % Trust Subordinated Notes due *, 2017
Fully and unconditionally guaranteed on a subordinated basis by Royal Bank of Canada
(RBC TSNs - Series A)
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
TD Securities Inc.
HSBC Securities (Canada) Inc.
Merrill Lynch Canada Inc.
National Bank Financial Inc.
Desjardins Securities Inc.
Deutsche Bank Securities Limited
JP Morgan Securities Canada Inc.
Laurentian Bank Securities Inc.
Promoter(s):
-
Project #1084783

Issuer Name:
Sentry Select Primary Metals Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated April 23, 2007
Mutual Reliance Review System Receipt dated April 24, 2007
Offering Price and Description:
$ * - * Units
Each Unit consisting of a Class A Share and one full Class A Share Purchase Warrant
Price: $10.00 per Unit
Minimum Purchase: 200 Units
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
National Bank Financial Inc.
TD Securities Inc.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Blackmont Capital Inc.
Dundee Securities Corporation
GMP Securities L.P.
Richardson Partners Financial Ltd.
Wellington West Capital Inc.
Berkshire Securities Inc.
Desjardins Securities Inc.
Haywood Securities Inc.
Jory Capital Inc.
Industrial Alliance Securities Inc.
MGI Securities Inc.
Research Capital Corporation
Union Securities Ltd.
Promoter(s):
Sentry Select Capital Corp.
Project #1086937

Issuer Name:
ST ANDREW GOLDFIELDS LTD.
Principal Regulator - Ontario
Type and Date:
Amended and Restaetd Preliminary Short Form Prospectus dated April 19, 2007
Mutual Reliance Review System Receipt dated April 19, 2007
Offering Price and Description:
Offering of Rights to Subscribe for Units
Subscription Price per Unit: 1 Right and $1.00
Offering is 124,112,949 Units to raise $124,112,949.00
Price: $1.00 per Unit
(upon exercise of one Right)
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1055857

Issuer Name:
Tanganyika Uranium Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated April 17, 2007
Mutual Reliance Review System Receipt dated April 19, 2007
Offering Price and Description:
$3,900,000.00 - 13,000,000 Units
Price: $0.30 per Unit
Underwriter(s) or Distributor(s):
Bolder Investment Partners, Ltd.
Promoter(s):
Harold Dimitri Smith
Peter Lawson Munachen
Project #1085032

Issuer Name:
Ur-Energy Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated April 23, 2007
Mutual Reliance Review System Receipt dated April 23, 2007
Offering Price and Description:
$72,000,500.00 - 15,158,000 Common Shares Price: $4.75 per Common Share
Underwriter(s) or Distributor(s):
GMP Securities L.P.
Raymond James Ltd.
Canaccord Capital Corporation
Cormark Securities Inc.
Promoter(s):
-
Project #1086502

Issuer Name:
Uranium Focused Energy Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated April 20, 2007
Mutual Reliance Review System Receipt dated April 23, 2007
Offering Price and Description:
Offering of * Rights to Subscribe for an Aggregate of * Units
Subscription Price: One Right and $9.90 per Unit
The Subscription Price equals 97.5% of the Closing Market Price per Unit on April 19, 2007
Underwriter(s) or Distributor(s):
Middlefield Capital Corporation
Promoter(s):
Middlefield Group Limited
Middlefield Energy Management Limited
Project #1086359

Issuer Name:
Canadian Capital Auto Receivables Asset Trust II
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated April 23, 2007
Mutual Reliance Review System Receipt dated April 23, 2007
Offering Price and Description:
(1) $250,000,000.00 - 4.559% Auto Loan Receivables-Backed Notes, Series 2007-1, Class A-1;
(2) $260,000,000.00 - 4.558% Auto Loan Receivables-Backed Notes, Series 2007-1, Class A-2;
(3) $210,000,000.00 - 4.579% Auto Loan Receivables-Backed Notes, Series 2007-1, Class A-3;
(4) $27,000,000.00 - 4.918% Auto Loan Receivables-Backed Notes, Series 2007-1, Class B; and
(5) $5,400,000.00 - 5.168% Auto Loan Receivables-Backed Notes, Series 2007-1, Class C
Underwriter(s) or Distributor(s):
CIBC WORLD MARKETS INC.
RBC Dominion Securities Inc.
TD Securities Inc.
BMO NESBITT BURNS INC.
SCOTIA CAPITAL INC.
SOCIE´ TE´ GE´NE´RALE VALEURS MOBILIE` RES INC.
Promoter(s):
General Motors Acceptance Corporation of Canada, Limited
Project #1083425

Issuer Name:
Churchill V Debenture Corp.
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated April 18, 2007
Mutual Reliance Review System Receipt dated April 19, 2007
Offering Price and Description:
Minimum: $2,500,000.00 (2,000 Units); Maximum: $30,000,000.00 (24,000 Units) $1,250 per Unit Minimum Subscription: $5,000
Underwriter(s) or Distributor(s):
Dundee Securities Corporation
Raymond James Limited
Promoter(s):
Churchill International Securities Corporation
Project #1062638

Issuer Name:
Churchill V Real Estate Limited Partnership
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated April 18, 2007
Mutual Reliance Review System Receipt dated April 19, 2007
Offering Price and Description:
Minimum: $2,500,000.00 (2,000 Units); Maximum: $30,000,000.00 (24,000 Units) $1,250 per Unit
Minimum Subscription: $5,000
Underwriter(s) or Distributor(s):
Dundee Securities Corporation
Raymond James Limited
Promoter(s):
Churchill International Securities Corporation
Project #1062642

Issuer Name:
Crystallex International Corporation
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated April 17, 2007
Mutual Reliance Review System Receipt dated April 18, 2007
Offering Price and Description:
C$53,125,000.00 - 12,500,000 Common Shares Price: C$4.25 per Common Share
Underwriter(s) or Distributor(s):
Orion Securities Inc.
Haywood Securities Inc.
Wellington West Capital Markets Inc.
Promoter(s):
-
Project #1079814

Issuer Name:
Enterra Energy Trust
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated April 19, 2007
Mutual Reliance Review System Receipt dated April 20, 2007
Offering Price and Description:
$25,370,000.00 - 4,300,000 Trust Units Price: $5.90 per Trust Unit; and $40,000,000.00 - 8.25% Convertible Unsecured Subordinated Debentures $1,000 per Debenture
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
HSBC Securities (Canada) Inc.
Orion Securities Inc.
Promoter(s):
-
Project #1082100

Issuer Name:
Equitable Group Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated April 23, 2007
Mutual Reliance Review System Receipt dated April 23, 2007
Offering Price and Description:
$25,000,007.50 - 769,231 Common Shares Price: $32.50 per Share
Underwriter(s) or Distributor(s):
Cormark Securities Inc.
BMO Nesbitt Burns Inc.
Blackmont Capital Inc.
GMP Securities L.P.
Promoter(s):
-
Project #1083434

Issuer Name:
Gammon Lake Resources Inc.
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated April 19, 2007
Mutual Reliance Review System Receipt dated April 19, 2007
Offering Price and Description:
$200,000,000.00 - 10,000,000 Common Shares Price: $20.00 per Purchased Share Price
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
-
Project #1080856

Issuer Name:
Geovic Mining Corp.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated April 19, 2007
Mutual Reliance Review System Receipt dated April 19, 2007
Offering Price and Description:
Cdn$35,000,000.00 - 8,750,000 Units Price: Cdn$4.00 per Unit
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Orion Securities Inc.
Promoter(s):
-
Project #1081170

Issuer Name:
High Rider Capital Inc.
Principal Regulator - British Columbia
Type and Date:
Final CPC Prospectus dated April 17, 2007
Mutual Reliance Review System Receipt dated April 18, 2007
Offering Price and Description:
$850,000.00 - 8,500,000 Common Shares Price: $0.10 per common share
Underwriter(s) or Distributor(s):
Union Securities Ltd.
Promoter(s):
-
Project #1077280

Issuer Name:
HSBC Financial Corporation Limited
Principal Regulator - Ontario
Type and Date:
Final Shelf Prospectus dated April 20, 2007
Mutual Reliance Review System Receipt dated April 23, 2007
Offering Price and Description:
$6,000,000,000.00 - Medium Term Notes (unsecured)
Underwriter(s) or Distributor(s):
HSBC Securities (Canada) Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
Promoter(s):
-
Project #1082300

Issuer Name:
Iteration Energy Ltd.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated April 18, 2007
Mutual Reliance Review System Receipt dated April 18, 2007
Offering Price and Description:
$39,200,000.00 - 7,000,000 Common Shares Price: $5.60 per Offered Share
Underwriter(s) or Distributor(s):
FirstEnergy Capital Corp.
Peters & Co. Limited
RBC Dominion Securities Inc.
Wellington West Capital Markets Inc.
Cormark Securities Inc.
Promoter(s):
-
Project #1081503

Issuer Name:
Lincluden Balanced Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated April 17, 2007
Mutual Reliance Review System Receipt dated April 18, 2007
Offering Price and Description:
Mutual fund trust units at net asset value.
Underwriter(s) or Distributor(s):
Lincluden Management Limited
Lincluden Management Limited
Promoter(s):
Lincluden Management Limited
Project #1062121

Issuer Name:
RBC DS All Equity Global Portfolio
RBC DS Balanced Global Portfolio
RBC DS Canadian Focus Fund
RBC DS Growth Global Portfolio
RBC DS International Focus Fund
RBC DS North American Focus Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated April 10, 2007 to Final Simplified Prospectuses and Annual Information Forms dated October 27, 2006
Mutual Reliance Review System Receipt dated April 19, 2007
Offering Price and Description:
Advisor Series Units and Series F Units
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
RBC Dominion Securities Inc.
Promoter(s):
RBC Asset Management Inc.
Project #994946

Issuer Name:
RBC O'Shaughnessy All-Canadian Equity Fund
RBC O'Shaughnessy Global Equity Fund
RBC Select Aggressive Growth Portfolio
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated April 10, 2007 to Final Simplified Prospectuses and Annual Information Forms dated January 12, 2007
Mutual Reliance Review System Receipt dated April 19, 2007
Offering Price and Description:
Series A, Advisor Series and Series F Units @ Net Asset Value
Underwriter(s) or Distributor(s):
Royal Mutual Funds Inc.
Royal Mutual Funds Inc.
Promoter(s):
RBC Asset Management Inc.
Project #1009136

Issuer Name:
RBC Premium Money Market Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated April 10, 2007 to Final Simplified Prospectus and Annual Information Form dated February 27, 2007
Mutual Reliance Review System Receipt dated April 19, 2007
Offering Price and Description:
Series F Units
Underwriter(s) or Distributor(s):
RBC Asset Management Inc.
Promoter(s):
RBC Asset Management Inc.
Project #1046224

Issuer Name:
RBC $U.S. Income Fund
RBC $U.S. Money Market Fund
RBC Advisor Canadian Bond Fund
RBC Asian Equity Fund
RBC Balanced Fund
RBC Balanced Growth Fund
RBC North American Dividend Fund
RBC Bond Fund
RBC Canadian Bond Index Fund
RBC Canadian Diversified Income Trust Fund
RBC Canadian Equity Fund
RBC North American Growth Fund
RBC Canadian Index Fund
RBC Canadian Money Market Fund
RBC Canadian Short-Term Income Fund
RBC Canadian T-Bill Fund
RBC North American Value Fund
RBC Cash Flow Portfolio
RBC Canadian Dividend Fund
RBC Global Energy Fund
RBC Enhanced Cash Flow Portfolio
RBC European Equity Fund
RBC Global Bond Fund
RBC Global Corporate Bond Fund
RBC Global Consumer and Financials Fund
RBC Global Health Sciences Fund
RBC Global High Yield Fund
RBC Global Resources Fund
RBC Global Technology Fund
RBC Global Titans Fund
RBC International Equity Fund
RBC International Index Currency Neutral Fund
RBC Life Science and Technology Fund
RBC Monthly Income Fund
RBC O'Shaughnessy Canadian Equity Fund
RBC O'Shaughnessy International Equity Fund
RBC O'Shaughnessy U.S. Growth Fund
RBC O'Shaughnessy U.S. Value Fund
RBC Global Precious Metals Fund
RBC Premium Money Market Fund
RBC Select Balanced Portfolio
RBC Select Choices Aggressive Growth Portfolio
RBC Select Choices Balanced Portfolio
RBC Select Choices Conservative Portfolio
RBC Select Choices Growth Portfolio
RBC Select Conservative Portfolio
RBC Select Growth Portfolio
RBC Target 2010 Education Fund
RBC Target 2015 Education Fund
RBC Target 2020 Education Fund
RBC Tax Managed Return Fund
RBC U.S. Equity Currency Neutral Fund
RBC U.S. Equity Fund
RBC U.S. Index Fund
RBC U.S. Mid-Cap Equity Currency Neutral Fund
RBC U.S. Mid-Cap Equity Fund
RBC U.S. Index Currency Neutral Fund
Principal Regulator - Ontario
Type and Date:
Amendment #3 dated April 10, 2007 to Final Simplified Prospectuses and Annual Information Forms dated July 4, 2006
Mutual Reliance Review System Receipt dated April 20, 2007
Offering Price and Description:
Series A, Advisor Series, Series F, Series I and Series O Units @ Net Asset Value
Underwriter(s) or Distributor(s):
Royal Mutual Funds Inc.
Royal Mutual Funds Inc.
RBC Asset Management Inc.
RBC Dominion Securities Inc.
Promoter(s):
RBC Asset Management Inc.
Project #945357

Issuer Name:
TD Emerald Balanced Fund
TD Emerald Canadian Bond Index Fund
TD Emerald Canadian Equity Index Fund
TD Emerald Canadian Short Term Investment Fund
TD Emerald Global Government Bond Index Fund
TD Emerald International Equity Index Fund
TD Emerald U.S.Market Index Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated April 23, 2007
Mutual Reliance Review System Receipt dated April 24, 2007
Offering Price and Description:
Class A Units and Class B Units
Underwriter(s) or Distributor(s):
TD Asset Management Inc.
Promoter(s):
-
Project #1062279

Issuer Name:
TD Emerald Canadian Treasury Management - Financial Institution Fund
TD Emerald Canadian Treasury Management - Government of Canada Fund
TD Emerald Canadian Treasury Management Fund
TD Emerald U.S. Dollar Treasury Management - Government Fund
TD Emerald U.S. Dollar Treasury Management Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated April 23, 2007
Mutual Reliance Review System Receipt dated April 24, 2007
Offering Price and Description:
Institutional Class Units and Investor Class Units
Underwriter(s) or Distributor(s):
TD Asset Management Inc.
Promoter(s):
-
Project #1062280

Issuer Name:
The Descartes Systems Group Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated April 20, 2007
Mutual Reliance Review System Receipt dated April 20, 2007
Offering Price and Description:
$25,000,000.00 - 5,000,000 Common Shares Price: $5.00 per Share
Underwriter(s) or Distributor(s):
GMP Securities L.P.
CIBC World Markets Inc.
Genuity Capital Markets G.P.
Promoter(s):
-
Project #1081874

Issuer Name:
Timminco Limited
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated April 24, 2007
Mutual Reliance Review System Receipt dated April 24, 2007
Offering Price and Description:
$26,000,000.00 - 10,000,000 Common Shares Price: $2.60 per Common Share
Underwriter(s) or Distributor(s):
Clarus Securities Inc.
Paradigm Capital Inc.
Promoter(s):
-
Project #1082914

Issuer Name:
Bayshore Senior Loan Split Corp.
Principal Jurisdiction - Ontario
Type and Date:
Preliminary Long Form Prospectus dated April 2nd, 2007
Withdrawn on April 20th, 2007
Offering Price and Description:
$ * (Maximum)
* Preferred Shares and * Class A Shares
Price: $ per Preferred Share and $ * per Class A Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.
Richardson Partners Financial Limited
Canaccord Capital Corporation
Dundee Securities Corporation
Blackmont Capital Inc.
Raymond James Ltd.
Wellington West Capital Inc.
Promoter(s):
Bayshore Asset Management Inc.
Project #1079005

Issuer Name:
Faircourt Global Income & Growth Fund
Principal Jurisdiction - Ontario
Type and Date:
Preliminary Long Form Prospectus dated February 2nd, 2007
Withdrawn on April 19th, 2007
Offering Price and Description:
$ * - * Units
Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Berkshire Securities Inc.
Desjardins Securities Inc.
Wellington West Capital Inc.
Promoter(s):
Firstcourt Asset Management Inc.
Project #1047380

Issuer Name:
First Majestic Silver Corp.
Principal Jurisdiction - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated March 27th, 2007
Withdrawn on April 20th, 2007
Offering Price and Description:
$40,000,000.00 - 8,000,000 Units Price: $5.00 per Unit
Underwriter(s) or Distributor(s):
Sprott Securities Inc.
CIBC World Markets Inc.
Blackmont Capital Inc.
Promoter(s):
-
Project #1070700

Issuer Name:
ViRexx Medical Corp.
Principal Jurisdiction - Alberta
Type and Date:
Preliminary Short Form Prospectus dated January 26, 2007
Amended and Restated Preliminary Short Form Prospectus dated February 19th, 2007
Withdrawn on April 24th, 2007
Offering Price and Description:
$10,000,000.00 (Minimum Offering)
$15,000,000.00 (Maximum Offering)
A Minimum of * Units and a Maximum of * Units
Price: $ * per Unit
Underwriter(s) or Distributor(s):
Clarus Securities Inc.
Promoter(s):
-
Project #1044671

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Norstar Securities Limited Partnership	Investment Dealer	April 18, 2007
New Registration	Nacre Capital Environment Ltd.	Limited Market Dealer	April 19, 2007
New Registration	Carte Wealth Management Inc.	Mutual Fund Dealer	April 20, 2007
New Registration	Ascension Capital Management Inc.	Commodity Trading Manager	April 24, 2007
Change of Registration Category	Ascension Capital Management Inc.	From: Commodity Trading Manager To: Limited Market Dealer & Commodity Trading Manager	April 25, 2007

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 MFDA Hearing Panel Issues Decision and Reasons Respecting Approval of Settlement Agreement with Joseph Zollo

NEWS RELEASE
For immediate release

MFDA HEARING PANEL ISSUES
DECISION AND REASONS RESPECTING APPROVAL
OF SETTLEMENT AGREEMENT WITH JOSEPH ZOLLO

April 18, 2007 (Toronto, Ontario) – A Hearing Panel of the Central Regional Council of the Mutual Fund Dealers Association of Canada ("MFDA") has issued its Decision and Reasons respecting the Settlement Agreement with Joseph Zollo which was approved at a public hearing held in Toronto, Ontario on March 20, 2007, as specified in a Notice of Settlement Hearing dated February 23, 2007.

A copy of the Hearing Panels' Decision and Reasons as well as the Order and Settlement Agreement, is available on the MFDA website at 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 163 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

13.1.2 TSX Notice of Approval for Amendments to TSX's Policy on Normal Course Issuer Bids and Debt Substantial Issuer Bids

TORONTO STOCK EXCHANGE

NOTICE OF APPROVAL FOR
AMENDMENTS TO TORONTO STOCK EXCHANGE'S POLICY
ON NORMAL COURSE ISSUER BIDS AND DEBT SUBSTANTIAL ISSUER BIDS
(APPENDIX F OF THE TORONTO STOCK EXCHANGE COMPANY MANUAL)

Introduction

In accordance with the "Protocol for Commission Oversight of Toronto Stock Exchange Rule Proposals" (the "Protocol") between the Ontario Securities Commission ("OSC") and Toronto Stock Exchange ("TSX"), TSX has adopted and the OSC has approved amendments to TSX's policy on normal course issuer bids and debt substantial issuer bids (the "Amendments"). The final Amendments will be effective on **June 1, 2007**.

Reasons for the Amendments

The Amendments represent the majority of the final portion of the policy amendments to Parts V, VI and VII of the TSX Company Manual (the "Manual") which were originally published for comment on August 2, 2002 and January 2, 2004, and in final form on November 5, 2004. While the bulk of those amendments were effective January 1, 2005, the Amendments were separated and published for further comment on November 5, 2004 (the "2004 Amendments") and October 21, 2005 (the "2005 Amendments"). The Amendments will replace the remaining provisions in effect in Appendix F of the Manual.

The Amendments do not include proposed Section 629.1, which contains the rules relating to the use of derivatives and accelerated buy backs in connection with normal course issuer bids. The bulk of the comments received by TSX during the last comment period related primarily to Section 629.1, and as a result, TSX has decided to postpone the implementation of this Section.

The fundamental objectives of the normal course issuer bid ("NCIB") and debt substantial issuer bid ("DSIB") (collectively, the "Issuer Bids") policies are to provide issuers with the ability to buy back their own securities in a cost effective way that treats public security holders fairly while not adversely impacting the market. In an attempt to balance these objectives, TSX has considered, among other things, the variances in liquidity, public float, distribution and market capitalization of TSX listed issuers.

Summary of Revisions to the Amendments

TSX received a total of 10 comment letters in response to the October 21, 2005 publication. A summary of the comment letters together with TSX's responses are attached as **Appendix A**. Any comments relating to Section 629.1 for derivatives and accelerated buy backs will be summarized and responded to at the time Section 629.1 is republished. TSX has made non-material changes since the 2005 Amendments, based on both the public comments and the OSC's comments, and are summarized below.

S. 628(a)(i) and (a)(ix) - Definitions of "Average Daily Trading Volume or "ADTV" and "Normal Course Issuer Bid": NCIB purchases made through the facilities of another stock exchange or otherwise, will not be included when determining trading volume over the prior six months (for the purposes of the ADTV calculation), nor will they be included when determining whether the issuer has reached their daily ADTV repurchase limit. However, NCIB purchases made through the facilities of another stock exchange or otherwise, will continue to apply to the 2% limit in any 30 day period repurchase restrictions for investment funds, and to the annual aggregate limits of 5% of outstanding securities or 10% of public float for all issuers. The six month period used for the ADTV calculation will be the most recently completed six calendar months.

Both changes are non-material changes, since they do not significantly effect the calculation of the ADTV. Rather, the changes add transparency and certainty to the calculation by better defining its parameters, and by allowing the ADTV for purchases on TSX to be based on a fair proportion of trading volume on TSX. The goal of the ADTV repurchase limit is to prevent significant impact upon the trading volume and market price of the issuer's securities. This can be done sufficiently through a 25% daily limit which is proportionate to the security's trading volume on TSX. By including purchases made on other stock exchanges or otherwise, the daily limit restriction would be unduly onerous and disproportionate. In addition, basing the six month period to be used in the ADTV calculation on the most recently completed six calendar months will allow for easier calculation for issuers and fewer errors. Because six months of trading volume are being considered, there is very little risk of potential trading volume manipulation affecting the ADTV calculation by using calendar months.

s. 628(a)(ii) - Definition of "block": Issuers are not permitted to purchase blocks under the block purchase exception from insiders. The definition of "block" has been revised to reflect this. While we have provided an exception to the pre-arranged trade restriction for block purchases (s. 629(l)(2)), we did not intend to extend that exception to insiders of the listed issuer. Insiders, by virtue of their position with the listed issuer, generally possess either some level of control, or knowledge, of the listed issuer's activities. Allowing a listed issuer to purchase blocks, from insiders who possess such control or information could lead to abuse and the manipulation of the market price and timing. It also could provide benefits to the insider which are not otherwise available to other security holders.

s. 628(a)(vi) - Definition of "Insider": For Sections 628, 629, 629.1 and 629.2, the definition of insider is the same definition currently found in Section 601 of the Manual. A cross reference to the Section 601 definition has been inserted to remind issuers of this.

s. 628(a)(xi) - Definition of "Public Float": This definition has been reorganized. There are no changes to the substance or meaning of this definition.

Section 629:

s. 629(h)(ii) – The word "press" has been replaced with "news", as in "news release" in order to be consistent with the use of this term throughout the Manual.

s. 629(l)(1)(d) – Price Limitations: An additional example of what is considered not to be an "independent trade" has been added in order to clarify trades associated with the block purchase exception which are not independent. Since purchases under the ADTV daily purchase limit will be permitted on a trading day in which the block purchase exception is being relied on, up to the time of the block purchase, the broker is prevented from trading any securities of the issuer, whether for the issuer under the NCIB or for other buyers, where those trades are made in order to obtain a certain price for the block purchase. Also, the words "associates or affiliates" of the listed issuer have been deleted, as they are already covered sufficiently in the definition of insider in Section 601.

The addition of the example in s. 629(l)(1)(d) is non-material as it only clarifies an example of a trade that is not independent, in light of the addition of the block purchase exception and the allowance of purchases under the NCIB up until the time of the block purchase. The list of examples is non-exhaustive, and has been provided to assist issuers and their brokers in describing which trades TSX will consider non-independent.

s. 629(l)(2) – Prearranged Trades: Language has been added to clarify that the restriction exists only for those intentional crosses or pre-arranged trades under an NCIB, as opposed to purchases outside of an NCIB. The substance of this paragraph has not changed.

***s. 629(l)(6) – Undisclosed Material Information*:** Language has been added to expressly exclude from this restriction purchases under an NCIB which are made pursuant to an automatic purchase plan ("APP") and are conducted in compliance with applicable securities laws. All such automatic purchase plans must be precleared by TSX prior to implementation, and are expected to be consistent with the guidelines published by the OSC on June 2, 2006 in OSC Staff Notice 55-701 *Automatic Securities Disposition Plans and Automatic Securities Purchase Plans* (the "OSC Staff Notice"*).*

The language has been added in direct response to the OSC Staff Notice which provided guidance to insiders purchasing securities under certain automatic plans, such APPs, during periods when insiders may possess undisclosed material information ("UMI"). The guidance suggests that insiders may be able to avail themselves of insider trading defences in the Regulations to the *Securities Act* (Ontario) if they followed certain procedures when setting up and conducting their APPs.

While the OSC Staff Notice was not intended to address the use of APPs by issuers under NCIBs, it addresses the same concerns behind the restriction to purchase when possessing UMI. Accordingly, listed issuers purchasing under APPS pursuant to their NCIBs may be able to avail themselves of the insider trading defences, provided they also follow the guidelines in the OSC Staff Notice.

Without this revision, the restriction would have prevented listed issuers from implementing APPs under their NCIBs. Given the recent publication of the guidelines in the OSC Staff Notice, TSX is comfortable providing an exception for listed issuers from the restriction to purchase when in possession of UMI, provided that they follow the guidelines in the OSC Staff Notice.

This revision is a non-material change made since the 2005 Amendments, as we do not believe it would adversely impact the public, the market place or listed issuers. The spirit and intent behind the restriction to purchase when in possession of UMI is to ensure a level playing field for all market participants. Listed issuers regularly have information which has not yet been publicly disclosed. Where such information is material and has not yet been disclosed to the public, a listed issuer buying its securities in the marketplace would have an unfair advantage over public security holders and other market participants. The exception for APPs continues to protect the spirit and intent of the restriction by providing a mechanism which allows a listed issuer to make a

decision to purchase under its NCIB only at a time when it does not possess UMI. While the actual purchase by the listed issuer's broker may occur while the listed issuer is in possession of UMI, the listed issuer does not have an unfair because at the time it made a decision to purchase (i.e. gave instructions to the broker), it did not possess UMI.

A failure to provide an exception for APPs would produce an inconsistent approach between securities laws and TSX rules and policies given the guidance provided in the OSC Staff Notice, all of which are trying to address the same issue. For example, the insider trading defences may extend to listed issuers implementing APPs under their NCIBs provided that the guidelines in the OSC Staff Notice are followed.

Issuers today are strongly encouraged to have good corporate governance practices, which include the use of self imposed blackout periods. For many issuers, open trading windows may be very limited, resulting in an inability to effectively utilize an NCIB. The exception for APPs provides an opportunity for more effective use of an NCIB while continuing to respect the spirit and intent of the restriction on purchasing while in possession of UMI. Provided that adequate safeguards are implemented, purchases by listed issuers under NCIBs may be regarded as beneficial to public security holders and the marketplace. NCIBs are generally regarded as positive because an issuer is returning capital to its security holders and increasing liquidity in the marketplace during its purchases.

s. 629(l)(7) - Block Purchase Exception: NCIB purchases may be made up to the time of a block purchase under the NCIB, subject to the daily 25% ADTV repurchase limit. Once the block purchase exception has been relied upon, no other NCIB purchases may be made for the remainder of that trading day.

Under the 2005 Amendments, if NCIB purchases were made during the day and subsequently a block purchase opportunity arose, the issuer would be prevented from accessing the opportunity. In that proposal, we asked readers to comment specifically on the question of whether this was appropriate, or whether purchases under the ADTV limit should be permitted on the same day the block purchase exception was being relied on (Question 7 from the 2005 Amendments). Comments provided on this question were in the affirmative that ADTV purchases should be allowed on the same day. Since the block purchase exception already allows a repurchase potentially up to the annual maximum limit, allowing a block purchase in addition to the ADTV repurchase limit, subject to the annual limit, does not provide the issuer an opportunity to significantly impact its security's market price beyond the impact a block purchase may have. Other restrictions within Section 629(l) provide sufficient protections to restrict the ability of an issuer to significantly impact the market price of the securities prior to the time the block purchase is made. In addition, we have added a provision to the price limitations under Section 629(l)(1)(d) to clarify that trades, directly or indirectly, by the broker making purchases for the bid which are blatantly made in order to facilitate a subsequent block purchase by the issuer at a certain price, are not "independent trades".

s. 629.1 - 629.3:

s. 629.1 - Use of Derivatives and Accelerated Buy Backs: This section has been removed and will not go into effect at this time. It will be republished at a later date.

s. 629.2(b) & (c) Debt Substantial Issuer Bids: In subsection (b), a reference to Part VIII (Fees) of the Manual has been deleted, as fees are no longer located in Part VIII. In subsection (c), the word "press" has been replaced with "news", as in "news release" in order to be consistent with the use of this term throughout the Manual. Minor revisions to subsections (f) and (h) have been made to improve clarity.

s. 629.3 - Transition**:** This subsection sets out the transition of the Amendments.

Forms 12 & 13: Both forms have been revised to reflect the new rules, as well as additional TSX filing offices.

Text of Amendments

The Amendments are attached as **Appendix B** (includes Notices of Intention Forms 12 and 13). A blacklined version of the Amendments showing the changes since the 2005 Amendments is attached as **Appendix C**.

Timing and Transition

The Amendments will become effective on **June 1, 2007** (the "Effective Date"). On the Effective Date, the remaining provisions within Appendix F will be repealed (the "Former Rules"). The provisions regarding exchange take-over bids, exchange issuer bids and normal course purchases were previously repealed as of January 1, 2005. However, the Former Rules will continue to apply only to those issuers who are eligible to be grandfathered under the Former Rules until the expiry of their NCIB.

As of the Effective Date:

1. all Notices of Intention to Make a Normal Course Issuer Bid or Debt Substantial Issuer Bid **filed on or after the Effective Date** must be in accordance to the Amendments;

2. Issuer Bids whose commencement date was prior to the Effective Date, or which TSX has accepted notice thereof in writing prior to the Effective Date but have not yet commenced, may comply with the Former Rules until the expiry of the bid; and

3. Issuer Bids that are eligible to be grandfathered under the Former Rules may choose to comply with the Amendments, provided that a revised Notice of Intention is accepted by TSX and a news release reflecting the revisions is released at the time of acceptance.

Issuers are also reminded of their reporting obligations each month. A revised monthly reporting form for NCIBs will be available on TSX SecureFile.

APPENDIX A

SUMMARY OF COMMENTS (OCT. 21 TO NOV.21, 2005 COMMENT PERIOD)
TO TSX POLICY ON NORMAL COURSE ISSUER BIDS AND DEBT SUBSTANTIAL ISSUER BIDS

	Reference	*Summarized Comment*	*TSX Response*
Daily Repurchase Restriction & Monthly Repurchase Restriction			
Question 1: Retention of 2% Repurchase Restriction for Investment Funds			
1.1	s. 628(a)(xiii)(b) [now s. 628(a)(ix)(b)] – 2% buy back limit for investment funds in any 30 day period	One commenter suggested that the 2% repurchase restriction does not provide sufficient flexibility for investment funds in order to minimize the discount to market. The commenter proposed that the limit be increased for investment funds. One commenter does not believe that the trading patterns associated with investment funds is sufficiently unique to justify a separate regime for buy back limits under an NCIB. The commenter stated the following: "The purpose of the NCIB is not to allow an issuer to engage in market stabilization". In addition, this commenter believes that any discount to net asset value represents the market's assessment of the "true" value of that investment fund and its ability to realize on its investments.	The 2% buy back limit for investment funds in any 30 day period is sufficient to provide this flexibility and will not be increased. Investment funds have other tools available to them in addition to an NCIB, such as redemptions. Although the basic purpose of the NCIB is not to allow an issuer to engage in "market stabilization", buy backs are generally used by investment funds as an attempt to add value to its unit holders by minimizing the discount to market.
Question 2: Restriction from Commencing an NCIB for at least 4 Weeks After an IPO			
2.1	s. 628(a)(ii) [now s. 628(a)(i)] – definition of ADTV	One commenter supports the minimum four week requirement for issuers wanting to commence an NCIB but have not been trading for six months.	This provision has not been revised.
Question 3: Prohibition from NCIB Purchases During Opening and Before Closing of a Trading Session			
3.1	s. 629(l)(8) – restriction during opening and before closing	Two commenters support this restriction, generally because it is consistent with SEC 10b-18 and due to the availability of the Market on Close (MOC) facility. One commenter did not support the restriction, because the commenter believes that the opening and closing represent two times during the trading day with the best opportunity to take advantage of available liquidity.	This restriction has not been revised. While the opening and closing provide opportunities for liquidity, they also provide opportunities for manipulating the price of the securities. Securities listed on TSX have varying levels of liquidity. While the available liquidity for certain securities may be highest during the opening and closing sessions, for other securities, one trade may determine the opening or closing price. Because the opening and closing prices are generally considered to be a significant indicator of the direction of trading, the strength of the demand and the current market value of the security, we do not believe that it is appropriate to allow the issuer to set such prices through purchases under an NCIB.

	Reference	*Summarized Comment*	*TSX Response*
Block Purchase Exception from the Daily Repurchase Restriction			
Question 4: Block Purchase Exception – Definition and Frequency			
4.1	s. 629(l)(7) – block purchase exception	Almost all commenters support the introduction of one block purchase exception per week. One commenter suggested the block purchase exception be reconsidered and that, as an alternative, it may be more appropriate to permit orders from an NCIB to be entered as market orders in the MOC facility.	The block trade exception remains, but has been slightly revised. Orders from an NCIB are already permitted to be entered as MOC orders.
4.2	s. 628(a)(iii) [now s. 628(a)(ii)] – definition of block	One commenter was supportive of the definition of block trade because it is consistent with that used in the U.S. under SEC 10b-18, although they noted the definition is different from TSX's current block trade definition of 10,000 securities and $100,000 value.	TSX consulted with various internal staff, particularly at TSX Markets, as well as external parties, when drafting this definition. Currently, the term "block" is not formally defined in either the TSX Company Manual, the TSX Trading Rules or Universal Market Integrity Rules (UMIR) However, in practice, the market generally refers to a block trade on TSX as being at least 10,000 securities and $100,000 in value for ordinary course trading. However, for the purpose of NCIBs, the working practice definition of block trade will be different as it is inappropriate for NCIB purchases under the new NCIB rules. The block exception is intended to provide issuers with moderate or low ADTV greater flexibility in carrying out their NCIBs. Defining the amount of shares in a block as a minimum of 10,000 securities and value of $100,000 (as opposed to the proposed definition of 5,000 securities with a value of $50,000), would reduce the ability of smaller issuers whose securities are thinly traded to rely on the exception. In addition, block-sized trades (10,000 securities or more) are likely to be relatively rare for small issuers, because they generally do not have institutional holders.
Question 5: Sufficient Flexibility for Less Liquid Issuers			
5.1	s. 629(l)(7) – block purchase exception	One commenter stated that the block purchase exception provides a new opportunity for low to medium liquidity issuers to manage their NCIBs.	
Question 6: Price and Availability for Potential Purchasers			
6.1	s. 629(l)(7) – block purchase exception	Most commenters support the introduction of the block purchase exception. Specifically, one commenter believes that the block purchase exception will not disadvantage potential purchasers, and that the existing UMIR 5.1 Best Execution Obligation and UMIR 6.3 Exposure of Client Orders, provide appropriate protection to retail investors. Another commenter requested that a	The intention was not to allow insiders to participate as a seller of securities under a block sale to the listed issuer. It is unlikely that an insider would be selling the issuer's securities, to the issuer, without the issuer's knowledge. As a result, the following has been added to the definition of block in s. 628(a)(ii): "…and are not owned, directly or indirectly, by an insider of the

	Reference	*Summarized Comment*	*TSX Response*
		specific reference be inserted in the rule that an insider be permitted to sell securities when the block purchase exception is being relied upon by the issuer, unless the sell is pursuant to a sale from control block or is otherwise restricted.	listed issuer;".
Question 7: Daily Purchase Restriction When Block purchase Exception Used			
7.1	s. 629(l)(7) – block purchase exception	Almost all commenters recommended that the block purchase exception be permitted where previous purchases were made under the NCIB on the same day. The commenters noted the following: the Canadian market presents fewer opportunities for block trades than in the U.S., and as such, harmonizing with SEC 10b-18 for this restriction may not be appropriate; and, the current restriction would prejudice issuers who regularly make daily purchases under the NCIB in the event a block purchase opportunity arises during the day. Several commenters suggested revising the restriction such that once a block purchase exception is relied upon, no further purchases under the NCIB may be made for the remainder of that trading day.	TSX agrees with the comments and has revised this restriction. Purchases up the 25% ADTV limit may be made prior to reliance on a block purchase exception on a trading day, however, after the exception is relied on, no further purchases are allowed under the NCIB, regardless of whether the 25% daily limit was reach prior the block purchase. Only one block purchase per calendar week will be permitted.
Question 8: Restriction of Block purchase Exception for Investment Funds			
8.1	s. 629(l)(7) – block purchase exception	One comment suggested that although block purchases will be less common with investment funds, given their retail security holder bases, the exception should be available to investment funds given that it is available to other issuers.	The block trade exception has been introduced in order to provide flexibility to the 25% ADTV buy back limits. Investment funds will have the benefit of the flexibility of a 30 day limit, as opposed to a daily limit. Given the illiquidity of most investment funds, this option provides sufficient flexibility, and as such, investment funds are not prejudiced by the unavailability of the block purchase exception to them.
Use of Derivatives and Accelerated Buy Back Arrangements			
9.1	s. 629.1 – use of derivatives and accelerated buy backs	Comments relating to derivatives and accelerated buy backs will be summarized and responded to during the next publication of s. 629.1.	
Other Comments			
10.1	s. 628(a)(xiii)(a) [now s. 628(ix)(a)] – buy back limit of 25% ADTV for non-investment fund issuers	One commenter stated the 25% ADTV buyback limit would be impractical for them given their historical low trading volumes. Because they are an illiquid trading issuer, the new buyback limits would limit the amounts they could buyback each day, which the commenter believed was not in the best interests of their shareholders.	The 25% ADTV buyback limit was introduced in order to assist in the prevention of significant impact or manipulation of market prices through buybacks. The risk of such an impact or of manipulation is generally higher for illiquid shares, where the majority of the trading volume may come only from the issuer buying back its own shares itself. The annual aggregate limits for NCIBs

	Reference	Summarized Comment	TSX Response
			have not changed. In addition, the block purchase exception has been introduced to provide some flexibility to issuers beyond the daily limits.
10.2	s. 628(a)(xiii)(a) [now s. 628(a)(ix)(a)] – definition of 25% ADTV	Several commenters have recommended that the calculation of the 25% ADTV be based on trading volume on TSX, excluding only NCIB purchases made by the issuer through the facilities of TSX. Other suggestions included: including both trading volume and repurchases from all other exchanges in the calculation, or establishing a separate ADTV for each exchange based on the same calculation.	TSX agrees with this comment and have changed the definition of ADTV to exclude only those NCIB purchases made on TSX. Historically, and as proposed under the former NCIB proposals, purchases made under an NCIB on all exchanges which the issuer was undertaking an NCIB were aggregated for the purposes of monthly and annual buy back limits. This usually involves issuer interlisted in the U.S. Since we have attempted to harmonize with SEC 10b-18 in the U.S. where possible, both exchanges will be imposing relative limits based on the trading volume on the respective exchange. The limits will be proportional therefore, to volume, which negates the need to track purchases outside of TSX.
10.3	s. 628(a)(xiii) [now s. 628(a)(ix)] – definition of normal course issuer bid	Two commenters have suggested that TSX include only purchases made through the facilities of TSX when monitoring buy back limits on either a daily or 30 day period. Specifically, they suggested that the requirement to include purchases made through the facilities of a stock exchange or otherwise, but excluding purchases made under a circular bid, be restricted to apply on to the annual aggregate limits under s. 628(a)(xiii)(c) [now s. 628(a)(ix)(c)], and not to s. 628(a)(xiii)(a) and (b) [now s. 628(a)(ix)(a) and (b)].	TSX partially agrees, and has revised the provision so that only purchases over the facilities of TSX should be counted when monitoring buy back limits, but only for non-investment fund issuers (s. 628(a)(xiii)(a)) [now s. 628(a)(ix)(a)]. As a result, the requirement to include purchases through the facilities of any stock exchange applies only to the investment fund 2% limit over any 30 day period (s. 628(a)(xiii)(b)) [now s. 628(a)(ix)(b)], and to the annual aggregate limits s. 628(a)(xiii)(c)) [now s. 628(a)(ix)(c)].
10.4	s. 629(d) – commencement of NCIB	Two commenters suggested that an NCIB should begin one trading day after acceptance by TSX.	TSX agrees that one day notice to the market is sufficient prior to the commencement of an NCIB. However, in order to get notice out one trading day prior to commencement, notice must be accepted on the day prior to the dissemination of the notice. TSX posts the relevant notice in a TSX Bulletin, which gets published in the Daily Record. In order for the Bulletin to meet the publication deadline for the Daily Record, it must be completed and posted on the day prior to dissemination. As a result, the acceptance and notice must be completed at a minimum, two days prior to commencement. Dissemination cannot occur during the day prior to the commencement.
10.5	s. 628(a)(xvi) [now s. 628(a)(xi)] – definition of public float	Two commenters have suggested the proposed revision to the definition of public float be reworded to clarify that the obligation of the issuer is to inquire about	TSX agrees and has revised the definition as follows: "public float" means the number,

	Reference	*Summarized Comment*	*TSX Response*
		ownership of securities by insiders.	~~known to the issuer after reasonable inquiry,~~ of securities of the class which are issued and outstanding, less the number of securities that are pooled, escrowed or non-transferable, and less the number of securities of the class, known to the issuer after reasonable inquiry, beneficially owned, or over which control or direction is exercised by: (a) the listed issuer; (b) every senior officer or director of the listed issuer; and (c) every principal security holder of the listed issuer.~~;~~ ~~and~~ ~~(d) the number of securities that are pooled, escrowed or non-transferable.~~"

APPENDIX B

NORMAL COURSE ISSUER BIDS AND DEBT SUBSTANTIAL ISSUER BIDS

628. General.

(a) In Sections 628, 629, 629.1 and 629.2:

(i) **"average daily trading volume" or "ADTV"** means the trading volume on TSX for the most recently completed six calendar months preceding the date of acceptance of the notice of normal course issuer bid by TSX, excluding any purchases made by the listed issuer through the facilities of TSX under its normal course issuer bid during such six months, divided by the number of trading days for the relevant six months. In the case of listed securities which have been listed on TSX for a period of less than six months, the ADTV for such securities shall be based on the period since the date of listing, but must be at least four weeks preceding the date of acceptance of the notice of normal course issuer bid by TSX;

(ii) **"block"** means a quantity of securities that either:

(1) has a purchase price of $200,000 or more; or

(2) is at least 5,000 securities and has a purchase price of at least $50,000; or

(3) is at least 20 board lots of the security and total 150% or more of the ADTV for that security;

and are not owned, directly or indirectly, by an insider of the listed issuer;

(iii) "**broker**" means the participating organization designated by the listed issuer to make all purchases of listed securities for the purposes of the normal course issuer bid;

(iv) **"circular bid"** means a formal take-over bid or a formal issuer bid made in compliance with the requirements of Part XX of the OSA;

(v) **"debt substantial issuer bid"** means an issuer bid, other than a normal course issuer bid, for debt securities that are not convertible into securities other than debt securities;

(vi) **"insider"** has the same definition found in Section 601 of this Manual;

(vii) **"investment fund"** has the same definition found in National Instrument 51-102 *Continuous Disclosure Obligations*;

(viii) **"issuer bid"** means an offer, made through the facilities of TSX, to acquire listed securities made by or on behalf of a listed issuer for securities issued by that listed issuer, unless:

(a) the securities are purchased or otherwise acquired in accordance with the terms and conditions attaching thereto that permit the purchase or acquisition of the securities by the issuer without the prior agreement of the owners of the securities, or where the securities are purchased to meet sinking fund or purchase fund requirements;

(b) the purchase or other acquisition is required by the instrument creating or governing the class of securities or by the statute under which the issuer was incorporated, organized or continued; or

(c) the securities carry with them or are accompanied by a right of the owner of the securities to require the issuer to repurchase the securities and the securities are acquired pursuant to the exercise of such right;

(ix) **"normal course issuer bid"** means an issuer bid by a listed issuer to acquire its listed securities where the purchases:

(a) if the issuer is not an investment fund, do not, when aggregated with all other purchases by the listed issuer during the same trading day, aggregate more than the greater of: (i) 25% of the average daily trading volume of the listed securities of that class; and (ii) 1,000 securities;

(b) if the issuer is an investment fund, do not, when aggregated with all other purchases by the listed issuer during the preceding 30 days, aggregate more than 2% of the listed securities of that class outstanding on the date of acceptance of the notice of normal course issuer bid by TSX; and

(c) over a 12-month period, commencing on the date specified in the notice of the normal course issuer bid, do not exceed the greater of

(i) 10% of the public float on the date of acceptance of the notice of normal course issuer bid by TSX, or

(ii) 5% of such class of securities issued and outstanding on the date of acceptance of the notice of normal course issuer bid by TSX, excluding any securities held by or on behalf of the listed issuer on the date of acceptance of the notice of normal course issuer bid by TSX,

and for the purposes of (b) and (c), whether such purchases are made through the facilities of a stock exchange or otherwise, but excluding purchases made under a circular bid;

(x) **"principal security holder"** of a listed issuer means a person or company who beneficially owns or exercises control or direction over more than 10% of the issued and outstanding securities of any class of voting securities or equity securities of the listed issuer; and

(xi) **"public float"** means the number of securities of the class which are issued and outstanding, less the number of securities that are pooled, escrowed or non-transferable, and less the number of securities of the class, known to the issuer after reasonable inquiry, beneficially owned, or over which control or direction is exercised by:

(a) the listed issuer;

(b) every senior officer or director of the listed issuer; and

(c) every principal security holder of the listed issuer.

(b) For the purposes of Sections 628, 629, 629.1 and 629.2:

(i) a purchase shall be deemed to have taken place when the offer to buy or the offer to sell, as the case may be, is accepted;

(ii) in determining the beneficial ownership of securities of a security holder or of any person or company acting jointly or in concert with the security holder, at any given date, the security holder, person or company shall be deemed to have acquired and be the beneficial owner of a security if the security holder, person or company is the beneficial owner of any issued security on that date;

(iii) in calculating the number of securities acquired by the listed issuer, securities purchased by a person or company acting jointly or in concert with the listed issuer, as determined in accordance with Section 91 of the OSA, during the period of an outstanding normal course issuer bid will be included; and

(iv) the number of securities that may be acquired by a listed issuer shall be adjusted to account for stock splits, consolidations and stock dividends, or other similar events.

(c) For the purposes of Section 93(3)(e) of the OSA, an issuer bid may only be completed as a normal course issuer bid in accordance with Sections 629 and 629.1. A debt substantial issuer bid may only be completed in accordance with Section 629.2.

629. Special Rules Applicable to Normal Course Issuer Bids.

(a) The provisions of this section shall apply to all normal course issuer bids.

(b) The filing of a notice is a declaration by the listed issuer that it has a present intention to acquire securities. The notice must set out the number of securities that the listed issuer's board of directors has determined may be acquired rather than simply reciting the maximum number of securities that may be purchased pursuant to Section 628(a)(ix)(c). A notice is not to be filed if the listed issuer does not have a present intention to purchase securities.

(c) TSX will not accept a notice if the listed issuer would not meet the criteria for continued listing on TSX, assuming all of the purchases contemplated by the notice were made.

(d) TSX requires that the listed issuer prepare and submit to TSX a draft of the notice containing the information prescribed by Form 12, Notice of Intention to Make a Normal Course Issuer Bid, found in Appendix H. When the notice is in a form acceptable to TSX, the listed issuer shall file the notice in final form, duly executed by a senior officer or director of the listed issuer, for acceptance by TSX. The final form of the notice must be filed at least two clear trading days prior to the commencement of any purchases under the bid.

(e) A normal course issuer bid shall not extend for a period of more than one year from the date on which purchases may begin.

(f) The listed issuer will issue a press release indicating its intention to make a normal course issuer bid, subject to TSX acceptance, prior to acceptance of the executed notice by TSX. The press release shall summarize the material aspects of the contents of the notice, including the number of securities sought, the method of disposition of the securities, if applicable, the reason for the bid and details of any previous purchases in the preceding 12 month period, including the number of securities purchased and the average price paid. If a press release has not already been issued, a draft press release must be provided to TSX and the listed issuer shall issue a press release as soon as the notice is accepted by TSX. A copy of the final press release shall be filed with TSX.

(g) The listed issuer shall include a summary of the material information contained in the notice in the next annual report, information circular, quarterly report or other document mailed to security holders. The document should indicate that security holders may obtain a copy of the notice, without charge, by contacting the listed issuer.

(h) A normal course issuer bid may commence on the date that is two trading days after the later of:

(i) the date of acceptance by TSX of the listed issuer's notice in final executed Form 12; or

(ii) the date of issuance of the news release required by Subsection (f) of this Section 629.

(i) During a normal course issuer bid, a listed issuer may determine to amend its notice by increasing the number of securities sought while not exceeding: (i) the maximum percentages referred to in the definition of normal course issuer bid or (ii) provided that the issuer has increased its number of issued securities which are subject to the bid by at least 25% from the number of issued securities as at the date of acceptance of the notice of normal course issuer bid by TSX, the maximum percentages referred to in the definition of normal course issuer bid, as at the date of the amended notice. When the amended notice is in a form acceptable to TSX, the listed issuer shall file the amended notice in final form, duly executed by a senior officer or director of the listed issuer, for acceptance by TSX. The final form of the amended notice must be filed at least three clear trading days prior to the commencement of any purchases under the amended bid. In addition, a draft press release must be provided to TSX and the listed issuer shall issue a press release as soon as the amended notice is accepted by TSX. A copy of the final press release shall be filed with TSX. Upon acceptance of the amended notice, TSX will publish a summary notification of the normal course issuer bid in its Daily Record.

(j) A trustee or other purchasing agent (hereinafter referred to as a "trustee") for a pension, stock purchase, stock option, dividend reinvestment or other plan in which employees or security holders of a listed issuer may participate, is deemed to be making an offer to acquire securities on behalf of the listed issuer where the trustee is deemed to be non-independent. Trustees that are deemed to be non-independent are subject only to Subsections 629(k) and (l) and to the limits on purchases of the listed issuer's securities prescribed by the definition of "normal course issuer bid". Trustees that are non-independent must notify TSX before commencing purchases. A trustee is deemed to be non-independent where:

(i) the trustee (or one of the trustees) is an employee, director associate or affiliate of the listed issuer; or

(ii) the listed issuer, directly or indirectly, has control over the time, price, amount and manner of purchases or the choice of the broker through which the purchases are to be made. The listed issuer is not considered to have control where the purchase is made on the specific instructions of the employee or security holder who will be the beneficial owner of the securities.

TSX should be contacted where there is uncertainty as to the independence of the trustee.

(k) Within 10 days of the end of each month in which any purchases are made, whether the securities were purchased through the facilities of TSX or otherwise, the listed issuer shall report its purchases to TSX stating the number of securities purchased during its purchases that month, giving the average price paid and stating whether the securities

have been cancelled, reserved for issuance or otherwise dealt with. Nil reports are not required. The listed issuer may delegate the reporting requirement to the broker appointed to make its purchases; however, the listed issuer bears the responsibility of ensuring timely reports are made. TSX periodically publishes a list of securities purchased pursuant to normal course issuer bids.

This paragraph also applies to purchases by non-independent trustees and to purchases by any party acting jointly or in concert with the listed issuer. Purchases by non-independent trustees and other parties acting jointly or in concert with the listed issuer are excluded from TSX's periodic publication of securities purchased pursuant to normal course issuer bids.

(l) TSX has set the following rules for listed issuers and brokers acting on their own behalf:

1. ***Price Limitations*** - It is inappropriate for a listed issuer making a normal course issuer bid to abnormally influence the market price of its securities. Therefore, purchases made by listed issuers pursuant to a normal course issuer bid shall be made at a price which is not higher than the last independent trade of a board lot of the class of securities which is the subject of the normal course issuer bid. In particular, the following are not "independent trades":

    (a) trades directly or indirectly for the account of (or an account under the direction of) an insider;

    (b) trades for the account of (or an account under the direction of) the broker making purchases for the bid;

    (c) trades solicited by the broker making purchases for the bid; and

    (d) trades directly or indirectly by the broker making purchases for the bid which are made in order to facilitate a subsequent block purchase by the issuer at a certain price.

2. ***Prearranged Trades*** - It is important to investor confidence that all holders of identical securities be treated in a fair and even-handed manner by the listed issuer. Therefore, an intentional cross or pre-arranged trade, under a normal course issuer bid is not permitted, unless such trade is made in connection with the block purchase exception.

3. ***Private Agreements*** - It is in the interest of security holders that transactions pursuant to an issuer bid should be made in the open market. This philosophy is also reflected in the OSA, which provides very limited exemptions for private agreement purchases. Therefore, purchases must be made by means of open market transactions.

4. ***Sales from Control*** - Purchases pursuant to a normal course issuer bid shall not be made from a person or company effecting a sale from control block pursuant to Part 2 of Multilateral Instrument 45-102 *Resale of Securities* and Sections 630-633 of this Manual. It is the responsibility of the broker acting as agent for the listed issuer to ensure that it is not bidding in the market for the normal course issuer bid at the same time as a broker is offering the same class of securities of the listed issuer under a sale from control.

5. ***Purchases During a Circular Bid*** – A listed issuer shall not make any purchases of its securities pursuant to a normal course issuer bid during a circular bid for those securities. This restriction applies during the period from the first public announcement of the bid until the termination of the period during which securities may be deposited under such bid, including any extension thereof. This restriction does not apply to purchases made solely as a trustee pursuant to a pre-existing obligation under a pension, stock purchase, stock option, dividend reinvestment or other plan.

    In addition, if the listed issuer is making a securities exchange take-over bid, it shall not make any purchases of the security offered in the bid other than those permitted by OSC Rule 48-501 *Trading During Distributions, Formal Bids and Share Exchange Transactions*.

6. ***Undisclosed Material Information*** – A listed issuer shall not make any purchases of its securities pursuant to a normal course issuer bid while the listed issuer possesses any material information which has not been disseminated. Reference is made to the TSX Timely Disclosure Policy in this regard. This restriction does not apply to normal course issuer bids carried out pursuant to automatic securities purchase plans established by the listed issuer in accordance with applicable securities laws, particularly Section 175 of Regulation 1015 of the OSA. All such plans must be precleared by TSX prior to implementation. Please see OSC Staff Notice

55-701 – *Automatic Securities Disposition Plans and Automatic Securities Purchase Plans*, or any successor notice, policy or instrument, for additional guidance.

7. ***Block Purchase Exception*** – A listed issuer may make one block purchase per calendar week which exceeds the daily repurchase restriction contained in Subsection 628(a)(ix)(a), subject to maximum annual aggregate limits. Once the block purchase exception has been relied on, the listed issuer may not make any further purchases under the normal course issuer bid for the remainder of that calendar day.

8. ***Purchases at the Opening and Closing*** – A listed issuer shall not make any purchases of its securities pursuant to a normal course issuer bid at the opening of a trading session, or during the 30 minutes before the scheduled close of a trading session. However, notwithstanding Subsection 629(l)(1), purchases of securities pursuant to a normal course issuer bid may be effected through the market on close facility.

(m) A listed issuer shall appoint only one broker at any one time as its broker to make purchases. The listed issuer shall inform TSX in writing of the name of the responsible broker and registered representative. The broker shall be provided with a copy of the notice and be instructed to make purchases in accordance with the provisions of Sections 628, 629 and 629.1 and the terms of such notice. To assist TSX in its surveillance function, the listed issuer is required to receive prior written consent of TSX where it intends to change its broker.

(n) Failure to comply with any requirement herein may result in the suspension of the bid.

629.1 Use of Derivatives and Accelerated Buy Backs in Conjunction with Normal Course Issuer Bids

[Note: Section 629.1 is not yet in effect, and will be published separately at a later date.]

629.2 Debt Substantial Issuer Bids

(a) The provisions of this section shall apply to a debt substantial issuer bid provided that:

(i) there is no legal or regulatory requirement to provide a valuation of the securities that are the subject of the bid to security holders; or

(ii) exemptions from all applicable requirements have been obtained.

(b) A listed issuer making a debt substantial issuer bid shall file with TSX a notice in the form of Form 13 found in Appendix H, together with a filing fee and shall not proceed with the bid until the notice has been accepted by TSX.

(c) Immediately after TSX has accepted notice of the debt substantial issuer bid, the listed issuer shall:

(i) disseminate details of the bid to the media in the form of a news release in a form approved by TSX; and

(ii) communicate the terms of the bid by advertising in the manner prescribed by TSX, or by such other means as may be approved by TSX.

(d) A book for receipt of tenders to the debt substantial issuer bid shall be opened on TSX not sooner than the thirty-fifth calendar day after the date on which notice of the bid is accepted by TSX and at such time, and for such length of time, as may be determined by TSX.

(e) Where in a debt substantial issuer bid, more securities are tendered than the number of securities sought, the listed issuer shall take up a proportion of all securities tendered equal to the number of securities sought divided by the number of securities tendered, and participating organizations shall make allocations in respect of securities tendered in accordance with the instructions of TSX.

(f) In respect of a debt substantial issuer bid:

(i) no participating organization shall knowingly assist or participate in the tendering of more securities than are owned by the tendering party; and

(ii) tendering, trading and settlement by participating organizations shall be in accordance with such rules as TSX shall specify to govern each bid.

(g) If a listed issuer makes or intends to make a debt substantial issuer bid, neither the listed issuer nor any person acting jointly or in concert with the listed issuer shall enter into any collateral agreement, commitment or understanding with

any holder or beneficial owner of securities of the listed issuer subject to the bid that has the effect of providing to the holder or owner, a consideration of greater value than that offered to the other holders of the same class of securities.

(h) A notice of amendment shall be filed with TSX for any proposed amendment to the terms of the debt substantial issuer bid. The proposed amendment will only be effective upon the acceptance of the TSX.

(i) Where the listed issuer becomes aware of a material change in any of the information contained in the notice in respect of a debt substantial issuer bid, the listed issuer shall file with the TSX forthwith a notice of amendment. The proposed amendment will only be effective upon the acceptance of the TSX.

(j) Immediately upon acceptance of the notice of amendment by the TSX, the listed issuer shall issue a press release containing a summary of the information set forth in such notice of amendment, including reference to any change in the date of the book.

Effect of Amendments to Sections 628, 629, 629.2 & 629.3

629.3 The amendments to Sections 628, 629, 629.2 and 629.3 will become effective on **June 1, 2007** (the "Effective Date"). On the Effective Date, the remaining provisions within Appendix F will be repealed (the "Former Rules"). The provisions regarding exchange take-over bids, exchange issuer bids and normal course purchases were previously repealed as of January 1, 2005. However, the Former Rules will continue to apply only to those listed issuers who are eligible to be grandfathered under the Former Rules until the expiry of their NCIB.

As of the Effective Date:

1. all Notices of Intention to Make a Normal Course Issuer Bid or Debt Substantial Issuer Bid filed on or after the Effective Date must be in accordance to the amendments;

2. Issuer Bids whose commencement date was prior to the Effective Date, or which TSX has accepted notice thereof in writing prior to the Effective Date but have not yet commenced, may comply with the Former Rules in effect at the time of acceptance until the expiry of the bid; and

3. Issuer Bids that are eligible to be grandfathered under the Former Rules may choose to comply with the amendments, provided that a revised Notice of Intention is accepted by TSX and a press release reflecting the revisions is released at the time of acceptance.

APPENDIX C

BLACKLINE TO OCTOBER 21, 2005 REQUEST FOR COMMENTS
NORMAL COURSE ISSUER BIDS AND DEBT SUBSTANTIAL ISSUER BIDS

628. General.

(a) In Sections 628, 629, 629.1 and 629.2:

~~(i) **"accelerated buy back"** means an agreement between the listed issuer and a counterparty, whereby the counterparty sells a fixed number of listed securities short to the listed issuer on a specified date and the counterparty subsequently covers its short position in those securities pursuant to the open-market purchases;~~

(i) ~~(ii)~~ **"average daily trading volume" or "ADTV"** means the trading volume on TSX for the most recently completed six calendar months preceding the date of acceptance of the notice of normal course issuer bid by TSX, excluding any purchases made by the listed issuer through the facilities of TSX under its normal course issuer bid during such six months, divided by the number of trading days for the relevant six months. In the case of listed securities which have been listed on TSX for a period of less than six months, the ADTV for such securities shall be based on the period since the date of listing, but must be at least four weeks preceding the date of acceptance of the notice of normal course issuer bid by TSX;

(ii) ~~(iii)~~ **"block"** means a quantity of securities that either:

(a) has a purchase price of $200,000 or more; or

(b) is at least 5,000 securities and has a purchase price of at least $50,000; or

(c) is at least 20 board lots of the security and total 150% or more of the ADTV for that security;

and are not owned, directly or indirectly, by an insider of the listed issuer;

(iii) ~~(iv)~~ "**broker**" means the participating organization designated by the listed issuer to make all purchases of listed securities for the purposes of the normal course issuer bid;

~~(v) **"call option agreement"** means an OTC agreement between the listed issuer and the counterparty governing the terms of the call option and constituting the call option contract in respect of which the underlying interest is the listed security which is the subject of the normal course issuer bid and pursuant to which the listed issuer will, in consideration of the payment of a premium to the counterparty, have the option to require the counterparty to sell to the listed issuer a number of securities issued by the listed issuer at a date and a price which are specified in the call option;~~

(iv) ~~(vi)~~ **"circular bid"** means a formal take-over bid or a formal issuer bid made in compliance with the requirements of Part XX of the OSA;

~~(vii) **"counterparty"** means the participating organization or financial intermediary, as defined in section 204 of the Regulations to the OSA, at the opposite side of a derivative or an accelerated buy back from the listed issuer;~~

(v) ~~(viii)~~ **"debt substantial issuer bid"** means an issuer bid, other than a normal course issuer bid, for debt securities that are not convertible into securities other than debt securities;

~~(ix) **"derivative"** means a put option agreement, a call option agreement or a forward purchase contract;~~

~~(x) "**forward purchase contract**" means an OTC agreement between the listed issuer and the counterparty under which the listed issuer agrees to purchase a number of listed securities which are subject to the normal course issuer bid at a date and a price which are specified in the agreement;~~

(vi) **"insider"** has the same definition found in Section 601 of this Manual;

(vii) ~~(xi)~~ **"investment fund"** has the same definition found in National Instrument 51-102 *Continuous Disclosure Obligations*;

(viii) ~~(xii)~~ **"issuer bid"** means an offer, made through the facilities of TSX, to acquire listed securities made by or on behalf of a listed issuer for securities issued by that listed issuer, unless:

(a) the securities are purchased or otherwise acquired in accordance with the terms and conditions attaching thereto that permit the purchase or acquisition of the securities by the issuer without the prior agreement of the owners of the securities, or where the securities are purchased to meet sinking fund or purchase fund requirements;

(b) the purchase or other acquisition is required by the instrument creating or governing the class of securities or by the statute under which the issuer was incorporated, organized or continued; or

(c) the securities carry with them or are accompanied by a right of the owner of the securities to require the issuer to repurchase the securities and the securities are acquired pursuant to the exercise of such right;

(ix) ~~(xiii)~~ **"normal course issuer bid"** means an issuer bid by a listed issuer to acquire its listed securities where the purchases:

(a) if the issuer is not an investment fund, do not, when aggregated with all other purchases by the listed issuer during the same trading day, aggregate more than the greater of: (i) 25% of the average daily trading volume of the listed securities of that class; and (ii) 1,000 securities; ~~and~~

(b) if the issuer is an investment fund, do not, when aggregated with all other purchases by the listed issuer during the preceding 30 days, aggregate more than 2% of the listed securities of that class outstanding on the date of acceptance of the notice of normal course issuer bid by TSX; and

(c) over a 12-month period, commencing on the date specified in the notice of the normal course issuer bid, do not exceed the greater of

(i) 10% of the public float on the date of acceptance of the notice of normal course issuer bid by TSX, or

(ii) 5% of such class of securities issued and outstanding on the date of acceptance of the notice of normal course issuer bid by TSX, excluding any securities held by or on behalf of the listed issuer on the date of acceptance of the notice of normal course issuer bid by TSX,

and for the purposes of (b) and (c), whether such purchases are made through the facilities of a stock exchange or otherwise, but excluding purchases made under a circular bid;

~~(xiv) **"OTC"** means trading over the counter and not through the facilities of an exchange;~~

(x) ~~(xv)~~ **"principal security holder"** of a listed issuer means a person or company who beneficially owns or exercises control or direction over more than 10% of the issued and outstanding securities of any class of voting securities or equity securities of the listed issuer; and

(xi) ~~(xvi)~~ **"public float"** means the number~~, known to the issuer after reasonable inquiry,~~ of securities of the class which are issued and outstanding, less the number of securities ~~of the class~~that are pooled, escrowed or non-transferable, and less the number of securities of the class, known to the issuer after reasonable inquiry, beneficially owned, or over which control or direction is exercised by:

(a) the listed issuer;

(b) every senior officer or director of the listed issuer; and

(c) every principal security holder of the listed issuer~~; and~~.

~~(d) the number of securities that are pooled, escrowed or non-transferable;~~

~~(xvii) "**put option agreement**" means an OTC agreement between the listed issuer and the counterparty governing the terms of the put option and constituting the put option contract in respect of which the underlying interest is the listed security which is the subject of the normal course issuer bid and pursuant to which the counterparty will, in consideration of the payment of a premium to the listed issuer, have the option to require the listed issuer to acquire a number of securities issued by the listed issuer at a date and a price which are specified in the put option; and~~

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(b) For the purposes of Sections 628, 629, 629.1 and 629.~~1~~2:

(i) a purchase shall be deemed to have taken place when the offer to buy or the offer to sell, as the case may be, is accepted;

(ii) in determining the beneficial ownership of securities of a security holder or of any person or company acting jointly or in concert with the security holder, at any given date, the security holder, person or company shall be deemed to have acquired and be the beneficial owner of a security if the security holder, person or company is the beneficial owner of any issued security on that date;

(iii) ~~(ii)~~ in calculating the number of securities acquired by the listed issuer, securities purchased by a person or company acting jointly or in concert with the listed issuer, as determined in accordance with Section 91 of the OSA, during the period of an outstanding normal course issuer bid will be included; and

(iv) the number of securities that may be acquired by a listed issuer shall be adjusted to account for stock splits, consolidations and stock dividends, or other similar events.

(c) For the purposes of Section 93(3)(e) of the OSA, an issuer bid may only be completed as a normal course issuer bid in accordance with Sections 629 and 629.1. A debt substantial issuer bid may only be completed in accordance with Section 629.2.

629. Special Rules Applicable to Normal Course Issuer Bids.

(a) The provisions of this section shall apply to all normal course issuer bids.

(b) The filing of a notice is a declaration by the listed issuer that it has a present intention to acquire securities. The notice must set out the number of securities that the listed issuer's board of directors has determined may be acquired rather than simply reciting the maximum number of securities that may be purchased pursuant to Section 628(a)(~~xiii~~ix)(c). A notice is not to be filed if the listed issuer does not have a present intention to purchase securities.

(c) TSX will not accept a notice if the listed issuer would not meet the criteria for continued listing on TSX, assuming all of the purchases contemplated by the notice were made.

(d) TSX requires that the listed issuer prepare and submit to TSX a draft of the notice containing the information prescribed by Form 12, Notice of Intention to Make a Normal Course Issuer Bid, found in Appendix H. When the notice is in a form acceptable to TSX, the listed issuer shall file the notice in final form, duly executed by a senior officer or director of the listed issuer, for acceptance by TSX. The final form of the notice must be filed at least two clear trading days prior to the commencement of any purchases under the bid.

(e) A normal course issuer bid shall not extend for a period of more than one year from the date on which purchases may begin.

(f) The listed issuer will issue a press release indicating its intention to make a normal course issuer bid, subject to TSX acceptance, prior to acceptance of the executed notice by TSX. The press release shall summarize the material aspects of the contents of the notice, including the number of securities sought, the method of disposition of the securities, if applicable, the reason for the bid and details of any previous purchases in the preceding 12 month period, including the number of securities purchased and the average price paid. If a press release has not already been issued, a draft press release must be provided to TSX and the listed issuer shall issue a press release as soon as the notice is accepted by TSX. A copy of the final press release shall be filed with TSX.

(g) The listed issuer shall include a summary of the material information contained in the notice in the next annual report, information circular, quarterly report or other document mailed to security holders. The document should indicate that security holders may obtain a copy of the notice, without charge, by contacting the listed issuer.

(h) A normal course issuer bid may commence on the date that is two trading days after the later of:

(i) the date of acceptance by TSX of the listed issuer's notice in final executed Form 12; or

(ii) the date of issuance of the ~~press~~news release required by Subsection (f) of this Section 629.

(i) During a normal course issuer bid, a listed issuer may determine to amend its notice by increasing the number of securities sought while not exceeding: (i) the maximum percentages referred to in the definition of normal course issuer bid or (ii) provided that the issuer has increased its number of issued securities which are subject to the bid by at least 25% from the number of issued securities as at the date of acceptance of the notice of normal course issuer bid by TSX, the maximum percentages referred to in the definition of normal course issuer bid, as at the date of the amended notice. When the amended notice is in a form acceptable to TSX, the listed issuer shall file the amended notice in final form, duly executed by a senior officer or director of the listed issuer, for acceptance by TSX. The final form of the amended notice must be filed at least three clear trading days prior to the commencement of any purchases under the amended bid. In addition, a draft press release must be provided to TSX and the listed issuer shall issue a press release as soon as the amended notice is accepted by TSX. A copy of the final press release shall be filed with TSX. Upon acceptance of the amended notice, TSX will publish a summary notification of the normal course issuer bid in its Daily Record.

(j) A trustee or other purchasing agent (hereinafter referred to as a "trustee") for a pension, stock purchase, stock option, dividend reinvestment or other plan in which employees or security holders of a listed issuer may participate, is deemed to be making an offer to acquire securities on behalf of the listed issuer where the trustee is deemed to be non-independent. Trustees that are deemed to be non-independent are subject only to Subsections 629(k) and (l) and to the limits on purchases of the listed issuer's securities prescribed by the definition of "normal course issuer bid". Trustees that are non-independent must notify TSX before commencing purchases. A trustee is deemed to be non-independent where:

(i) the trustee (or one of the trustees) is an employee, director associate or affiliate of the listed issuer; or

(ii) the listed issuer, directly or indirectly, has control over the time, price, amount and manner of purchases or the choice of the broker through which the purchases are to be made. The listed issuer is not considered to have control where the purchase is made on the specific instructions of the employee or security holder who will be the beneficial owner of the securities.

TSX should be contacted where there is uncertainty as to the independence of the trustee.

(k) Within 10 days of the end of each month in which any purchases are made, whether the securities were purchased through the facilities of TSX or otherwise, the listed issuer shall report its purchases to TSX stating the number of securities purchased during its purchases that month, giving the average price paid and stating whether the securities have been cancelled, reserved for issuance or otherwise dealt with. Nil reports are not required. The listed issuer may delegate the reporting requirement to the broker appointed to make its purchases; however, the listed issuer bears the responsibility of ensuring timely reports are made. TSX periodically publishes a list of securities purchased pursuant to normal course issuer bids.

This paragraph also applies to purchases by non-independent trustees and to purchases by any party acting jointly or in concert with the listed issuer. Purchases by non-independent trustees and other parties acting jointly or in concert with the listed issuer are excluded from TSX's periodic publication of securities purchased pursuant to normal course issuer bids.

(l) TSX has set the following rules for listed issuers and brokers acting on their own behalf:

1. ***Price Limitations*** - It is inappropriate for a listed issuer making a normal course issuer bid to abnormally influence the market price of its securities. Therefore, purchases made by listed issuers pursuant to a normal course issuer bid shall be made at a price which is not higher than the last independent trade of a board lot of the class of securities which is the subject of the normal course issuer bid. In particular, the following are not "independent trades":

(a) trades directly or indirectly for the account of (or an account under the direction of) an insider ~~of the listed issuer, or any associate or affiliate of the listed issuer~~;

(b) trades for the account of (or an account under the direction of) the broker making purchases for the bid; ~~and~~

(c) trades solicited by the broker making purchases for the bid; and

(d) trades directly or indirectly by the broker making purchases for the bid which are made in order to facilitate a subsequent block purchase by the issuer at a certain price.

2. ***Prearranged Trades*** - It is important to investor confidence that all holders of identical securities be treated in a fair and even-handed manner by the listed issuer. Therefore, an intentional cross or pre-arranged trade, under a normal course issuer bid is not permitted, unless such trade is made in connection with the block purchase exception.

3. ***Private Agreements*** - It is in the interest of security holders that transactions pursuant to an issuer bid should be made in the open market. This philosophy is also reflected in the OSA, which provides very limited exemptions for private agreement purchases. Therefore, purchases must be made by means of open market transactions.

4. ***Sales from Control*** - Purchases pursuant to a normal course issuer bid shall not be made from a person or company effecting a sale from control block pursuant to Part 2 of Multilateral Instrument 45-102 *Resale of Securities* and Sections 630-633 of this Manual. It is the responsibility of the broker acting as agent for the listed issuer to ensure that it is not bidding in the market for the normal course issuer bid at the same time as a broker is offering the same class of securities of the listed issuer under a sale from control.

5. ***Purchases During a Circular Bid*** – A listed issuer shall not make any purchases of its securities pursuant to a normal course issuer bid during a circular bid for those securities. This restriction applies during the period from the first public announcement of the bid until the termination of the period during which securities may be deposited under such bid, including any extension thereof. This restriction does not apply to purchases made solely as a trustee pursuant to a pre-existing obligation under a pension, stock purchase, stock option, dividend reinvestment or other plan.

   In addition, if the listed issuer is making a securities exchange take-over bid, it shall not make any purchases of the security offered in the bid other than those permitted by OSC Rule 48-501 *Trading During Distributions, Formal Bids and Share Exchange Transactions*.

6. ***Undisclosed Material Information*** – A listed issuer shall not make any purchases of its securities pursuant to a normal course issuer bid while the listed issuer possesses any material information which has not been disseminated. Reference is made to the TSX Timely Disclosure ~~policy in this regard.~~ Policy in this regard. This restriction does not apply to normal course issuer bids carried out pursuant to automatic securities purchase plans established by the listed issuer in accordance with applicable securities laws, particularly Section 175 of Regulation 1015 of the OSA. All such plans must be precleared by TSX prior to implementation. Please see OSC Staff Notice 55-701 – *Automatic Securities Disposition Plans and Automatic Securities Purchase Plans*, or any successor notice, policy or instrument, for additional guidance.

7. ***Block Purchase Exception*** – A listed issuer may make one block purchase per calendar week which exceeds the daily repurchase restriction contained in Subsection 628(~~xiii~~a)(ix)(a), subject to maximum annual aggregate limits. ~~This~~Once the block purchase exception ~~may not be used on any day during which~~has been relied on, the listed issuer ~~makes~~may not make any further purchases under ~~its~~the normal course issuer bid for the remainder of that calendar day.

8. ***Purchases at the Opening and Closing*** – A listed issuer shall not make any purchases of its securities pursuant to a normal course issuer bid at the opening of a trading session, or during the 30 minutes before the scheduled close of a trading session. However, notwithstanding Subsection 629(l)(1), purchases of securities pursuant to a normal course issuer bid may be effected through the market on close facility.

(m) A listed issuer shall appoint only one broker at any one time as its broker to make purchases. The listed issuer shall inform TSX in writing of the name of the responsible broker and registered representative. The broker shall be provided with a copy of the notice and be instructed to make purchases in accordance with the provisions of Sections 628, 629 and 629.1 and the terms of such notice. To assist TSX in its surveillance function, the listed issuer is required to receive prior written consent of TSX where it intends to change its broker.

(n) Failure to comply with any requirement herein may result in the suspension of the bid.

629.1 Use of Derivatives and Accelerated Buy Backs in Conjunction with Normal Course Issuer Bids

~~**Application**~~

~~(a) Unless otherwise specifically modified by the terms of this Section 629.1, all provisions of Section 628 or 629 shall apply to derivatives and accelerated buy backs entered into by the listed issuer.~~

~~(b) A listed issuer shall not enter into a derivative or accelerated buy back unless:~~

1. the listed issuer has filed a notice which has been accepted by TSX; and

2. such derivative or accelerated buy back provides that:

(i) the counterparty will be bound by the provisions of this Section;

(ii) the interest of the counterparty under the derivative or accelerated buy back may only be assigned with the prior written consent of TSX; and

(iii) the interest of the counterparty under the derivative or accelerated buy back may only be assigned to another counterparty.

(c) Counterparties must ensure that all hedging activities or other trading associated with derivatives or accelerated buy backs (and other similar securities, whether or not such securities contemplate physical or cash delivery for settlement) comply with Policy 2.1 - Just and Equitable Principles and Policy 2.2 - Manipulative and Deceptive Method of Trading under the Universal Market Integrity Rules for Canadian Marketplaces.

(d) A derivative that provides for exclusive "cash settlement" is not considered by TSX to constitute a transaction which is subject to this Section 629.1.

Terms of Derivatives and Accelerated Buy Backs

(e) Each derivative used in conjunction with a normal course issuer bid shall be an OTC agreement with a counterparty.

(f) The exercise price of a put or call option will be as negotiated by the listed issuer and the counterparty provided that the exercise price shall not exceed the aggregate of:

1. the price of the last independent trade of a board lot on TSX of the underlying interest at the time the exercise price has been agreed upon; and

2. the premium per unit of the underlying security which will be received by the issuer or the counterparty on the writing of the put or call option, respectively.

(g) The purchase price of securities under a forward purchase contract or an accelerated buy back will be as negotiated by the listed issuer and the counterparty provided that the purchase price shall not exceed the price of the last independent trade of a board lot on TSX at the time the purchase price has been agreed upon.

(h) Each derivative or accelerated buy back must expire on or before the last day on which purchases of securities may be made by the listed issuer under the normal course issuer bid.

(i) Each derivative shall provide for settlement by the physical delivery of the underlying interest.

(j) Notwithstanding subsection (i), a derivative may provide for a cash settlement where:

1. the purchase of listed securities of the listed issuer by the listed issuer would not be permitted pursuant to the applicable securities legislation; or

2. a take-over bid has been publicly announced for the securities which are the subject of the normal course issuer bid.

Restrictions on the Number of Listed Securities Subject to Derivatives and Accelerated Buy Backs

(k) At any time during the period of the normal course issuer bid, the aggregate of the number of listed securities which are subject to outstanding derivatives and accelerated buy backs and the number of listed securities acquired by the listed issuer prior to that time under the normal course issuer bid (including any listed securities acquired by the listed issuer on the exercise of any derivative) shall not exceed the greater of:

1. 5% of the number of issued and outstanding securities (excluding any listed securities held by or on behalf of the listed issuer) at the date of acceptance of the notice by TSX; and

2. 10% of the public float of the listed securities at the date of acceptance of the notice by TSX.

(l) If the listed issuer is not an investment fund, at no time during the period of the normal course issuer bid may the aggregate of:

1. any listed securities purchased on a particular day by a counterparty to a derivative in connection with such derivative;

2. any listed securities purchased on a particular day by a counterparty to an accelerated buy back in connection with such accelerated buy back; and

3. any listed securities purchased by the listed issuer in the open market pursuant to the normal course issuer bid on a particular day, excluding any listed securities purchased pursuant to the block purchase exception,

exceed the greater of: (i) 25% of the average daily trading volume of the listed securities of that class and (ii) 1,000 securities, unless such purchase is made pursuant to a block exception as contained in Subsection 629(l)(7).

(m) If the listed issuer is an investment fund, at no time during the period of the normal course issuer bid may the aggregate of:

1. any listed securities purchased in the preceding 30 days by a counterparty to a derivative in connection with such derivative;

2. any listed securities purchased in the preceding 30 days by a counterparty to an accelerated buy back in connection with such accelerated buy back; and

3. any listed securities purchased by the listed issuer in the open market pursuant to the normal course issuer bid in the preceding 30 days,

exceed 2% of the securities of that class outstanding on the date of acceptance of the notice of normal course issuer bid by TSX.

(n) Purchases by a listed issuer of its listed securities from a counterparty pursuant to a derivative or accelerated buy back are not subject to the restrictions on daily repurchases contained in Subsection 628(xii)(a) and (b), prearranged trades contained in Subsection 629(l)(2), private agreement contained in Subsection 629(l)(3) and the block purchase exception contained in Subsection 629(l)(7), provided that any listed securities purchased by a counterparty in connection with a derivative or accelerated buy back are purchased in accordance with all of the restrictions contained in Subsection 629(l).

Reporting and Disclosure Requirements

(o) The intention of the listed issuer to enter into a derivative or accelerated buy back as part of a normal course issuer bid must be disclosed in the notice and in the press release required by Subsections 629 (d) and (f).

(p) A copy of each derivative or accelerated buy back agreement, and any amendment thereto, shall be filed with TSX within 10 days of execution and each derivative or accelerated buy back amendment shall be subject to the approval of TSX.

(q) Each derivative or accelerated buy back shall be treated as a confidential document and will not be placed in the public record by TSX.

(r) The listed issuer shall be responsible for:

1. ensuring compliance with restrictions on the number of listed securities as imposed by Sections 628, 629 and 629.1; and

2. reporting to TSX details of all open market purchases and acquisitions on the exercise of derivatives or pursuant to an accelerated buy back during a calendar month within 10 days following the month end.

(s) The listed issuer may not delegate to the counterparty the responsibility for compliance and reporting as set forth in Subsection 629.1(r).

~~**Counterparties to Derivatives**~~

~~(t) Notwithstanding any other provision of Sections 628, 629 and 629.1, the listed issuer shall be entitled to use one participating organization as broker for open market purchases under the normal course issuer bid and another participating organization as a counterparty to the derivative or accelerated buy back or as an agent for the counterparty if such counterparty is not a participating organization.~~

~~(u) The listed issuer may change the counterparty for the purposes of this Section 629.1 if:~~

~~1. the counterparty has ceased hedging activities related to any outstanding derivative; or~~

~~2. all derivatives or accelerated buy backs with the counterparty have expired or otherwise been settled.~~

~~**Corporate and Securities Law Compliance**~~

~~(v) The listed issuer has the obligation to ensure any derivative or accelerated buy back entered into is in accordance with the corporate law under which the listed issuer is organized and the articles, by-laws or other charter documents of the listed issuer.~~

~~(w) The listed issuer has the obligation to ensure that the writing of any OTC option, as a distribution of securities, is undertaken pursuant to the granting of an exemption order from applicable securities legislation.~~

~~(x) TSX may require, prior to the approval of any normal course issuer bid which will permit the listed issuer to enter into derivatives or accelerated buy backs, the submission of a legal opinion or other evidence satisfactory to TSX that the listed issuer is permitted to enter into such derivative or accelerated buy back (including compliance with any applicable corporate law). The listed issuer has the obligation to ensure that its entering into of a derivative or accelerated buy back is pursuant to an order exempting the issuer from applicable securities legislation regarding issuer bids.~~

[Note: Section 629.1 is not yet in effect, and will be published separately at a later date.]

629.2 Debt Substantial Issuer Bids

(a) The provisions of this section shall apply to a debt substantial issuer bid provided that:

(i) there is no legal or regulatory requirement to provide a valuation of the securities that are the subject of the bid to security holders; or

(ii) exemptions from all applicable requirements have been obtained.

(b) A listed issuer making a debt substantial issuer bid shall file with TSX a notice in the form of Form 13 found in Appendix H, together with a filing fee ~~prescribed by Part VIII~~ and shall not proceed with the bid until the notice has been accepted by TSX.

(c) Immediately after TSX has accepted notice of the debt substantial issuer bid, the listed issuer shall:

(i) disseminate details of the bid to the media in the form of a ~~press~~news release in a form approved by TSX; and

(ii) communicate the terms of the bid by advertising in the manner prescribed by TSX, or by such other means as may be approved by TSX.

(d) A book for receipt of tenders to the debt substantial issuer bid shall be opened on TSX not sooner than the thirty-fifth calendar day after the date on which notice of the bid is accepted by TSX and at such time, and for such length of time, as may be determined by TSX.

(e) Where in a debt substantial issuer bid, more securities are tendered than the number of securities sought, the listed issuer shall take up a proportion of all securities tendered equal to the number of securities sought divided by the number of securities tendered, and participating organizations shall make allocations in respect of securities tendered in accordance with the instructions of TSX.

(f) In respect of a debt substantial issuer bid:

(i) no participating organization shall knowingly assist or participate in the tendering of more securities than are owned by the tendering party; and

(ii) tendering, trading and settlement by participating organizations shall be in accordance with such rules as TSX shall specify to govern each bid.

(g) If a listed issuer makes or intends to make a debt substantial issuer bid, neither the listed issuer nor any person acting jointly or in concert with the listed issuer shall enter into any collateral agreement, commitment or understanding with any holder or beneficial owner of securities of the listed issuer subject to the bid that has the effect of providing to the holder or owner, a consideration of greater value than that offered to the other holders of the same class of securities.

(h) A notice of amendment shall be filed with ~~the~~ TSX for any proposed amendment to the terms of the debt substantial issuer bid. The proposed amendment will only be effective upon the acceptance of the TSX.

(i) Where the listed issuer becomes aware of a material change in any of the information contained in the notice in respect of a debt substantial issuer bid, the listed issuer shall file with the TSX forthwith a notice of amendment. The proposed amendment will only be effective upon the acceptance of the TSX.

(j) Immediately upon acceptance of the notice of amendment by the TSX, the listed issuer shall issue a press release containing a summary of the information set forth in such notice of amendment, including reference to any change in the date of the book.

Effect of Amendments to Sections 628, 629, 629.2 & 629.3

629.3 The amendments to Sections 628, 629, 629.2 and 629.3 will become effective on **June 1, 2007** (the "Effective Date"). On the Effective Date, the remaining provisions within Appendix F will be repealed (the "Former Rules"). The provisions regarding exchange take-over bids, exchange issuer bids and normal course purchases were previously repealed as of January 1, 2005. However, the Former Rules will continue to apply only to those listed issuers who are eligible to be grandfathered under the Former Rules until the expiry of their NCIB.

As of the Effective Date:

1. all Notices of Intention to Make a Normal Course Issuer Bid or Debt Substantial Issuer Bid filed on or after the Effective Date must be in accordance to the amendments;

2. Issuer Bids whose commencement date was prior to the Effective Date, or which TSX has accepted notice thereof in writing prior to the Effective Date but have not yet commenced, may comply with the Former Rules in effect at the time of acceptance until the expiry of the bid; and

3. Issuer Bids that are eligible to be grandfathered under the Former Rules may choose to comply with the amendments, provided that a revised Notice of Intention is accepted by TSX and a press release reflecting the revisions is released at the time of acceptance.

FORM 12
NOTICE OF INTENTION TO MAKE A NORMAL COURSE ISSUER BID ("NCIB")

WHEN TO FILE: Every issuer shall file a draft Notice of Intention to Make a Normal Course Issuer Bid once the issuer is prepared to declare that it has a present intention to acquire its securities. A notice is not to be filed if the issuer does not have a present intention to purchase its securities.

HOW: Via TSX SecureFile or via email to listedissuers@tsx.com or via fax for issuers reporting to:
Toronto TSX Office: 416-947-4547
Montreal TSX Office: 514-788-2421
Calgary Office: 403-237-0450
Vancouver Office: 604-844-7502

QUESTIONS: Email to listedissuers@tsx.com or contact the Manager who is responsible for the Issuer or call, for issuers reporting to:
Toronto TSX Office: 416-947-4523
Montreal TSX Office: 514-788-2451
Calgary Office: 403-237-2800
Vancouver Office: 604-643-6599

NOTE: When the draft notice is in a form acceptable to TSX, the issuer shall file the notice in final form, duly executed by a senior officer or director of the issuer, for acceptance by TSX. The final form of the notice must be filed at least two (2) clear trading days prior to the commencement of any purchases under the NCIB.

1. Securities Sought:

(a) class of securities :_____

(b) total number of securities:

(i) issued and outstanding:_____

(ii) if applicable, the total public float :_____

(c) percentage of securities that the NCIB is for:

(i % of issued and outstanding (maximum 5%):_____

(ii) % of the public float, as the case may be(maximum 10%):_____

(d) maximum number of securities that may be acquired under the NCIB:_____

(e) where the issuer has established a specific number of securities to be acquired under the NCIB, the number of securities sought:_____

(f) is the issuer an investment fund:_____

If the answer is NO, the average daily trading volume for six months prior to date hereof:_____

(g) if the issuer has a class of restricted securities:

(i) a description of the voting rights of all equity securities:_____

(ii) if the issuer does not propose to make the same NCIB for all classes of voting and equity securities, the reasons for so limiting the NCIB:_____

2. Duration: State the dates on which the NCIB will commence and terminate. The NCIB may not extend for a period of more than one year from the date on which purchases may commence. (ie. May 1, 2004 to April 30, 2005):

_____

3. Method of Acquisition: State the following:

(a) that purchases will be effected through the facilities of TSX and identify any other exchanges on which purchases will be made:_____

(b) that purchase and payment for the securities will be made by the issuer in accordance with the requirements of TSX:_____

(c) that the price that the issuer will pay for any securities acquired by it will be the market price of the securities at the time of acquisition:_____

(d) whether purchases (other than by way of exempt offer) will be made other than by means of open market transactions during the period the NCIB is outstanding:_____

4. Consideration Offered: State any restrictions on the price the offeror is prepared to pay and any other restrictions relating to the NICB, such as specific funds available, method of purchasing, etc.:

_____

5. Reasons for the NCIB: State the purpose or business reasons for the NCIB:_____

6. Valuation: Include a summary of any appraisal or valuation of the issuer known to the directors or officers of the issuer after reasonable enquiry regarding the issuer, its material assets or securities prepared within the two years preceding the date of the notice, together with a statement of a reasonable time and place at which such appraisal or valuation, or a copy thereof, may be inspected. For this purpose, the phrase appraisal or valuation means both an independent appraisal or valuation and a material non-independent appraisal or valuation:_____

7. **Previous Purchases:** Where the issuer has purchased securities which are the subject of the NCIB bid within the past 12 months, state the following:

(a) method of acquisition:_____

(b) the number of securities purchased:_____

(c) the weighted average price paid:_____

8. **Persons Acting Jointly or In Concert with the Issuer:** Disclose the identity of any party acting jointly or in concert with the issuer:_____

9. **Acceptance by Insiders, Affiliates and Associates:**

(a) name of every director or senior officer of the issuer who intends to sell securities of the issuer during the course of the NCIB: _____

(b) where their intention is known after reasonable enquiry, the name of every associate of a director or senior officer of the issuer, person acting jointly or in concert with the issuer, or person holding 10% or more of any class of equity securities of the issuer, who intends to sell securities:_____

10. **Benefits from the NCIB:** State direct or indirect benefits to any of the persons or companies named in item 9 of selling or not selling securities of the issuer during the course of the NCIB. An answer to this item is not required where the benefits to such person or company of selling or not selling securities are the same as the benefits to any other securityholder who sells or does not sell:

_____

11. **Material Changes in the Affairs of the Issuer:** Disclose any previously undisclosed material changes or plans or proposals for material changes in the affairs of the issuer:_____

12. **Participating Organization Information:**

(a) Name of broker:_____

(b) Name of registered representative:_____

(c) Address of broker:_____

(d) Fax number:_____

13. **Any significant information regarding the NCIB not disclosed above, including any details regarding the use of put options or forward purchase contracts in conjunction with the NCIB:**

_____

14. **Certificate**: The undersigned, a director or senior officer of the issuer duly authorized by the issuer's board of directors, certifies that this notice is complete and accurate and in compliance with Section 629 and 629.1 of the TSX Company Manual . This notice contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it is made.

_____

NAME:
TITLE:

FORM 13
NOTICE OF INTENTION TO MAKE A DEBT SUBSTANTIAL ISSUER BID ("DSIB")

WHEN TO FILE: Every listed issuer intending to make a DSIB shall file a draft Notice of Intention to Make a Debt Substantial Issuer Bid as soon as possible.

HOW: Via TSX SecureFile or via email to listedissuers@tsx.com or via fax for issuers reporting to:
Toronto TSX Office: 416-947-4547
Montreal TSX Office: 514-788-2421
Calgary Office: 403-237-0450
Vancouver Office: 604-844-7502

QUESTIONS: Email to listedissuers@tsx.com or contact the Manager who is responsible for the Issuer or call, for issuers reporting to:
Toronto TSX Office: 416-947-4523
Montreal TSX Office: 514-788-2451
Calgary Office: 403-237-2800
Vancouver Office: 604-643-6599

NOTE: When the draft notice is in a form acceptable to TSX, the listed issuer shall file the notice in final form, duly executed by a senior officer or director of the listed issuer, for acceptance by TSX. The final form of the notice must be filed at least two (2) clear trading days prior to announcement of the DSIB.

1. Securities Sought:

(a) class of securities that are the subject of the DSIB: _____

(b) if the listed issuer has any other class of securities that have a right to participate in the offer by conversion or otherwise, a description of the rights of such holders:_____

(c) the cash price to be paid per security:_____

(d) the number of securities sought:_____

2. Terms of the DSIB:

(a) date of the book: _____

(b) method of tendering to the DSIB and settlement of tenders:_____

(c) any commissions to be paid to participating organizations:_____

(d) names of any person or company retained to make solicitations in respect of the DSIB:_____

(e) any other relevant information with respect of such terms:_____

3. Reasons for the DSIB: State the purpose or business reasons for the DSIB: _____

4. Financial Resources: Describe the financial resources of the offerer, including the source of funds to be used to pay for securities tendered to the DSIB and the terms of any financing obtained:_____

5. Material Changes in the Affairs of the Issuer: Disclose the particulars of any material change in the affairs of the listed issuer or any material fact concerning the listed issuer that has not been generally disclosed_____

6. Appraisal: State any right of appraisal that security holders may have under applicable laws and whether the offerer intends to exercise any right of acquisition it may have under applicable legislation:_____

7. Any significant information regarding the DSIB not disclosed in the foregoing that would reasonably be expected to affect the decision of the security holders to accept or reject the DSIB: _____

8. Certificate: The undersigned, a director or senior officer of the listed issuer, duly authorized by the listed issuer's board of directors, certifies that this notice is complete and accurate and in compliance with Section 629.2 of the TSX Company Manual. This notice contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it is made.

_____

NAME:
TITLE:

13.1.3 MFDA Sets Date for Ronald Freynet Hearing in Winnipeg, Manitoba

NEWS RELEASE
For immediate release

MFDA SETS DATE FOR RONALD FREYNET
HEARING IN WINNIPEG, MANITOBA

April 23, 2007 (Toronto, Ontario) - The Mutual Fund Dealers Association of Canada ("MFDA") commenced a disciplinary proceeding in respect of Ronald Freynet by Notice of Hearing dated March 13, 2007.

As specified in the Notice of Hearing, the first appearance in this proceeding took place on Friday, April 20, 2007 at 10:00 a.m. (Prairie) before a 3-member Hearing Panel of the MFDA Prairie Regional Council.

The date for the commencement of the hearing of this matter on the merits has been scheduled to take place before a Hearing Panel of the Prairie Regional Council on Tuesday, June 12, 2007 at 10:00 a.m. (Prairie) in the Hearing Room located at the Delta Winnipeg, 350 St. Mary Avenue, Winnipeg, Manitoba, 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 web site at **www.mfda.ca**.

The Mutual Fund Dealers Association of Canada is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 164 members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

For further information, please contact:
Yvette MacDougall
Hearings Coordinator
(416) 943-4606 or ymacdougall@mfda.ca

13.1.4 MFDA Issues Notice of Settlement Hearing Regarding Robert Smylski

NEWS RELEASE
For immediate release

MFDA ISSUES NOTICE OF SETTLEMENT HEARING
REGARDING ROBERT SMYLSKI

April 24, 2007 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada ("MFDA") today announced that it has issued a Notice of Settlement Hearing regarding the presentation, review and considerations of a proposed settlement agreement by the Prairie Regional Council.

The settlement agreement will be between staff of the MFDA and Robert Smylski and involves matters for which Robert Smylski may be disciplined by the Regional Council, pursuant to MFDA By-laws.

The subject matter of the proposed settlement agreement concerns allegations that Mr. Smylski engaged in securities related business outside of the Member.

The hearing is scheduled to commence at 10:00 a.m. on Tuesday, May 22, 2007 at a Hearing Room located at the Fairmont Palliser, 133 9th Avenue SW, Calgary, Alberta. The hearing is open to the public except as may be required for the protection of confidential matters. A copy of the Notice of Settlement Hearing is available on the MFDA website at www.mfda.ca.

The Mutual Fund Dealers Association of Canada is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 164 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

Chapter 25

Other Information

25.1 Approvals

25.1.1 Lionridge Capital Management Inc. - s. 213(3)(b) of the LTCA

Headnote

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

Statutes Cited

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

April 13th, 2007

Fogler, Rubinoff LLP
Barristers and Solicitors
95 Wellington Street West
Suite 1200, Toronto-Dominion Centre
Toronto, ON
M5J 2Z9

Attention: Eric Roblin

Dear Sirs/Medames:

RE: Lionridge Capital Management Inc. (the "Applicant")
Application pursuant to clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario) for approval to act as trustee
Application No. 2007/0110

Further to your application dated February 9, 2007 (the "Application") filed on behalf of the Applicant, and based on the facts set out in the Application and the representation by the Applicant that the assets of Peer Advantage Income Fund, Peer Diversified AMP Opportunities Fund and such other funds as the Applicant may establish from time to time, will be held in the custody of a bank listed in Schedule I, II or III of the Bank Act (Canada) or an affiliate of such bank, the Ontario Securities Commission (the "Commission") makes the following order.

Pursuant to the authority conferred on the Commission in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of Peer Advantage Income Fund, Peer Diversified AMP Opportunities Fund and such other funds which may be established and managed by the Applicant from time to time, the securities of which will be offered pursuant to a prospectus exemption.

Yours truly,

"Robert L. Shirriff"

"Paul K. Bates"

25.2 Consents

25.2.1 Four Seasons Hotels 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). Continuation into B.C. is being done for the purposes of completing an amalgamation of the issuer with a B.C. company which is a step in a plan of arrangement.

Statutes Cited

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

Regulations Cited

Regulation made under the Business Corporations Act, Ont. Reg. 289/00, s. 4(b).
Securities Act, R.S.O. 1990, c. S.5.

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

AND

IN THE MATTER OF
FOUR SEASONS HOTELS INC.

CONSENT
(Subsection 4(b) of the Regulation)

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

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

AND UPON Four Seasons having represented to the Commission that:

1. Four Seasons exists under the laws of the Province of Ontario by virtue of its incorporation under the OBCA which was effective as of January 6, 1978.

2. The principal office of Four Seasons is located at 1165 Leslie Street, Toronto, Ontario, M3C 2K8.

3. Four Seasons' authorized share capital consists of 3,725,698 variable multiple voting shares ("**Variable Multiple Voting Shares**"), an unlimited number of limited voting shares ("**Limited Voting Shares**"), an unlimited number of First Preference Shares, issuable in series and an unlimited number of Second Preference Shares, issuable in series. As of the close of business on April 16, 2007, there were issued and outstanding 3,725,698 Variable Multiple Voting Shares and 34,131,080 Limited Voting Shares. All of the issued and outstanding Limited Voting Shares of Four Seasons are listed and posted for trading on the Toronto Stock Exchange and on the New York Stock Exchange under the symbols "**FSH**" and "**FS**", respectively.

4. Four Seasons is an offering corporation under the OBCA and is a reporting issuer under the Securities Act, R.S.O. 1990, c. S.5 (the "**Act**").

5. On February 12, 2007, Four Seasons announced that it had entered into an agreement (the "**Acquisition Agreement**") with FS Acquisition Corp. (the "**Purchaser**"), a company incorporated under the laws of the Province of British Columbia. Pursuant to the Acquisition Agreement, the Purchaser agreed to acquire, by way of a plan of arrangement under the OBCA (the "**Arrangement"**), all of the outstanding Limited Voting Shares of Four Seasons, other than the Limited Voting Shares held by The Bill & Melinda Gates Foundation Trust, which will be acquired by Four Seasons pursuant to the Arrangement and a separate agreement for identical consideration, and the Limited Voting Shares held by affiliates of Kingdom Hotels International and Cascade Investment, L.L.C.

6. Following completion of the Arrangement, Four Seasons will be a wholly-owned subsidiary of the Purchaser. As soon as possible thereafter, Four Seasons will be continued under the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57 (the "**BCBCA**") and the Purchaser and Four Seasons will amalgamate under the laws of the BCBCA. At the request of the Purchaser, and as disclosed in the management information circular dated March 5, 2007 (the "**Circular**"), Four Seasons has agreed to continue pursuant to the laws of the Province of British Columbia prior to amalgamating with the Purchaser. Accordingly, pursuant to section 181 of the OBCA, Four Seasons proposes to submit to the Director appointed under the OBCA an application (the "**Application for Continuance**") for authorization to continue as a corporation under the BCBCA.

7. Pursuant to subsection 4(b) of the Regulation, where a corporation applying to continue to another jurisdiction 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.

8. To the best of its knowledge, Four Seasons is not in default of any material applicable requirement

of the Act or the regulations or rules promulgated thereunder.

9. Four Seasons is not a party to any proceeding under the Act or, to the best of its knowledge, information and belief, any pending proceeding under the Act.

10. In accordance with the interim order received from the Ontario Superior Court of Justice (the "**Court**") on February 26, 2007, the special resolution authorizing the Arrangement was approved at the Special Meeting of Shareholders held on April 5, 2007 (the "**Meeting**") by more than 66 2/3% of all of the votes cast by holders of Limited Voting Shares and by a simple majority of the minority holders of Limited Voting Shares and was approved by way of a written declaration of the holder of Variable Multiple Voting Shares. On April 13, 2007, a final order approving the Arrangement was obtained from the Court.

11. Pursuant to Section 185 of the OBCA, all shareholders of record as of the record date, being February 28, 2007, for the Meeting were entitled to dissent rights with respect to the Arrangement (the "**Dissent Rights**").

12. A description of the Arrangement was included in the Circular mailed to the shareholders on March 13, 2007 and filed on SEDAR on March 14, 2007. The Circular advised the holders of Limited Voting Shares of their Dissent Rights.

13. As soon as practicable following completion of the Arrangement and subsequent amalgamation with the Purchaser, it is anticipated that Four Seasons will apply to cease being a reporting issuer under the Act. If the Amalgamation were to be effected after Four Seasons ceased to be a reporting issuer, the Consent order requested hereby would not be required.

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

THE COMMISSION HEREBY CONSENTS to the continuance of Four Seasons under the BCBCA.

DATED this 20th day of April, 2007.

"Robert L. Shirriff"

"Suresh Thakrar"

25.3 Exemptions

25.3.1 Northwood Stephens Private Counsel Inc. et al. - s. 7.1 of NI 81-107 Independent Review Committee for Investment Funds

Headnote

Relief granted from the requirement in National Instrument 81-107 Independent Review Committee for Investment Funds to appoint an IRC and to do so by May 1, 2007 – The affected funds will terminate no later than October 1, 2007 in advance of November 1, 2007 deadline for full compliance under NI 81-107.

Applicable Legislative Provisions

National Instrument 81-107 Independent Review Committee for Investment Funds, ss. 3.2, 7.1, 8.2(2).

April 24, 2007

IN THE MATTER OF
NATIONAL INSTRUMENT 81-107 -
INDEPENDENT REVIEW COMMITTEE
FOR INVESTMENT FUNDS
("NI 81-107")

AND

IN THE MATTER OF
NORTHWOOD STEPHENS PRIVATE COUNSEL INC.
(the "Manager")
AND
NSC CANADIAN BALANCED INCOME FUND,
NSC CANADIAN EQUITY FUND AND
NSC GLOBAL BALANCED FUND
(the "NSC Funds")

EXEMPTION
(Section 7.1 of NI 81-107)

Background

The Director (the "**Director**") of the Ontario Securities Commission (the "**Commission**") has received an application under section 7.1 of NI 81-107 from the Manager and the NSC Funds for an exemption from the requirements contained in sections 3.2 and 8.2(2) of NI 81-107 that the Manager must appoint the first members of NSC Funds' independent review committee ("**IRC**") by May 1, 2007 (the "**Requested Relief**").

Representations

This exemption is based on the following facts represented by the Manager:

1. The Manager is a corporation incorporated on February 5, 2003 under the laws of the Province of Ontario and has its principal place of business at 3650 Victoria Park Avenue, Suite 200, Toronto, Ontario, M2H 3P7.

2. The Manager is registered as an adviser in the categories of investment counsel and portfolio manager and as a limited market dealer with the Commission.

3. The Manager is the manager, trustee and portfolio adviser of the NSC Funds.

4. The NSC Funds are mutual fund trusts established under the laws of Ontario, pursuant to a declaration of trust.

5. The NSC Funds are reporting issuers in Ontario and offer their securities pursuant to a simplified prospectus and annual information form dated December 8, 2006.

6. The Manager offers portfolio management and related financial advice and services, including investment consulting and discretionary investment management, to individual investors (each, a "**Client**") seeking wealth management or related services through a managed account ("**Managed Account**").

7. Pursuant to a written agreement between the Manager and the Client, the Manager makes investment decisions for the Managed Account and has full discretionary authority to trade in securities for the Managed Account without obtaining the specific consent of the Client to the trade.

8. Investments in individual securities may not be appropriate in certain circumstances for the Manager's Clients. The Manager offers the NSC Funds to its Clients to give them the benefit of asset diversification, access to investment products with very high minimum investment levels and economies of scale regarding minimum commission charges on portfolio trades (in contrast to individual trades in each Managed Account).

9. The only investors in the NSC Funds are the Manager's Clients, each of who have opened a Managed Account with the Manager.

10. The Manager has recently determined that the regulatory costs associated with the operation of the NSC Funds outweigh the benefits of the NSC Funds for its Clients. Accordingly, the Manager proposes to terminate the NSC Funds.

11. Since February 2007, the Manager has been actively engaged in the process of creating new mutual funds (the "**NSPC Pooled Funds**") to be offered to its Clients pursuant to exemptions from the prospectus requirement.

12. Where appropriate, the Manager proposes to use the proceeds of termination from the NSC Funds to invest its Clients' assets in securities of the NSPC Pooled Funds.

13. In order to create the NSPC Pooled Funds, the Manager will have to draft the organizational documents, negotiate agreements with third party service providers, including a custodian and sub-advisors and obtain the approval of the Commission to act as trustee of the NSPC Pooled Funds.

14. In addition, the Manager will need to apply for exemptive relief from the Commission to permit its non-accredited investor Clients who are related to its accredited investor Clients to invest less than $150,000 in securities of the NSPC Pooled Funds (the "**Managed Account Relief**").

15. The Manager has concluded that it would not be in the best interests of its Clients to wind-up the NSC Funds until such time as its Clients are able to invest in the NSPC Pooled Funds.

16. The Manager has further determined that it would not be in the best interests of its Clients to move certain Clients out of the NSC Funds prior to windup, as this might result in one Client being treated more favourably than another Client, could result in the NSC Funds losing mutual fund trust status and would result in a less orderly liquidation of portfolio securities in the NSC Funds.

17. The Manager would not be in a position to wind-up the NSC Funds until it has:

    (a) obtained the Managed Account Relief; and

    (b) provided at least 60 days' advance notice to investors of its intention to terminate the NSC Funds.

18. It is unlikely that the Manager will be in a position to wind-up the NSC Funds by the May 1, 2007 deadline to appoint an IRC.

19. The Manager will communicate with each affected Client to explain the intended termination of the NSC Funds and to explain its intention to invest the Client's assets (where appropriate) in securities of the NSPC Pooled Funds.

20. Prior to May 1, 2007, the Manager will send a notice to each investor in the NSC Funds, informing the Client of the Manager's intention to wind-up the NSC Funds and of the fact that the Manager will not be appointing an IRC by May 1, 2007.

Exemption

The Requested Relief is granted so long as the NSC Funds terminate no later than October 1, 2007.

"Leslie Byberg"
Manager – Investment Funds

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