The Ontario Securities Commission

OSC Bulletin

May 11, 2007

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

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Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

MAY 11, 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
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Robert L. Shirriff, Q.C.	—	RLS
Suresh Thakrar, FIBC	—	ST
Wendell S. Wigle, Q.C.	—	WSW

SCHEDULED OSC HEARINGS

May 17, 2007 10:00 a.m.	**Land Banc of Canada Inc., LBC Midland I Corporation, Fresno Securities Inc., Richard Jason Dolan, Marco Lorenti and Stephen Zeff Freedman** s. 127 H. Craig in attendance for Staff Panel: PJL/ST
May 17, 2007 11:30 a.m.	**Sterling Centrecorp Inc. and SCI Acquisition Inc.** s. 104(1) P. Foy in attendance for Staff Panel: LER/HPH/CSP
May 22, 2007 2:00 p.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 23, 2007 10:00 a.m.	**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
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 22, 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: 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	**Frank Dunn, Douglas Beatty, Michael Gollogly** s.127 K. Daniels in attendance for Staff Panel: TBA
TBA	**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: TBA

ADJOURNED SINE DIE

Global Privacy Management Trust and Robert Cranston

Andrew Keith Lech

S. B. McLaughlin

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

Andrew Stuart Netherwood Rankin

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 Notice of Commission Approval – Amendments to CNQ Rules 4-106, 4-107, 4-111 and 1-101 – Entry of Orders

CANADIAN TRADING AND QUOTATION SYSTEM INC. (CNQ)

AMENDMENTS TO
RULES 4-106, 4-107, 4-111 AND 1-101
ENTRY OF ORDERS

NOTICE OF COMMISSION APPROVAL

On May 1, 2007 the Commission approved the amendments to Rules 4-106, 4-107, 4-111 and 1-101 regarding Entry of Orders. The proposed amendments to the rules were published for comment on February 16, 2007 at (2007) 30 OSCB 1595. Two submissions were received during the comment period. A summary of the comments received and the responses of CNQ are published in Chapter 13 of this Bulletin.

1.2 Notices of Hearing

1.2.1 Sterling Centrecorp Inc. et al. - s. 104(1)

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

AND

IN THE MATTER OF
STERLING CENTRECORP INC.
AND SCI ACQUISITION INC.

AND

IN THE MATTER OF
FIRST CAPITAL REALTY INC.
AND GAZIT CANADA INC.

AMENDED NOTICE OF HEARING
(Subsection 104(1))

WHEREAS First Capital Realty Inc. and Gazit Canada Inc. (together, the "Applicants") have requested that the Commission convene a hearing to consider matters in connection with the offer by SCI Acquisition Inc. to acquire all the outstanding common shares of Sterling Centrecorp Inc. by way of plan of arrangement;

AND WHEREAS on April 27, 2007, the Commission issued a Notice of Hearing pursuant to subsection 104(1) of the Act that it will hold a hearing on May 11, 2007 to consider whether the Commission should make an order under subsection 104(1) of the Act, as the Commission deems appropriate (the "Hearing");

AND WHEREAS the parties and Staff consent to an adjournment of the Hearing until Thursday, May 17, 2007.

TAKE NOTICE that the Commission will hold a hearing pursuant to subsection 104(1) of the Act at the Commission's offices at 20 Queen Street West, 17th Floor Hearing Room, Toronto, Ontario commencing on Thursday, May 17, 2007 at 11:30 a.m., or as soon as possible after that time, to consider whether the Commission should make an order under subsection 104(1) of the Act, as the Commission deems appropriate.

AND TAKE FURTHER NOTICE that any party to the proceedings may be represented by counsel if he or she attends or submits evidence at the hearing.

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

BY REASON OF the application filed by the Applicants with the Office of the Secretary of the Ontario Securities Commission dated April 25, 2007.

DATED at Toronto this 8th day of May, 2007.

"Christos Grivas"
Secretary to the Commission
Ontario Securities Commission

1.3 News Releases

1.3.1 OSC Commences New Trial Respecting Andrew Rankin

FOR IMMEDIATE RELEASE
May 3, 2007

OSC COMMENCES NEW TRIAL
RESPECTING ANDREW RANKIN

TORONTO – The Ontario Securities Commission (OSC) took steps today to commence a new trial against Andrew Rankin on ten counts of "tipping" contrary to section 76(2) of the *Securities Act*, as ordered by Justice Ian Nordheimer.

The first appearance in this matter is scheduled for Tuesday, May 22, 2007 at 9:00 a.m. in Courtroom #111 at Old City Hall, 60 Queen Street West, Toronto.

The charges on which the new trial against Mr. Rankin will take place are contained at paragraphs 1, 3, 5, 7, 9, 11, 13, 15, 17 and 19 in Appendix "A" to the original Information dated February 2, 2004. This Information is located on the OSC website at **www.osc.gov.on.ca**.

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APPENDIX "A"
(TO THE INFORMATION RESPECTING
CHARGES AGAINST ANDREW RANKIN)

1. In or about the months of October, 2000 to February, 2001, at the City of Toronto and elsewhere in the Province of Ontario, being a person in a special relationship with Canadian Pacific Railway Limited ('CP'), did inform, other than in the necessary course of business, Daniel Duic, of a material fact or material change with respect to CP before the material fact or material change had been generally disclosed, contrary to subsections 76(2) and 122(1)(c) of the *Securities Act*, R.S.O. 1990, c.S.5, as amended (the "Act").

2. In or about the months of October, 2000 to February, 2001, at the City of Toronto and elsewhere in the Province of Ontario, being a person in a special relationship with Canadian Pacific Railway Limited ('CP'), did purchase securities of CP, together with Daniel Duic, with the knowledge of a material fact or material change with respect to CP that had not been generally disclosed, contrary to subsections 76(1) and 122(1)(c) of the Act.

3. In or about the months of November and December, 2000, at the City of Toronto and elsewhere in the Province of Ontario, being a person in a special relationship with Moffat Communications Inc., did inform, other than in the necessary course of business, Daniel Duic, of a material fact or material change with respect to Moffat Communications Inc. before the material fact or material change had been generally disclosed, contrary to subsections 76(2) and 122(1)(c) of the Act.

4. In or about the months of November and December, 2000, at the City of Toronto and elsewhere in the Province of Ontario, being a person in a special relationship with Moffat Communications Inc., did purchase securities of Moffat Communications Inc., together with Daniel Duic, with the knowledge of a material fact or material change with respect to Moffat Communications Inc. that had not been generally disclosed, contrary to subsections 76(1) and 122(1)(c) of the Act.

5. In or about the months of March to July 2000, at the City of Toronto and elsewhere in the Province of Ontario, being a person in a special relationship with Canadian Satellite Communications Inc., did inform, other than in the necessary course of business, Daniel Duic, of a material fact or material change with respect to Canadian Satellite Communications Inc. before the material fact or material change had been generally disclosed, contrary to subsections 76(2) and 122(1)(c) of the Act.

6. In or about the months of March to July, 2000, at the City of Toronto and elsewhere in the Province of Ontario, being a person in a special relationship with Canadian Satellite Communications Inc., did purchase securities of Canadian Satellite Communications Inc., together with Daniel Duic, with the knowledge of a material fact or material change with respect to Canadian Satellite Communications Inc. that had not been generally disclosed, contrary to subsections 76(1) and 122(1)(c) of the Act.

7. In or about the month of August, 2000, at the City of Toronto and elsewhere in the Province of Ontario, being a person in a special relationship with Clearnet Communications Inc., did inform, other than in the necessary course of business, Daniel Duic, of a material fact or material change with respect to Clearnet Communications Inc. before the material fact or material change had been generally disclosed, contrary to subsections 76(2) and 122(1)(c) of the Act.

8. In or about the month of August, 2000, at the City of Toronto and elsewhere in the Province of Ontario, being a person in a special relationship with Clearnet Communications Inc., did purchase securities of Clearnet Communications Inc., together with Daniel Duic, with the knowledge of a material fact or material change with respect to Clearnet Communications Inc. that had not been generally disclosed, contrary to subsections 76(1) and 122(1)(c) of the Act.

9. In or about the months of May and June 2000, at the City of Toronto and elsewhere in the Province of Ontario, being a person in a special relationship with Prudential Steel Ltd., did inform, other than in the necessary course of business, Daniel Duic, of a material fact or material change with respect to Prudential Steel Ltd. before the material fact or material change had been generally disclosed, contrary to subsections 76(2) and 122(1)(c) of the Act.

10. In or about the months of May and June 2000, at the City of Toronto and elsewhere in the Province of Ontario, being a person in a special relationship with Prudential Steel Ltd., did purchase securities of Prudential Steel Ltd., together with Daniel Duic, with the knowledge of a material fact or material change with respect to Prudential Steel Ltd. that had not been generally disclosed, contrary to subsections 76(1) and 122(1)(c) of the Act.

11. In or about the months of May and June, 2000, at the City of Toronto and elsewhere in the Province of Ontario, being a person in a special relationship with Winspear Diamonds Inc., did inform, other than in the necessary course of business, Daniel Duic, of a material fact or material change with respect to Winspear Diamonds Inc. before the material fact or material change had been generally disclosed, contrary to subsections 76(2) and 122(1)(c) of the Act.

12. In or about the months of May and June, 2000, at the City of Toronto and elsewhere in the Province of Ontario, being a person in a special relationship with Winspear Diamonds Inc., did purchase securities of Winspear Diamonds Inc., together with Daniel Duic, with the knowledge of a material fact or material change with respect to Winspear Diamonds Inc. that had not been generally disclosed, contrary to subsections 76(1) and 122(1)(c) of the Act.

13. In or about the months of February and March, 2001, at the City of Toronto and elsewhere in the Province of Ontario, being a person in a special relationship with Irwin Toy Limited, did inform, other than in the necessary course of business, Daniel Duic, of a material fact or material change with respect to Irwin Toy Limited before the material fact or material change had been generally disclosed, contrary to subsections 76(2) and 122(1)(c) of the Act.

14. In or about the months of February and March, 2001, at the City of Toronto and elsewhere in the Province of Ontario, being a person in a special relationship with Irwin Toy Limited, did purchase securities of Irwin Toy Limited, together with Daniel Duic, with the knowledge of a material fact or material change with respect to Irwin Toy Limited that had not been generally disclosed, contrary to subsections 76(1) and 122(1)(c) of the Act.

15. In or about the months of December, 1999 to February, 2000, at the City of Toronto and elsewhere in the Province of Ontario, being a person in a special relationship with Donohue Inc., did inform, other than in the necessary course of business, Daniel Duic, of a material fact or material change with respect to Donohue Inc. before the material fact or material change had been generally disclosed, contrary to subsections 76(2) and 122(1)(c) of the Act.

16. In or about the months of December, 1999 to February, 2000, at the City of Toronto and elsewhere in the Province of Ontario, being a person in a special relationship with Donohue Inc., did purchase securities of Donohue Inc., together with Daniel Duic, with the knowledge of a material fact or material change with respect to Donohue Inc. that had not been generally disclosed, contrary to subsections 76(1) and 122(1)(c) of the Act.

17. In or about the months of April and May, 2000, at the City of Toronto and elsewhere in the Province of Ontario, being a person in a special relationship with Cobequid Life Sciences Inc., did inform, other than in the necessary course of business, Daniel

Duic, of a material fact or material change with respect to Cobequid Life Sciences Inc. before the material fact or material change had been generally disclosed, contrary to subsections 76(2) and 122(1)(c) of the Act.

18. In or about the months of April and May, 2000, at the City of Toronto and elsewhere in the Province of Ontario, being a person in a special relationship with Cobequid Life Sciences Inc., did purchase securities of Cobequid Life Sciences Inc., together with Daniel Duic, with the knowledge of a material fact or material change with respect to Cobequid Life Sciences Inc. that had not been generally disclosed, contrary to subsections 76(1) and 122(1)(c) of the Act.

19. In or about the months of September, 2000 to March, 2001, at the City of Toronto and elsewhere in the Province of Ontario, being a person in a special relationship with Alliance Forest Products Inc. did inform, other than in the necessary course of business, Daniel Duic, of a material fact or material change with respect to Alliance Forest Products Inc. before the material fact or material change had been generally disclosed, contrary to subsections 76(2) and 122(1)(c) of the Act.

20. In or about the months of September, 2000 to March, 2001, at the City of Toronto and elsewhere in the Province of Ontario, being a person in a special relationship with Alliance Forest Products Inc., did purchase securities of Alliance Forest Products Inc., together with Daniel Duic, with the knowledge of a material fact or material change with respect to Alliance Forest Products Inc. that had not been generally disclosed, contrary to subsections 76(1) and 122(1)(c) of the Act.

1.4 Notices from the Office of the Secretary

1.4.1 Merax Resource Management Ltd. et al.

FOR IMMEDIATE RELEASE
May 4, 2007

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

AND

IN THE MATTER OF
MERAX RESOURCE MANAGEMENT LTD.,
carrying on business as
CROWN CAPITAL PARTNERS,
RICHARD MELLON AND ALEX ELIN

TORONTO – Following a hearing held today, the Commission issued an Order on consent that the Hearing shall commence on October 22, 2007 at 10:00 a.m. in the above named matter.

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

OFFICE OF THE SECRETARY
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1.4.2 Eugene N. Melnyk et al.

FOR IMMEDIATE RELEASE
May 4, 2007

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

AND

IN THE MATTER OF
EUGENE N. MELNYK, ROGER D. ROWAN,
WATT CARMICHAEL INC.,
HARRY J. CARMICHAEL AND
G. MICHAEL McKENNEY

TORONTO – The Commission will hold a hearing on Tuesday, May 8, 2007 at 11:30 a.m. in the large hearing room to consider whether to approve the proposed settlement of the proceeding entered into between Staff of the Commission and Eugene N. Melnyk.

OFFICE OF THE SECRETARY
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1.4.3 Limelight Entertainment Inc. et al.

FOR IMMEDIATE RELEASE
May 4, 2007

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

AND

IN THE MATTER OF
LIMELIGHT ENTERTAINMENT INC.,
CARLOS A. DA SILVA,
DAVID C. CAMPBELL, JACOB MOORE
AND JOSEPH DANIELS

TORONTO – The Commission issued an Order today that the Hearing scheduled to commence on May 7, 2007, in the above noted matter, is adjourned and that the parties will attend a second pre-trial conference on May 23, 2007 at 9:30 a.m. or at such other time as arranged by the Office of the Secretary.

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

OFFICE OF THE SECRETARY
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1.4.4 Sterling Centrecorp Inc. et al.

FOR IMMEDIATE RELEASE
May 8, 2007

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

AND

IN THE MATTER OF
STERLING CENTRECORP INC.
AND SCI ACQUISITION INC.

AND

IN THE MATTER OF
FIRST CAPITAL REALTY INC.
AND GAZIT CANADA INC.

TORONTO – The Office of the Secretary issued an Amended Notice of Hearing on consent of all parties adjourning the Hearing to consider the Application of First Capital Realty Inc. and Gazit Canada Inc. (the "Applicants") dated April 25, 2007 for an order pursuant to subsection 104(1) of the *Securities Act*. The hearing will be held on Thursday, May 17, 2007 at 11:30 a.m. at 20 Queen Street West, 17th Floor, Large Hearing Room.

A copy of the Amended Notice of Hearing is available at **www.osc.gov.on.ca**.

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1.4.5 Land Banc of Canada Inc. et al.

FOR IMMEDIATE RELEASE
May 8, 2007

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

AND

IN THE MATTER OF
LAND BANC OF CANADA INC.,
LBC MIDLAND I CORPORATION,
FRESNO SECURITIES INC., RICHARD JASON DOLAN,
MARCO LORENTI, AND STEPHEN ZEFF FREEDMAN

TORONTO – Following a hearing held today, the Commission issued an Order on consent continuing the Temporary Order of April 23, 2007 against Fresno Securities Inc. and Stephen Zeff Freedman until May 10, 2007.

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

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1.4.6 Land Banc of Canada Inc. et al.

FOR IMMEDIATE RELEASE
May 8, 2007

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

AND

IN THE MATTER OF
LAND BANC OF CANADA INC.,
LBC MIDLAND I CORPORATION,
FRESNO SECURITIES INC.,
RICHARD JASON DOLAN, MARCO LORENTI,
AND STEPHEN ZEFF FREEDMAN

TORONTO – Following a hearing held today, the Commission issued an Order continuing the Temporary Order of April 23, 2007 until May 17, 2007 or until further order of the Commission in the above matter, with certain amendments respecting Richard Jason Dolan and Marco Lorenti.

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

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Jones Heward Investment Counsel Inc. - 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.

May 1, 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, THE NORTHWEST TERRITORIES, NUNAVUT AND THE YUKON
(the Jurisdictions)

AND

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

AND

JONES HEWARD INVESTMENT COUNSEL INC.
(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, the portfolio adviser of the mutual funds named in Appendix "A" (the **Funds** or **Dealer Managed Funds**) 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 ordinary shares (the **Ordinary Shares**) of Mirabela Nickel Limited (the **Issuer**) during the 60-day period following the completion of the distribution (the **Prohibition Period**) of the Offering (as defined below), notwithstanding that an associate or affiliate of the Dealer Manager acts or has acted as an underwriter in connection with the offering of Ordinary Shares (the **Offering**) pursuant to a long form prospectus to be filed in each of the provinces of Canada, except Québec (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 *Definitions* have the same meanings 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 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 head office of the Dealer Manager is in Toronto, Ontario.

3. The securities of the Dealer Managed Funds are qualified for distribution in one or more of the provinces and territories of Canada pursuant to a simplified prospectus that has been prepared and filed in accordance with the respective securities legislation.

4. A preliminary long form prospectus (the **Preliminary Prospectus**) of the Issuer dated March 26, 2007, has been filed with the Decision Makers in each of the provinces of Canada except Québec for which an MRRS decision document evidencing receipt by such Decision Makers was issued on March 28, 2007.

5. According to the Issuer's Preliminary Prospectus, the Offering will be underwritten, subject to certain terms, by a syndicate that includes, among others, BMO Nesbitt Burns Inc. (the Related Underwriter), an affiliate of the Dealer Manager (the **Related Underwriter** and any other underwriters which are now or may become part of the syndicate, the **Underwriters**).

6. As disclosed in the Preliminary Prospectus, the Issuer is a mineral exploration company incorporated under the laws of Australia and listed on the Toronto Stock Exchange (the **TSX**) and the Australian Securities Exchange (the **ASX**). The Issuer has a portfolio of prospective nickel and other base metal projects in Brazil and its principal asset is the Santa Rita disseminated nickel sulphide deposit in Bahia State, Brazil.

7. As described in a news release of the Issuer dated April 20, 2007 (the **News Release**), the completion of the Offering is expected to occur on or about May 2, 2007.

8. As described in the News Release, the Offering will be comprised of up to 30,000,000 Ordinary Shares at a price of CAD$5.30 per share, with aggregate gross proceeds of up to CAD$159,000,000. The Issuer will also grant the Underwriters an option, exercisable for a period of up to 30 days following the closing of the Offering, to purchase up to an additional 15% of the issue to cover over-allotments, if any, and for market stabilization purposes (the **Over-Allotment Option**). If the Over-Allotment Option is exercised in full, gross proceeds of the Offering would be approximately CAD$182,850,000.

9. As described in the undated term sheet in respect of the Offering (the **Term Sheet**), CVRD Inco Limited has a pre-emptive right (the **Inco Pre-Emptive Right**) to participate in up to 10% of the Offering, including any Ordinary Shares issued pursuant to the Over-Allotment Option, and such Inco Pre-Emptive Right may increase the Offering by $10,500,000 (or $13,282,500 assuming full exercise of the Over-Allotment Option).

10. As disclosed in the Term Sheet, the proceeds of the Offering will be used by the Issuer to fund instalments due under land purchase agreements, to finance its existing drilling and exploration programs at the Santa Rita, Peri Peri and Palestina projects and if the bankable feasibility study warrants it, to finance a portion of the capital costs of the Santa Rita project.

11. As further disclosed in the Term Sheet, the Issuer will apply to list the Ordinary Shares distributed under the Offering, on the TSX. The Issuer's outstanding Ordinary Shares are listed on the TSX under the symbol "MNB".

12. The Term Sheet does not disclose that the Issuer is a "related issuer" or "connected issuer" as defined in National Instrument 33-105 – *Underwriting Conflicts* (**NI 33-105**).

13. Despite the affiliation between the Dealer Manager and the Related Underwriter, the Dealer Manager operates independently of the Related Underwriter. 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 up to date restricted-issuer lists 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.

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

15. The Dealer Manager may cause the Dealer Managed Funds to invest in the Ordinary Shares during the Prohibition Period. Any purchase of Ordinary Shares by the Dealer Managed Funds will be consistent with the investment objectives of that Dealer Managed Fund 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.

16. To the extent that the same portfolio manager or team of portfolio managers of the Dealer Manager manages two or more Dealer Managed Funds and other client accounts that are managed on a discretionary basis (the **Managed Accounts**), the

Ordinary 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 the Dealer Managed Funds and Managed Accounts, and

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

17. There will be an independent committee (the **Independent Committee**) appointed in respect of each Dealer Managed Fund to review such Dealer Managed Fund's investments in the Ordinary Shares during the Prohibition Period.

18. 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 the 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.

19. 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 their respective 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.

20. 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, in writing of any SEDAR Report (as defined below) filed on SEDAR, as soon as practicable after the filing of such a report, and the notice shall include the SEDAR project number of the SEDAR Report and the date on which it was filed.

21. Except as described above, the Dealer Manager has not been involved in the work of the 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 Ordinary 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 is that the Requested Relief is granted, notwithstanding that the Related Underwriter acts or has acted as underwriter in the Offering provided the following conditions are satisfied:

I. At the time of each purchase of Ordinary Shares (a **Purchase**) 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, the 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 Ordinary 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 the Related Underwriter for the Purchase of Ordinary Shares for the Dealer Managed Funds.

IV. The Related Underwriter does not purchase Ordinary Shares in the Offering for its own account except Ordinary Shares sold by the Related Underwriter on closing.

V. Each Dealer Managed Fund has an Independent Committee to review the Dealer Managed Fund's investments in the Ordinary Shares during the Prohibition Period.

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

VII. 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.

VIII. The Dealer Managed Funds do 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 VII above.

IX. The Dealer Managed Funds do 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 VII above.

X. The cost of any indemnification or insurance coverage paid for by the Dealer Manager, any portfolio manager of the Dealer Managed Funds, 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 VII above is not paid either directly or indirectly by the Dealer Managed Funds.

XI. The Dealer Manager files a certified report on SEDAR (the **SEDAR Report**) in respect of each 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 Ordinary Shares purchased by the Dealer Managed Funds;

(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 Ordinary Shares;

(iv) if the Ordinary 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 Ordinary 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 interest of the Dealer Managed Funds, or

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

(c) confirmation of the existence of the Independent Committee to review the Purchase of the Ordinary 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; and

(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 Ordinary Shares for the Dealer Managed Fund 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 Funds, or

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

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

(a) any determination by it that the condition set out in paragraph XI(d) has not been satisfied with respect to any Purchase of the Ordinary 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 the Dealer Managed Funds, in response to the determinations referred to above.

XIII. Each Purchase is made on the TSX, the ASX or another recognized stock exchange.

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

"Leslie Byberg"
Manager – Investment Funds

APPENDIX "A"

THE MUTUAL FUNDS

BMO Mutual Funds (consolidated)

BMO Special Equity Fund
BMO Resource Fund

BMO Harris Private Portfolios

BMO Harris Canadian Special Growth Portfolio

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

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Exemption from subsection 4.1(1) of National Instrument 81-102 Mutual Fundsto allow dealer managed funds to invest in securities of an issuer during the prohibition period -- affiliate of the dealer manager acted as an underwriter in connection with the distribution of securities of the issuer.

Applicable Legislative Provisions

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

May 4, 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,
THE NORTHWEST TERRITORIES, NUNAVUT
AND THE YUKON
(the Jurisdictions)

AND

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

AND

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, the portfolio adviser of the fund listed in Appendix "A" (the **Fund** or **Dealer Managed Fund**) 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 (the **Investment Restriction**) to enable the Dealer Managed Fund to invest in the Securities (as defined below) of Kobex Resources Ltd. (the **Issuer**) during the distribution of the Units (the **Distribution**) and the 60-day period (the **60-Day Period**) following completion of the Distribution (the Distribution and the 60-Day Period together, the **Prohibition Period**), all in connection with the offering (the **Offering**) of units (each a **Unit**) of the Issuer, each Unit consisting of one common share (each a **Common Share**) of the Issuer and one-

half of one Common Share purchase warrant (collectively with the Units and Common Shares, the **Securities**), in a private placement, on a bought deal basis, to accredited investors in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec and in the United States pursuant to registration exemptions provided by Reg D of the *Securities Act* of 1993 as described in a summary of the Offering (the **Summary of the Offering**).

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 the Investment Restriction in relation to the specific facts of each application.

Interpretation

Defined terms contained in National Instrument 14-101 - *Definitions* have the same meanings 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 Dealer Manager is a dealer manager with respect to the Dealer Managed Fund, and the Dealer Managed Fund is a dealer managed fund, as such terms are defined in section 1.1 of NI 81-102.

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

3. The securities of the Dealer Managed Fund are qualified for distribution in all of the provinces and territories of Canada pursuant to a simplified prospectus that has been prepared and filed in accordance with the applicable securities legislation.

4. The Issuer is a Canadian based junior resource company which has an option to acquire a 65% interest in the Mount Molybdenum deposit.

5. According to the Summary of the Offering, the Offering is expected to be of 6,140,500 Units, with the gross proceeds of the Offering expected to be approximately $17.5 million. In addition, the Underwriters will be granted an option (the **Option**) to purchase up to 921,100 Units exercisable until 24 hours prior to the closing of the Offering for additional gross proceeds of approximately $2.6 million.

6. According to the Summary of the Offering each warrant (included in the Units) to purchase one-half of a Common Share shall be exercisable for a period of 24 months following the Closing Date of an exercise price of $3.56.

7. According to the Summary of the Offering the net proceeds of the Offering will be used for exploration and development work at the Lucky Jack (Mount Emmons) molybdenum deposit in Colorado.

8. The Offering is being underwritten, subject to certain terms, by a syndicate which is expected to include Dundee Securities Corporation (the **Related Underwriter**), an affiliate of the Dealer Manager, among others (the Related Underwriters and any other underwriters, which are now or may become part of the syndicate prior to closing, the **Underwriters**).

9. According to the Summary of the Offering, the Underwriters will underwrite the Offering on a bought deal basis pursuant to an underwriting agreement (the **Underwriting Agreement**) the Issuer and the Underwriters will enter into in respect of the Offering.

10. According to the Summary of the Offering, the Issuer will apply to the TSX Venture Exchange (the **TSXV**) to have the Common Shares issued as part of the Units and issuable under the warrants included in the Units listed on the TSXV. The listing of the Shares and those issuable under the warrants issued as part of the warrants, will be conditional upon the Issuer fulfilling all listing requirements and conditions of the TSXV.

11. The Summary of the Offering does not disclose that the Issuer is a related issuer or connected issuer as defined in National Instrument 33-105 – *Underwriting Conflicts* (**NI 33-105**), of the Related Underwriter.

12. 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.

13. The Dealer Managed Fund is not required or obligated to purchase any Securities during the Prohibition Period.

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

15. To the extent that the same portfolio manager or team of portfolio managers of the Dealer Manager manages the Dealer Managed Fund and other client accounts that are managed on a discretionary basis (the **Managed Accounts**), the 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 the Dealer Managed Fund and Managed Accounts, and

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

16. Except as described above, the Dealer Manager has not been involved in the work of the 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 Fund will purchase Securities during the Prohibition Period.

17. There will be an independent committee (the **Independent Committee**) appointed in respect of the Dealer Managed Fund to review the Dealer Managed Fund's investments in Securities during the Prohibition Period.

18. 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 Fund, 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.

19. 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 Fund and, in so doing, exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances.

20. The Dealer Manager, in respect of the Dealer Managed Fund, will notify a member of staff in the Investment Funds Branch of the Ontario Securities Commission, in writing of the filing of the SEDAR Report 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.

Decision

Each of the Decision Makers has assessed the conflict of interest risks associated with granting an exemption in this instance from the Investment Restriction 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 the NI 81-102 that provides the Decision Maker with the jurisdiction to make the Decision has been met.

The Decision of the Decision Makers is that the Requested Relief is granted, notwithstanding that the Related Underwriter acts or has acted as underwriter in the Offering provided the following conditions are satisfied:

I. At the time of each purchase of Securities (the **Purchase**) 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, the 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 Securities purchased for the Dealer Managed Fund 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 Securities for the Dealer Managed Fund;

IV. The Related Underwriter does not purchase Securities in the Offering for its own account except Securities that are sold by the Related Underwriter on Closing;

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

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

VII. 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 Fund and, in so doing, exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances;

VIII. 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 VII above;

IX. 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 VII above;

X. 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 Fund 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 VII above is not paid either directly or indirectly by the Dealer Managed Fund;

XI. The Dealer Manager files a certified report on SEDAR (the **SEDAR Report**) 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 Securities 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 Securities;

(iv) if Securities were purchased for the Dealer Managed Fund and other Managed Accounts of the Dealer Manager, the aggregate amount so purchased and the percentage of such aggregate amount that was allocated to the Dealer Managed Fund; and

(v) the dealer from whom the Dealer Managed Fund purchased the Securities 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 consi-

deration 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 interest 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 Securities by the Dealer Managed Fund, 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 the Dealer Managed Fund by the Dealer Manager to purchase Securities for the Dealer Managed Fund 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.

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

(a) any determination by it that the condition set out in paragraph XI(d) has not been satisfied with respect to any Purchase of the Securities by the 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 the Dealer Managed Fund, in response to the determinations referred to above.

XIII. For Purchases of Securities during the Distribution only, the Dealer Manager:

(a) expresses an interest to purchase on behalf of the Dealer Managed Fund and Managed Accounts a fixed number of Secuirities (the **Fixed Number**) to an Underwriter other than its Related Underwriter;

(b) agrees to purchase the Fixed Number or such lesser amount as has been allocated to the Dealer Manager no more than five (5) business days after the closing of the Offering;

(c) does not place an order with an underwriter of the Offering to purchase an additional number of Securities under the Offering prior to the completion of the Distribution, provided that if the Dealer Manager was allocated less than the Fixed Number at the time of the closing of the Offering for the purposes of the closing of the Offering, the Dealer Manager may place an additional order for such number of additional Securities equal to the difference between the Fixed Number and the number of Securities allotted to the Dealer Manager, in the event that the Option is exercised at the time of the closing of the Offering; and

(d) does not sell Securities purchased by the Dealer Manager under the Offering, prior to the listing of the Common Shares issued in the Offering on the TSXV;

XIV. Each Purchase of Securities during the 60-Day Period is made on the TSXV; and

XV. For Purchases of Securities during the 60-Day Period only, an underwriter provides to the Dealer Manager written confirmation that the dealer restricted period in respect of the Offering, as

defined in OSC Rule 48-501. Trading During Distributions, Formal Bids and Share Exchange Transactions, has ended.

"Leslie Byberg"
Manager, Investment Funds
Ontario Securities Commission

Appendix "A"

THE MUTUAL FUNDS

Dynamic Funds

Dynamic Precious Metals Fund

2.1.3 Tremont Capital Opportunity Trust - MRRS Decision

Headnote

MRRS Exemptive Relief System for Applications – 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 Trust will be dissolving on or about August 15, 2007 – Relief is conditioned on Trust terminating by no later than August 30, 2007, well 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 27, 2007

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

AND

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

AND

IN THE MATTER OF
TREMONT CAPITAL OPPORTUNITY TRUST
(the "Trust")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from the Trust for a decision under the securities legislation of the Jurisdictions (the "Legislation") for an exemption from the requirements in sections 3.2 and 8.2(2) of National Instrument 81-107 *Independent Review Committee for Investment Funds* ("NI 81-107") for the manager of the Trust to appoint each member of the Trust's first independent review committee by May 1, 2007 (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

The decision is based on the following facts represented by the Trust:

1. The Trust is a closed-end investment trust established under the laws of Ontario by a trust declaration which was amended and restated as of April 17, 2003 (the "Declaration of Trust"). Tremont Capital Management, Corp. is the trustee and manager of the Trust (the "Manager").

2. The beneficial interest in the net assets of the Trust is represented by redeemable, transferable trust units of a single class and series (the "Units").

3. The net proceeds of the initial public offering of Units were invested by the Trust in a portfolio consisting of common shares of Canadian public companies (the "Common Share Portfolio"). The Trust then entered into a forward purchase and sale agreement (the "Forward Agreement") with TD Global Finance (the "Counterparty"), pursuant to which the Counterparty agreed to pay to the Trust on or about March 29, 2013 (the original termination date of the Trust), as the purchase price for the Common Share Portfolio, an amount equal to 100% of the redemption proceeds of a corresponding number of notes of Tremont Hedge Fund Limited (the "Fund").

4. The Fund is a Cayman Islands exempted company with limited liability established on March 19, 2003 under the Companies Law (2002 Revision) of the Cayman Islands. The portfolio of the Fund is invested in a portfolio of offshore hedge funds. As a result of the Forward Agreement, the return to Unitholders and the Trust is dependant upon the return of the investment portfolio of the Fund.

5. On March 29, 2007, at a special meeting of the Unitholders, the Unitholders approved (i) an extraordinary resolution authorizing the termination of the Trust and the Forward Agreement, and (ii) an extraordinary resolution authorizing the Manager (as trustee) to amend the Declaration of Trust to terminate the annual redemption right attached to the Units.

6. The Trust is currently expected to dissolve on or about August 15, 2007. In connection with the dissolution, the Manager will terminate the

Forward Agreement. On termination of the Forward Agreement, the Trust will be entitled to receive, in consideration for the Common Share Portfolio that is the subject of the Forward Agreement, the proceeds realized by the Counterparty pursuant to the redemption or sale of all outstanding notes of the Fund. The Trust will pay the required fees to the Counterparty in connection with the termination of the Forward Agreement.

7. On dissolution of the Trust, all outstanding Units will be redeemed and all trust property remaining after paying or providing for all liabilities and obligations of the Trust, including all costs associated with the wind-up of the Trust and the fees and expenses incurred to settle the Forward Agreement, will be distributed pro rata among the Unitholders.

8. The Units are expected to be de-listed from the Toronto Stock Exchange at the close of business on or about the dissolution date.

9. Pursuant to section 3.2 of NI 81-107, the Manager must appoint the first members of the IRC. Pursuant to section 8.2(2) of NI 81-107, the manager must appoint the first members of the IRC by May 1, 2007.

10. The Trust is currently expected to dissolve on or about August 15, 2007, in advance of November 1, 2007, the date on which full compliance with NI 81-107 will be required. In the circumstances, the Manager is not currently proposing to prepare an IRC charter, refer matters to an IRC or otherwise comply with the provisions of NI 81-107 earlier than required. As a result, without the Requested Relief, any members appointed to an IRC at this time will not have any duties to perform as contemplated by NI 81-107 but the Manager will have spent time, and the Trust will have been subject to the expense relating to the appointment of the initial IRC members. All expenses of the Trust will be borne by Unitholders of record on the dissolution of the Trust.

11. The Trust has an established advisory board, which is available to provide independent advice to the Manager to assist it in performing its services under the Declaration of Trust until the Trust is dissolved. The advisory board currently consists of two members who are independent from the Manager. Although the Trust is in wind-up mode, if necessary, the Manager will consult with the two independent members of the Trust's current advisory board with respect to conflict of interest matters until the Trust is dissolved.

Decision

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

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that the Trust dissolves on or about August 15, 2007, but in any event, not later than August 30, 2007.

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

2.1.4 Putnam Investments Inc. - MRRS Decision

Headnote

Mutual Review Reliance System for Exemptive Relief Applications – Approval of change of control of manager – Novel relief granted to fund manager from requirements to appoint an IRC by May 1, 2007 and to comply with NI 81-107 by November 1, 2007 – Extension granted until January 1, 2008 – Full compliance with NI 81-107 required by January 1, 2008 - Fund manager part of an impending change of control of manager by parent and other companies.

Applicable Legislative Provisions

National Instrument 81-107 Independent Review Committee for Investment Funds, ss. 8.2(1), 8.2(2).

April 27, 2007

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUÉBEC,NEW BRUNSWICK, NOVA SCOTIA, 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
PUTNAM INVESTMENTS INC.
(the "Filer" or "Putnam")

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**") and pursuant to subsection 7.1 of National Instrument 81-107 *Independent Review Committee For Investment Funds* ("**NI 81-107**") for an extension of the transition implementation deadlines set forth under subsection 8.2(1) and 8.2(2) of NI 81-107 to January 1, 2008 ("**IRC Relief**").

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

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

Interpretation

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

Representations

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

1. Putnam is a corporation incorporated under the *Business Corporations Act* (Ontario) with its head office in Toronto, Ontario.

2. Putnam is manager, trustee and portfolio manager for Putnam Canadian Balanced Fund, Putnam Canadian Bond Fund, Putnam Canadian Equity Fund, Putnam Canadian Equity Growth Fund, Putnam Canadian Money Market Fund, Putnam Global Equity Fund, Putnam U.S. Value Fund, Putnam U.S. Voyager Fund and Putnam International Equity Fund (collectively the "**Funds**").

3. Putnam is also registered with the applicable Decision Maker as: (i) an adviser (portfolio manager, investment counsel or its equivalent) in Ontario, British Columbia, Alberta, Saskatchewan and Manitoba; (ii) commodity trading manager in Ontario; and (iii) as a dealer (limited market dealer) in Ontario.

4. The Funds are mutual fund trusts created under the laws of Ontario under the provisions of a master declaration of trust dated March 14, 2002, as amended. The Funds are reporting issuers in the Jurisdictions and distribute securities pursuant to a simplified prospectus and annual information form prepared in accordance with National Instrument 81-101 – *Mutual Fund Prospectus Disclosure*. The Funds are also subject to, among other laws and regulations, NI 81-102 and National Instrument 81-106 *Investment Fund Continuous Disclosure*.

5. On February 1, 2007, GWL (a subsidiary company of Power Financial Corporation ("**Power Financial**")) announced that it had signed an agreement (the "**Proposed Transaction**") to purchase Putnam Investments Trust ("**Putnam Investments**"). As Putnam is an indirect subsidiary company of Putnam Investments, there will occur a change in control of Putnam upon the closing of the Proposed Transaction when GWL becomes the new owner and parent company of Putnam Investments (the "**Putnam Change In Control**").

6. GWL, a TSX-listed company (TSX:GWO) and a member of the Power Financial group of companies, is a financial services holding company with interests in the life insurance, health insurance, retirement savings and reinsurance businesses. GWL and its subsidiaries carry on business primarily in Canada, the United States and Europe and have over C$197 billion in assets under management.

7. Power Financial is a holding company that holds substantial interests in the financial services industry through its controlling interest in GWL and in IGM Financial Inc. ("**IGM**"). IGM, in turn, owns Investment Planning Counsel Inc., Investors Group Inc. and Mackenzie Financial Corporation – affiliated companies that collectively have significant experience and market presence in Canada's mutual fund industry.

8. Pursuant to subsection 8.2(2) of NI 81-107, managers of investment funds that are reporting issuers are required to appoint the first members of an IRC by May 1, 2007.

9. In conjunction with this appointment and deadline, fund managers will also be required to consider a host of other related matters including determining the appropriate size and composition of the IRC, term of office and compensation of its members, content of the IRC's charter, indemnities, insurance and whether the fund's trust document and material contracts need to be amended in order to implement the IRC model.

10. The IRC must be fully operational by November 1, 2007 and fund managers and IRCs alike must be in full compliance with NI 81-107 by November 1, 2007.

11. While Putnam has engaged in on-going internal deliberations regarding NI 81-107 and its implementation issues and deadlines, Putnam has nevertheless expended considerable time and resources over the last 9 months engaged in events and circumstances leading up to the signing of the Proposed Transaction on January 31, 2007.

12. Putnam's deliberations concerning NI 81-107 and the Funds now have a great degree of uncertainty and complexity as a result of the Proposed Transaction. On or about May 31, 2007, Putnam will become a member of the Power Financial group of companies and, therefore, answerable to a new (indirect) parent company. It is not known whether Putnam and the Funds may encounter any of the integration issues typically present in these types of corporate transactions.

13. Furthermore, Putnam will also become an affiliate of certain other mutual fund managers (Mackenzie Financial Corporation ("**Mackenzie**"), I.G. Investment Management Ltd. ("**I.G.**") and Counsel Group of Funds ("**Counsel**")) on the closing of the Proposed Transaction. These other soon-to-be affiliated fund managers are also making their own, and sometimes co-ordinated deliberations regarding the implementation issues posed by NI 81-107. Such deliberations may include, among other things, the feasibility of sharing a common IRC.

14. Many of the requirements of NI 81-107 (eg., a manager's written policies and procedures) will first require, among other things, a comprehensive understanding of what a "conflict of interest matter", "entity related to the manager" and "independent" means in relation to the manager. This analysis has become very complicated for Putnam in light of its new role within the Power Financial group's family of companies.

15. Against this backdrop of uncertainty and complexity, and considering the close proximity of the expected closing date of the Proposed Transaction (May 31, 2007) and implementation deadlines set forth in NI 81-107 (the first of which is May 1, 2007), Putnam believes it would be in the best interest of the Funds' investors to delay the implementation of NI 81-107 in respect of the Funds until such time as Putnam becomes integrated into the Power Financial group of companies and explores possible co-operative IRC "synergies" with Mackenzie, I.G. and Counsel.

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 IRC Relief is hereby approved provided that

(a) Putnam and the Funds are fully compliant with NI 81-107 by January 1, 2008; and

(b) Putnam deliver appropriate notice to all unitholders in the Funds within 10 business days of this decision describing the nature and scope of the IRC Relief and, in particular, that an IRC for the Funds will not become operational until January 1, 2008.

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

2.1.5 Shell Canada Limited - 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).

May 4, 2007

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

AND

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

AND

IN THE MATTER OF
SHELL CANADA LIMITED (THE APPLICANT)

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from the Applicant for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that it be deemed to have ceased to be a reporting issuer of the equivalent thereof under the Legislation.

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

   (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.

Representations

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

   (a) The Applicant was incorporated under the laws of Canada in 1925 as the successor to The Shell Company of Canada, Limited, which was incorporated in 1911, and was continued under the Canada Business Corporations Act (the **CBCA**) on May 1, 1978.

   (b) The Applicant is currently a reporting issuer in each of the provinces and territories of Canada where such a concept exists and is not on the list of defaulting reporting issuers maintained by any province.

   (c) The Applicant is a large integrated petroleum company that operates principally in three industry segments: exploration and production, oil sands and oil products.

   (d) The Applicant's head and registered office is located in Calgary, Alberta.

   (e) The Applicant's authorized capital consists of an unlimited number of common shares (the Common Shares), an unlimited number of four per cent cumulative redeemable preference shares and an unlimited number of preferred shares. As at March 31, 2007, there were 825,991,825 Common Shares issued and outstanding.

   (f) Pursuant to an offer (the Offer) dated February 8, 2007, by Shell Investments Limited (SIL), a wholly-owned subsidiary of Royal Dutch Shell plc, SIL offered to purchase all of the Common Shares (not already owned by it or its affiliates) at a price of Cdn. $45.00 per Common Share. The Offer was made by way of a formal take-over bid.

   (g) As at the date of the Offer, SIL and its affiliates owned approximately 78 percent of the issued and outstanding Common Shares.

   (h) As at March 31, 2007, the Applicant had a market capitalization of approximately $37 billion.

   (i) The Offer initially expired on March 16, 2007 and was extended to March 30, 2007. At March 30, 2007, approximately 94.5% of the outstanding Common Shares not already owned by SIL or its affiliates were taken up by SIL and payment for these Common Shares was made on or before April 4, 2007.

   (j) Following the completion of the Offer, SIL exercised its right under Section 206 of the Canada Business Corporations Act to

acquire the remaining issued and outstanding Common Shares not deposited under the Offer. A notice of compulsory acquisition was sent on April 4, 2007 to persons who had not tendered to the Offer.

(k) SIL has tendered payment to the Applicant in trust for persons who did not tender to the Offer on or before April 24, 2007 and the Applicant issued a share certificate to SIL in respect of the untendered Common Shares such that SIL became the sole shareholder of the Applicant. Pursuant to a request made by the Applicant, the Common Shares were delisted from the Toronto Stock Exchange on April 25, 2007.

(l) The current corporate credit ratings of the Applicant are as follows:

AGENCY	RATING
Dominion Bond Rating Service Limited	AA (Low)
Standard & Poor's	AA-

The Applicant's corporate credit ratings were classified as "Under Review-Developing" by Dominion Bond Rating Service Limited and "Credit Watch (positive)" by Standard & Poor's subsequent to the Offer.

(m) Other than the Common Shares and approximately $929 million aggregate principal amount of short term promissory notes (the Commercial Paper) as of April 25, 2007, the Applicant has no other securities outstanding.

(n) Section 2.35 of National Instrument 45-106 Prospectus and Registration Exemptions (NI 45-106) provides an exemption from the dealer registration requirement and prospectus requirement as contained in the Legislation for a trade or distribution of commercial paper maturing not more than one year from the date of issue provided that the commercial paper (a) is not convertible or exchangeable into or accompanied by a right to purchase another security other than a security described in Section 2.35, and (b) has an approved credit rating as defined in National Instrument 81-102 Mutual Funds (NI 81-102) from an approved credit rating organization as defined in NI 81-102.

(o) The current rating of the Commercial Paper is an "approved credit rating", the particulars of which are as follows:

AGENCY	RATING
Dominion Bond Rating Service Limited	R-1 (Middle)

Dominion Bond Rating Service Limited is an "approved credit rating organization" within the meaning of NI 81-102.

(p) The Applicant's internal procedures provide that the Commercial Paper may be issued with a maturity of up to 90 days, but most of the Commercial Paper is issued with a shorter maturity of between one and 30 days. The Applicant's commercial paper program is currently limited to a maximum of $2 billion, subject to possible expansion provided the appropriate credit ratings may be maintained.

(q) The Commercial Paper is distributed on the Applicant's behalf by six different dealers with whom the Applicant maintains facilities to backstop 100% of the program's capacity.

(r) The Applicant's current and future issuances of Commercial Paper do and will satisfy the requirements of the exemption contained in section 2.35 of NI 45-106.

(s) The Applicant also has a revolving credit facility from the Canadian Imperial Bank of Commerce and a syndicate of commercial banks in the aggregate amount of up to $1.5 billion which can be accessed by the issuance of bankers' acceptances. The amount outstanding in bankers' acceptances at March 30, 2007 was approximately $700 million. These bankers' acceptances have terms of 30, 60 or 90 days, and the $700 million was issued in three tranches with terms of 30 days each.

(t) The bankers' acceptances are guaranteed obligations of the stamping banks and are separate and apart from the Commercial Paper.

(u) The outstanding securities of the Applicant, except for the Commercial Paper, 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.

(v) Except for the Commercial Paper, no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 Marketplace Operation. The Commercial Paper is traded in the customary manner among dealers involved in the commercial paper market. This group of dealers may constitute a marketplace under National Instrument 21-101 Marketplace Operation.

(w) The Applicant is not, nor will it be, in default of any of its obligations under the Legislation as a reporting issuer.

(x) On April 26, 2007, the Applicant issued and filed with Decision Makers via SEDAR a news release announcing, in part, that it had submitted an application to the Decision Makers to cease to be a reporting issuer under the Legislation.

(y) The Applicant does not intend to seek public financing by way of an offering of securities other than by the issuance of Commercial Paper.

(z) Upon the grant of the relief requested herein, the Applicant will not be a reporting issuer or the equivalent in any jurisdiction of Canada.

Decision

4. 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.

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

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

2.1.6 Zinifex Limited et al. - MRRS Decision

Headnote

Mutual Reliance Review System – Take-over bid – Relief from the prohibition against collateral benefits – Target company and bidder amending the employment agreements of three executives and four other key employees who are also, directly or indirectly, shareholders – Amendments negotiated at arm's length and on commercially reasonable terms – Agreements entered into for reasons other than to increase the value of the consideration paid to the selling security holder for his securities – Agreements may be amended despite the prohibition against collateral benefits.

Statute Cited

Securities Act, R.S.O. 1990, c. S.5, ss. 97(2), 104(2)(a).

May 4, 2007

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

AND

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

AND

IN THE MATTER OF
ZINIFEX LIMITED (Zinifex),
ZINIFEX CANADIAN ENTERPRISES INC. (the Filer)
AND
WOLFDEN RESOURCES INC. (Wolfden)

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 pursuant to the securities legislation of the Jurisdictions (the **Legislation**) that the proposed employment arrangements entered into (or to be entered into) with each of Ewan Downie, John Begeman and Steve Filipovic (the **Key Executives**), who are, respectively, the President and Chief Executive Officer, the Chief Operating Officer, and the Vice-President – Finance of Wolfden, as well as four other employees (the **Other Key Personnel**), may be entered into notwithstanding the provisions of the Legislation that prohibit an offeror who makes or intends to make a take-over bid from entering into any collateral agreement, commitment or understanding with any holder or beneficial

owner of securities of the offeree issuer that has the effect of providing to the holder or owner a consideration of greater value than that offered to other holders of the same class of securities (the **Requested Relief**). The Requested Relief is sought in connection with an offer (the **Offer**) to be made by Zinifex and the Filer to acquire all of the issued and outstanding common shares (the **Shares**) of Wolfden, including Shares that may become issued and outstanding after the date of the Offer upon the conversion, exchange or exercise of any securities of Wolfden that are convertible into or exchangeable or exercisable for Shares.

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

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

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

Interpretation

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

Representations

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

1. Zinifex is an Australian Company with headquarters in Melbourne, Australia. Its shares are listed on the Australian Stock Exchange. Zinifex is not a reporting issuer in any of the Jurisdictions.

2. The Filer is a wholly owned subsidiary of Zinifex and is a corporation existing under the laws of British Columbia. The Filer is not a reporting issuer in any of the Jurisdictions.

3. Wolfden is a corporation incorporated under the laws of Ontario. It is a reporting issuer or equivalent in Alberta, British Columbia, Ontario and Quebec and its Shares are listed and posted for trading on the Toronto Stock Exchange.

4. Pursuant to a support agreement dated March 16, 2007 (the **Support Agreement**), Zinifex and the Filer agreed to make or cause to be made, and Wolfden agreed to support, the Offer to acquire all of the Shares for $3.81 per Share in cash, subject to the conditions set forth therein.

5. The Offer has been made by way of take-over bid circular mailed to all holders of Shares on April 2, 2007 and prepared in accordance with the Legislation (the **Circular**).

6. Neither Zinifex nor the Filer will, as a result of the Offer, become a reporting issuer under the Legislation.

7. The Board of Directors of Wolfden (the **Board**), upon receiving the recommendation of a special committee of the Board following consultation with independent financial and legal advisors, has unanimously determined that the Offer is in the best interests of Wolfden and its shareholders (other than the Filer and Zinifex) (the **Shareholders**) and accordingly, the Board is recommending acceptance of the Offer to the Shareholders.

8. The Offer is conditional on, among other things, there being validly deposited under the Offer and not withdrawn at the Expiry Time at least 66 2/3% of the outstanding common shares (calculated on a fully diluted basis).

9. Wolfden has represented to the Filer and Zinifex that its Board has received an opinion from its financial advisor to the effect that the consideration to be received under the Offer is fair from a financial point of view to Shareholders.

10. The Filer and Zinifex have entered into lock-up agreements dated March 16, 2007 with each of the senior officers (including the Key Executives), directors and certain other Shareholders of Wolfden holding, in aggregate, approximately 27% of the Shares on a fully diluted basis (collectively, the **Locked-Up Shareholders**) pursuant to which the Locked-Up Shareholders have agreed to deposit under the Offer all of the Shares owned or controlled by them, including Shares issuable upon the exercise of outstanding options (**Options**), subject to certain exceptions.

11. As of April 21, 2007, Wolfden had 90,750,378 Shares issued and outstanding (and 95,210,378 Shares on a fully diluted basis).

12. Mr. Downie holds 1,917,320 Shares and 1,100,000 Options; Mr. Begeman holds no shares and 450,000 Options; and Mr. Filipovic holds no shares and 235,000 Options. The Shares held by Mr. Downie represent slightly less than 2.1% of the outstanding Shares. Collectively, the securities held by the Key Executives represent less than 4% of the Shares of Wolfden on a fully diluted basis.

13. Wolfden has advised the Filer that the Other Key Personnel hold no Shares and an aggregate of 505,000 Options representing approximately 0.53% of the total Wolfden Shares on a fully diluted basis.

14. None of the Other Key Personnel are directors or officers of Wolfden.

15. Each of the Key Executives has agreed, in principle, to the terms of an amended employment agreement (an **Amended Employment Agreement**) to be entered into with Wolfden and the Filer which will become effective on completion of the Offer.

16. Under Mr. Downie's current employment arrangement with Wolfden, he is entitled to a base salary of $275,000 and long term compensation in the form of periodic option grants at the discretion of the Board. Mr. Downie's total compensation is also comprised of a discretionary cash bonus ($75,000 for 2006) and certain benefits. Under the Amended Employment Agreement, Mr. Downie's base salary will be increased to $320,000. This increase includes an adjustment of approximately $14,600 for certain benefits currently offered by Wolfden which will no longer be offered to Mr. Downie as they are not offered by Zinifex to employees of Zinifex or its subsidiaries. He will initially be entitled to an annual bonus opportunity targeted at 30% of base salary, subject to meeting certain annual targets. The annual bonus opportunity could reach 60% of base salary if certain stretch targets are achieved. In addition, Mr. Downie will be entitled to participate in the Zinifex long term incentive plan pursuant to which he will be granted a conditional entitlement (the **Long Term Entitlement**) to a number of shares of Zinifex determined by dividing 40% of his base salary by the prevailing market price of Zinifex shares at the time of the grant. Depending on certain vesting and performance criteria, all or a portion of the Long Term Entitlement may vest at the end of a three year period whereupon Zinifex shares will be allocated. While Mr. Downie's base salary will be increased, his overall compensation package under the terms of the Amended Employment Agreement will be roughly equal to his compensation package for 2006 (assuming Wolfden achieves its annual targets). If Wolfden achieves stretch targets in excess of the annual targets or fails to achieve its annual targets, Mr. Downie's compensation could be higher or lower, as the case may be, than the compensation he earned in 2006.

17. Under Mr. Begeman's existing employment arrangement with Wolfden, he is entitled to a base salary of $158,500 plus a $10,000 bonus, benefits, certain perquisites and long term compensation in the form of periodic option grants at the discretion of the Board. Under the Amended Employment Agreement, Mr. Begeman's base salary will be increased to $210,000. This increase includes an adjustment of approximately $19,400 for certain benefits currently offered by Wolfden which will no longer be offered to Mr. Begeman as they are not offered by Zinifex to employees of Zinifex or its subsidiaries. He will be entitled to an annual bonus opportunity targeted at 25% of base salary, subject to meeting certain annual targets. The annual bonus opportunity could reach 50% of base salary if certain stretch targets are achieved. In addition, Mr. Begeman will be entitled to participate in the Zinifex long term incentive plan pursuant to which he will be granted a Long Term Entitlement equal to a number of shares of Zinifex determined by dividing 40% of his base salary by the prevailing market price of Zinifex shares at the time of the grant. Depending on certain vesting and performance criteria, all or a portion of the Long Term Entitlement may vest at the end of a three year period whereupon Zinifex shares will be allocated. While Mr. Begeman's base salary will be increased, his overall compensation package under the Amended Employment Agreement will not be materially different from his aggregate 2006 compensation (assuming Wolfden achieves its annual targets). If Wolfden achieves stretch targets in excess of the annual targets or fails to achieve its annual targets, Mr. Begeman's compensation could be higher or lower, as the case may be, than the compensation he earned in 2006.

18. Under Mr. Filipovic's existing employment terms, he is entitled to a base salary of $112,000 plus a discretionary bonus, benefits and long term compensation in the form of option grants at the discretion of the Board. Under the Amended Employment Agreement, Mr. Filipovic's base salary will be increased to $170,000. He will also be entitled to an annual bonus opportunity targeted at 15% of base salary, subject to meeting certain annual targets. The annual bonus opportunity could reach 30% of base salary if annual stretch targets are achieved. At his current position, Mr. Filipovic will not be eligible for any long term incentive opportunity. While Mr. Filipovic's base salary will be increased, the value of his overall compensation package under his Amended Employment Agreement will be approximately the same as his compensation package for 2006 (assuming Wolfden achieves its annual targets). If Wolfden achieves stretch targets in excess of the annual targets or fails to achieve its annual targets, Mr. Filipovic's compensation could be higher or lower, as the case may be, than the compensation he earned in 2006.

19. The existing employment agreement for each the Key Executives provides for the payment of varying amounts of compensation following a change of control of Wolfden (a **Change of Control Payment**) if the Key Executive elects to terminate his employment for any reason within 90 days following the change of control. These amounts are payable in one lump sum upon notice being given by the employee to Wolfden. The Filer and Zinifex understand that the Change of Control Payments payable to each of Messrs.

Downie, Begeman and Filipovic under their existing employment agreements would be approximately $825,000, $317,000 and $224,000, respectively. As part of their Amended Employment Agreements, each of the Key Executives will agree to waive his entitlement to his existing Change of Control Payment and, in return, will receive two payments (the **Restructured Payments**), each equal to 50% of the applicable Key Executive's Change of Control Payment. The first such payment to each of the Key Executives will be payable shortly after the take up of Common Shares under the Offer and the remaining payment will be made up to one year later.

20. In addition, the existing employment agreements of the Key Executives provide for between three and six months of severance in the event of termination by Wolfden other than for cause. The Amended Employment Agreements will all provide for one month of severance per year of service, retroactive to the original date of employment, with a minimum severance period of 12 months and a maximum of 24 months if the Key Executive is terminated without cause or resigns for good reason.

21. The total compensation (excluding the Change of Control Payments) for the Key Executives is consistent with the total compensation of employees holding comparable positions within the Zinifex group of companies.

22. The Filer intends to make new offers of employment (the **Other Employment Agreements**) to the Other Key Personnel with compensation terms consistent with the terms typically offered to employees holding similar positions within the Zinifex group of companies, including a right to participate in the annual bonus opportunity. The entitlements of the Other Key Personnel under the annual bonus opportunity will be commensurate with the entitlements of similarly situated employees within the Zinifex group of companies. It is not expected that the overall compensation levels for the Other Key Personnel will be materially different from current compensation levels (net of signing bonuses or special incentive option grants received in 2006).

23. Each of the Other Key Personnel is entitled to a Change of Control Payment if he resigns in certain circumstances following a change of control. In return for the agreement by each of the Other Key Personnel to waive his right to his Change of Control Payment, he will receive two equal payments the aggregate amount of which will not exceed the Change of Control Payment to which he would have been entitled. The first such payment will be payable shortly after the take up of Common Shares under the Offer and the remaining payment will be made one year later.

24. The Other Key Personnel have agreed, in principle, to the proposed terms of the Other Employment Agreements.

25. Zinifex has engaged the services of Mercer Human Resource Consulting (**Mercer**) to (a) advise it with respect to the appropriate terms of employment for the Key Executives and Other Key Personnel and (b) assist with the valuation of the new proposed employment terms as compared to existing employment terms. Mercer has confirmed that the agreed upon terms to be reflected in the Amended Employment Agreements and Other Employment Agreements are within the competitive range of employment terms and conditions for comparable senior executives and employees in the same industry.

26. Zinifex and the Filer have no operations or employees in Canada. As a result, they would be unable to make the Offer without the certainty that they could continue to rely on the Key Executives to grow and support the business and assist with the transition of the business to new ownership. For this reason, the Support Agreement makes it a condition of the Offer that the Key Executives shall have entered into the Amended Employment Agreements.

27. Zinifex believes that the Key Executives and Other Key Personnel have been instrumental in building Wolfden's business and considers their continued role in the company following completion of the Offer as critical to the continued success of the business.

28. The purpose of the Amended Employment Agreements and Other Employment Agreements is to (a) provide an incentive to the Key Executives and Other Key Personnel to continue in the employ of Wolfden and increase its performance and (b) align the bonus plans applicable to the Key Executives and Other Key Personnel with comparable employees of Zinifex.

29. Under the terms of the existing employment agreements of the Key Executives, the Change of Control Payments were payable in the event that the Key Executive terminated his employment for any reason within 90 days following a change of control. By waiving the Change of Control Payments in consideration for the Restructured Payments, the incentive for the Key Executives to tender their resignations within the 90 day period following a change of control has been eliminated.

30. Similarly, if the Filer did not restructure the Change of Control Payments of the Other Key Personnel, they would have an incentive to terminate their employment with Wolfden in order to collect their entitlements.

31. The terms of the Amended Employment Agreements and Other Employment Agreements were negotiated at arm's length on terms and conditions that the Filer and Zinifex consider to be commercially reasonable in light of: (a) the Change of Control Payments to which the Key Executives and Other Key Personnel are entitled under their current employment agreements; (b) the importance to the Filer and Zinifex that the Key Executives provide continuity and continue to grow the business; (c) the unique knowledge and experience of the Key Executives and other Key Personnel; and (d) the consistency of the employment terms with the manner in which Zinifex compensates its own employees.

32. The particulars of the Amended Employment Agreements and the Restructured Payments are disclosed in the Circular.

33. The receipt by each of the Key Executives and the Other Key Personnel of Amended Employment Agreements or Other Employment Agreements, as applicable, is not conditional upon their support of the Offer.

34. The Amended Employment Agreements and the Other Employment Agreements: (a) have been or will be entered into for valid business reasons unrelated to the shareholdings of the Key Executives and Other Key Personnel; (b) are not being conferred for the purpose, in whole or in part, of increasing the amount of the consideration paid to the Key Executives and Other Key Personnel for their Shares pursuant to the Offer or providing an incentive to deposit to the Offer; (c) are being made to assist in the completion of a transaction that is fair to all Shareholders; and (d) do not increase the value of the consideration to be paid to the Key Executives and Other Key Personnel for Shares pursuant to the Offer.

Decision

Each of the relevant 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"
Commissioner
Ontario Securities Commission

"David L. Knight"
Commissioner
Ontario Securities Commission

2.1.7 FET Resources Ltd. - 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 26, 2007

Burnet, Duckworth & Palmer LLP
1400, 350 - 7 Avenue SW
Calgary, AB T2P 3N9

Attention: Edward B. Brown

Dear Sir:

Re: FET Resources Ltd. (the Applicant) - Application to Cease to be a Reporting Issuer under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick and Newfoundland and Labrador (the Jurisdictions)

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

As the Applicant has represented to the Decision Makers that:

1. the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada;

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

3. the Applicant is applying for relief to cease to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and

4. the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

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

Relief requested granted on the 26th day of April, 2007.

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

2.1.8 Centurion Energy International Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Issuer has only one security holder – Issuer is not 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).

Citation: Centurion Energy International Inc., 2007 ABASC 232

May 4, 2007

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, SASKATCHEWAN, MANITOBA,
ONTARIO AND QUEBEC

AND

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

AND

IN THE MATTER OF
CENTURION ENERGY INTERNATIONAL INC.

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (the **Decision Maker**) in Alberta, Saskatchewan, Manitoba, Ontario and Quebec (the **Jurisdictions**) has received an application from Centurion Energy International Inc. (the **Filer**), under the securities legislation of the Jurisdictions (the **Legislation**) for a decision to be deemed to have ceased to be a reporting issuer in the Jurisdictions in accordance with the Legislation.

2. Pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the System), the Alberta Securities Commission is the principal regulator for this application.

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 representations by the Filer to each Decision Maker:

   (a) The Filer is a corporation existing under the *Business Corporations Act* (Alberta) (the **ABCA**).

   (b) The Filer's registered and principal office is located in Calgary, Alberta.

   (c) On January 10, 2007, the Filer completed a plan of arrangement with Giza Acquisition Inc. (**Giza**), an indirect wholly owned subsidiary of Dana Gas PJSC whereby Giza acquired all of the issued and outstanding common shares of the Filer (the **Plan of Arrangement**). On February 13, 2007 the Filer and Giza were amalgamated under the ABCA as the Filer.

   (d) As a result of the Plan of Arrangement, all of the outstanding securities of the Filer, including debt securities, are beneficially owned by Dana Gas PJSC.

   (e) The common shares of the Filer were delisted from the Toronto Stock Exchange at the close of trading on January 12, 2007 and no securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 - *Marketplace Operation*.

   (f) The Filer is a reporting issuer under the Legislation in each of the Jurisdictions. The Filer ceased to be a reporting issuer in British Columbia on February 2, 2007 under BC Instrument 11-502 - *Voluntary Surrender of Reporting Issuer Status*.

   (g) The Filer 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.

   (h) The Filer is not in default of any of its obligations under the Legislation other than with respect to the failure to make its annual filings in respect of its fiscal year ended December 31, 2006 under National Instrument 51-102 *Continuous Disclosure Obligations* and its related certifications under Multilateral Instrument 52-109 *Certification of Disclosure in Filings*.

Decision

5. Pursuant to the System, this MRRS Decision Document evidences the decision of each Decision Maker.

6. 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.

7. The decision of the Decision Makers pursuant to the Legislation is that the Filer is deemed to have ceased to be a reporting issuer.

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

2.1.9 Liquor Barn Income Fund and Liquor Stores Income Fund - MRRS Decision

Headnote

Mutual Reliance Review System – OSC Rule 61-501 – take-over bid and subsequent business combination – Rule 61-501 requires sending of information circular and holding of meeting in connection with second step business combination – target's declaration of trust provides that a resolution in writing executed by unitholders holding more than 66 2/3% of the outstanding units is valid and binding as if such voting rights had been exercised in favour of such resolution at a meeting of Unitholders – second step business combination to be subject to minority approval, calculated in accordance with section 8.2 of Rule 61-501 – relief granted from requirement that information circular be sent and meeting be held.

Applicable Legislative Provisions

OSC Rule 61-501 Insider Bids, Issuer Bids, Business Combinations and Related Party Transactions, ss. 4.2, 9.1.

April 27, 2007

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO AND QUEBEC

AND

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

AND

IN THE MATTER OF
THE TAKE-OVER BID FOR
LIQUOR BARN INCOME FUND BY
LIQUOR STORES INCOME FUND

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "**Decision Maker**") in each of Ontario and Quebec (the "**Jurisdictions**") has received an application from Liquor Stores Income Fund (the "**Applicant**"), in connection with a take-over bid (the "**Bid**") for Liquor Barn Income Fund ("**LB**"), for a decision pursuant to the securities legislation of the Jurisdictions (the "**Legislation**") that the requirements of the Legislation that:

1. the Subsequent Acquisition Transaction (as defined below) be approved at a meeting of the unitholders of LB ("**LB Unitholders**"); and
2. an information circular be sent to LB Unitholders in connection with the Subsequent Acquisition Transaction;

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

Under the Mutual Reliance Review System for Exemptive Relief Applications:

1. the Ontario Securities Commission ("**OSC**") is the principal regulator for this application; and
2. 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 representations by the Applicant:

1. The Applicant is a trust formed under the laws of the Province of Alberta. The Applicant's head and registered offices are located in Edmonton, Alberta.
2. The Applicant has prepared and sent an offer and take-over bid circular ("**Circular**") to the LB Unitholders in connection with the Bid.
3. The outstanding trust units of LB ("**LB Units**") are held by CDS Clearing and Depository Services Inc. in book-entry only form.
4. The terms of the Bid include the following:
   (a) the Bid is for all of the issued and outstanding LB Units, including all LB Units that may become outstanding after the date of the Bid upon the exercise of options, warrants or other conversion or exchange rights, on the basis of 0.53 of a trust unit of the Applicant ("**Applicant Units**") for each one LB Unit (the "**Exchange Ratio**");
   (b) one of the conditions of the Bid is that the number of LB Units held by LB Unitholders who elect to either tender to the Bid or participate in the Merger Transaction (as defined below), together with the number of LB Units held as of the expiry time of the Bid by or on behalf of the Applicant or its subsidiaries, if any, together with any separately voted special voting units of LB ("**LB Special Voting Units**"), represent more than 66 2/3% of the then outstanding LB Units

and LB Special Voting Units (collectively, the "**Voting Units**");

(c) in the event that the Applicant takes up and pays for LB Units pursuant to the Bid, the Applicant intends to proceed with a merger transaction (the "**Merger Transaction**") which would involve: (i) the transfer of all of the assets and liabilities of LB to the Applicant in exchange for Applicant Units and special voting units of the Applicant ("**Applicant Special Voting Units**"), and (ii) the distribution of such Applicant Units and Applicant Special Voting Units to the holders of LB Units and LB Special Voting Units (the "**Voting Unitholders**"), as applicable, upon a redemption of their LB Units and LB Special Voting Units based on the Exchange Ratio, on a tax deferred "roll-over" basis (and the cancellation of any such Applicant Units received by the Applicant itself) (the "**Subsequent Acquisition Transaction**"), provided that if the Subsequent Acquisition Transaction is not pursued in such form, the Applicant has reserved the right under the Bid, subject to compliance with applicable laws, to acquire the assets of LB or the balance of the LB Units as soon as practicable by way of an arrangement, amalgamation, merger, reorganization, consolidation, recapitalization, redemption or other transaction involving the Applicant, an affiliate of the Applicant and/or its subsidiaries and LB, an affiliate of LB, and/or its subsidiaries;

(d) in order to effect the Subsequent Acquisition Transaction, rather than seeking Voting Unitholder approval at a special meeting of the Voting Unitholders to be called for such purpose, the Applicant intends to rely on section 12.10 of the Amended and Restated Declaration of Trust of LB (the "**LB DOT**"), which specifies that a resolution in writing circulated to all Voting Unitholders and executed by Voting Unitholders holding more than 66 2/3% of the outstanding Voting Units entitled to be voted on such resolution, will be as valid and binding as if such Voting Unitholders had exercised at that time all of their voting rights in favour of such resolution at a meeting of Voting Unitholders duly called for that purpose (the "**Written Resolution**").

5. Notwithstanding section 12.10 of the LB DOT, the Legislation requires that the Subsequent Acquisition Transaction be approved at a meeting of LB Unitholders called for that purpose.

6. To effect the Subsequent Acquisition Transaction, the Applicant will obtain minority approval, as that term is defined in the Legislation, calculated in accordance with the terms of section 8.2 of OSC Rule 61-501 and section 8.2 of AMF Regulation Q-27 (the "**Minority Approval**"), albeit not at a meeting of LB Unitholders, but by Written Resolution.

7. The Circular provided to LB Unitholders in connection with the Bid contains all disclosure required by applicable securities laws, including without limitation the take-over bid provisions and form requirements of the securities legislation in the Jurisdictions and the provisions of OSC Rule 61-501 relating to the disclosure required to be included in a disclosure document for a formal bid in respect of a second-step business combination.

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 Minority Approval shall have been obtained, albeit not at a meeting of LB Unitholders, but by Written Resolution.

"Naizam Kanji"
Manager, Mergers & Acquisitions
Ontario Securities Commission

2.1.10 RBC Asset Management Inc. et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – exemption granted to permit a fund to change the basis of the calculation of the fund expenses without prior approval of securityholders – relief not prejudicial to the public interest because the securityholders will be given notice and permitted to redeem their units prior to the change taking effect without paying a commission – National Instrument 81-102 Mutual Funds.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 5.1(a), 19.1.

March 27, 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 (Jurisdictions)

AND

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

AND

IN THE MATTER OF
RBC ASSET MANAGEMENT INC. (the Filer)

AND

IN THE MATTER OF
RBC CANADIAN SHORT-TERM INCOME FUND,
RBC MONTHLY INCOME FUND,
RBC $U.S. INCOME FUND,
RBC GLOBAL BOND FUND,
RBC GLOBAL CORPORATE BOND FUND,
RBC CASH FLOW PORTFOLIO,
RBC BALANCED GROWTH FUND,
RBC SELECT CONSERVATIVE PORTFOLIO,
RBC SELECT BALANCED PORTFOLIO,
RBC SELECT GROWTH PORTFOLIO,
RBC SELECT CHOICES CONSERVATIVE PORTFOLIO,
RBC SELECT CHOICES BALANCED PORTFOLIO,
RBC SELECT CHOICES GROWTH PORTFOLIO,
RBC SELECT CHOICES AGGRESSIVE GROWTH PORTFOLIO,
RBC CANADIAN EQUITY FUND,
RBC O'SHAUGHNESSY CANADIAN EQUITY FUND,
RBC NORTH AMERICAN VALUE FUND,
RBC NORTH AMERICAN GROWTH FUND,
RBC U.S. EQUITY FUND,
RBC U.S. EQUITY CURRENCY NEUTRAL FUND,
RBC U.S. MID-CAP EQUITY FUND,
RBC U.S. MID-CAP EQUITY CURRENCY NEUTRAL FUND,
RBC INTERNATIONAL EQUITY FUND,
RBC EUROPEAN EQUITY FUND,
RBC ASIAN EQUITY FUND,
RBC GLOBAL ENERGY FUND,
RBC GLOBAL CONSUMER AND FINANCIALS FUND,
RBC GLOBAL HEALTH SCIENCES FUND,
RBC GLOBAL RESOURCES FUND, AND
RBC GLOBAL TECHNOLOGY FUND,
RBC SELECT AGGRESSIVE GROWTH PORTFOLIO,
RBC O'SHAUGHNESSY ALL-CANADIAN EQUITY FUND
(each, a Fund and, collectively, the Funds)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (**Decision Maker**) in each of the Jurisdictions received an application (the **Application**) from the Filer on behalf of each Fund under section 19.1 of National Instrument 81-102 – *Mutual Funds* (**NI 81-102**) for relief from the requirement in section 5.1(a) of NI 81-102 to obtain the approval of the security holders of Advisor Series Units of the Fund in respect of a change in the basis of the calculation of the operating expenses that are charged to the Fund (the **Requested Relief**).

Under the MRRS:

(i) the principal regulator for the Application is the Ontario Securities Commission (the **OSC**); and

(ii) this Decision Document represents the decision of each of the Decision Makers.

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 MRRS Decision Document unless they are otherwise defined in this Decision Document.

Representations

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

The Funds

1. The Filer is a corporation governed by the *Canada Business Corporations Act*. The Filer is registered as an investment counsel and portfolio manager, or the equivalent, in each of the Jurisdictions and as a limited market dealer in Ontario and Newfoundland and Labrador. The Filer is the manager of the Funds. The Filer's head office is in Toronto, Ontario.

2. Each of the Funds is a reporting issuer in each of the Jurisdictions.

3. Advisor Series Units of each of the Funds as well as Advisor Series, Series A, Series F, Series I and Series O Units of other mutual funds of which the Filer is the manager are offered under a simplified prospectus and annual information form (the **Prospectus**) dated July 4, 2006 or in the case of the RBC O'Shaughnessy All-Canadian Equity Fund and the RBC Select Aggressive Growth Portfolio (the New Funds) a prospectus dated January 12, 2007.

4. Advisor Series Units of each of the Funds and of other mutual funds of which the Filer is the manager are distributed through authorized dealers and are sold under an initial sales charge, deferred sales charge or low-load sales charge option.

5. Series A, Series F, Series I and Series O Units of the Funds and of other mutual funds of which the Filer is the manager are distributed on a "no-load" basis.

Change in the Basis of the Calculation of Operating Expenses

6. Currently each Fund pays its own operating expenses including account administration costs, recordkeeping fees, custody, fund valuations, audit and legal fees, regulatory filing fees, fees associated with financial reporting and recurring simplified prospectus and annual information form costs. Operating expenses not directly attributable to a single fund or a particular series of a fund are allocated by the Filer among each of the funds it manages and among the series of the funds in a fair and equitable manner.

7. Each Fund pays an annual management fee in respect of each Series that is a fixed percentage of the net assets of the Fund attributable to the Series.

8. The Filer has previously determined that the annual management expense ratio (**MER**) in respect of the Advisor Series Units of each Fund will not exceed a specified percent. If the operating expenses and management fees in respect of Advisor Series Units would result in an MER in excess of the specified percent, then the Filer absorbs the excess expenses.

9. The Filer is proposing to change the basis of calculating the operating expenses that are charged to a Fund by establishing a fixed administration fee in respect of the Advisor Series Units of each Fund. The Filer will be responsible for and pay the Fund's actual operating expenses and these expenses will not be charged to the Fund. The fee will be an annual percentage based on the daily net assets of the Advisor Series Units of the Fund.

10. Excluded from the fixed administration fee will be taxes (including, but not limited to GST), borrowing costs, costs associated with new government or regulatory requirements and costs of a Fund's independent review committee. The fixed administration fee will be charged on the same basis as the management fee.

11. Costs associated with portfolio transactions, including brokerage commissions, research and execution costs are not currently included in operating expenses or the calculation of a Fund's MER. These costs will continue to be charged to each Fund and will not be included in the fixed administration fee.

12. The fixed administration fee that will be charged in respect of operating expenses of Advisor Series Units of each Fund will result in an MER that will be lower than the actual percentage for the financial year ended December 31, 2006 (except in the case of the New Funds which have not completed a financial year). However, it is possible that the change to the basis of calculating the operating expenses could result in an increase in charges that would have otherwise been payable by the Advisor Series Units of each Fund. This is because while the Filer will bear the costs of any increase in operating expenses, it may in turn benefit from any future cost efficiencies.

13. The Filer is proposing to make similar changes to the basis of calculating the operating expenses that are charged in respect of all other Series of the Funds and of other mutual funds that are managed by the Filer.

Notice of Change to Security Holders

14. Paragraph 5.1(a) of NI 81-102 requires prior approval of security holders if the basis of the calculation of an expense charged to a mutual fund is changed in a way that could result in an increase in charges to the mutual fund.

15. A change in the basis of calculating the operating expenses in respect of Series A, Series F, Series I and Series O Units of the Funds or of other mutual funds that are managed by the Filer does not require security holder approval pursuant to paragraph 5.1 (a) of NI 81-102 if the requirements of paragraph 5.3(1)(b) of NI 81-102 are satisfied. These requirements in respect of Units other than Advisor Series Units will be satisfied in that:

    (a) the Units are distributed on a "no-load" basis;

    (b) the Prospectus provides that security holders will be sent a written notice at

least 60 days before the effective date of any change in the basis of calculating a fee or expense that could result in an increase in charges to the funds; and

(c) the Filer intends to send to security holders the written notice referred to in paragraph (b) in respect of the change in the basis of calculating the operating expenses.

16. Advisor Series Units of the Funds and of other mutual funds that are managed by the Filer are not distributed on a "no-load" basis. Accordingly, paragraph 5.3(1)(b) of NI 81-102 is not available in respect of a change in the basis of calculating the operating expenses that are charged.

17. The Filer is proposing to hold meetings of the security holders of Advisor Series Units of other mutual funds managed by the Filer to approve the change in the basis of calculating the operating expenses of the Advisor Series Units of such mutual funds. However, the Filer has determined that it is not appropriate to hold meetings of the security holders of Advisor Series Units of the Funds because:

(a) there are fewer than 150 security holders of Advisor Series Units of each Fund and the cost of holding meetings for such a small number of security holders is not warranted. In cases where there are fewer than 150 security holders of Advisor Series units, these security holders represent less than one and one-half percent of the Fund's total security holders; and

(b) with fewer than 150 security holders of Advisor Series Units of a Fund it is quite possible that there would be no quorum present to conduct the meeting even if it were called.

18. The Filer understands that the reason that security holders are not required to vote under paragraph 5.1(a) of NI 81-102 when the conditions in section 5.3 (b) of NI 81-102 are satisfied is, primarily, that security holders who have purchased securities on a "no-load" basis are not financially prejudiced if they receive notice of a proposed change and they are given sufficient time to dispose of their securities prior to the effective date of the change. Accordingly, the Filer will:

(a) provide security holders of Advisor Series Units of each Fund with at least 60 days prior written notice of the change in the basis of calculating operating expenses of the Fund;

(b) provide in the written notice referred to in paragraph (a) information advising security holders of Advisor Series Units of each Fund that if they wish to redeem their units prior to the effective date of the change, the Filer will reimburse or waive any sales commission associated with Advisor Series Units of the Fund; and

(c) include in the written notice referred to in paragraph (a) the information contained in paragraph 12 above.

19. The Filer has, in accordance with section 5.1 of NI 81-107, referred the proposed change in the basis of calculation of the operating expenses to the independent review committee (IRC) of the Funds and requested the recommendation of the IRC pursuant to section 5.3 of NI 81-107. The Filer has obtained a positive recommendation of the IRC and such recommendation will be included in the written notice referred to in paragraph 18(a) above.

Decision

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

The decision of the Decision Makers is that the Requested Relief is granted on the condition that:

(a) the Filer provides security holders of Advisor Series Units of each Fund with at least 60 days prior written notice of the change in the basis of calculating operating expenses of the Fund; and

(b) the written notice referred to in paragraph (a) advises security holders of Advisor Series Units of each Fund that if they wish to redeem their units prior to the effective date of the change, the Filer will reimburse or waive any sales commission associated with Advisor Series Units of the Fund.

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

2.2 Orders

2.2.1 Pure Nickel Inc. - s. 1(11)

Headnote

Section 1(11) – order that issuer is a reporting issuer for purposes of Ontario securities law – issuer already a reporting issuer in British Columbia and Alberta – issuer's securities listed for trading on the TSX Venture Exchange – continuous disclosure requirements in British Columbia and Alberta are substantially the same as those in Ontario.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(11).

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

AND

IN THE MATTER OF
PURE NICKEL INC.

ORDER
(SECTION 1(11))

UPON the application of Pure Nickel Inc. (the "Applicant") for an order pursuant to clause 1(11)(b) of the Act that, for purposes of Ontario securities law, the Applicant is a reporting issuer in Ontario;

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

AND UPON the Applicant representing to the Commission as follows:

1. The Applicant was incorporated on April 29, 1987 pursuant to the *British Columbia Company Act* and continued under the *Yukon Business Corporations Act* on June 17, 1998 with its registered and records office located at 300 – 204 Black Street, Whitehorse, Yukon Territory, Y1A 2M9 and its head office at 95 Wellington Street, Toronto, Ontario, M9J 5N7;

2. The authorized capital of the Applicant consists of an unlimited number of common shares of which 44,765,560 common shares are issued and outstanding;

3. The Applicant has been a reporting issuer in the Province of British Columbia since October 1990 and in the Province of Alberta since November 1999;

4. The Applicant is not currently a reporting issuer or the equivalent in any jurisdiction in Canada other than British Columbia and Alberta;

5. The Applicant is not on the list of defaulting reporting issuers maintained pursuant to the *Securities Act* (British Columbia) (the B.C. Act) or the *Securities Act* (Alberta) (the Alberta Act), and, to the best of its knowledge, is not in default of any of its obligations under the B.C. Act or the Alberta Act;

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

7. The continuous disclosure materials filed by the Applicant under the B.C. Act and the Alberta Act are available on the System for Electronic Document Analysis and Retrieval (SEDAR);

8. The Applicant's securities are traded on the TSX Venture Exchange (TSXV) under the symbol "NIC" and are quoted on the OTCBB under the symbol "PNCKD". The Applicant's securities are not traded on any other stock exchange or trading or quotation system;

9. The Applicant is not in default of any of the rules or regulations of the TSXV or the OTCBB;

10. Neither the Applicant nor any of its predecessor entities nor any of their officers, directors or controlling shareholders has or have:

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

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

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

11. Neither the Applicant nor any of its predecessor entities nor any of their officers, directors or controlling shareholders is, has or have been subject to:

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

    (b) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or

the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years;

12. None of the Applicant or its officers, directors or any controlling shareholder, is or has been at the time of such event an officer or director of any other issuer which is or has been subject to:

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

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

    except as disclosed on page 34 of the management information circular of the Applicant dated February 15, 2007, a copy of which is filed on SEDAR.

13. The Applicant has a significant connection to Ontario as its mind and management are located in Ontario and 81 registered shareholders owning a total of 43.11% of the issued and outstanding common shares of the Applicant are residents of Ontario;

14. The Applicant will remit all participation fees due and payable by it pursuant to Commission Rule 13-502 - Fees by no later than two business days from the date of this Order;

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

IT IS ORDERED pursuant to clause 1(11)(b) of the Act that the Applicant is a reporting issuer for the purposes of Ontario securities law.

DATED May 2nd, 2007

"Iva Vranic"
Manager, Corporate Finance

2.2.2 Merax Resource Management Ltd. et al.

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

AND

IN THE MATTER OF
MERAX RESOURCE MANAGEMENT LTD.,
carrying on business as CROWN CAPITAL PARTNERS,
RICHARD MELLON and ALEX ELIN

ORDER

WHEREAS on November 29, 2006 the Ontario Securities Commission (the "Commission") issued a Notice of Hearing as amended on November 30, 2006 pursuant to s.127 of the *Securities Act*, R.S.O. 1990, c.S.5, to consider whether it is in the public interest to make certain orders against Merax Resource Management Ltd. carrying on business as Crown Capital Partners, Richard Mellon ("Mellon") and Alex Elin ("Elin");

AND WHEREAS on December 6, 2006, Staff and counsel for Mellon and Elin attended a hearing and requested that the matter be adjourned to February 27, 2007 in order to allow counsel for Mellon and Elin to review disclosure and possibly set a hearing date;

AND WHEREAS on February 27, 2007, Staff and counsel for Mellon and Elin attended a hearing and requested that the matter be adjourned to April 16, 2007 in order to have a pre-hearing conference on or before that date;

AND WHEREAS on April 12, 2007, Staff and counsel for Mellon and Elin attended a pre-hearing conference before Commissioner Paul Bates;

AND WHEREAS on April 16, 2007, Staff and counsel for Mellon and Elin requested that this matter be adjourned to April 27, 2007 for the purpose of setting a hearing date;

AND WHEREAS on April 27, 2007, Mellon, Elin and Staff attended a hearing and the panel was advised that Mellon and Elin are now unrepresented and Mellon, Elin and Staff requested that this matter be adjourned to May 4, 2007 for the purpose of setting a hearing date;

IT IS HEREBY ORDERED, on consent of Mellon, Elin and Staff, that the Hearing shall commence on October 22, 2007 at 10:00 a.m.

DATED at Toronto this 4th day of May, 2007.

"L. E. Ritchie"

"Wendell S. Wigle"

2.2.3 Limelight Entertainment Inc. et al.

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

AND

IN THE MATTER OF
LIMELIGHT ENTERTAINMENT INC.,
CARLOS A. DA SILVA,
DAVID C. CAMPBELL, JACOB MOORE
AND JOSEPH DANIELS

ORDER

WHEREAS Staff of the Commission ("Staff") requested at a hearing (the "Hearing") on April 13, 2006 that the Ontario Securities Commission (the "Commission") make a temporary order pursuant to section 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") that: (i) all trading cease in the securities of Limelight Entertainment Inc. ("Limelight"); (ii) each of Limelight, Carlos Da Silva ("Da Silva"), David C. Campbell ("Campbell") and Jacob Moore ("Moore") cease trading in all securities; and (iii) any exemptions contained in Ontario securities law do not apply to Limelight, Da Silva, Campbell and Moore (the "First Temporary Order");

AND WHEREAS Staff served Limelight, Da Silva and Campbell with the Notice of Hearing and Statement of Allegations dated April 7, 2006 and with the Affidavit of Larry Masci sworn April 7, 2006, the Affidavit of Tim Barrett sworn April 10, 2006 and the Affidavit of Joseph De Sommer sworn April 11, 2006 as evidenced by the affidavits of service filed as exhibits;

AND WHEREAS on April 13, 2006, the Commission issued the First Temporary Order and ordered that the First Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission and adjourned the Hearing to April 26, 2006;

AND WHEREAS Staff served counsel for Limelight, Da Silva and Campbell with the Amended Notice of Hearing dated April 25, 2006, the Amended Statement of Allegations of Staff dated April 25, 2006 and the Affidavit of Larry Masci sworn April 25, 2006 but were unable to serve Moore or Joseph Daniels ("Daniels");

AND WHEREAS Staff requested, at the Hearing on April 26, 2006, that the Commission make a second temporary order pursuant to section 127(5) of the Act that: (i) Daniels cease trading in all securities; and (ii) any exemptions contained in Ontario securities laws do not apply to Daniels (the "Second Temporary Order");

AND WHEREAS on April 26, 2006, the Commission extended the First Temporary Order to May 11, 2006, issued the Second Temporary Order and ordered that the Second Temporary Order expires on the 15th day after its making unless extended by Order of the Commission and adjourned the Hearing to May 11, 2006;

AND WHEREAS on May 11, 2006, the Commission: (1) extended the First Temporary Order and the Second Temporary Order to September 13, 2006; (2) adjourned the Hearing to September 13, 2006; (3) ordered that Moore and Daniels could be served with documents in this proceeding by serving Limelight, Da Silva or Campbell; and (4) ordered Limelight to provide notice to all shareholders of this ongoing proceeding;

AND WHEREAS Staff served Campbell on behalf of Moore and Daniels with the Amended Notice of Hearing and the Amended Statement of Allegations dated April 25, 2006, the Temporary Order dated April 13, 2006, the Commission Order dated April 26, 2006 and the Commission Order dated May 11, 2006 as evidenced by the affidavit of Larry Masci sworn September 11, 2006;

AND WHEREAS Staff provided disclosure to counsel for Limelight, Da Silva and Campbell on September 11, 2006, and additional disclosure on April 2 and 27, 2007;

AND WHEREAS counsel for Limelight, Da Silva and Campbell consented to Hearing dates on May 7, 8, 9, 10 and 11, 2007;

AND WHEREAS on October 30, 2007, the Commission ordered: (1) the extension of the First and Second Temporary Orders until the conclusion of the Hearing; and (2) the Hearing to start on May 7, 2007 at 10:00 a.m. and continue on May 8, 9, 10 and 11, 2007;

AND WHEREAS Staff only recently located Jacob Moore and served Jacob Moore on April 27, 2007 with the Amended Notice of Hearing and the Amended Statement of Allegations dated April 25, 2006;

AND WHEREAS on April 27, 2007, Staff served counsel for Limelight, Da Silva and Campbell with Staff's Hearing Briefs, Staff's witness list and Staff's binder of witness statements and affidavits and served Jacob Moore with these documents on May 1, 2007;

AND WHEREAS on May 1, 2007, Staff requested a pre-hearing conference which was scheduled for May 2, 2007 to discuss the Hearing;

AND WHEREAS at a pre-hearing conference on May 2, 2007, Jacob Moore advised that: (1) he was unaware of these proceedings until served with the Amended Notice of Hearing and Amended Statement of Allegations on April 27, 2007; (2) he requires additional time to review the documents which he has received; and (3) he wishes to speak to counsel concerning this matter;

AND WHEREAS Jacob Moore was advised during the pre-hearing conference that he should seek the advice of a lawyer as soon as possible;

AND WHEREAS counsel for Limelight, Da Silva, and Campbell has advised that he intends to bring a motion to remove himself as counsel of record;

AND WHEREAS counsel for Limelight, Da Silva and Campbell has advised that he has reviewed Staff's Hearing Briefs and Limelight, Da Silva and Campbell will admit the truth of the Limelight shareholder register, the bank statements including cheque deposits and withdrawals and the American Express documents for the purpose of the Hearing;

AND WHEREAS the parties have agreed to attend a second pre-hearing conference at 9:30 a.m. on Wednesday, May 23, 2007 for the purpose of scheduling new hearing dates;

IT IS ORDERED that the Hearing scheduled to commence on May 7, 2007 is adjourned; and

IT IS FURTHER ORDERED the parties will attend a second pre-trial conference on May 23, 2007 at 9:30 a.m. or at such other time as arranged by the Office of the Secretary.

DATED at Toronto this 4th day of May, 2007.

"Paul K. Bates"
Pre-hearing Commissioner

2.2.4 Great Lakes Carbon Income Fund and Oxbow GLC Canada Acquisition ULC - s. 104(2)(c)

Headnote

Take-over bid – relief from sections 95 to 100 and section 101 of the Securities Act (Ontario) – purchase and sale of Fund assets constitutes take-over bid and triggers early warning requirements – exemptions from take-over bid requirements not available for very technical reasons – no informational benefit from offeror complying with early warning requirements – exemptive relief granted from take-over bid and early warning requirements.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 95 to 100, 101, 104(2)(c), 93(1)(d) and s. 184 of the Regulations.

May 1, 2007

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

AND

IN THE MATTER OF
THE ACQUISITION OF THE TRUST ASSETS OF
GREAT LAKES CARBON INCOME FUND BY
OXBOW GLC CANADA ACQUISITION ULC

ORDER
(Clause 104(2)(c) of the Securities Act)

UPON the application (the "Application") of Oxbow GLC Canada Acquisition ULC ("Oxbow ULC") to the Ontario Securities Commission (the "Commission") for an order pursuant to clause 104(2)(c) of Securities Act exempting Oxbow ULC from the requirements of sections 95 through 100 (the "Take-over Bid Requirements") and section 101 (the "Early Warning Requirements") of the Securities Act, and the related provisions of the regulations set out in the Act (collectively, the "Take-over Bid and Early Warning Requirements"), in connection with the proposed acquisition (the "Oxbow Transaction") of all of the assets of Great Lakes Carbon Income Fund (the "Fund") by Oxbow ULC pursuant to a business acquisition agreement (the "Business Acquisition Agreement") dated March 28, 2007 between the Fund and the Oxbow Entities;

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

AND UPON Oxbow ULC having represented to the Commission as follows:

1. Oxbow ULC is a wholly-owned indirect subsidiary of Oxbow Carbon & Minerals Holdings, Inc. ("Oxbow", and together with Oxbow ULC, the "Oxbow Entities") and was incorporated under the

laws of the Province of Nova Scotia on March 15, 2007 solely for the purpose of effecting the Oxbow Transaction. Oxbow is part of the Oxbow Group, a privately held energy company based in West Palm Beach, Florida, USA. Neither of the Oxbow Entities are reporting issuers in Canada.

2. The Fund is a trust formed pursuant to a Declaration of Trust dated June 25, 2003, as amended and restated on July 28, 2003 and August 11, 2003, and as further amended on May 10, 2004 and March 13, 2006. The Fund's registered office is located at Suite 3000, 79 Wellington Street West, Box 270, Toronto, Ontario, Canada M5K 1N2.

3. The Fund is, and has been for the last twelve months, a reporting issuer (or equivalent) under the securities laws of each of the provinces and territories of Canada, and is not on the list of reporting issuers in default in any of those jurisdictions.

4. As of March 29, 2007, the outstanding capital of the Fund consisted of 37,672,622 trust units.

5. The assets of the Fund include all of the 37,672,622 outstanding common shares of Carbon Canada Inc. ("Carbon Canada") and $258,434,181.29 principal amount of 16% unsecured, subordinated notes issued by Huron Carbon ULC (collectively, the "Trust Assets").

6. On March 28, 2007, the Oxbow Entities and the Fund entered into the Business Acquisition Agreement whereby Oxbow ULC would acquire all of the Trust Assets. Upon completion of the purchase and sale of the Trust Assets, the Fund would terminate its existence and distribute its remaining assets, being principally the cash received in the Oxbow Transaction, to its unitholders.

7. By order of the Commission dated March 19, 2004, Carbon Canada was deemed a reporting issuer under section 83.1 of the Securities Act.

8. As a result of Carbon Canada being a reporting issuer, the proposed purchase by Oxbow ULC of the shares of Carbon Canada as part of the Oxbow Transaction is a "take-over bid" for purposes of the Take-over Bid Requirements for which no exemption is available.

9. In addition, because Carbon Canada is a reporting issuer, the proposed purchase by Oxbow ULC of the shares of Carbon Canada as part of the Oxbow Transaction would also result in the acquisition of beneficial ownership of, or the power to exercise control or direction over, 10% or more of the issued voting or equity securities of any class of a reporting issuer thereby requiring immediate public disclosure for purposes of the Early Warning Requirements for which no exemption is available.

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

IT IS ORDERED pursuant to clause 104(2)(c) of the Securities Act that the Take-over Bid and Early Warning Requirements do not apply to the Oxbow Transaction.

"Lawrence E. Ritchie"
Commissioner
Ontario Securities Commission

"Paul K. Bates"
Commissioner
Ontario Securities Commission

2.2.5 Flaherty & Crumrine Incorporated - s. 80 of the CFA

Headnote

Section 80 of the Commodity Futures Act (Ontario) – Renewal of previous order (granted April 2, 2004) providing an exemption from the adviser registration requirements of subsection 22(1)(b) of the CFA that neither Flaherty & Crumrine, nor any of its directors, officers or employees acting on its behalf as an adviser, shall be subject to paragraph 22(1)(b) of the CFA in respect of advice provided for the benefit of an Ontario Fund, the principal investment adviser of which is an Ontario registrant, in respect of trades in commodity futures contracts and commodity futures options traded on commodity futures exchanges outside Canada and cleared through clearing houses outside Canada.

Fees waived as application only required because amendments to or a rule under the CFA that would have a similar effect as section 7.3 of Rule 35-502 – Non Resident Advisers have not yet been adopted.

Statutes Cited

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

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

AND

IN THE MATTER OF
FLAHERTY & CRUMRINE INCORPORATED

ORDER
(Section 80 of the CFA)

UPON the application of Flaherty & Crumrine Incorporated (**Flaherty & Crumrine**) to the Ontario Securities Commission (the **Commission**) for an order pursuant to Section 80 of the CFA,that neither Flaherty & Crumrine, nor any of its directors, officers or employees acting on its behalf as an adviser, shall be subject to paragraph 22(1)(b) of the CFA in respect of advice provided for the benefit of the Fund (as defined below), the principal investment adviser of which is an Ontario registrant, in respect of trades in commodity futures contracts and commodity futures options traded on commodity futures exchanges outside Canada and cleared through clearing houses outside Canada (the **Contracts**);

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

AND UPON Flaherty & Crumrine having represented to the Commission that:

1. The Flaherty & Crumrine Investment Grade Preferred Fund (the **Fund**) is an investment trust established under the laws of Ontario pursuant to a declaration of trust. The Fund was established for the purpose of holding an actively managed portfolio consisting primarily of preferred shares, hybrid preferred securities and various debt instruments (the **Preferred Portfolio**). At the time of purchase, all of the securities held in the Preferred Portfolio will be rated "investment grade".

2. The Fund will not purchase or sell commodities or commodity contracts except that the Fund may purchase and sell financial futures contracts and related options as part of its hedging strategies. Substantially all of the Preferred Portfolio will be hedged to the Canadian dollar at all times.

3. Brompton Capital Advisors Inc. (**BCA**) is the principal investment adviser to the Fund and is registered as an adviser under the *Securities Act* (Ontario) (the **OSA**) in the categories of investment counsel and portfolio manager and as a limited market dealer. In respect of commodity futures related advice, BCA and its directors, officers and employees rely on section 31(d) of the CFA, which provides registration relief for OSA registrants whose services as "advisers" for purposes of the CFA are solely incidental to their principal business.

4. Flaherty & Crumrine provides investment advisory and portfolio management services for the benefit of the Fund with respect to both the Preferred Portfolio and certain of the hedging strategies of the Fund.

5. Flaherty & Crumrine is a corporation headquartered in Pasadena, California and specializes in the active management of preferred shares, hybrid preferred securities and debt instruments for institutional investors and publicly traded closed-end funds. Flaherty & Crumrine is registered as an investment adviser under the *Investment Advisers Act* 1940, as amended, with the U.S. Commodities Futures Trading Commission as a commodity trading adviser and is a member of the U.S. National Futures Association.

6. In respect of its securities related investment advisory and portfolio management services for the benefit of the Fund, Flaherty & Crumrine and its directors, officers and employees rely on the exemption from registration under the OSA set out under section 7.3 of Ontario Securities Commission Rule 35-502 – *Non-Resident Advisers*, which provides that a non-resident adviser is exempt from the OSA registration requirement where the principal adviser is a registrant that pursuant to a written agreement, irrevocably accepts responsibility for the services

provided by the exempted non-resident. Flaherty & Crumrine is not registered in any capacity under the CFA and does not intend to seek registration under the CFA.

7. Pursuant to a written agreement among Flaherty & Crumrine, BCA, the Fund and the manager of the Fund, BCA will monitor the investment advice (both as relates to securities and as relates to commodity futures) provided for the benefit of the Fund by Flaherty & Crumrine and its directors, officers and employees and will be responsible to the Fund for any loss that arises as a result of Flaherty & Crumrine or its directors, officers and employees failing to:

   (a) exercise their powers and discharge their duties of their office honestly, in good faith and in the best interests of BCA and the Fund for whose benefit the advice is or portfolio management services are to be provided, or

   (b) exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances.

8. The offering documents of the Fund disclose that BCA will be responsible for Flaherty & Crumrine's investment advice and that to the extent applicable, there may be difficulty in enforcing any legal rights against Flaherty & Crumrine as it is not resident in Canada and as all or a substantial portion of its assets are situated outside of Canada.

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

IT IS ORDERED pursuant to Section 80 that Flaherty & Crumrine and its directors, officers and employees are not subject to the requirements of paragraph 22(1)(b) of the CFA in respect of their investment advice and portfolio management services for the benefit of the Fund, provided that:

   (a) the obligation and duties of Flaherty & Crumrine as an adviser are set out in a written agreement with BCA;

   (b) BCA contractually agrees with the Fund on whose behalf investment advice and portfolio management services are to be provided by Flaherty & Crumrine, its directors, officers and employees to be responsible for any loss that arises out of the failure of Flaherty & Crumrine, its directors, officers or employees so acting as advisers

      (i) to exercise the powers and discharge the duties of their office honestly, in good faith and in the best interests of BCA and the Fund for whose benefit the advice is or portfolio management services are to be provided, or

      (ii) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances;

   (c) BCA cannot be relieved by the Fund from its responsibility for loss under paragraph (b);

   (d) Flaherty & Crumrine is registered as an investment adviser under the *Investment Advisers Act 1940*, as amended, with the U.S. Commodities Futures Trading Commission as a commodity trading adviser and is a member of the U.S. National Futures Association;

   (e) BCA is registered as an investment counsel and portfolio manager under the OSA;

   (f) unless BCA is registered under the CFA as a commodity trading manager, at the time of purchase of a Contract by the Fund, after giving effect to such purchase, the original cost of all Contracts of the Fund would not be more than five percent of the total assets of the Fund; and

   (g) this Order shall terminate on the day that is five years after the date of the Order.

May 4, 2007

"Robert L. Shirriff"
Commissioner
Ontario Securities Commission

"James Turner"
Commissioner
Ontario Securities Commission

2.2.6 Land Banc of Canada Inc. et al. - s. 127

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

AND

IN THE MATTER OF
LAND BANC OF CANADA INC.,
LBC MIDLAND I CORPORATION,
FRESNO SECURITIES INC.,
RICHARD JASON DOLAN, MARCO LORENTI,
AND STEPHEN ZEFF FREEDMAN

ORDER
SECTION 127

WHEREAS on the 23rd day of April, 2007, the Ontario Securities Commission (the "Commission") ordered, pursuant to clause 2 of subsection 127(1) and subsection 127(5) of the Securities Act, R.S.O. 1990, c. S.5, as amended (the "Act") that all trading by Land Banc of Canada (“LBC”), LBC Midland I Corporation (“Midland”), Fresno Securities Inc. (“Fresno”), Richard Jason Dolan (“Dolan”) , Marco Lorenti (“Lorenti”) and Stephen Zeff Freedman (“Freedman”), (the "Respondents”), in any securities of Midland or any other corporation controlled by LBC, Dolan or Lorenti shall cease (the "Temporary Order");

AND WHEREAS the Commission further ordered as part of the Temporary Order that pursuant to clause 3 of subsection 127(1) and subsection 127(5) of the Act that any exemptions contained in Ontario securities law do not apply to the Respondents;

AND WHEREAS on May 1, 2007, the Commission issued a Notice of Hearing and Statement of Allegations in this matter;

AND WHEREAS upon submissions from counsel for Staff of the Commission and from counsel for Fresno and Freedman;

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

IT IS ORDERED THAT the Temporary Order against Fresno and Freedman is continued on consent of all parties until May 10, 2007.

Dated at Toronto this 8th day of May, 2007

“Patrick LeSage”

“Suresh Thakrar”

2.2.7 Land Banc of Canada Inc. et al. - s. 127

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

AND

IN THE MATTER OF
LAND BANC OF CANADA INC.,
LBC MIDLAND I CORPORATION,
FRESNO SECURITIES INC.,
RICHARD JASON DOLAN, MARCO LORENTI,
AND STEPHEN ZEFF FREEDMAN

ORDER
SECTION 127

WHEREAS on the 23rd day of April, 2007, the Ontario Securities Commission (the "Commission") ordered, pursuant to clause 2 of subsection 127(1) and subsection 127(5) of the Securities Act, R.S.O. 1990, c. S.5, as amended (the "Act") that all trading by Land Banc of Canada (“LBC”), LBC Midland I Corporation (“Midland”), Fresno Securities Inc. (“Fresno”), Richard Jason Dolan (“Dolan”) , Marco Lorenti (“Lorenti”) and Stephen Zeff Freedman (“Freedman”), (the "Respondents”), in any securities of Midland or any other corporation controlled by LBC, Dolan or Lorenti shall cease (the "Temporary Order");

AND WHEREAS the Commission further ordered as part of the Temporary Order that pursuant to clause 3 of subsection 127(1) and subsection 127(5) of the Act that any exemptions contained in Ontario securities law do not apply to the Respondents;

AND WHEREAS on May 1, 2007, the Commission issued a Notice of Hearing and Statement of Allegations in this matter;

AND WHEREAS upon submissions from counsel for Staff of the Commission and from counsel for Dolan and Lorenti;

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

IT IS ORDERED THAT

1. the Temporary Order is continued until May 17, 2007 with the following amendments respecting Dolan and Lorenti, until further order of the Commission;

2. Dolan shall be permitted to trade in securities listed on a recognized exchange, including mutual fund units, only in his own existing account(s) and through a dealer registered with the Commission; and

3. Lorenti shall be permitted to trade in securities listed on a recognized exchange, including mutual fund units, only in his own existing account(s) through a dealer registered with the Commission

Dated at Toronto this 8th day of May, 2007

"Patrick LeSage"

"Suresh Thakrar"

2.3 Rulings

2.3.1 Cranston, Gaskin, O'Reilly & Vernon - s. 74(1)

Headnote

Relief from the dealer registration and prospectus requirements of the Act to permit the distribution on an exempt basis of pooled fund securities to managed accounts held by non-accredited investors – Non-accredited investors are specified family members of core managed account clients that are accredited investors – ss. 25, 53 and 74(1) of Securities Act (Ontario).

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53, 74(1).

Rules Cited

National Instrument 45-106 Prospectus and Registration Exemptions.

May 1, 2007

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

AND

IN THE MATTER OF
CRANSTON, GASKIN, O'REILLY & VERNON
(the Filer)

AND

CGO&V BALANCED FUND
CGO&V CUMBERLAND FUND
CGO&V ENHANCED YIELD FUND
CGO&V EQUITY INCOME FUND
CGO&V FIXED INCOME FUND
CGO&V BEDFORD FUND
CGO&V PRIVATE EQUITY FUND
CGO&V CANADIAN EQUITY FUND
(the Existing Funds)

RULING
(Subsection 74(1) of the Act)

Background

The Ontario Securities Commission (the "**Commission**") has received an application from the Filer, on behalf of itself, the Existing Funds and any pooled funds established and managed by the Filer after the date hereof ("**Future Funds**", and together with the Existing Funds, the "**Funds**", individually, a "**Fund**") for a ruling pursuant to subsection 74(1) of the Act that distributions of units of the Fund to Secondary Managed Accounts (as defined below) will not be subject to the dealer registration and prospectus

requirements under sections 25 and 53 of the Act (the "**Dealer Registration and Prospectus Requirements**").

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 Ruling is based on the following facts represented by the Filer:

1. The Filer is a general partnership organized under the *Partnerships Act* (Ontario). Its head office is in Toronto.

2. The Filer is registered with the Commission as an Investment Counsel, Portfolio Manager and Limited Market Dealer and is registered in the appropriate categories to provide discretionary investment management in British Columbia, Alberta, Quebec and Nova Scotia.

3. The Filer is the manager and portfolio advisor of the Existing Funds and will act in such capacity for each Future Fund.

4. Each of the Funds is or will be an open-end mutual fund trust or limited partnership established under the laws of the Province of Ontario. Each of the Funds is or will be a "mutual fund" under the Act. The Funds are not or will not be reporting issuers in any province or territory of Canada and are, or will be, sold in Ontario under applicable exemptions from the Dealer Registration and Prospectus Requirements.

5. The Filer provides discretionary investment management services ("**Managed Services**") to clients pursuant to investment management agreements between the clients and the Filer ("**Managed Account Agreements**"). Based on the size of the assets of the clients and depending on the allocation of a client's assets to a particular asset class, the Filer either manages the client's assets on a segregated account basis or on a pooled basis.

6. Pursuant to its Managed Account Agreements with its clients, the Filer has full authority to provide its investment management services, including investing clients in mutual funds for which the Filer is the portfolio advisor and changing those funds as the Filer determines in accordance with the mandate of the clients

7. The Managed Services are provided by employees of the Filer who meet the proficiency requirements of a portfolio manager under the Ontario securities law.

8. The Managed Services consist of the following:

   (a) each client who accepts Managed Services executes a Managed Account Agreement whereby the client authorizes the Filer to supervise, manage and direct purchases and sales, at the Filer's full discretion on a continuing basis;

   (b) the Filer's qualified employees perform investment research, securities selection and management functions with respect to all securities, investments, cash equivalents or other assets in the managed account;

   (c) each managed account holds securities as selected by the Filer; and

   (d) the Filer retains overall responsibility for the Managed Services provided to its clients and has designated a senior officer to oversee and supervise the Managed Services.

9. The Filer's Managed Services clients consist primarily of persons who qualify as accredited investors under National Instrument 45-106 *Prospectus and Registration Exemptions* ("**NI 45-106**"), hereinafter referred to in this Ruling as "**Primary Managed Account**" clients. The minimum aggregate account balance for a Primary Managed Account is $1,000,000.

10. The Filer may however, from time to time, agree to provide Managed Services to clients who are not accredited investors under NI 45-106. Such clients would consist primarily of family members of Primary Managed Account clients, but may also include persons who have another relationship with the holder of a Primary Managed Account where there are exceptional factors that have persuaded the Filer for business reasons to accept such persons as clients. Assets managed by the Filer for the family members and other persons described above would be incidental to the assets it manages for holders of Primary Managed Accounts. Managed Services clients who do not or will not qualify as accredited investors under NI 45-106 are hereinafter referred to in this Ruling as "**Secondary Managed Account**" clients. Together, the Primary Managed Accounts and the Secondary Managed Accounts are hereinafter referred to as the "**Managed Accounts**".

11. The Filer would service these Secondary Managed Account clients as a courtesy to its Primary Managed Account clients, or with the expectation that a Secondary Managed Account client will satisfy the requirements of NI 45-106 in the future.

12. Investments in individual securities may not be ideal for the Secondary Managed Account clients since they may not receive the same asset diversification benefits and may incur disproportionately higher brokerage commissions relative to the Primary Managed Account clients due to minimum commission charges.

13. To improve the diversification and cost benefits to Secondary Managed Account clients, the Filer wishes to distribute securities of the Funds to Secondary Managed Accounts. A Secondary Managed Account client would thereby be able to receive the benefit of the Filer's investment management expertise, regarding both asset allocation and individual stock selection, as well as receive the benefits of lower costs and broader asset diversification associated with pooled investments relative to direct holdings of individual securities.

14. NI 45-106 currently does not recognize a portfolio manager acting on behalf of a managed account in Ontario as being an accredited investor if that account is acquiring a security of an investment fund. Accordingly, in the absence of relief from the Dealer Registration and Prospectus Requirements, the Filer is prohibited from selling units of the Funds to a Managed Account in Ontario on an exempt basis unless the holder of that account personally qualifies as an accredited investor in his or her own right or is otherwise able to make a minimum investment of $150,000 in the Fund in accordance with the requirements of NI 45-106. These requirements either act as a barrier to Secondary Managed Account clients investing in the Funds, or may cause the Filer to invest more of a Secondary Managed Account client's portfolio in a Fund than it might otherwise prefer to allocate.

15. There will be no commission payable by a Managed Services client on the sale of units of the Funds to a Managed Account. Nor will referral fees be paid by the Filer to a person or company in connection with the referral to the Filer of Secondary Managed Account clients that invest in units of a Fund.

Ruling

The Commission being satisfied that the relevant test contained in subsection 74(1) of the Act has been met, the Commission rules pursuant to subsection 74(1) of the Act that relief from the Dealer Registration and Prospectus Requirements is granted in connection with the distribution of units of the Funds to Secondary Managed Accounts provided that,

(a) this Ruling will terminate upon the coming into force of any legislation or rule of the Commission exempting a trade by a fully managed account in securities of investment funds from the Dealer Registration and Prospectus Requirements in the Act;

(b) this Ruling shall only apply where the holder of the Secondary Managed Account is, and in the case of clauses (iii) to (vi) below remains,

(i) an individual (of the opposite sex or same sex) who is or has been married to the holder of a Primary Managed Account, or is living or has lived with the holder of a Primary Managed Account in a conjugal relationship outside of marriage;

(ii) a parent, grandparent, child or sibling of either the holder of a Primary Managed Account or the individual referred to in clause (i) above;

(iii) a personal holding company controlled by an individual referred to in clause (i) or (ii) above;

(iv) a trust, other than a commercial trust, of which an individual referred to in clause (i) or (ii) above is a beneficiary;

(v) a private foundation controlled by an individual referred to in clause (i) or (ii) above; or

(vi) a close business associate, employee or professional adviser to a holder of a Primary Managed Account provided that:

(A) there are factors that have persuaded the Filer for business reasons to accept such close business associate, employee or professional adviser as a Secondary Managed Account client, and a record is kept and maintained of the exceptional factors considered; and

(B) the Secondary Managed Account clients acquired through such relationships to a holder of a Primary Managed Account shall not at any time represent more than

five percent of the Filer 's total Managed Account assets under management; and

(c) the Filer does not receive any compensation in respect of a sale or redemption of units of the Funds (other than redemption fees disclosed in the offering documents of the Funds) and the Filer does not pay a referral fee to any person or company who refers Secondary Managed Account clients who invest in units of the Funds.

"James E.A. Turner"
Vice-Chair

"Paul K. Bates"
Commissioner

2.3.2 Northwood Stephens Private Counsel Inc. et al. - ss. 74(1), 121(2)(a)(ii)

Headnote

Relief from the prospectus requirements of the Act to permit the distribution of pooled fund units to certain fully managed accounts on an exempt basis – Relief from self-dealing prohibition of the Act to allow in specie transfers between pooled funds or mutual funds and managed accounts.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 53, 74(1), 118(2)(b), 121(2)(a)(ii).

Rules Cited

National Instrument 81-102 Mutual Funds.
National Instrument 45-106 Prospectus and Registration Exemptions.

May 4, 2007

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

AND

IN THE MATTER OF
NORTHWOOD STEPHENS PRIVATE COUNSEL INC.
("Northwood Stephens")
AND
NSFC FIXED INCOME FUND
NSPC DIVIDEND INCOME FUND
NSPC CANADIAN EQUITY FUND
NSPC US EQUITY FUND
NSPC INTERNATIONAL EQUITY FUND
(the "NSPC Funds")

RULING AND ORDER
(Subsection 74(1) and Clause 121(2)(a)(ii) of the Act)

Background

The Ontario Securities Commission (the "**Commission**") has received an application from Northwood Stephens on behalf of itself, the NSPC Funds and any pooled fund established and managed by Northwood Stephens after the date hereof (a "**Future Fund**", and together with the NSPC Funds, the "**Funds**", or individually a "**Fund**"), for:

(a) a ruling, pursuant to subsection 74(1) of the Act, that distributions of units of the Funds managed by Northwood Stephens to Managed Accounts (as defined below) will not be subject to the dealer registration and prospectus requirements under sections 25 and 53 of the Act (the "**Dealer Registration and Prospectus Requirements**"); and

(b) an order, pursuant to clause 121(2)(a)(ii) of the Act, that *In Specie* Transfers (as defined below) between the Funds and the Managed Accounts (as defined below) will be exempt from the prohibition in paragraph 118(2)(b) of the Act which prevents a portfolio manager from knowingly causing any investment portfolio managed by it to purchase or sell the securities of any issuer from or to the account of a responsible person, any associate of a responsible person or the portfolio manager (the "**Self-Dealing Prohibition**").

Representations

This Ruling and Order is based on the following facts represented by Northwood Stephens:

1. Northwood Stephens is incorporated under the laws of Ontario with its head office in Toronto.

2. Northwood Stephens is registered as an adviser in the categories of investment counsel and portfolio manager and as a limited market dealer with the Commission. Northwood Stephens is not registered in any jurisdictions outside of Ontario.

3. Northwood Stephens proposes to establish the NSPC Funds as open-end mutual fund trusts. Northwood Stephens will be the portfolio manager, administrative manager, and trustee of the NSPC Funds. The Future Funds will consist of open-end mutual fund trusts or limited partnerships for which Northwood Stephens will be appointed as portfolio manager, administrative manager, and trustee for each Future Fund that is formed as a trust.

4. The Funds fit, or will fit, within the definition of an "investment fund" under the Act. The Funds are not, and likely will not be, reporting issuers under the Act, and are, or will be, sold in Ontario under applicable exemptions from the prospectus and dealer registration requirements.

5. Northwood Stephens offers portfolio management and related financial advice and services, including investment consulting and discretionary investment management, to individual investors including wealthy families and foundations (each, a "**Client**") seeking wealth management or related services ("**Managed Services**") through a managed account ("**Managed Account**"). Pursuant to a written agreement ("**Investment Management Agreement**") between Northwood Stephens and the Client, Northwood Stephens 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.

6. The Managed Services are provided by employees of Northwood Stephens who meet the proficiency requirements of an advising officer or advising representative (or associate advising officer or associate advising representative) under Ontario securities law.

7. The Managed Services consist of the following:

   (a) each Client who accepts Managed Services executes an Investment Management Agreement whereby the Client authorizes Northwood Stephens to supervise, manage and direct purchases and sales, at Northwood Stephens' full discretion on a continuing basis;

   (b) Northwood Stephens determines whether it is appropriate to delegate some or all of the portfolio management of a Client's Managed Account to a sub-advisor;

   (c) if Northwood Stephens performs the portfolio management services for the Client, then Northwood Stephens' qualified employees perform investment research, securities selection and management functions with respect to all securities, investments, cash equivalents or other assets in the Managed Account;

   (d) each Managed Account holds securities as selected by Northwood Stephens or sub-advisor(s), as appropriate; and

   (e) Northwood Stephens retains overall responsibility for the Managed Services provided to its Clients (including any portfolio management services provided by a sub-advisor) and has designated a senior officer to oversee and supervise the Managed Services.

8. Northwood Stephens' minimum aggregate balance for all the accounts of a client is $2,000,000. This minimum may be waived at Northwood Stephens' discretion. From time to time, Northwood Stephens may accept certain Clients for Managed Accounts with less than $2,000,000 under management.

9. Northwood Stephens generally provides Managed Services to Clients ("**Primary Clients**") who are "accredited investors" within the meaning of National Instrument 45-106 *Prospectus and Registration Exemptions* ("**NI 45-106**"). However, from time to time, Northwood Stephens may agree to provide services to Clients who are not accredited investors ("**Secondary Clients**"). For purposes of this application, the Secondary Clients are Clients who are accepted by Northwood Stephens because of a relationship between the Secondary Client and a Primary Client, typically family members, including a

spouse, parent, grandparent, child, or sibling of a Primary Client.

10. Primary Clients constitute the main source of business for Northwood Stephens and the business of Secondary Clients is incidental to the business of Primary Clients. The business of a Secondary Client is generally accepted by Northwood Stephens as a courtesy to the Primary Client.

Relief from the Dealer Registration and Prospectus Requirements

11. Investments in individual securities may not be appropriate in certain circumstances for Northwood Stephens' Clients. Northwood Stephens is proposing to create the NSPC Funds to give its Clients 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).

12. To improve the diversification and cost benefits to its Clients in Managed Accounts, Northwood Stephens wishes to distribute units of the Funds without a minimum investment. These Clients would thereby be able to receive the benefit of Northwood Stephens' investment management expertise, regarding both asset allocation and individual stock selection, as well as receive the benefits of lower costs and broader asset diversification associated with pooled investments relative to direct holdings of individual securities.

13. Northwood Stephens wishes to be able to offer a Fund to a Secondary Client without being required to invest $150,000 in that Fund.

14. Northwood Stephens may also distribute units of the Funds pursuant to a subscription agreement to investors who do not have Managed Accounts pursuant to available exemptions from the dealer registration and prospectus requirements.

15. Accredited investors will own a significant majority of the Funds. Northwood Stephens anticipates that Secondary Clients would represent less than 10% of the investors in the Funds initially and that this number will decline over time as additional Primary Clients invest in the Funds.

16. Under the Investment Management Agreements between each Client and Northwood Stephens, Clients agree to pay Northwood Stephens a management fee based upon a percentage of assets under management in the Managed Account. Terms of the fees are detailed in each Client's Investment Management Agreement. None of the NSPC Funds will charge a management fee directly to investors.

17. Northwood Stephens may create Future Funds that charge a management fee directly to investors. Where Northwood Stephens invests on behalf of a Managed Account in Funds that would otherwise pay a management fee to Northwood Stephens as an advisor, the Managed Account will purchase units of a series without such fees. Accordingly, there will be no duplication of fees between a Managed Account and the Funds.

18. There will be no commission payable by a Client on the sale of units of the Funds to a Managed Account and nor will referral fees be paid to a person or company in connection with the referral to Northwood Stephens of Clients that invest in units of a Fund through Managed Accounts.

19. Unless the requested relief is granted, Northwood Stephens will be prohibited from selling units of the Funds to Managed Accounts where the client resides in Ontario and is not an accredited investor or does not invest a minimum of $150,000 in each Fund.

Relief from the Self-Dealing Prohibition

20. Northwood Stephens wishes to permit payment, in whole or in part, for Fund units purchased by a Managed Account to be made by making good delivery of securities, held by such Managed Account, to a Fund, provided those securities meet the investment criteria of the Fund. Implementing *in specie* transfers of securities between a Managed Account and a Fund reduces market impact costs, which can be detrimental to Clients. *In specie* transfers also allow a portfolio manager to efficiently retain within its control institutional-size blocks of securities that otherwise would need to be broken and re-assembled. Such securities often are those that trade in lower volumes, with less frequency, and have larger bid-ask spreads.

21. Similarly, after a redemption of units of a Fund by a Managed Account, Northwood Stephens may permit payment, in whole or in part, of redemption proceeds to be satisfied by making good delivery of securities held in the investment portfolio of a Fund to such Managed Account, if those securities meet the investment criteria of the Managed Account (the transactions described in this paragraph and the previous paragraph are collectively referred to as "***In Specie* Transfers**").

22. Northwood Stephens anticipates *In Specie* Transfers to occur following a redemption of units of a Fund where a Managed Account invested in such Fund has experienced a change in circumstances, which results in the Managed Account being an ideal candidate for direct

holdings of individual securities rather than Fund units.

23. The only costs which will be incurred by a Fund or Managed Account for an *In specie* Transfer are nominal administrative charges levied by the custodian of the Managed Account or Fund to record the trade and/or any commission charged by a dealer executing the trade.

24. None of the securities which are the subject of *In Specie* Transfers are or will be securities of related issuers of Northwood Stephens.

25. As Northwood Stephens is the portfolio manager of the Managed Accounts, it would be considered a "responsible person" under subsection 118(1) of the Act with respect to the Managed Accounts. Furthermore, each of the Funds that is a trust is or will be an "associate" of Northwood Stephens under the Act because Northwood Stephens serves, or will serve, as trustee of the Funds.

26. Unless the requested relief is granted, the Self-Dealing Prohibition will prohibit Northwood Stephens from causing a Managed Account to make an *In Specie* Transfer of securities of any issuer to or from any of the Funds of which Northwood Stephens is the trustee, as such Funds would each be an associate of Northwood Stephens.

Ruling and Order

The Commission being satisfied that the relevant tests contained in subsection 74(1) and clause 121(2)(a)(ii) of the Act have been met, the Commission:

1. rules, pursuant to subsection 74(1) of the Act, that relief from the Dealer Registration and Prospectus Requirements is granted in connection with the distribution of securities of the Funds to Managed Accounts provided that,

   (a) this ruling will terminate upon the coming into force of any legislation or rule of the Commission exempting a trade by a fully managed account in securities of investment funds from the Dealer Registration and Prospectus Requirements in the Act;

   (b) this ruling shall only apply where the Secondary Client is, and in the case of clauses (iii) to (vi) below remains,

      (i) an individual (of the opposite or same sex) who is or has been married to a Primary Client, or is living or has lived with a Primary Client in a conjugal relationship outside of marriage;

      (ii) a parent, grandparent, child or sibling of either a Primary Client or the individual referred to in clause (i) above;

      (iii) a personal holding company controlled by an individual referred to in clause (i) or (ii) above;

      (iv) a trust, other than a commercial trust, of which an individual referred to in clause (i) or (ii) above is a beneficiary;

      (v) a private foundation controlled by an individual referred to in clause (i) or (ii) above; or

      (vi) a close business associate, employee or professional adviser to a Primary Client provided that

         (A) in each instance, there are exceptional factors that have persuaded Northwood Stephens for business reasons to accept such close associate, employee or professional adviser as a Secondary Client and waive Northwood Stephens' minimum aggregate balance, and a record is kept and maintained of the exceptional factors considered; and

         (B) the Secondary Clients acquired through such relationships to a Primary Client shall not at any time represent more than five percent of Northwood Stephens' total Managed Account assets under management; and

   (c) Northwood Stephens does not receive any compensation in respect of a sale or redemption of securities of the Funds (other than redemption fees disclosed in the offering documents of the Funds), and Northwood Stephens does not pay a referral fee to any person or company who refers Secondary Clients who invest in securities of the Funds

through Managed Accounts managed by Northwood Stephens.

2. orders, pursuant to clause 121(2)(a)(ii) of the Act, that the Self-Dealing Prohibition shall not apply to Northwood Stephens in connection with the payment of the purchase or redemption price of shares of a Fund by *In Specie* Transfers between the Managed Accounts and the Funds, provided that:

   (a) in connection with the purchase of securities of any of the Funds by a Managed Account:

      (i) Northwood Stephens obtains the prior written consent of the relevant Managed Account Client before it engages in any *In Specie* Transfers in connection with the purchase of securities;

      (ii) the Fund would at the time of payment be permitted to purchase those securities;

      (iii) the securities are acceptable to the portfolio advisor of the Fund and consistent with the Fund's investment objective;

      (iv) the value of the securities is at least equal to the issue price of the securities of the Fund for which they are payment, valued as if the securities were portfolio assets of that Fund; and

      (v) the account statement next prepared for the Managed Account includes a note describing the securities delivered to the Fund and the value assigned to such securities; and

   (b) in connection with the redemption of securities of a Fund by a Managed Account:

      (i) Northwood Stephens obtains the prior written consent of the relevant Managed Account Client to the payment of redemption proceeds in the form of an *In specie* Transfer;

      (ii) the securities are acceptable to the portfolio advisor of the Managed Account and consistent with the Managed Account's investment objective;

      (iii) the value of the securities is equal to the amount at which those securities were valued in calculating the net asset value per security used to establish the redemption price;

      (iv) the holder of the Managed Account has not provided notice to terminate its Investment Management Agreement with Northwood Stephens; and

      (v) the account statement next prepared for the Managed Account includes a note describing the securities delivered to the Managed Account and the value assigned to such securities; and

   (c) Northwood Stephens does not receive any compensation in respect of any sale or redemption of securities of a Fund (other than redemption fees disclosed in the offering documents of the Funds), and, in respect of any delivery of securities further to an *In Specie* Transfer, the only charges paid by the Managed Account is the commission charged by the dealer executing the trade and/or any administrative charges levied by the custodian.

"Robert L. Shirriff"
Commissioner

"James Turner"
Vice-Chair

2.3.3 Muskoka Wharf Corporation - s. 74(1)

Headnote

Trades in residential condominium units included in a rental pool program are not subject to section 25 or 53 provided that purchasers receive certain disclosure prior to entering into an agreement of purchase and sale.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, as am., ss. 25, 53, 74(1).
Condominium Act, R.S.O. 1990, as am.
Real Estate and Business Brokers Act, R.S.O. 1990, as am.
Ontario Securities Commission Rule 14-501 Definitions

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

AND

IN THE MATTER OF
MUSKOKA WHARF CORPORATION

RULING
(Subsection 74(1))

UPON the application of Muskoka Wharf Corporation (the Applicant) to the Ontario Securities Commission (the Commission) for a ruling pursuant to subsection 74(1) of the Act that the sale by the Applicant of condominium hotel accommodation suites (the Accommodation Suites) within a Marriott Residence Inn condominium hotel (the Condohotel) that is to be built by the Applicant on certain lands located within the Muskoka Wharf project, at 285 Steamship Bay Road, in the Town of Gravenhurst, Ontario (the Town), will not be subject to section 25 and 53 of the Act;

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

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

1. The Applicant was established by articles of incorporation under the *Business Corporations Act* (Ontario) on June 27, 2003.

2. The Applicant is not a reporting issuer under the Act nor under any other securities legislation in Canada.

3. The Applicant proposes to develop and operate the Condohotel on certain lands located within the Muskoka Wharf project, in the Town of Gravenhurst, Ontario. The Condohotel comprises one five storey condominium complex which will include a total of approximately 106 Accommodation Suites as well as common elements and certain commercial facilities.

4. Each Accommodation Suite will have a living area, a kitchenette, one or two bathrooms and a sleeping area or one or two bedrooms and will be sold fully equipped and furnished.

5. The common elements (the Common Elements) will comprise all property within the Condohotel other than the Accommodation Suites and the commercial facilities and will include: the patio courtyard, exclusive use common element balconies, parking spaces, the pool, hot tub, exercise room, hearth room, lobby, library, breakfast room, pre-function room, mechanical, heating, electrical, laundry, kitchen and housekeeping facilities.

6. The commercial facilities will consist of a hotel management unit (the Hotel Management Unit), two meeting room units and a bar/lounge unit. The Hotel Management Unit will consist of a hotel administration area which will include the front desk and administrative offices.

7. In addition to his or her own Accommodation Suite, each owner (individually, an Owner and collectively, the Owners) will be entitled to a proportionate share of the Condohotel's common property and the Common Elements and other assets of the condominium corporation (the Condominium Corporation) that will be created pursuant to the *Condominium Act, 1998*, S.O. 1998, c. C.19 (the Condominium Act).

8. The development of the Condohotel is subject to Zoning By-Law No. 94-54 as amended by By-Law No. 2005-80 (the Zoning By-Law) of the Town.

9. As a result of Subsection 599 of the Zoning By-Law (the Accommodation Suite Restriction), each Accommodation Suite must be included in a rental pool, which is defined as the assemblage and collective offering of guest rooms or suites to the travelling or vacationing public for short duration, non-residential use, through a central reservation system.

10. The Town has provided the Applicant with written confirmation that the Owners can use the Accommodation Suites for personal use, as members of the *travelling or vacationing public*. The Applicant and the Town are engaged in discussions regarding the terms and conditions of a Condominium Agreement (the Condominium Agreement) which will provide that no Owner occupies his or her Accommodation Suite for more than thirty (30) days in each summer season and that the Zoning By-Law's reference to the term *travelling or vacationing public* includes the Owners of Accommodation Suites, provided that no Owner occupies his or her Accommodation

Suite for more than thirty days in each summer season. The Condominium Agreement will confirm an Owner's ability to use his or her Accommodation Suite for vacationing purposes subject to the summer season restriction described above and the other personal use restrictions described in Paragraphs 23 to 29 below.

11. Execution of the Condominium Agreement by the Applicant and the Town may be a condition to be met or fulfilled before the Condohotel can become registered under the Condominium Act. In the event that (i) execution of the Condominium Agreement is imposed as a condition of registration under the Condominium Act; and (ii) if the Applicant and the Town do not enter into the Condominium Agreement, then the Applicant will be unable to complete the sale of any of the Accommodation Suites and each initial purchaser of an Accommodation Suite will be entitled to a full refund of his or her deposit with interest at a prescribed rate in accordance with the Condominium Act.

12. As contemplated by the Zoning By-Law, each Owner will enter into a rental pool management agreement (the Rental Pool Management Agreement) with the Applicant.

13. The Rental Pool Management Agreement will require the Owners of Accommodation Suites to participate in an arrangement whereby revenues derived from, and certain expenses relating to, the rental of Accommodation Suites will be shared by the Owners in accordance with their proportionate interest in the Condohotel (the Rental Pool) and the terms and conditions of the Rental Pool Management Agreement.

14. The Rental Pool Management Agreement will appoint Muskoka Wharf Management Services Inc., a wholly-owned subsidiary of the Applicant, as the exclusive manager (the Rental Pool Manager) of an Owner's Accommodation Suite, it will grant the Rental Pool Manager the right to use and enjoy, and to allow guests to use and enjoy, all of the Owner's rights to the use and enjoyment of the Common Elements and it will require the Owners to be bound by all Accommodation Suite rentals that are booked by the Rental Pool Manager in accordance with the Rental Pool Management Agreement.

15. The Rental Pool Manager will be required to determine the rental rates for Accommodation Suites; to coordinate the rental of Accommodation Suites; to collect all rental payments and room charges (the Gross Rental Pool Revenue); to deposit the Gross Rental Pool Revenue into a trust account or accounts under the exclusive control of the Rental Pool Manager; and generally to operate, supervise, manage, clean and maintain the Accommodation Suites.

16. The Rental Pool Manager will be responsible for all Condohotel operating costs other than certain fees, charges and expenses listed in the Rental Pool Management Agreement (the Fees, Charges and Expenses) that are to be borne by the Owners and payable to third parties in connection with the earning of revenues for the Condohotel. The Rental Pool Manager will be entitled to deduct the Fees, Charges and Expenses from the Gross Rental Pool Revenue on behalf of the Owners. In the event that the Gross Rental Pool Revenue does not cover the full amount of the Fees, Charges and Expenses, then the Rental Pool Manager will be responsible for any deficiency.

17. Following deduction of the Fees, Charges and Expenses from the Gross Rental Pool Revenue, the remaining balance (the Adjusted Gross Rental Pool Revenue) will be allocated between the Rental Pool Manager and the Owners as follows. As compensation for the services which the Rental Manager will provide, the Rental Pool Manager will be entitled to the payment of a management fee equal to 50% of the Adjusted Gross Rental Pool Revenue. The remaining 50% of the Adjusted Gross Rental Pool Revenue (the Net Rental Pool Revenue) is payable pro rata to each Owner, to the extent of his or her participation in the Rental Pool, net of certain fees and charges that are payable by the Owners as described below.

18. Common expenses and all repair reserve funds in respect of the Common Elements will be determined by the Condominium Corporation and are payable by each Owner based on the square footage of his or her Accommodation Suite. If an Owner’s Net Rental Pool Revenue is not sufficient to cover the Owner’s share of the common expenses and reserve fund contribution, then the Condominium Corporation will reasonably require that the Owner pay any amount outstanding.

19. Maintenance fees and repair costs for each individual Accommodation Suite, including charges for annual deep cleaning, furniture and appliance repair and normal 'wear-and-tear', will be payable by the Owner of the Accommodation Suite. In the event that an Owner's Accommodation Suite is damaged by a hotel guest who rents that Suite, the Owner will be ultimately responsible for the repair costs but the Rental Pool Manager and the Owner will co-operate in recovering the costs from the guest. Individual expenses incurred in connection with an Owner's personal use of his or her Accommodation Suite, including such items as room service charges and telephone bills, shall be paid after each period of personal use by the Owner. The Rental Pool Manager will deduct any

unpaid individual expenses incurred by an Owner from that Owner's remaining Net Rental Pool Revenue. Each Owner will be responsible to the Rental Pool Manager for any shortfall between the Owner's remaining Net Rental Pool Revenue and any of the costs associated with the Owner's Accommodation Suite. The Owner is not responsible for personal use charges incurred by hotel guests of the Rental Pool Manager.

20. The Rental Pool Management Agreement will list the fees and charges payable by the Owner, including a description of how the costs associated with the operation and maintenance of the Accommodation Suites and the Condohotel will be allocated between the Rental Pool Manager and the Owners. Each Owner will give the Rental Pool Manager permission to make additional deductions from the Adjusted Gross Rental Pool Revenue, if and to the extent that the deductions are necessary to ensure that the Condohotel continues to operate to Marriott's hotel standards which are set out in the Hotel Management Agreement (as defined in Paragraph 30 below).

21. The Disclosure Document (as defined in Paragraph 38 below) and Disclosure Document Summary (as defined in Paragraph 45 below) will contain the following risk factor: "Each Owner of an Accommodation Suite will be responsible for a number of costs and charges associated with the ongoing operation of the Condohotel. These costs will be deducted from the Owner's share of adjusted rental pool revenue (the resulting figure being the Owner's Net Rental Revenue, as defined in the Rental Pool Management Agreement) and there is no guarantee that the amount of the Owner's Net Rental Revenue will be sufficient to cover such costs. In the event that an Owner's Net Rental Revenue is insufficient to cover the costs owed by the Owner, the Owner may have to pay additional amounts to the Rental Pool Manager (as defined in the Rental Pool Management Agreement). The Owner, for example, will be responsible for the repair, replacement and upkeep costs for that Owner's Accommodation Suite, including replacement of furniture and annual cleaning costs. Owners will also be responsible for covering the cost of any damage to an Owner's Accommodation Suite as a result of rental of the Accommodation Suite to a third party by the Rental Pool Manager. For complete information on all costs and charges to be levied against Owners, prospective purchasers should carefully read the Rental Pool Management Agreement".

22. The Rental Pool Management Agreement will have an initial term of 25 years, commencing on the later of the date of the execution of the Rental Pool Management Agreement and the opening date of the Condohotel, and it will be subject to extension by the Rental Pool Manager, on the same terms and conditions, for up to two extension terms of 10 years each unless terminated in accordance with its terms by the Owners upon the occurrence of certain events and the approval of more than three-quarters of the Owners.

23. Under the terms of the Rental Pool Management Agreement, each Owner will be entitled to occupy his or her Accommodation Suite for his or her own personal use for a maximum of 5 weeks per year subject to certain Accommodation Suite advanced reservation procedures and certain seasonal and peak period use restrictions which are considered to be essential to the commercial viability of the Condohotel.

24. Subject to the short notice booking procedure described below, an Owner may reserve his or her own Accommodation Suite for his or her own personal use during the summer, fall, winter or spring season by booking the Accommodation Suite at least six months in advance provided the Rental Pool Manager has not accepted any prior reservation of the Accommodation Suite from a member of the public in accordance with the terms and conditions of the Rental Pool Management Agreement.

25. The Rental Pool Management Agreement provides that the Rental Pool Manager may accept Accommodation Suite reservations from the public at any time more than six months in advance of the fall, winter and spring seasons for up to 40% of the total number of days available for all Accommodation Suites during that season. On any day falling from June 30 to Labour Day during the summer season or within the March break, Christmas break, Easter weekend or Thanksgiving weekend, the Rental Pool Manager may accept Accommodation Suite reservations from the public up to six months in advance for that day, for up to 40% of the Accommodation Suites in the Condohotel.

26. Seasonal use restrictions will limit each Owner's personal use to 14 days during each seasonal quarter of a calendar year.

27. Personal use during each season must include at least one weekly period comprising seven consecutive days but may not exceed 14 days in any of the spring, summer, fall or winter seasons, and cannot exceed 35 days per calendar year. Subject to certain short-notice bookings (Short Notice Bookings), the use of the balance of an Owner's personal use days must involve minimum commitments of two consecutive days which cannot begin or end on a Saturday.

28. In addition to each Owner's seasonal use entitlements, an Owner may also book his or her

Accommodation Suite on short notice provided it has not already been reserved for use by a member of the public. Short Notice Bookings cannot be made more than 30 days in advance of the date required. Short Notice Bookings that are made more than 7 days in advance of the date required will count towards the Owner's annual 5 week personal use allotment. Short Notice Bookings that are made 7 days or less in advance of the date required will not count towards an Owner's personal use allotment. The Rental Pool Manager reserves the right to refuse to accept a short notice booking if at the time of an Owner's request, the Condohotel has a vacancy rate of 20% or less for the dates required.

29. If an Owner's Accommodation Suite is not available at the time the Owner seeks to make a personal use booking, the Rental Pool Manager may offer the Owner a substitute Accommodation Suite which is similar to the Owner's Accommodation Suite and the Owner may either accept or reject the Rental Pool Manager's offer.

30. The Rental Pool Management Agreement contemplates the Rental Pool Manager entering into a number of different agreements with Marriott Hotels of Canada, Ltd. (Marriott Hotels) and International Hotel Licensing Company S.A R.L (IHLC) (Marriott Hotels and IHLC being collectively referred to herein as Marriott) including a hotel management agreement (the Hotel Management Agreement) and an international services agreement (the International Services Agreement) which agreements will appoint Marriott to perform a substantial portion of the obligations of the Rental Pool Manager under the Rental Pool Management Agreement as part of Marriott's general obligation to operate and manage the Condohotel.

31. As the operator and manager of the Condohotel, Marriott will be acting as an independent contractor only and not as an agent of the Rental Pool Manager. Accordingly, when entering into the Rental Pool Management Agreement with the Rental Pool Manager, each Owner will be required to authorize the Rental Pool Manager to delegate some of its obligations, rights and privileges under the Rental Pool Management Agreement to Marriott and he or she will be required to acknowledge that Marriott will have no liability to the Owner under the Hotel Management Agreement and that an Owner's only recourse for non-performance of the Rental Pool Manager's obligations to the Owner will be as against the Rental Pool Manager.

32. As compensation for the services which Marriott Hotels will provide to the Rental Pool by operating and managing the Condohotel, Marriott Hotels will be entitled to the payment of a base royalty fee and an incentive royalty fee. The base royalty fee will be an amount equal to a prescribed percentage of the Gross Rental Pool Revenue. The incentive royalty fee will be an amount equal to a prescribed percentage of available cash flow, calculated as the operating profit less the Owner's priority.

33. Like the Rental Pool Management Agreement, the Hotel Management Agreement and the International Services Agreement will each have an initial term of 25 years, commencing on the date on which it is executed. The Hotel Management Agreement and the International Services Agreement shall each renew automatically, on the same terms and conditions, for up to two consecutive terms of 10 years each, unless terminated in accordance with its terms and conditions.

34. The Accommodation Suites will be offered for sale to the public in Ontario by brokers licensed under the *Real Estate and Business Brokers Act, 2002*, S.O. 2002, c.30, Schedule C (the Real Estate and Business Brokers Act, 2002), or by full-time salaried employees of the Applicant pursuant to an exemption under Subsection 5(1)(f) of the Real Estate and Business Brokers Act, 2002.

35. The offering and sale of Accommodation Suites will be made in compliance with the Condominium Act.

36. Prospective purchasers will not be provided with any rental or cash flow forecasts or guarantees or any other form of financial projection or commitment on the part of the Applicant or Rental Pool Manager, other than the budget required to be delivered to an initial purchaser of an Accommodation Suite under the Condominium Act.

37. The economic value of an Accommodation Suite will be attributable primarily to its real estate characteristics in the context of the Condohotel setting rather than any future income potential which it might offer. Accommodation Suites will be advertised and marketed as vacation properties and will not be advertised or marketed with reference to any expected economic benefits of the Rental Pool Management Agreement.

38. The Applicant will prepare and deliver to each prospective purchaser of an Accommodation Suite, before an agreement of purchase and sale is entered into, a disclosure document that will be comparable to an offering memorandum (the Disclosure Document). The Disclosure Document will take the form of a disclosure statement required under the Condominium Act and will include additional information in the body of the Disclosure Document relating to the real estate securities aspects of the offering prepared substantially in accordance with the form and

content requirements of B.C. Form 45-906F of the *Securities Act*, R.S.B.C. 1996, c. 418, as amended (Form 45-906F), including, but not limited to:

- a description of the Condohotel and the offering of Accommodation Suites;
- a description of Accommodation Suite resale restrictions;
- a summary of the material features of the Rental Pool Management Agreement to be entered into between a purchaser of an Accommodation Suite, as Owner and the Rental Pool Manager;
- a summary of the material features of the Hotel Management Agreement, including a description of the Marriott hotel standards set out in that agreement, to be entered into between the Rental Pool Manager and Marriott Hotels;
- a description of the continuous reporting obligations of the Applicant to Owners of Accommodation Suites as described more particularly in Paragraph 43 below;
- a description of the risk factors that make the offering of Accommodation Suites a risk or speculation;
- a description of the contractual right of action available to purchasers of Accommodation Suites as more particularly described in Paragraph 40 below; and
- a certificate signed by the President or Chief Executive Officer, and the Chief Financial Officer, of the Applicant in the following form:

  The foregoing 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 prevent a statement that is made from being false or misleading in the circumstances in which it was made.

39. Under Section 73(1) and (2) of the Condominium Act, an initial purchaser of an Accommodation Suite will be entitled to rescind an agreement to purchase an Accommodation Suite within ten days of receiving the Disclosure Document or any material amendment to the Disclosure Document.

40. Purchasers of Accommodation Suites and each subsequent purchaser of an Accommodation Suite will be provided with a contractual right of action as defined in Commission Rule 14-501 – *Definitions*. The contractual right of action will be provided to a purchaser in the agreement of purchase and sale of an Accommodation Suite. The Disclosure Document will describe the contractual right of action, including any defences available to the Applicant, the limitation periods applicable to the exercise of the contractual right of action, and will indicate that the contractual right of action is in addition to any other right or remedy available to the purchaser.

41. Prospective purchasers of Accommodation Suites will not be provided with rental or cash flow guarantees or any other form of financial projection or commitment on the part of the Applicant or the Rental Pool Manager, save and except for the budget that must be delivered to an initial purchaser of an Accommodation Suite under the Condominium Act.

42. The economic value of an Accommodation Suite will be attributable primarily to its real estate component because Accommodation Suites will be advertised and marketed as resort properties and will not be advertised or marketed with reference to the expected economic benefits of the Rental Pool Management Agreement.

43. The Rental Pool Management Agreement will impose an irrevocable obligation on the Rental Pool Manager or Applicant, as the case may be, to send to each Owner of an Accommodation Suite:

(a) audited annual financial statements for the Rental Pool that have been prepared in accordance with generally accepted accounting principles and otherwise made up, certified and delivered in accordance with the applicable provisions of the Act and Part 4 of National Instrument 51-102 *Continuous Disclosure Obligations as if the Rental Pool was a reporting issuer for purposes of the Act; and*

(b) interim unaudited financial statements for the Rental Pool that have been prepared in accordance with generally accepted accounting principles and otherwise made up, certified and delivered in accordance with the applicable provisions of the Act and Part 4 of National Instrument 51-102 *Continuous Disclosure Obligations* as if the Rental Program was a reporting issuer for the purposes of the Act.

44. The Rental Pool Management Agreement will impose an irrevocable obligation on the Applicant or Rental Pool Manager to deliver to a subsequent prospective purchaser, upon reasonable notice of an intended sale by the Owner of an

Accommodation Suite, and before an agreement of purchase and sale is entered into, the most recent audited annual financial statements (which include financial statements for the prior comparative year) and, if applicable, the most recent interim unaudited financial statements for the Rental Pool (collectively, the Financial Statements).

45. The Rental Pool Management Agreement will impose an irrevocable obligation on the Applicant or Rental Pool Manager, as the case may be, to deliver, before an agreement of purchase and sale is entered into:

(a) the Disclosure Document to a subsequent prospective purchaser of an Accommodation Suite upon receiving reasonable notice of a proposed sale of the Accommodation Suite that is to take place either prior to, or within 12 months of, the issuance of permission to occupy the relevant Accommodation Suite; and

(b) a summary of the Disclosure Document (the Disclosure Document Summary) to a subsequent prospective purchaser of an Accommodation Suite upon receiving reasonable notice of a proposed sale of the Accommodation Suite that is to take place at any time following the expiration of a period of 12 months from the date of issuance of permission to occupy the relevant Accommodation Suite.

46. A Disclosure Document Summary that is delivered to a prospective purchaser of an Accommodation Suite will include:

(a) items 1, 2(1), 5, 6, 8(1), (2), (3) and (4), 9(b) and 15 of Form 45-906F with respect to the proposed sale, modified as necessary to reflect the operation of the Rental Pool and the form of disclosure, and

(b) items 11(2), (3) and (4) of Form 45-906F with respect to the Rental Pool Manager under the Rental Pool Management Agreement modified so that the period of disclosure runs from the date of the certificate attached to the Disclosure Document Summary,

and will be certified by the Rental Pool Manager in the form of the certificate required under item 18 of Form 45-906F.

47. The Rental Pool Management Agreement will impose an irrevocable obligation on each Owner of an Accommodation Suite to provide:

(a) the Applicant or the Rental Pool Manager with reasonable notice of a proposed sale of the Accommodation Suite; and

(b) a subsequent prospective purchaser of an Accommodation Suite with notice of his, her or its right to obtain from the Rental Pool Manager, the Financial Statements and the Disclosure Document or the Disclosure Document Summary, as the case may be.

48. The Rental Pool Management Agreement will not require a purchaser of an Accommodation Suite to give any person an assignment of any of his, her or its right to vote in accordance with the Condominium Act or condominium corporation by-laws, or to waive notice of meetings of the Residential Condominium Corporation in respect of the Condohotel.

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

IT IS RULED, pursuant to subsection 74(1) of the Act, that the distribution of a Condohotel Accommodation Suite by i) the Applicant; ii) full-time employees of the Applicant under Subsection 5(1)(f) of the Real Estate and Business Brokers Act, 2002; or iii) an agent licensed under the Real Estate and Business Brokers Act, 2002, is exempt from sections 25 and 53 of the Act, provided that;

(i) every purchaser of an Accommodation Suite receives prior to the completion of the purchase transaction all of the documents and information referred to in paragraph 38 above as well as a copy of this Ruling; and

(ii) any subsequent trade of such Accommodation Suite acquired pursuant to this Ruling shall be a distribution, unless;

(A) the seller of the Accommodation Suite is not the Applicant or an agent acting on the Applicant's behalf;

(B) notice is given by the seller to the Rental Pool Manager of the seller's intent to sell his, her or its Accommodation Suite;

(C) the prospective purchaser of the Accommodation Suite receives, before an agreement of purchase and sale is entered into, all of the documents and information referred to in paragraphs 44 and 45 above; and

(D) the seller, or an agent acting on the seller's behalf, does not advertise, market, promise or otherwise represent any projected economic benefits of the Rental Pool Management Agreement to the prospective purchaser of the Accommodation Suite.

DATED at Toronto, this 9th day of May, 2007

"Wendell S. Wigle"
Commissioner
Ontario Securities Commission

"Margot C. Howard"
Commissioner
Ontario Securities Commission

Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
Aurado Energy Inc.	03 May 07	15 May 07		
Brazilian Resources, Inc.	03 May 07	15 May 07		
CV Technologies Inc.	23 Apr 07	04 May 07	07 May 07	
Everock Inc.	04 May 07	16 May 07		
Fuel Cell Technologies Ltd.	03 May 07	15 May 07		
Guest-Tek Interactive Entertainment Ltd.	23 Apr 07	04 May 07	07 May 07	
Milner Consolidated Silver Mines Ltd.	04 May 07	16 May 07		
Mindready Solutions Inc.	19 April 07	01 May 07	02 May 2007	
Starwood Industries Inc.	03 May 07	15 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
AldeaVision Solutions Inc.	03 May 07	16 May 07			
Lingo Media Inc.	07 May 07	18 May 07			
Luxell Technologies Inc.	27 Apr 07	10 May 07			
Medoro Resources Ltd.	04 May 07	17 May 07			
Pearl River Holdings Limited	08 May 07	18 May 07			
Simberi Mining Corporation	02 May 07	15 May 07			
Simplex Solutions Inc.	07 May 07	18 May 07			
Urbanfund Corp.	07 May 07	18 May 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
AireSurf Networks Holdings Inc.	02 May 07	15 May 07			
AldeaVision Solutions Inc.	03 May 07	16 May 07			

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		
Dynamic Fuel Systems Inc.	02 May 07	15 May 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		
Interquest Incorporated	02 May 07	15 May 07			
Lingo Media Inc.	07 May 07	18 May 07			
Medoro Resources Ltd.	04 May 07	17 May 07			
Pearl River Holdings Limited	08 May 07	18 May 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		
Simberi Mining Corporation	02 May 07	15 May 07			
Simplex Solutions Inc.	07 May 07	18 May 07			
SR Telecom Inc.	05 Apr 07	18 Apr 07	19 Apr 07		
Luxell Technologies Inc.	27 Apr 07	10 May 07			
Urbanfund Corp.	07 May 07	18 May 07			

Chapter 6

Request for Comments

6.1.1 Notice and Request for Comments Regarding the New Rules of Procedure of the Ontario Securities Commission

NOTICE AND REQUEST FOR COMMENTS
REGARDING THE NEW RULES OF PROCEDURE
OF THE ONTARIO SECURITIES COMMISSION

Introduction

The Office of the Secretary (Office of the Secretary) of the Ontario Securities Commission (Commission) is seeking comments on its proposed new *Rules of Procedure* (*Rules*), which will replace the existing *Rules of Practice* (1997), 20 O.S.C.B. 1825. The new *Rules* will apply to all proceedings before the Commission where the Commission is required under the *Securities Act*, R.S.O. 1990, c. S.5 (Act), the *Commodity Futures Act*, R.S.O. 1990, c. C.20 or otherwise by law to hold a hearing or to afford to the parties to the proceeding an opportunity for a hearing before making a decision.

The Office of the Secretary is publishing the proposed new *Rules* for a 60 day comment period. Following the comment period, the new *Rules* will be implemented under the authority of section 25.1 of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22 (SPPA).

Once the new *Rules* are adopted by the Commission, the existing *Rules of Practice* will be repealed and replaced by the new *Rules*. The new *Rules* will immediately apply to all proceedings before the Commission, including proceedings commenced by a Notice of Hearing prior to the adoption of the new *Rules*.

The text of the new *Rules* is available on the Commission website at www.osc.gov.on.ca under the heading, *Rules of Procedure of the Ontario Securities Commission*.

Background

The new *Rules* are designed to ensure the fair and efficient resolution of proceedings before the Commission in the most expeditious and cost-effective manner. This is consistent with the Commission's objectives to make its adjudicative processes more transparent and accessible.

The new *Rules* are intended to provide clear guidance to all participants in Commission proceedings, whether or not they are represented by counsel or an agent. Accordingly, to the extent possible, the new *Rules* have been drafted so that parties can rely on the *Rules* alone to answer their procedural questions without referring to other sources. However, as the SPPA remains the governing legislation, parties will still have to consider relevant provisions of the SPPA in certain circumstances. Where practicable, the new *Rules* refer to the relevant provisions of the SPPA that may apply to a particular rule, although the new *Rules* may not do so in all circumstances.

The proposed new *Rules* codify practices and procedures that have been followed by the Commission in the course of proceedings after the adoption of the current *Rules of Practice* in 1997. The *Rules* provide a more complete framework for the conduct of Commission proceedings. They: (i) address frequent procedural questions that are not currently addressed in the existing *Rules of Practice*; (ii) respond to developments in case-law and relevant statutes; and (iii) establish a procedure for Staff to make a request for costs under section 127.1 of the Act. The new *Rules* are also organized according to the procedural steps taken in a typical proceeding.

Overview of the *Rules of Procedure*

The following is a summary of the *Rules* on which the Commission is seeking comments:

Rule 1 – General Rules

Rule 1 of the *Rules* is principally a reorganization of its predecessor Rule 1 of the *Rules of Practice*. Rule 1 of the *Rules* sets out: (1) a more complete list of definitions; (2) the general powers of the Commission and of a Panel to make procedural directions and orders; (3) guidance regarding the service and filing of documents; (4) guidance on how to calculate time limits prescribed under the *Rules*; and (5) a procedure for seeking leave to intervene in a Commission hearing.

A significant change in Rule 1 is the introduction of the definition "Panel" to replace the current *Rules of Practice* term "Commission" when referring to members of the Commission exercising their adjudicative responsibilities. The use of the term "Commission" in a number of different contexts in the existing *Rules of Practice* led to some confusion. The use of the term "Panel" in the new *Rules* will, we believe, provide greater clarity by differentiating between the adjudicative functions and powers of members of the Commission, the administrative functions of the Secretary, and the enforcement/litigation functions of Staff of the Commission. In addition, the definition of "a party" to a proceeding has been included to specifically include enforcement/litigation Staff of the Commission.

Rule 2 – Applications and Notices of Hearing

Rule 2 of the *Rules* provides a non-exhaustive list of applications that can be made to the Commission, such as: (1) an application by Staff under section 127 of the Act; (2) an application for review of a decision of the Director, a stock exchange, a self-regulatory organization or a clearing agency under section 8 or 21.7 of the Act; (3) an application for a review of a decision under subsection 9(6) of the Act or for a revocation or variation of a decision under subsection 144 of the Act; and (4) an application pursuant to section 104 and/or 127 of the Act, in connection with a take-over bid or an issuer bid. This list is intended to be of assistance by setting out the type of applications that can be made to the Commission and by referring to a specific rule that establishes a distinct procedure to follow for each type of application.

Rule 2 also states, for clarity purposes, the requirement that a Notice of Hearing be issued by the Secretary, as set out in section 6 of the SPPA, and the requirement to give notice of a constitutional question to the Attorneys General, as set out in section 109 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43.

Rule 3 – Motions

Rule 3 of the *Rules* replaces Rule 6 of the current *Rules of Practice*. It provides a complete procedural framework for bringing a motion. In particular, Rule 3 sets out the materials required to be filed in support of a motion, and the time limits that apply to the filing and service of the motion, the response and the reply.

It is expected that the procedural guidance in Rule 3 will be helpful to parties who appear before the Commission.

Rule 4 – Disclosure

Rule 4 of the *Rules* governs the disclosure process in compliance with sections 5.4 and 8 of the SPPA. Under the *Rules*, the time limit for providing disclosure has been extended to 20 days before the commencement of the hearing rather than the present 10 days. As matters brought before the Commission may be more complex than in the past, this extended time limit of 20 days is designed to enhance fairness for all parties involved, by providing more time to review disclosure materials prior to the commencement of the hearing on the merits.

Rule 4 also addresses the following topics: (1) the requirements relating to witness lists and witness summaries exchanged between the parties; (2) the requirements relating to the use of expert witnesses; (3) the issuance of a summons pursuant to section 12 of the SPPA; and (4) the process for obtaining evidence of a witness residing outside of Ontario pursuant to section 152 of the Act.

Rule 5 – Public Access to Documents

Rule 5 of the *Rules* is new and is designed to provide greater clarity respecting access to documents filed with the Office of the Secretary or adduced in evidence at a Commission hearing.

Rule 5 states that documents used in a Commission proceeding shall be made public. However, Rule 5 also permits a party or a person to request that a document be kept confidential.

Rule 6 – Pre-Hearing Conferences

Rule 6 of the *Rules* slightly modifies the current procedure regarding pre-hearing conferences that can be conducted under the authority of section 5.3 of the SPPA. Specifically, Rule 6: provides a list of issues that a Commissioner may consider during a pre-hearing conference; requires that a notice of a pre-hearing conference be provided to the parties; addresses public access to the pre-hearing conference; ensures that discussions at a pre-hearing conference will not be communicated to the Panel hearing the matter on the merits; and provides for the possibility to resolve issues, on consent of the parties.

Rule 7 – Failure to Participate at the Hearing and Withdrawal

Rule 7 of the *Rules* restates the principles found in section 7 of the SPPA, which establish that when a party fails to attend a hearing, the Panel may proceed in the party's absence, and the party is not entitled to further notice. It is particularly important

to indicate to respondents that a Panel has the discretion to hear a matter in the absence of a respondent who has been properly served with a Notice of Hearing.

In addition, Rule 7 provides that an application may be withdrawn at any time before a final determination of the matter, and that intervenors may discontinue an intervention at any time before the Panel makes a final determination of the application on any terms that the Panel deems appropriate.

Rule 8 – Public Access to Hearings

Rule 8 of the *Rules* states the principle that Commission hearings are generally open to the public including the media, subject to certain exceptions. Rule 8 is intended to provide guidance to the media on the procedure for making a request for visual or audio recordings of a hearing, and sets out media behaviour that is prohibited. This Rule is in compliance with section 9 of the SPPA, which authorizes the tribunal to decide whether a hearing or part of a hearing should be inaccessible to the public.

Rule 9 – Adjournments

Rule 9 of the *Rules* is new and covers requests for adjournments. Its objectives are to ensure that: (1) adjournments are granted when necessary; and (2) adjournments do not lead to excessive delays and additional hearing costs.

Specifically, Rule 9 sets out the manner and appropriate time for making a request for an adjournment. It also provides a non-exhaustive list of factors that a Panel may consider when determining whether to grant the request. It is expected that this new Rule will help streamline proceedings before the Commission.

Rule 10 – Conduct of Oral Hearings

Rule 10 of the *Rules* clarifies the procedure for oral and electronic hearings and confirms that these hearings shall be conducted in accordance with the SPPA.

A new addition to Rule 10 provides that hearings may be conducted in English and in French as provided by the *French Language Services Act*, R.S.O. 1990, c. F.32, and that an interpreter may be retained at the Commission's expense. Rule 10 also provides that the Secretary may arrange for an interpreter in a language other than English or French, at the party's expense.

Rule 11 – Written Hearings

Rule 11 of the *Rules* replaces Rule 5 of the current *Rules of Practice* and the *Practice Guidelines – Written Hearings*. This Rule remains unchanged. It provides a procedure for holding a written hearing in compliance with section 5.1 of the SPPA. As well, it provides a procedure for converting to or from a written hearing. Rule 11 also sets out a process for a party who wishes to object to the conduct of a written hearing.

Rule 12 – Settlement Agreements

Rule 12 of the *Rules* incorporates, for the most part, the procedural directions regarding settlement agreement hearings provided in the current *Practice Guideline – Settlement Procedures in Matters Before the Ontario Securities Commission*. In particular, Rule 12 provides a description of the type of information that a settlement agreement entered into between Staff and a respondent should contain. Rule 12 also states that a settlement agreement hearing may be held in camera. As well, Rule 12 provides a procedure to follow when a Panel does not approve a proposed settlement agreement.

The substantive provisions of the *Practice Guideline* have been incorporated into the *Rules*, consistent with the goal to provide a "one-stop" source of information to stakeholders.

Rule 13 – Simultaneous Hearings with other Securities Administrators

Rule 13 of the *Rules* replaces Rule 8 of the current *Rules of Practice*. For the most part, this Rule remains unchanged. The only significant change is that the words "joint hearing" have been replaced by the words "simultaneous hearing". This is to convey more clearly the fact that the Commission exercises its jurisdiction independently from other Securities Administrators when holding such a hearing and making its determination.

Rule 14 – Application for a Review of a Decision of the Director, a Stock Exchange, a Self-Regulatory Organization or a Clearing Agency

Rule 14 of the *Rules* applies to an application for review of a decision of the Director, a stock exchange, a self-regulatory organization or a clearing agency made pursuant to section 8 or section 21.7 of the Act. Rule 14 replaces Rule 7 of the current

Rules of Practice.

For the most part, the original rule set out in the *Rules of Practice* remains unchanged. However, Rule 14 clarifies that an application must be perfected before a Notice of Hearing can be issued by the Secretary. This requirement has been added to the *Rules* to avoid situations in which an application may be pending for months or years after the original request for a hearing was filed with the Office of the Secretary without being perfected. In addition, Rule 14 provides that a Panel may dismiss the application, when there is failure by the applicant to perfect the application within the prescribed time limit and after notice to perfect the application has been given to the applicant by the Secretary.

Rule 15 – Application for a Review of a Decision Pursuant to Subsection 9(6) of the Act or for a Revocation or Variation of a Decision Pursuant to Section 144 of the Act

Rule 15 of the *Rules* is new and establishes a distinct procedure for the filing of materials in connection with an application for a review of a decision pursuant to subsection 9(6) of the Act or for an application for a revocation or variation of a decision pursuant to section 144 of the Act. This Rule also sets out the prescribed time limits for the filing and service of these applications, for adducing new evidence and for the service and filing of statements of fact and law.

In addition, Rule 15 sets out the persons who are entitled to make these applications and provides for the opportunity to have the application heard in writing.

Rule 16 – Application Pursuant to Sections 104 and/or 127 of the Act

Rule 16 of the *Rules* is new and provides a distinct procedure for: (1) the filing and service of documents in connection with an application made pursuant to section 104 of the Act in the context of a take-over bid or an issuer bid by an interested person as defined in subsection 89(1) of the Act; and (2) the filing and service of documents in connection with an application made by Staff pursuant to section 127 of the Act in the context of a take-over bid or an issuer bid.

Rule 16 also clarifies that the Secretary has the authority to establish a schedule for the filing and service of materials in connection with the application and shall give notice of the time and place of the hearing. In addition, Rule 16 clarifies that any request for leave to intervene shall be made in compliance with Rule 1.9.1 of the *Rules*. It is expected that this Rule will provide flexibility in establishing a timetable for the filing and service of materials that will be suitable for all parties involved.

Rule 17 – Oral and Written Decisions

Rule 17 of the *Rules* provides that a Panel may reserve its decision or may indicate its decision orally at the end of the hearing. This Rule also sets out the principle that a determination by a Panel on the appropriate sanctions that should be ordered against a respondent shall be made at a separate hearing following the hearing on the merits, unless the parties agree otherwise.

Rule 17 also clarifies that Commission decisions will be posted on the Commission website and will be published in the Ontario Securities Commission Bulletin.

Rule 18 - Costs

Rule 18 of the *Rules* is new and establishes a detailed procedure outlining the requirements for Commission Staff to make a request for costs under section 127.1 of the Act. In particular, Rule 18 establishes a requirement that Staff file a written request for costs to enable a respondent to test the validity of the costs and prepare a response.

This Rule also describes the type of information that should be included in a request for costs and establishes time limits for the filing and service of materials in connection with a request for costs.

Rule 18 sets out a non-exhaustive list of relevant factors that a Panel may consider when determining whether to award costs pursuant to section 127.1 of the Act. This Rule also provides a list of costs related to: (1) the investigation, that may be ordered under subsection 127.1(1) of the Act, and (2) a hearing, that may be ordered under subsection 127.1(2) of the Act. Rule 18 also provides that the specific hourly rates for the costs categories, which can be determined a priori, shall be published from time to time as an OSC Staff Notice and will be posted on the Commission website and published in the *Ontario Securities Commission Bulletin*.

Process

There is no requirement under the SPPA for the *Rules of Procedure* to go through a Notice and Request for Comments Process or a Ministerial Review Process. However, the Office of the Secretary is of the view that it would be appropriate to invite comments in an effort to make the *Rules* as fair, efficient and clear as possible. Accordingly, the Office of the Secretary is at this time publishing the *Rules* as a Notice and Request for Comments.

Once the *Rules* have been adopted, they will be published in English and in French, in accordance with requirements of the SPPA and the *French Language Services Act*.

Request for Comments

The Office of the Secretary invites interested persons to submit their comments on the proposed new *Rules* in writing. Persons submitting comments should be aware that comments will be made available to the public and will be published on the Commission website unless confidentiality is requested. If you request confidentiality, the Office of the Secretary will not place your comments on the public file, but may be required to make your comments available pursuant to a request made under freedom of information legislation.

Comments may be delivered in hard copy, fax or e-mail (if comments are not sent by e-mail, please forward an electronic version of the comments in MS Word format to the Secretary on CD) by 5:00 p.m. on July 10, 2007 to:

John P. Stevenson – Secretary to the Commission
Ontario Securities Commission
20 Queen Street West
Suite 1900, Box 55
Toronto, Ontario M5H 3S8
Fax: (416) 593-2318
E-mail: jstevenson@osc.gov.on.ca

For further information, please contact:

Josée Turcotte – Independent Adjudicative Counsel and
Deputy Secretary to the Commission
Office of the Secretary
Ontario Securities Commission
20 Queen Street West, 17th Floor, Box 55
Toronto, Ontario M5H 3S8
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May 11, 2007

Publication Draft for Comment

ONTARIO SECURITIES COMMISSION *RULES OF PROCEDURE*

Made under the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22

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ONTARIO SECURITIES COMMISSION - RULES OF PROCEDURE

Made under the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended

GENERAL RULES

Rule 1 – General

(See also the *Statutory Powers Procedure Act*.)

1.1 Interpretation – In these Rules:

"Act" means the *Securities Act*, R.S.O. 1990, c. S.5, as amended;

"address" includes a valid address for electronic transmission;

"application" includes an application by Staff; an application for review of a decision of the Director, a stock exchange, a self-regulatory organization or a clearing agency; an application for review of a decision pursuant to subsection 9(6) of the Act or for a revocation or variation of a decision pursuant to section 144 of the Act; and an application pursuant to sections 104 and/or 127 of the Act;

"Bulletin" means the Ontario Securities Commission Bulletin;

"Commission" means the Ontario Securities Commission;

"company" means a company as defined in subsection 1(1) of the Act;

"decision" means a decision as defined in subsection 1(1) of the Act;

"Director" means a Director as defined in subsection 1(1) of the Act;

"electronic hearing" means an electronic hearing as defined in subsection 1(1) of the SPPA;

"electronic transmission" means transmission by facsimile or electronic mail (e-mail);

"file" means to file with the Office of the Secretary to the Commission in accordance with Rule 1.6.4;

"holiday" means:

(a) any Saturday or Sunday,

(b) New Year's Day,

(c) Good Friday,

(d) Easter Monday,

(e) Victoria Day,

(f) Canada Day,

(g) Civic Holiday,

(h) Labour Day,

(i) Thanksgiving Day,

(j) Remembrance Day,

(k) Christmas Day,

(l) Boxing Day, and

(m) any special holiday proclaimed by the Governor General or the Lieutenant Governor, and where New Year's Day, Canada Day or Remembrance Day falls on a Saturday or Sunday, the following Monday is a holiday, where Christmas Day falls on a Saturday or Sunday, the following Monday and Tuesday are holidays, and where Christmas Day falls on a Friday, the following Monday is a holiday;

"intervenor" means a person who has applied to intervene pursuant to the Rules and who has been granted intervenor status;

"oral hearing" means an oral hearing as defined in subsection 1(1) of the SPPA;

"Panel" means a Panel of at least 2 members of the Commission pursuant to subsection 3(11) of the Act or a single member of the Commission when authorized to act by the Commission pursuant to subsection 3.5(3) of the Act;

"party" means: (a) a person recognized as a party by the Act; (b) a person entitled by law to be a party to the proceedings; or (c) Staff of the Commission;

"person" means a person as defined in subsection 1(1) of the Act;

"*Rules*" means the *Ontario Securities Commission Rules of Procedure*;

"Secretary" means the Secretary to the Commission appointed pursuant to section 7 of the Act;

"Secretary's Office" means the Office of the Secretary;

"service" means the delivery of a document to a party or intervenor in accordance with the *Rules*;

"SPPA" means the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended;

"Staff" means Staff of the Ontario Securities Commission;

"Website" means the Ontario Securities Commission's Website; and

"written hearing" means a hearing conducted in writing as defined in subsection 1(1) of the SPPA.

1.2 Application of the Rules – (1) Unless otherwise provided in the Rules, the Rules apply to all proceedings before a Panel where the Commission is required under the Act or the *Commodity Futures Act*, R.S.O. 1990, c. C.20, as amended, or otherwise by law to hold a hearing.

(2) Except where otherwise specifically provided in the SPPA, if there is a conflict between the SPPA and the Rules, the SPPA shall prevail over the Rules.

1.3 General Powers of the Commission under the Rules – (1) The Commission may exercise any of its powers under the Rules on its own initiative or at the request of a party or other person.

(2) The Commission may, from time to time, issue interim or final procedural directions or practice guidelines with respect to the application of the Rules as may be appropriate. The Commission shall give notice of these procedural directions or practice guidelines by issuing a notice from the Office of the Secretary, which shall be posted on the Website and published in the Bulletin.

1.4 Procedural Directions or Orders by a Panel – (1) A Panel may issue interim or final directions or orders with respect to the application of the Rules in respect of any proceeding, and may impose any conditions in the direction or order as may be appropriate. Nothing in the Rules, however, shall require the Panel to issue reasons if an interim direction or order is issued.

(2) A Panel may waive or vary any of the Rules in respect of any proceeding if it is of the opinion that to do so would be in the public interest or that it would otherwise be advisable to secure the just and expeditious determination of the matters in issue.

(3) In considering a request to waive or vary any of the Rules or to hold a hearing on an expedited basis, the Panel may consider factors including:

(a) the nature of the matters in issue;

(b) whether adherence to the time periods set out in the Rules would be likely to cause undue delay or prejudice to any of the parties;

(c) whether it is in the public interest; and

(d) the costs.

(4) When granting a request for an expedited hearing, the Panel may, as a condition, require that the parties file documents electronically.

1.5 General Principle – (1) The Rules shall be construed to secure the most expeditious and least expensive determination of every proceeding before the Commission on its merits, consistent with the requirements of natural justice.

(2) Effect of Irregularity in Form – No proceeding, document or order in a proceeding is invalid by reason of a defect or other irregularity in form.

1.6 Service and Filing

1.6.1 Service of Documents on Parties – (1) All documents required to be served under the Rules shall be served by one of the following methods:

(a) by personal delivery to the party;

(b) by delivery to the party's counsel or agent;

(c) by delivery to an adult person at the premises where the party resides, is employed or carries on business, or where the party's counsel or agent carries on business;

(d) by delivery to a company, by leaving a copy with an officer, director or agent of the company, or a person at any place of business of the company who appears to be in control or management of the place of business;

(e) by regular, registered or certified mail to the last known address of the party or the party's counsel or agent;

(f) electronically to the facsimile number or e-mail address of the party or the party's counsel or agent;

(g) by courier to the last known address of the party or the party's counsel or agent; or

(h) by any other means authorized or permitted by the Panel or by direction of the Secretary.

(2) Date on Which Service is Effective – Service is deemed to be effective, when delivered:

(a) by personal delivery, on the day of delivery;

(b) by mail, on the fifth day after the day of mailing;

(c) electronically, on the same day;

(d) by courier, on the earlier of the date on the delivery receipt or the second day after it was sent; or

(e) by any other means authorized by the Panel, on the date specified by the Panel in its direction or interim order.

(3) Service After 4:30 p.m. – Documents served after 4:30 p.m. shall be deemed to have been served on the next day that is not a holiday.

1.6.2 Information on Documents Served or Filed – (1) A person who serves or files a document should include with it the following information:

(a) the party's name, address, telephone number, facsimile number and e-mail address, as applicable; or

(b) if the party is represented by counsel or an agent, the name, address, telephone number, facsimile number and e-mail address of the counsel or agent, as applicable; and

(c) the name of the proceeding that the document relates to; and

(d) in the case of serving a document, the name of the person or counsel or agent to be served.

(2) If any information referred to in subrule 1.6.2(1) changes, the person who provided the information under subrule 1.6.2(1) shall notify the parties and the Secretary of the change and any new information.

1.6.3 Inability to Effect Service – (1) If a person required to serve a document is unable to serve it by one of the methods described in Rule 1.6.1, the person may apply to a Panel for an order for substituted, validated or waived service.

(2) Application for an Order for Substituted, Validated or Waived Service – The application shall be filed with an affidavit setting out the efforts already made to serve the party or parties, and stating:

(a) why the proposed method of substituted service is likely to be successful; or

(b) why the Panel should validate or waive service of that party.

(3) Substituted, Validated or Waived Service – The Panel may give directions for substituted service or, where necessary, may validate or waive service if it considers it appropriate.

1.6.4 Filing – (1) A document required under the Rules to be filed shall be filed by personal delivery, mail, facsimile transmission or courier to the offices of the Commission, marked to the attention of the Secretary, or, alternatively, by e-mail to the Secretary if the Secretary consents.

(2) Unless otherwise specified in the Rules or otherwise directed by the Secretary, when a document is filed, 5 copies shall be filed. The Secretary may require that a greater number of copies be filed, such as in the case of simultaneous hearings.

(3) Filing After 4:30 p.m. – Documents filed after 4:30 p.m. shall be deemed to have been filed on the next day that is not a holiday.

Practice Guideline – 1.6.4 Filing of Documents with the Panel

The filing of documents with the Panel or the Secretary does not constitute service of these documents on any party to the proceedings, including Staff of the Commission. The Secretary to the Commission will not accept any document intended for service on Staff of the Commission or distribute copies of documents filed with the Secretary to any party to the proceedings.

1.6.5 Binding of Documents – (1) Records for motions and applications should have a light blue backsheet.

(2) A factum or case book filed by an applicant or a moving party should be bound front and back in white covers. A factum or case book of a respondent or responding party should be bound front and back in green covers.

1.6.6 Electronic Transmission – If a document is filed with the Secretary by electronic transmission, the required number of print copies of the document shall be filed forthwith.

1.6.7 Lengthy Facsimile Transmissions – Documents filed by facsimile transmission shall not exceed 25 pages, including the cover sheet, except with the consent of the Secretary.

1.6.8 Requirement to File Electronically – The Secretary may require a party to file an electronic version of any or all documents.

1.7 Time – (1) When computing time under the Rules, except where a contrary intention appears:

(a) if there is a reference to a number of days between 2 events, they are counted by excluding the day on which the first event occurs and including the day on which the second event occurs;

(b) if a period of less than 7 days is prescribed, holidays are not counted; and

(c) if the time for doing an act under the Rules expires on a holiday, the act may be done on the next day that is not a holiday.

(2) Extension or Abridgement – The Panel may extend or abridge any time period prescribed under the Rules, before or after the time period expires and on any conditions that the Panel considers advisable. The ability to extend or abridge any time period under the Rules may also be delegated to the Secretary.

1.8 Parties

1.8.1 Appearance and Representation – In any proceeding a party may appear on the party's own behalf or may be represented by counsel or an agent.

1.8.2 Self-Representation – (1) When a party first appears on the party's own behalf before a Panel in a proceeding, the party shall file or otherwise state on the record, and keep current during the proceeding, the party's address, telephone number, facsimile number and e-mail address, as applicable.

(2) Representation by Counsel or Agent – When a person first appears as counsel or agent for a party in a proceeding before a Panel, the person shall file or otherwise state on the record, and keep current during the proceeding, the person's address, telephone number, facsimile number and e-mail address, as applicable, and the name and address of the party being represented.

1.8.3 Change in Representation by a Party – (1) A party who is represented by counsel or an agent may change the counsel or agent by serving on the counsel or agent and on every other party and filing a notice of the change, giving the name, address, telephone number, facsimile number and e-mail address of the new counsel or agent, as applicable.

(2) A party who is represented by counsel or an agent may elect to act in person by serving on the counsel or agent and on every other party and filing a notice of the intention to act in person, giving the party's address, telephone number, facsimile number and e-mail address, as applicable.

1.8.4. Withdrawal by Counsel or Agent – (1) A counsel or an agent for a party in a proceeding may withdraw as counsel or agent for the party only with leave of the Panel.

(2) A notice of motion seeking leave to withdraw as counsel or agent must be served on the party and filed, and must state all facts material to a determination of the motion, including a statement of the reasons why leave should be given. The notice must not disclose any solicitor client communication in which solicitor client privilege has not been waived.

(3) The order removing counsel from the record shall include:

(a) the client's last known address or the address for service, if different; and

(b) the client's telephone number, facsimile number and e-mail address, as applicable, unless the Panel orders otherwise.

1.9 Intervenors

1.9.1 Requests for Leave to Intervene in Applications Relating to Take-Over Bids, Issuer Bids and Mergers and Acquisitions Transactions – (1) A request for leave to intervene in an application relating to a take-over bid, an issuer bid or a merger and acquisition transaction, shall be made by serving the request on each of the parties and filing it.

(2) A request for leave to intervene shall set out:

(a) the title of the proceeding in which the person or company making the request wishes to intervene;

(b) the name and address of the person or company making the request;

(c) a concise statement of the matters in issue that directly affect that person or company; and

(d) the reasons why intervenor status should be granted, including an explanation as to the likelihood that the submissions will bring a useful and unique perspective to the proceeding.

(3) A request for leave to intervene shall be served on all the parties and intervenors and filed no later than 5 days before the commencement of the hearing.

1.9.2 Response – A party served with a request for leave to intervene may serve a response on the person or company making the request and on each of the parties and intervenors and file the response, no later than 2 days before the commencement of the hearing.

1.9.3 Oral Hearing – If the Panel determines that an oral hearing should be held to determine a request for leave to intervene, the request shall be heard at a date set by the Secretary.

1.9.4 Decision – (1) The Commission may grant leave to intervene or refuse the request on any terms and conditions that it deems appropriate.

(2) Factors – In considering a request for leave to intervene, the Panel may consider factors such as:

(a) the nature of the matter;

(b) the issues;

(c) whether the person or company is directly affected;

(d) the likelihood that the person or company will be able to make a useful and unique contribution to the Panel's understanding of the issues;

(e) any delay or prejudice to the parties; and

(f) any other factor the Panel considers relevant.

1.9.5 Service and Filing of Documents – Once a person or company has been granted intervenor status, that person or company shall abide by the Rules, including those with respect to the service and filing of documents, as if it were a party.

COMMENCEMENT OF PROCEEDINGS

Rule 2 – Applications and Notices of Hearing

2.1 Application by Staff – (1) Subject to Rule 2.4, an application by Staff pursuant to section 127 of the Act shall be made by filing a Statement of Allegations.

(2) Issuance and Service of a Notice of Hearing – Once a Statement of Allegations has been filed by Staff, the Secretary shall issue a Notice of Hearing forthwith.

(**3)** Staff shall serve the Statement of Allegations and the Notice of Hearing forthwith on all the parties.

2.2 Application for Review of a Decision of the Director, a Stock Exchange, a Self-Regulatory Organization or a Clearing Agency – (1) An application for review of a decision of the Director, a stock exchange, a self-regulatory organization or a clearing agency pursuant to section 8 or 21.7 of the Act shall be made in accordance with Rule 14.

(2) Issuance of a Notice of Hearing – In the case of an application referred to in subrule 2.2(1), the Secretary shall issue a Notice of Hearing only after all the documents required to be filed and served pursuant to Rule 14 have been filed and served.

(3) The Secretary shall issue the Notice of Hearing and the applicant shall serve it on all the parties and on any other persons as the Secretary considers necessary.

2.3 Application for Review of a Decision pursuant to Subsection 9(6) of the Act or for a Revocation or Variation of a Decision pursuant to Section 144 of the Act – (1) An application for a review of a decision pursuant to subsection 9(6) of the Act or an application pursuant to section 144 of the Act for a revocation or a variation of a decision made by a Panel shall be made in accordance with Rule 15.

(2) In the case of an application referred to in subrule 2.3(1), the Secretary shall issue a Notice of Hearing only after all the documents required to be filed and served pursuant to Rule 15 have been filed and served.

(3) The applicant shall serve the Notice of Hearing on all the parties and on any other persons as the Secretary considers necessary.

2.4 Application pursuant to Sections 104 and/or 127 of the Act – (1) An application made pursuant to section 104 of the Act in connection with a take-over bid or an issuer bid by an interested person as defined in subsection 89(1) of the Act, or an application pursuant to section 127 of the Act in connection with a take-over bid or an issuer bid, shall be made in accordance with Rule 16, with any modifications that the circumstances require.

(2) Issuance of a Notice of Hearing – The Secretary shall issue a Notice of Hearing for an application referred to in subrule 2.4(1) only after all the documents required to be filed and served pursuant to Rule 16 have been filed and served.

(3) The applicant shall serve the Notice of Hearing on all the parties and on any other persons or companies as the Secretary considers necessary.

2.5 Effect of a Notice of Hearing – (1) A proceeding commences upon the issuance of a Notice of Hearing by the Secretary.

(2) Posting on the Website and Publication in the Bulletin – A Notice of Hearing, together with the Statement of Allegations or any other document required to be filed in connection with an application under Rule 2, shall be posted on the Website and published in the Bulletin upon confirmation of service on the parties or, in any event, no later than 2 days following the issuance of the Notice of Hearing.

2.6 Request for a Written Hearing – Any request to have an application heard by way of a written hearing pursuant to Rule 11 shall be specified in the application.

2.7 Notice of a Constitutional Question – If a party intends to raise a question about the constitutional validity or applicability of legislation, a regulation or a by-law made under legislation, or a common law rule, the party shall serve a notice of the constitutional question on the Attorneys General of Canada and Ontario and on the other parties, and file it as soon as the circumstances requiring a notice become known and in any event, at least 15 days before the question is to be argued.

PROCEDURES BEFORE HEARINGS

Rule 3 – Motions

3.1 Time and Date – A person who wishes to make a motion shall contact the Secretary, who may set a time and date for the hearing of the motion by a Panel.

3.2 Notice – (1) A motion shall be made by filing a notice of motion accompanied by a motion record, including any affidavit(s) setting out the facts to be relied upon.

(2) The person making the motion shall serve the motion on each party and file the motion, at least 10 days before the day on which the motion is to be heard.

3.3 Request for a Written Hearing – Any request to have a motion heard by way of a written hearing pursuant to Rule 11 shall be specified in the notice of motion.

3.4 Response – (1) A party served with a notice of motion may serve on the person making the motion and on each other party an affidavit(s) in response, at least 6 days before the day on which the motion is to be heard.

(2) The party serving any affidavit(s) in response shall file the affidavit(s) in response, within the period set out in subrule 3.4(1).

3.5 Reply – (1) A party served with any affidavit(s) in response to a motion may serve on the person making the response and on each other party an affidavit(s) in reply, at least 4 days before the day on which the motion is to be heard.

(2) The party serving any affidavit(s) in reply shall file the affidavit(s) in reply, within the period set out in subrule 3.5(1).

3.6 Memorandum of Fact and Law – (1) The party making the motion shall serve a memorandum of fact and law on each party and file it, at least 4 days before the day on which the motion is to be heard.

(2) A party served with a notice of motion and affidavit(s) shall serve a memorandum of fact and law on each party and file it, at least 2 days before the day on which the motion is to be heard.

3.7 Affidavit(s) – (1) Subject to subrule 3.7(2), evidence on a motion may be made by affidavit(s).

(**2)** When the circumstances require, the Panel may, before the hearing, grant leave on any terms and conditions that it deems appropriate for:

(a) oral testimony in relation to an issue raised in the notice of motion; and

(b) the cross-examination of a deponent to an affidavit.

3.8 Where No Notice Required – The Panel may permit a party to make a motion without notice if:

(a) the nature of the motion or the circumstances render service of a notice of motion impractical or unnecessary; or

(b) the delay necessary to effect service might entail serious consequences.

3.9 Filing Motion Materials – If the party bringing a motion fails to comply with the time limits set out in the Rules or to comply with the time limits directed by the Secretary for the filing of motion materials, the Panel may dispose of the motion as it considers appropriate.

Rule 4 – Disclosure

(See also sections 5.4 and 8 of the *Statutory Powers Procedure Act* and Part VI of the *Securities Act*.)

4.1 Interpretation – (1) In Rule 4, "document" includes a sound recording, video-tape, film, photograph, chart, graph, map, plan, survey, book of account, and information recorded or stored by means of any device.

(2) "Particulars" includes:

(a) the grounds upon which any remedy or order is being sought or opposed in the proceeding; and

(b) a general statement of the alleged material facts that the party relies on in support of the position being taken by the party in the proceeding.

4.2 Disclosure Order – At any stage in a proceeding, the Panel may order that a party:

(a) provide to another party and to the Panel any particulars that the Panel considers necessary for a full and satisfactory understanding of the subject of the proceeding; and

(b) make any other disclosure required by this Rule, within the time limits and on any conditions that the Panel may specify.

4.3 Disclosure of Documents or Things – (1) Requirement to Disclose – Each party to a proceeding shall deliver to every other party copies of all documents that the party intends to produce or enter as evidence at the hearing, as soon as is reasonably practicable after the Notice of Hearing is served, and in any case, at least 20 days before the commencement of the hearing on the merits or as determined by a Panel as the circumstances require.

(2) In the case of a hearing under section 127 of the Act and subject to Rule 4.7, Staff shall make available for inspection by every other party all other documents and things that are in the possession or control of Staff that are relevant to the hearing. Staff shall provide copies, or permit the inspecting party to make copies, of these documents at the inspecting party's expense, as soon as is reasonably practicable after the Notice of Hearing is served, and in any case at least 20 days before the commencement of the hearing.

(3) Failure to Disclose a Document or Thing – A party who fails to make disclosure of a document or thing in compliance with subrule 4.3(1) may not refer to the document or thing or introduce it in evidence at the hearing without leave of the Panel, which may be on any conditions that the Panel considers just.

4.4 Disclosure Where Section 8 of the Statutory Powers Procedure Act Applies – Subject to Rule 4.7, if the good character, propriety of conduct or competence of a party is an issue in a proceeding, Staff shall provide particulars of the allegations and disclose to the party against whom the allegations are made all documents and things in Staff's possession or control relevant to the allegations, as soon as is reasonably practicable after the Notice of Hearing is served, and in any case at least 20 days before the commencement of the hearing on the merits.

4.5 Witness Lists and Summaries – (1) Provision of a Witness List – A party to a proceeding shall serve every other party and file with the Secretary a list of the witnesses the party intends to call to testify on the party's behalf at the hearing, at least 10 days before the commencement of the hearing.

(2) Provision of Witness Summaries – A party to a proceeding shall provide to every other party a summary of the evidence that the witness is expected to give at the hearing, at least 10 days before a witness is to testify on the party's behalf at the hearing.

(3) Content of the Witness Summary – A witness summary shall contain:

(a) the substance of the evidence of the witness;

(b) reference to any documents that the witness will refer to; and

(c) the witness's name and address or, if the witness's address is not provided, the name and address of a person through whom the witness can be contacted.

(4) Failure to Provide a Witness List or a Summary – A party who fails to include a witness in the witness list or to provide a summary of the evidence a witness is expected to give in accordance with subRules 4.5(1), 4.5(2) and 4.5(3), may not call that person as a witness without leave of the Panel, which may be on any conditions as the Panel considers just.

(5) Incomplete Witness Summary – A witness may not testify to material matters that were not disclosed in the witness summary without leave of the Panel, which may be on any conditions that the Panel considers just.

4.6 Expert Witness – (1) Intent to Call an Expert – A party who intends to call an expert to give evidence at a hearing shall inform the other parties of the intent to call the expert and state the issue on which the expert will be giving evidence, at least 60 days before the commencement of the hearing.

(2) Provision of Expert's Affidavit – A party who intends to introduce evidence of an expert witness at the hearing shall serve an affidavit of the expert witness on each other party, at least 45 days before the commencement of the hearing.

(3) Provision of Expert Affidavit in Response – A party on whom an affidavit referred to in subrule 4.6(2) has been served and who wishes to respond with expert evidence to a matter set out in the affidavit, shall serve an affidavit of an expert witness on each other party, at least 15 days before the commencement of the hearing.

(4) Provision of Expert Affidavit in Reply – A party on whom an affidavit in response has been served and who wishes to reply with expert evidence to a matter set out in that affidavit, shall serve an affidavit of an expert witness on each other party, at least 5 days before the commencement of the hearing.

(5) The affidavits referred to in subRules 4.6(2), 4.6(3) and 4.6(4) shall include:

(a) the name, address and qualifications of the expert;

(b) the substance of the expert's evidence; and

(c) a list of any documents that the expert will refer to.

(**6) Failure to Advise of Intent to Call an Expert –** A party who fails to comply with subrule 4.6(1) may not call the expert as a witness without leave of the Panel, which may be on any conditions that the Panel considers just.

(7) Failure to Provide an Expert's Affidavit – A party who fails to comply with subRules 4.6(2), 4.6(3) and 4.6(4) may not file the expert's affidavit without leave of the Panel, which may be on any conditions that the Panel considers just.

4.7 Request to Issue a Summons – (1) At the request of a party, a summons to a witness may be issued pursuant to section 12 of the SPPA.

(2) The issuance of or a refusal to issue a summons may be reviewed by a Panel by motion filed under Rule 3 or by motion raised at the commencement of the hearing.

(3) Once a summons is served, it is effective for the duration of the hearing as long as the witness is advised of the adjourned dates.

4.8 Witness Outside of Ontario – A party who wishes to obtain the evidence of a witness outside of the Province of Ontario shall file a request that evidence be obtained pursuant to section 152 of the Act, no later than 10 days before the hearing.

Rule 5 – Public Access to Documents

5.1 Public Documents – Subject to Rule 5.2 and subrule 10.9(3), documents required to be filed or received in evidence in proceedings shall be available to the public.

5.2. Request Regarding Confidentiality – (1) At the request of a party or person, the Panel may order that any document filed with the Secretary or any document received in evidence or transcript of the proceeding be kept confidential pursuant to section 9 of the SPPA.

(2) A party or person who makes a request pursuant to subrule 5.2(1) shall advise the Panel of the reasons for the request, including details of the specific, direct harm that would result from public access to the document.

(3) The Panel may, if it is of the opinion that there are valid reasons for restricting access to a document, declare the document confidential and make such other orders as it deems appropriate.

Rule 6 – Pre-Hearing Conferences

(See also section 5.3 of the *Statutory Powers Procedure Act*.)

6.1 Requesting a Pre-Hearing Conference – (1) A Panel may direct the parties in a proceeding to participate in a pre-hearing conference at any stage of the proceeding.

(2) Any party may request a pre-hearing conference by filing a request.

6.2 Issues at a Pre-Hearing Conference – At a pre-hearing conference a Panel may:

(a) create a timetable for the scheduling of the hearing;

(b) amend an existing timetable;

(c) schedule any preliminary motions;

(d) order the disclosure of documents;

(e) give consideration to the simplification or clarification of issues in the proceeding;

(f) on consent of Staff and an affected party or parties, or on consent of all the parties, make an order resolving any matter including matters relating to:

(i) facts or evidence agreed upon; and

(ii) the resolution of any or all of the issues in the proceeding.

6.3 Notice – (1) The Secretary shall give notice of a pre-hearing conference to the parties and to any other persons as the Panel directs.

(2) The notice shall include:

(a) the date, time, place and purpose of the pre-hearing conference;

(b) any direction of the Panel regarding the exchange or filing of documents or pre-hearing submissions as prescribed by Rule 6.4 and, if so, the issues to be addressed and the date or dates on or before which the documents or pre-hearing submissions must be exchanged and filed;

(c) a direction as to whether parties are required to attend in person and,

(i) if so, that they may be accompanied by counsel or an agent; or

(ii) if not, that they may be represented by counsel or an agent who has the authority to make agreements and undertakings on their behalf;

(d) a statement that if a party does not attend (in person or by counsel or an agent, as required) at the pre-hearing conference, the Panel may proceed in the absence of that party; and

(e) a statement that any order made by the Panel at the pre-hearing conference will be binding on all the parties.

6.4 Filing and Exchange of Documents for a Pre-Hearing Conference – The parties shall serve and file a pre-hearing conference form in the form prescribed by the Rules. All documents intended to be used at the pre-hearing conference that may be of assistance shall be exchanged among the parties and be made available to the Panel.

6.5 Oral or Electronic – A pre-hearing conference may be held in person or electronically, as the Panel may direct.

6.6 Public Access – (1) In order to encourage a full and frank exchange of views, a pre-hearing conference shall be confidential and conducted in private.

(2) Any pre-hearing submissions referred to in Rule 6.4 shall not be made available to the public.

6.7 Orders, Agreements, Undertakings – (1) After giving the parties an opportunity to make submissions, the Panel presiding at a pre-hearing conference may make orders permitted by this Rule. These orders shall be binding on all parties to the proceeding and become part of the record.

(2) All agreements and undertakings made or given at a pre-hearing conference shall be recorded in a memorandum prepared under the direction of the Panel and circulated in draft to the parties or their counsel for corrections, if any, and then signed by the Panel.

(3) Orders, agreements and undertakings made at the pre-hearing conference govern the conduct of the proceeding and are binding upon the parties to the proceeding, unless otherwise ordered by the pre-hearing Panel, and shall be available to the Panel hearing the matter on the merits.

(4) No Communication to Hearing Panel – Notwithstanding subrule 6.7(3), no communication shall be made to the Panel hearing the matter on the merits of any statement made at a pre-hearing conference or in a pre-hearing submission referred to in Rule 6.4, except as disclosed in an order made under subrule 6.7(1) or the memorandum made under subrule 6.7(2).

HEARINGS

Rule 7 – Failure to Participate at the Hearing and Withdrawal

(See also sections 6 and 7 of the *Statutory Powers Procedure Act*.)

7.1 Failure to Participate – If a Notice of Hearing has been served on any party, and the party does not attend the hearing, the Panel may proceed in the party's absence and that party is not entitled to any further notice in the proceeding.

7.2 Withdrawal – (1) A person or company that has filed an application under Rule 2 or a request for leave to intervene under Rule 1.9.1, may withdraw the application at any time before a final determination of it by a Panel.

(2) The person or company referred to in subrule 7.2(1) shall serve a notice of withdrawal on each party and on each intervenor and file it.

(3) In the case of a withdrawal of a Statement of Allegations or of an application under Rule 2, the Statement of Allegations or the application shall be removed from the Website and the notice of withdrawal shall be posted on the Website and published in the Bulletin.

7.3 Discontinuance of Intervention – (1) An intervenor may discontinue the intervention at any time before a final determination of the application by the Panel on any terms that the Panel deems appropriate.

(2) The intervenor referred to in subrule 7.3(1) shall serve a notice of discontinuance on each party and on each intervenor and file the notice.

Rule 8 – Public Access to Hearings

8.1 Open to the Public Except under Certain Conditions – Subject to Rule 12, a hearing shall be open to the public, except where the Panel is of the opinion that intimate financial or personal matters or other matters may be disclosed at the hearing of such a nature, having regard to the circumstances, that the desirability of avoiding disclosure thereof in the interests of any person affected or in the public interest outweighs the desirability of adhering to the principle that hearings be open to the public pursuant to section 9 of the SPPA.

8.2. Request to Make a Visual or Audio Recording – (1) Any request to make a visual or audio recording of hearings should be made in writing to the Secretary at least 5 days before the day of the hearing.

(2) Media personnel or any person permitted to make a visual or audio recording under subrule 8.3(1) will be subject to the direction of the chair of the Panel.

(3) Media personnel shall not engage in any activity at the hearing that may disrupt the hearing. Disruptive activities include:

(a) interviewing persons in the hearing room at any time or the vicinity of the hearing room;

(b) television lights, cables, and other equipment which, when in use, could distract the persons in the hearing room;

(c) electronic flash for still photography;

(d) movement of persons or equipment while the hearing is in session; and

(e) any other behaviour that disrupts or detracts from the process of the hearing.

Rule 9 – Adjournments

9.1 How and When to Request an Adjournment – (1) As soon as a party decides to request an adjournment, the party shall advise the other parties and the Secretary.

(2) With Consent – If the other parties consent to the adjournment and the requesting party files a written request certifying that it is made on consent, the Panel may:

(a) refuse the request;

(b) reschedule the hearing without a hearing on the request; or

(c) require a hearing on the request.

(3) Without Consent – If the parties do not consent to a request for adjournment, the requesting party shall serve and file a notice of motion on the other parties as soon as possible. The notice of motion shall set out:

(a) the reasons for the adjournment;

(b) the length of time requested for the adjournment; and

(c) the earliest available dates for that party to make submissions on the motion.

(4) If the parties do not consent, the requesting party and/or the party's representative must appear before the Panel to request the adjournment orally and shall be prepared to proceed if the adjournment is denied.

(5) After considering the submissions of the parties, the Panel may grant or deny the adjournment on any terms that it considers appropriate.

9.2 Factors Considered – In deciding whether to grant an adjournment, the Panel shall consider all relevant factors, including, but not restricted to, the following:

(a) whether an adjournment would be in the public interest;

(b) whether all parties consent to the request;

(c) whether granting or denying the adjournment would prejudice any party;

(d) the amount of notice of the hearing date that the requesting party received;

(e) the number of previous adjournment requests already made and by whom;

(f) the reasons provided to support the adjournment request;

(g) the cost to the Commission and to the other parties for rescheduling the hearing;

(h) evidence that the party made reasonable efforts to avoid the need for the adjournment; and

(i) whether the adjournment is necessary to provide an opportunity for a fair hearing.

Rule 10 – Conduct of Oral Hearings

(See also the *French Language Services Act* and sections 5.2 and 15 of the *Statutory Powers Procedure Act*.)

10.1 Oral Hearings – An oral hearing shall be conducted in accordance with the provisions set out in the SPPA.

10.2 Electronic Hearings – A hearing may be conducted electronically, unless an objection is made pursuant to subsection 5.2(2) of the SPPA.

10.3 Video-Conferencing – A hearing may be conducted by video-conferencing or by other similar means approved by the Secretary.

10.4 Hearings Conducted in French and in English – (1) A hearing may be conducted in English or in French, or partly in English or in French.

(2) A party who wishes all or part of the proceeding to be conducted in French must, at least 30 days prior to the hearing, notify the Secretary who will inform the other parties.

(3) If an English or French speaking party or witness requires an interpreter, the party shall notify the Secretary as soon as possible.

(4) The Secretary will arrange for an interpreter at the Commission's expense.

10.5 Interpreters for Other Languages – If a party requires an interpreter for a language other than English or French, the party shall notify the Secretary as soon as possible, and in any event, at least 30 days before the hearing, and the Secretary will arrange for an interpreter at the requesting party's expense.

10.6 Special Needs of Parties or Witnesses – Parties should notify the Secretary as soon as possible, and in any event at least 30 days before the hearing, of any special needs of parties or their witnesses for the hearing.

10.7 Affirmation of a Witness – Oral examination of witnesses shall be conducted under affirmation or oath that their evidence will be true.

10.8 Transcripts of Proceedings – Official transcripts of proceedings are prepared by a court reporting services agency retained by the Commission. Parties or intervenors who wish to obtain a copy of the transcripts may do so directly from the court reporting services agency at their own expense.

10.9 Final Arguments and Submissions – (1) Except in the case of a written hearing where parties shall file final written submissions pursuant to Rule 11.6, a party may file and serve on every other party a factum consisting of a concise argument stating the facts and law relied upon by the party.

(2) Final submissions may include:

(a) facts or quotations from the oral evidence, referenced to the transcript volume and page number if a transcript is available; or

(b) facts or quotations from documentation filed as exhibits, referenced to the exhibit and page number; and

(c) a concise summary of the law.

(3) Final arguments and submissions shall not be made public until the commencement of the hearing of the submissions.

(4) A party referring to any court decision, legal article or authority shall provide a copy for each member of the Panel and each party.

(5) Parties may include in their argument the details of the specific order that they request.

(6) Any party may file a draft order within the time permitted by the Panel, but shall do so only if they serve a copy on all other parties.

Rule 11– Written Hearings

(See also subsections 5.1(1), 6(4), 7(2) and 9(1.1) of the *Statutory Powers Procedure Act.*)

11.1 Application – (1) This Rule does not apply to the admissibility, at an oral hearing, of written evidence admissible under section 15 of the SPPA.

(2) Nothing in this Rule precludes a Panel from directing that further submissions be filed in respect of a matter arising in a hearing. If the Panel so directs, the parties may also be given an opportunity to make oral submissions on a matter, which may be time-limited by the Panel.

11.2 Filing – Where this Rule requires that documentation be filed with the Secretary, 5 copies shall be filed, except in the case of a notice of an objection to a written hearing which shall be filed in duplicate.

11.3 Definition of an Applicant – In this Rule, "applicant" means the party who instituted the proceeding or the person or company who is bringing a motion.

11.4 When to Hold a Written Hearing – (1) A Panel may conduct any proceeding or part of a proceeding, including motions, by means of a written hearing.

(2) Written hearings may be held in the following circumstances unless a party objects:

(a) motions relating to procedural issues;

(b) hearings on agreed facts; and

(c) any other motions or applications that the Panel considers are appropriate for a written hearing.

11.5 Converting From or to a Written Hearing – (1) A Panel may:

(a) continue a written hearing as an oral hearing;

(b) subject to subsection 5.2(2) of the SPPA, continue a written hearing as an electronic hearing; or

(c) subject to subsection 5.1(2) of the SPPA, continue an oral hearing or an electronic hearing as a written hearing.

(2) If a Panel decides to continue a written hearing as an oral or electronic hearing or an oral or electronic hearing as a written hearing, it shall notify the parties of its decision and may provide directions as to the holding of that hearing. Any procedures set down in the Rules for such a hearing shall apply.

11.6 Submissions and Supporting Documents – (1) Within 10 days after receiving notice that a hearing will be in writing, the applicant shall serve on all other parties and file written submissions setting out:

(a) the grounds on which the request for the remedy or order is made;

(b) a statement of the facts and evidence relied on in support of the remedy or order requested; and

(c) any law relied on in support of the remedy or order requested.

(2) A Panel may require the applicant to provide further information, which the applicant shall serve on every other party.

11.7 Objection to a Written Hearing – (1) A party who objects to a hearing being held as a written hearing shall file and serve a notice of objection setting out the reasons for the objection, within 5 days after receiving notice of the written hearing.

(2) A notice of objection shall set out the reasons for the objection in the submissions relating to the matter and be accompanied by a statement of the facts, any evidence and any law relied on in support of the response.

11.8 Response to an Objection – (1) If a party wishes to respond, the party shall do so by serving the written response on every other party and filing it within 7 days after the notice of objection has been served on the party.

(2) The response shall set out the party's submissions and be accompanied by a statement of the facts, any evidence and any law relied on in support of the response.

11.9 Decision – (1) Upon consideration of the written record, the Panel may render a decision as to whether the matter shall be heard at an oral or a written hearing.

Rule 12 – Settlement Agreements

12.1 Settlement Documents – (1) A settlement shall be evidenced by a written settlement agreement between Staff and the respondent. A settlement agreement should contain:

(a) a full and accurate statement of the relevant facts as admitted by the respondent;

(b) a joint recommendation on remedial orders to be imposed by the Commission;

(c) the respondent's consent to the order being made based upon the facts set out;

(d) an agreed procedure for approval of the settlement;

(e) an agreement concerning confidentiality of the settlement agreement until the Panel has decided that it should be made public;

(f) a waiver by the respondent of a full hearing, judicial review and appeal rights;

(g) a commitment by Staff not to initiate further action in relation to the subject facts; and

(h) an agreement by Staff and the respondent not to make public statements that are inconsistent with the settlement agreement.

(2) Draft Order – The written settlement agreement shall be accompanied by a draft order for consideration by the Panel.

12.2 In Camera Settlement Hearing – If a party wishes to have the proceeding relating to the proposed settlement held in camera, the party shall make a request at the commencement of the proceeding before the Panel pursuant to section 9 of the SPPA. The Panel will make a decision on whether or not to hold the proceeding or a portion of the proceeding in camera, based on the facts and circumstances of each case.

12.3 Transcript of In Camera Proceeding – (1) If the Panel approves the settlement, the transcript of the in camera proceeding will be made public, unless the Panel orders that the transcript should not be part of the public record.

(2) If the Panel does not approve the proposed settlement, the transcript of the in camera proceeding shall not be made public.

12.4 Where Proposed Settlement Not Approved – (1) If the Panel does not approve the proposed settlement, reasons shall be provided to the parties at the request of any party.

(2) In such circumstances, a party may apply to have the reasons delivered in camera, and the Commission will make a decision whether it is appropriate to do so under section 9 of the SPPA.

(3) No Communication Relating to Proposed Settlement at Hearing – If the Panel does not approve a proposed settlement and the matter proceeds to a full hearing on the merits, the Panel that considered the proposed settlement shall not sit on the hearing on the merits and shall not communicate about the matter with the Panel that will conduct the hearing on the merits.

12.5 Publication of Settlement Agreement – (1) Publication Where Approved – After the Panel approves a proposed settlement agreement, the settlement agreement and any related order will be posted forthwith on the Website and published in the Bulletin.

(2) Settlement agreements shall be made public immediately, except where there are public interest reasons for not wanting a settlement agreement to be made public for a period of time.

(3) No Publication Where Not Approved – If the Panel does not approve a settlement agreement and the settlement hearing was in camera, the hearing record for the settlement agreement shall not be made public.

Rule 13 – Simultaneous Hearing with Other Securities Administrators

(See also subsection 2(5) of the *Securities Act*.)

13.1 Request for Simultaneous Hearing – (1) At the request of a party to a proceeding or on the Commission's own initiative, the Commission may hold a hearing in or outside of Ontario in conjunction with any other body empowered by statute to administer or regulate trading in securities.

(2) A request for a simultaneous hearing shall be made in writing and state the reasons for a simultaneous hearing.

(3) Invitation to Federal Corporations Branch – If the issue that is the subject of the simultaneous hearing is also of interest to the Director, Corporations Branch, of the Federal Department of Consumer and Corporate Affairs in administering the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended, the applicant may also request that the federal officer be invited to join in the hearing.

(4) Factors in Deciding Whether to Hold a Simultaneous Hearing – When deciding whether to hold a simultaneous hearing, the Commission may take into account any circumstances it considers relevant, which may include whether:

(a) the issues raised through the application and the evidence and arguments to be presented are likely to be substantially the same, notwithstanding any apparent difference in the form of the several applications or the specific legislation in each jurisdiction;

(b) there is an urgent business reason for holding one simultaneous hearing rather than multiple hearings; or

(c) the matter in issue is a novel one and it is in the public interest that securities administrators strive to achieve consistency in their decision-making on the matter.

(5) Factors in Deciding Where to Hold a Simultaneous Hearing – When deciding where to hold a simultaneous hearing, the Commission may take into account any circumstances it considers relevant, which may include:

(a) the preponderance of convenience to the majority of interested parties, taking into account where the majority of the parties reside or have their principal places of business and where witnesses reside; and

(b) where it can be determined that it is in the public interest to do so.

13.2 Payment of Expenses – (1) If a party requests that a simultaneous hearing be held outside of Ontario, the Commission may, despite any general public interest perceived in the holding of a simultaneous hearing, before and as a condition precedent to its granting the request, require that party to undertake to pay the additional costs incurred by the Commission.

(2) These costs include travel and related expenses incurred by the Panel, Staff, witness fees and expenses.

Rule 14 – Review of a Decision of the Director, a Stock Exchange, a Self-Regulatory Organization or a Clearing Agency

(See also sections 8 and 21.7 of the *Securities Act*.)

14.1 Application – In Rule 14, “decision” means any direction, decision, order, ruling or other requirement made by the Director, a stock exchange, a self-regulatory organization or a clearing agency.

14.2 Application for a Hearing and Review – An application for a hearing and review of a decision pursuant to section 8 or 21.7 of the Act shall:

(a) identify the decision in respect of which the hearing and review is being sought;

(b) state the interest in the decision of the party filing the request;

(c) state in summary form the alleged errors in the decision and the reasons for requesting the hearing and review; and state the desired outcome.

14.3 Record – The party requesting a hearing and review of a decision shall obtain from the Director, stock exchange, self-regulatory organization or clearing agency, as the case may be, and file a record of the subject proceeding which shall include:

(a) the application or other document by which the proceeding was commenced;

(b) the Notice of Hearing;

(c) any interim orders made in the proceeding;

(d) any documentary evidence filed in the proceeding, subject to any limitation expressly imposed by any statute, regulation or Rules on the extent to which, or the purpose for which, any such documents may be used in any proceeding;

(e) any transcript of the oral evidence given at the hearing; and

(f) the decision that is the subject of the request for a hearing and review and the reasons therefore, if reasons were given.

unless all parties consent to the omission of any of those documents from the record and the Panel agrees or the Panel otherwise directs.

14.4 Service and Filing – (1) An application for a hearing and review of a decision shall be served by the applicant on every other party to the original proceeding and filed.

(2) The party requesting a hearing and review shall provide a copy of the record of the proceeding to any other party that requests a copy of the record.

(3) The party requesting a hearing and review shall perfect the application by complying with Rule 14.3 and subRules 14.4(1) and 14.4(2):

(a) if no transcript of evidence is required for the review, within 30 days after filing the request; or

(b) if a transcript of evidence is required for the review, within 60 days after receiving notice that the evidence has been transcribed.

(4) If the party requesting a hearing and review has not complied with subrule 14.4(3), the Secretary may serve a notice on the requester that the request may be dismissed for delay unless it is perfected within 10 days after service of the notice.

(5) Dismissal Where Default not Cured – If the party requesting a hearing and review does not cure the default within 10 days after the service of the notice under subrule 14.4(4), or within a longer period allowed by a Panel, a Panel may make an order dismissing the request and serve the order on the requester.

14.5 New Evidence – If a party proposes to introduce new evidence at the hearing and review, that party shall, at least 10 days before the hearing and review, advise every other party as to the substance of the new evidence and shall deliver to every other party copies of all new documents that the party will rely on at the hearing and review.

14.6 Order Dispensing with Transcripts – The Panel may direct that a transcript of the oral evidence be dispensed with, if the Panel is of the opinion that a transcript of the oral evidence taken at the original hearing is unnecessary to deal effectively with the hearing and review, or for any reason the Panel considers appropriate.

14.7 Stay of a Decision – (1) Before the hearing and review, the party requesting the hearing and review may apply to the Panel for an order staying the original decision until the hearing and review is concluded.

(2) The party shall make the application in writing on notice to all the parties and the application shall state the reasons why a stay is required.

14.8 Setting Down for a Hearing – Once the record of the proceedings is perfected in accordance with subrule 14.4(3), the Secretary shall give notice of the time and place for the hearing and review.

14.9 Statement of Fact and Law in an Oral Hearing – (1) The party requesting a hearing and review shall, if an oral hearing is to be held, serve on every other party and file the memorandum of fact and law being relied upon, at least 10 days before the date fixed for the hearing and review.

(2) Each other party to the hearing and review shall serve on every other party and file a statement of the points to be argued and the memorandum of fact and law being relied upon by it at least 5 days before the date fixed for the hearing and review.

Rule 15 – Review of a Decision pursuant to Subsection 9(6) of the Act or for a Revocation or Variation of a Decision pursuant to Section 144 of the Act

15.1 Application – (1) An application for a review of a decision pursuant to subsection 9(6) of the Act or an application pursuant to section 144 of the Act for a revocation or a variation of a decision made by a Panel shall:

(a) identify the decision in respect of which the request is being made;

(b) state the interest in the decision of the party filing the request;

(c) state the factual and legal grounds for the request; and

(d) state the desired outcome.

(2) An application for a review or an application for a revocation or variation of a decision made by a Panel shall be served by the applicant on every other party to the original proceeding and filed.

15.2 Whether or Not to Hold an Oral Hearing – Upon reviewing the application, a Panel may, on the basis of the written record:

(a) decide to grant the application;

(b) refuse to grant the application; or

(c) decide to hold an oral hearing to consider the application.

15.3 New Evidence – If a party proposes to introduce new evidence at the hearing of the application for a review or for a revocation or variation of a decision, the party shall, at least 10 days before the hearing, advise every other party as to the substance of the new evidence and shall deliver to every other party copies of all new documents that the party will rely on at the hearing.

15.4 Statement of Fact and Law in an Oral Hearing – (1) The party requesting a review or a revocation or a variation of a decision made by a Panel shall, if an oral hearing is to be held, serve on every other party and file a statement of the points to be argued and the memorandum of fact and law being relied upon by it at least 10 days before the date fixed for the hearing.

(2) Each other party to a hearing shall, if an oral hearing is to be held, serve on every other party and file a statement of the points to be argued and the memorandum of fact and law being relied upon by it at least 5 days before the date fixed for the hearing.

15.5 Written Hearing – If the parties consent to the review, revocation or variation of a decision made by a Panel, the matter may be heard in writing.

Rule 16 – Application pursuant to Sections 104 and/or 127 of the Act

16.1 Application – (1) An application made pursuant to section 104 of the Act in connection with a take-over bid or an issuer bid by an interested person as defined in subsection 89(1) of the Act, or an application made pursuant to section 127 of the Act in connection with a take-over bid or an issuer bid, shall be made by serving it on every other party and on the Manager of Take-Over Bids, Issuer Bids and Mergers and Acquisitions Transactions and filing it.

(2) An application shall be accompanied by a memorandum of fact and law and any affidavit(s) as appropriate setting out the facts to be relied upon.

16.2 Setting Down for a Hearing – Once all the documents for the application have been filed in accordance with Rule 16.1, the Secretary shall establish the schedule for the filing of a response and a reply and give notice of the time and place for the hearing of the application.

16.3 Response – A party served with an application may serve on the person making the application and on each other party a memorandum of fact and law and any affidavit(s), and file them in accordance with the schedule established by the Secretary.

16.4 Reply – A party served with a memorandum of fact and law and any affidavit(s) in response to an application may serve on the person making the response and on each other party a memorandum of fact and law and any affidavit(s) in reply, and file them in accordance with the schedule established by the Secretary.

16.5 Request for Leave to Intervene – A request for leave to intervene in an application relating to a take-over bid and an issuer bid shall be made by serving it on each of the parties and filing it in accordance with Rule 1.9.1.

DECISIONS

Rule 17 – Oral and Written Decisions

(See also section 17 of the *Statutory Powers Procedure Act*.)

17.1 Issuance of Decisions – (1) A Panel may reserve its decision or may indicate its decision orally at the end of the hearing.

(2) Written Final Decisions – A Panel shall issue a final written decision, which shall be the official decision.

(3) Discrepancy – If there is a discrepancy between an oral decision rendered at the hearing and the written decision, the written decision shall prevail.

17.2 Service of Decisions and Reasons – (1) The Secretary shall send to all parties to the proceeding a copy of the Panel's final decision, including any reasons that have been given.

(2) Publication on the Website – Decisions will be posted on the Website and published in the Bulletin.

17.3 Sanctions Hearing – (1) Unless the parties to a proceeding agree to the contrary, a separate hearing shall be held to determine the matter of sanctions and costs.

(2) Following the issuance of the reasons for the decision on the merits, the Secretary shall set a date for the sanctions hearing if such a hearing is necessary.

(3) Submissions by Staff – Staff shall file submissions regarding the matter of sanctions and costs at least 10 days before the sanctions hearing, unless the Panel provides otherwise.

(4) Responding Submissions – A respondent shall file submissions regarding the matter of sanctions and costs at least 5 days before the sanctions hearing, unless the Panel provides otherwise.

(5) Reply Submissions – Staff shall file any reply submissions regarding the matter of sanctions and costs at least 2 days before the sanctions hearing, unless the Panel provides otherwise.

COSTS AWARDS

Rule 18 – Costs

(See also section 127.1 of the *Securities Act*.)

18.1 Request for an Award of Costs – (1) A Panel may award costs against a respondent at the request of Staff after having considered any submissions from the parties.

(2) Content of a Request for an Award of Costs – A request for costs by Staff shall be made in a written motion and served on the respondent and it shall contain the following information:

(a) an explanation of the basis of the claim;

(b) a summary statement of hours and fees for each lawyer and each professional that worked on the file, supported by time dockets setting out the hourly wage for the individual and a description of the work performed;

(c) a summary statement of disbursements for each lawyer or professional, supported by corresponding invoices and receipts. If invoices or receipts are not obtainable, the Commission may accept a written record of disbursements and associated dates; and

(d) an affidavit declaring that all the information contained in the dockets and the summary statement of disbursements are truthful and accurate, and all disbursements were incurred directly and necessarily as a result of the investigation or proceeding.

(3) Time Limit for Making a Request for an Award of Costs – A request for an award of costs on a motion or on the main proceeding shall be served by Staff on the respondent no later than 30 days after the issuance of a final order or decision of a Panel on the main proceeding.

(4) Response – The respondent served with a request for an award of costs may serve on Staff a response setting out any objections to the request, within 15 days of the request.

(5) Reply – After receiving a response, Staff may serve a reply to the respondent's objections within 5 days of receiving the response.

(6) General Principle – A Panel has the discretion to shorten or lengthen any of these time limits. It is not essential to a claim for costs that it be stated in the application or submissions, nor is it fatal to a claim for costs that it was omitted from such a

document. However, the lateness of the notice to seek costs may be a factor militating in favour of reducing or denying the award of costs.

18.2 Factors Considered When Awarding Costs – In exercising its discretion under section 127.1 of the Act to award costs against a person or company, a Panel may consider aggravating or mitigating factors, including but not limited to:

(a) whether the respondent failed to comply with a procedural order or direction of the Panel;

(b) the complexity of the proceeding;

(c) the importance of the issues;

(d) whether the respondent contributed to a shorter, more efficient, and more effective hearing, or whether the conduct of the respondent unnecessarily lengthened the duration of the proceeding;

(e) whether the Commission imposed any other monetary penalties on the respondent;

(f) whether any step in the proceeding was taken in an improper, vexatious, unreasonable, or negligent fashion or in error;

(g) whether the respondent participated in the proceeding in a way that helped the Commission understand the issues before it;

(h) whether the respondent participated in a responsible, informed and well-prepared manner;

(i) whether the respondent co-operated with Staff and disclosed all relevant information; or

(j) whether the respondent denied or refused to admit anything that should have been admitted.

18.3 Payment of Investigation Costs – (1) If the Panel orders under subsection 127.1(1) of the Act that the costs of the investigation be paid by a person or company whose affairs were the subject of an investigation, the costs awarded may include, but are not limited to, the following:

(a) the costs of Staff involved in the investigation, based on the time spent on the investigation by each member of Staff and the applicable hourly rate as prescribed by subrule 18.3(3);

(b) the actual amount of the fees and disbursements paid to a person appointed or engaged under section 5, 11 or 12 of the Act;

(c) the actual amount of the witness examination costs;

(d) the actual amount of the court reporter's fees;

(e) the actual cost of the transcripts of examinations of individuals during the course of the investigation;

(f) the actual costs of experts; and

(g) the disbursements and the incidental costs incurred in respect of the investigation.

(2) Payment of Hearing Costs – If the Panel orders under subsection 127.1(2) of the Act that the costs of, or related to, a hearing be paid by a person or company whose affairs were the subject a hearing, the costs awarded may include, but are not limited to, the following:

(a) the costs of Staff involved in the hearing, based on the time spent on the hearing by each member of Staff and the applicable hourly rate as prescribed by subrule 18.3(3);

(b) the actual amount of the fees and disbursement paid to a person appointed or engaged under sections 5, 11 or 12 of the Act;

(c) the reasonable costs of witnesses, other than a witness referred to in sub-paragraph (b) required to attend at the hearing;

(d) the reasonable costs for the services of a lawyer acting as counsel with or for Staff;

(e) the costs to the Commission to administer the hearing, including fees paid to court reporter, fees for transcripts, and disbursements required to conduct a hearing; and

(f) the reasonable costs incurred for each expert or person engaged by Staff.

(3) Publication of Costs in Staff Notice – The specific hourly rates for the costs categories, which can be determined a priori, set out in subRules 18.3(1) and 18.3(2) shall be published from time to time as a Staff Notice and will be posted on the Website and published in the Bulletin.

6.1.2 Proposed Rescission of OSC Policy 57-602 Cease Trading Orders – Applications for Partial Revocation to Permit a Securityholder to Establish a Tax Loss

ONTARIO SECURITIES COMMISSION
NOTICE AND REQUEST FOR COMMENT

PROPOSED RESCISSION OF
OSC POLICY 57-602 *CEASE TRADING ORDERS – APPLICATIONS FOR PARTIAL REVOCATION TO PERMIT A SECURITYHOLDER TO ESTABLISH A TAX LOSS*

On January 5, 2007, the Canadian Securities Administrators (CSA) published for comment proposed National Policy 12-202 *Revocation of a Compliance-related Cease Trade Order* (the Policy). The Policy describes how the regulators will generally exercise their discretion when deciding whether to revoke a cease trade order prohibiting trading in the securities of an issuer for failure to comply with continuous disclosure requirements. The Policy applies to cease trade orders imposed against an issuer as well as management cease trade orders as described in CSA Staff Notice 57-301 *Failing to File Financial Statements on Time - Management Cease Trade Orders*.

Proposed rescission of OSC Policy 57-602

Section 3.2 of the Policy states that we will generally grant a partial revocation order to permit a securityholder to sell securities for a nominal amount solely to establish a tax loss. In Ontario, this is currently contemplated by OSC Policy 57-602 *Cease Trading Orders – Applications for Partial Revocation to Permit a Securityholder to Establish a Tax Loss* (the Prior Policy).

The Commission is proposing to rescind the Prior Policy upon the coming into force of the Policy as it replaces the Prior Policy.

Unpublished Materials

In proposing the rescission of the Prior Policy, we have not relied on any significant unpublished study, report, decision or other written materials.

Request for comment

Interested persons are invited to make written representations with respect to the proposed rescission of the Prior Policy. Submissions received by **July 11, 2007** will be considered.

Please deliver your comments to the address below:

John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Box 55, Suite 1900
Toronto, Ontario M5H 3S8
Fax: (416) 593-2318
E-mail: jstevenson@osc.gov.on.ca

If you do not submit your comments by e-mail, a diskette containing the submissions in Word should also be provided.

We cannot keep submissions confidential because Ontario securities law requires that a summary of the written comments received during the comment period be published.

Please refer your questions to any of the people listed below:

Matthew Au
Senior Accountant, Corporate Finance Branch
Ontario Securities Commission
Tel: (416) 593-8132
Fax: (416) 593-8244
Email: mau@osc.gov.on.ca

Conor J. Fitzpatrick
Legal Counsel, Corporate Finance Branch
Ontario Securities Commission
Tel: (416) 595-8945
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Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

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

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
04/11/2006 to 04/17/2007	65	0754545 B.C. Ltd. - Common Shares	1,434,910.05	14,340,500.00
03/28/2007	2	2122529 Ontario Inc. - Common Shares	200,010.00	1,000,010.00
04/17/2007	2	3214434 Nova Scotia Company - Common Shares	1,459,999.00	1,459,999.00
04/16/2007	1	Abcourt Mines Ltd. - Flow-Through Shares	262,500.00	350,000.00
02/01/2006 to 12/31/2006	1	Absolute Return Strategies (I.P.) Plus, Ltd - Common Shares	24,651,883.00	21,995.86
04/17/2007	134	Adanac Molybdenum Corporation - Units	40,644,537.80	21,391,862.00
04/23/2007	32	Adventure Gold Inc. - Units	422,500.00	4,225,000.00
04/03/2006 to 03/30/2007	1	AIM Canadian Balanced Fund - Units	19,497,488.19	1,345,847.86
04/03/2006 to 03/28/2007	2	AIM Canadian First Class - Common Shares	18,657,595.64	1,010,432.97
04/05/2006 to 03/28/2007	1	AIM Canadian Premier Class - Common Shares	7,641,782.36	413,289.44
04/27/2006 to 03/07/2007	1	AIM Canadian Premier Fund - Units	932,657.52	51,215.87
05/16/2006 to 03/08/2007	1	AIM Global Technology Fund - Units	69,097.07	26,738.84
04/05/2006 to 09/15/2006	1	AIM Global Theme Class - Common Shares	858,530.87	91,425.88
04/04/2006 to 03/30/2007	1	AIM International Growth Class - Common Shares	337,298.88	22,342.98
04/26/2007	194	Aldershot Resources Ltd. - Units	5,000,000.13	18,518,519.00
04/16/2007	2	ALL Group Financial Services Inc. - Preferred Shares	100,000.00	100,000.00
04/13/2007	25	Altek Power Corporation - Units	1,000,000.00	10,000,000.00
04/26/2007	32	Altima Resources Ltd. - Common Shares	862,500.00	1,760,000.00
04/19/2007	99	Amera Resources Corporation - Units	3,325,000.00	9,500,000.00
02/06/2007	1	American Pacific Corporation - Notes	4,634,024.00	4,000.00
04/26/2007	137	Americas Petrogas Inc. - Common Shares	6,661,760.00	11,896,000.00
04/19/2007	2	AVT Studios Inc. - Common Shares	75,000.00	300,000.00

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
04/19/2007	1	Axela Biosensors Inc. - Warrants	0.00	23,094.00
04/24/2007 to 04/30/2007	12	Blind Creek Resources Ltd. - Warrants	760,500.00	N/A
04/20/2007	2	Bullion Management Group Inc. - Common Shares	147,500.00	226,926.00
04/17/2007	74	Call Genie Inc. - Common Shares	10,000,000.00	10,000,000.00
04/19/2007	27	Campbell Resources Inc. - Flow-Through Shares	7,000,000.00	56,000,000.00
04/16/2007	1	Canadian Trading and Quotation System Inc. - Units	120,307.00	N/A
04/24/2007	23	Cannasat Therapeutics Inc. - Common Shares	833,849.90	3,790,226.00
04/27/2007	1	Cascadero Copper Corporation - Warrants	0.00	2,000,000.00
04/23/2007	1	CGPE V, L.P. - Limited Partnership Interest	112,431.00	141.00
04/25/2007	19	Christopher James Gold Corp. - Units	6,095,700.20	7,171,412.00
04/27/2007	2	Cinemark Holdings Inc. - Common Shares	4,661,954.00	220,000.00
03/09/2007	2	Cityzen Properties Limited Partnership - Limited Partnership Units	200,000.00	200,000.00
03/27/2007 to 03/29/2007	3	Cityzen Properties Limited Partnership - Limited Partnership Units	300,000.00	300,000.00
04/20/2007	24	Clark Sustainable Resource Developments Ltd. - Units	6,526,350.00	7,823,799.00
04/26/2007	1	Cline Mining Corporation - Units	1,520,000.00	4,000,000.00
04/14/2007 to 04/23/2007	23	CMC Markets Canada Inc. - Contracts for Differences	136,785.00	23.00
04/23/2007 to 04/25/2007	95	Cogitore Resources Inc. - Flow-Through Shares	5,920,402.00	N/A
04/19/2007	67	Colibri Resource Corporation - Units	2,805,200.00	N/A
04/11/2007	43	Columbia Yukon Explorations Inc. - Units	2,440,000.00	6,100,000.00
04/18/2007	58	Consolidated AGX Resources Ltd. - Units	1,207,500.00	21,000,000.00
04/13/2007	1	Consolidated Ventures Holdings Ltd. - Common Shares	48,000.00	400,000.00
04/17/2007	39	Cooper Minerals Inc. - Units	5,010,000.00	8,350,000.00
04/26/2007	46	Copper Ridge Explorations Inc. - Units	1,500,000.00	9,375,000.00
04/30/2007	1	Darnley Bay Resources Limited - Common Shares	50,000.00	250,000.00
04/23/2007	75	Denroy Resources Corporation - Common Shares	3,975,582.45	14,385,000.00
04/14/2007	49	Dumont Nickel Inc. - Common Shares	1,000,000.00	10,000,000.00
04/26/2007	1	Echoworx Corporation - Common Shares	420,000.00	350,000.00
04/16/2007	5	Equimor Mortgage Investment Corporation - Common Shares	100,273.03	N/A

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
04/18/2007	45	FIC S.E. Asia Fund Ltd. - Common Shares	2,926,104.00	2,926,104.00
02/09/2007	1	Fleet Re Inc. - Common Shares	55,000.00	1.00
04/26/2007	4	Ford Auto Securitization Trust 2007-L-1 - Notes	2,451,389,754.91	N/A
04/24/2007	1	Frontenac Ventures Corp. - Common Shares	15,000.00	20,000.00
03/01/2006 to 04/01/2006	3	Fulcrum Small Cap. L.P. #2 - Units	108,500.63	99.00
03/16/2007	1	F.R. Insurance Ltd. - Common Shares	55,000.00	1.00
04/25/2007	5	Galway Resources Ltd. - Units	5,100,000.00	6,000,000.00
03/28/2007	1	GE Asset Management Canada Fund - International Equity Section - Units	10,000,000.00	765,135.74
03/28/2007	1	GE Asset Management Canada Fund - U.S. Multi Style Equity Section - Units	10,000,000.00	922,997.59
04/23/2007 to 04/27/2007	23	General Motors Acceptance Corporation of Canada, Limited - Notes	13,240,720.50	13,240,720.50
04/19/2007	1	Georgia Ventures Inc. - Common Shares	150,000.00	1,000,000.00
04/19/2007 to 04/29/2007	11	Global Trader Europe Limited - Special Trust Securities	15,048.68	10,004.00
04/23/2007	24	Great Bear Resources plc - Warrants	2,243,934.00	N/A
04/20/2007	160	Hathor Exploration Limited - Flow-Through Shares	22,079,700.00	9,036,750.00
03/15/2007	10	Hi Ho Silver Resources Inc. - Units	346,500.00	385,000.00
04/19/2007	36	Hinterland Metals Inc. - Units	989,000.00	4,945,000.00
05/01/2007	1	Icon Industries Limited - Common Shares	50,000.00	50,000.00
01/15/2007	12	Idelix Software Inc. - Notes	240,000.00	N/A
03/14/2007	12	IGW Real Estate Investment Trust - Trust Units	630,615.00	630,615.00
02/28/2007	5	IGW Real Estate Investment Trust - Trust Units	463,112.00	463,112.00
03/23/2007	5	ImmunoVaccine Technologies Inc. - Common Shares	248,000.00	248,000.00
04/13/2007	1	InterRent Real Estate Investment Trust - Trust Units	100,000.00	20,000.00
05/04/2007	1	Entertainment Media Inc. - Units	1,118,000.00	1,118.00
02/20/2007	1	Ivy Cundill Global Value Fund - Common Shares	1,619,367.58	87,614.65
12/31/2006	7	James Bay Midarctic Developments Inc. - Flow-Through Shares	1,058,000.00	N/A
04/20/2007	4	KAR Holdings Inc. - Notes	2,395,272.00	0.10
04/19/2007	1	Kensington Capital Partners Limited - Debentures	2,000,000.00	1.00
07/29/2005	1	Kereco Energy Ltd. - Stock Option	1,514,000.00	100,000.00

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
04/30/2007	3	Kirkland Lake Gold Inc. - Common Shares	11,000,610.40	887,146.00
04/19/2007	4	Klondike Silver Corp. - Common Shares	168,000.00	400,000.00
04/13/2007	91	Kyoto Capital Partners Inc. - Common Shares	11,722,000.00	46,888,000.00
04/23/2007	49	Largo Resources Ltd. - Units	10,009,975.25	18,199,955.00
03/16/2007 to 04/02/2007	4	Lawsuit Funding Corporation - Debt	90,000.00	90,000.00
07/01/2006 to 03/30/2007	2	Legg Mason Canada Liquidity Plus Pool - Units	12,340,646.88	1,234,064.69
10/20/2006 to 03/30/2007	723	Legg Mason T-Plus Fund - Units	400,755,126.22	37,897,629.63
04/18/2007	4	Linear Technology Corporation - Notes	7,895,300.00	4,500.00
04/19/2007 to 04/27/2007	44	Macusani Yellowcake Inc. - Units	4,131,000.00	3,918,998.00
03/30/2007	51	Magna Vista North American Equity Fund - Units	16,204.14	N/A
04/24/2007	1	MatlinPatterson Global Opportunities Partners (Cayman) III L.P. - Limited Partnership Interest	280,725,000.00	N/A
04/01/2007	1	MCAN Performance Strategies - Limited Partnership Units	150,000.00	1,191.61
04/19/2007	2	Micro Target Media Inc. - Common Shares	16,929,000.00	1,143,791.00
04/26/2007	21	Millstream Mines Ltd. - Flow-Through Shares	2,100,000.00	2,100,000.00
12/14/2006 to 02/01/2007	24	Molystar Resources Inc. - Common Shares	324,250.00	2,143,250.00
04/18/2007	6	Morguard Industrial Properties (I) Inc. - Common Shares	36,500,000.00	35,540,409.00
04/19/2007	4	Nakina Systems Inc. - Notes	1,000,000.00	4.00
04/26/2007	15	Newcastle Minerals Ltd. - Units	210,000.00	130,000.00
04/26/2007	1	NexgenRx Inc. - Debentures	500,000.00	N/A
04/19/2007	2	Nightingale Informatix Corporation - Warrants	0.00	7,994,186.00
04/17/2007 to 04/23/2007	82	NioGold Mining Corp. - Flow-Through Shares	7,599,750.00	667,000.00
04/27/2007	1	Patheon Inc. - Units	167,295,000.00	150,000.00
05/01/2007	4	Pele Mountain Resources Inc. - Common Shares	27,000.00	30,000.00
03/26/2007	5	PFC 2017 Pacific Financial Corp. - Bonds	259,000.00	259.00
04/27/2007	1	PharmEng International Inc. - Units	3,020,000.00	15,100,000.00
07/14/2006 to 04/03/2007	21	Pinpoint Selling Inc. - Common Shares	106,028.52	2,633,280.00
04/18/2007	21	Plutonic Power Corporation - Common Shares	32,305,000.00	7,100,000.00

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
03/24/2007	28	Premier Gold Mines Limited - Receipts	17,387,500.00	N/A
04/16/2007	10	Q-Gold Resources Ltd. - Units	1,202,500.00	4,810,000.00
04/24/2007	1	Queenston Mining Inc. - Common Shares	125,000.00	89,286.00
04/04/2007	55	Red Hill Energy Inc. - Units	6,000,000.00	6,000,000.00
04/15/2007	6	Red Rock Energy Inc. - Units	1,500,000.00	2,500,000.00
03/12/2007	1	RepeatSeat Inc. - Common Shares	300,000.00	1,000,000.00
04/24/2007	13	Rockgate Capital Corp. - Units	3,264,800.00	1,571,900.00
04/18/2007	5	Romios Gold Resources Inc. - Common Shares	34,500.00	100,000.00
04/19/2007	3	RxElite Holdings Inc. - Units	270,000.00	450,000.00
03/30/2007	1	SAIF Partners III L.P. - Limited Partnership Interest	5,764,500.00	N/A
04/27/2007	22	Sirios Resources Inc. - Units	1,999,999.85	5,405,405.00
04/20/2007	5	Skywave Mobile Communications Inc. - Preferred Shares	14,557,073.95	9,119,640.00
04/26/2007	8	Sofea Inc - Preferred Shares	2,000,000.00	7,558.58
04/30/2007	5	Sterling Mining Company - Units	1,998,000.00	N/A
04/16/2007	88	St. Eugene Mining Corporation Limited - Flow-Through Shares	924,115.00	2,239,500.00
04/23/2007	15	St. George Bank Limited ABN 92 055 513 070 - Notes	249,835,000.00	250,000,000.00
03/12/2007	4	Symmetry Holdings Inc. - Units	555,156.25	59,375.00
04/17/2007	1	Tailwind Financial Inc. - Warrants	4,700,000.00	4,700,000.00
04/18/2007	10	Talmora Diamond Inc. - Units	130,000.00	1,300,000.00
04/17/2007	14	Tanzanian Mining Corp. - Common Shares	251,250.00	1,005,000.00
04/19/2007	22	The Goldman Sachs Group Inc. - Notes	500,000,000.00	500,000,000.00
04/11/2007	6	The Jenex Corporation - Units	345,100.00	N/A
02/28/2007	1	The West Shore Fund L.P. - Limited Partnership Interest	500,000.00	N/A
04/09/2007 to 04/19/2007	12	TMIC Inc. - Common Shares	571,000.00	57,100.00
04/24/2006 to 03/30/2007	2	Trimark Balanced Pool - Units	36,933,737.33	3,023,070.41
07/06/2006 to 03/21/2007	2	Trimark Canadian Equity Pool - Units	3,704,204.31	274,769.42
04/21/2006 to 03/29/2007	4	Trimark Global Equity Pool - Units	14,428,483.93	1,113,499.29
07/06/2006 to 12/22/2006	1	Trimark International Equity Pool - Units	119,784.81	9,500.77

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
07/06/2006 to 12/22/2006	0	Trimark U.S. Equity Pool - Units	0.00	11,454,966.00
04/23/2007	129	TTM Resources Inc. - Common Shares	8,250,000.00	10,700,000.00
04/16/2007	8	Viscount Systems, Inc. - Units	308,670.00	1,677,550.00
03/30/2007	11	Viva Source Corp. - Warrants	236,000.00	590,000.00
02/28/2007 to 03/30/2007	22	Vortaloptics, Inc. - Common Shares	403,213.69	731,088.00
04/17/2007	139	Walton AZ Sunland Ranch 2 Investment Corporation - Common Shares	2,700,350.00	270,035.00
04/17/2007	13	Walton AZ Sunland Ranch Limited Partnership 2 - Limited Partnership Units	3,183,057.65	281,164.00
04/23/2007	33	Yukon Gold Corporation Inc. - Units	10,186,990.00	50,934,950.00

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Golden Dawn Minerals Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Prospectus dated May 7, 2007
Mutual Reliance Review System Receipt dated May 8, 2007
Offering Price and Description:
1,350,000 Common Shares and 1,350,000 Warrants issuable upon the exercise of 1,350,000 previously issued initial Special Warrants; 100,000 Common Shares issuable upon the exercise of 100,000 previously issued Initial Finder's Special Warrants; 925,000 Common Shares and 925,000 Warrants issuable upon the exercise of 925,000 previously issued second Special Warrants; 92,500 Common Shares issuable upon the exercise of 92,500 previously issued Second Finder's Special Warrants; 69,000 Common Shares and 69,000 Warrants issuable upon the exercise of 69,000 previously issued Third Special Warrants; and 1,200,000 Common Shares issuable upon the exercise of 1,200,000 previously issued property Special Warrants
Underwriter(s) or Distributor(s):
-
Promoter(s):
Louise Palmer
Project #1097366

Issuer Name:
Grey Wolf Exploration Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated May 8, 2007
Mutual Reliance Review System Receipt dated May 8, 2007
Offering Price and Description:
$10,075,000.00 - 3,100,000 Common Shares Price: $3.25 per Common Share
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
WestWind Partners Inc.
Salman Partners Inc.
Promoter(s):
-
Project #1097776

Issuer Name:
AIC Canadian Income Choice Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated May 1, 2007
Mutual Reliance Review System Receipt dated May 2, 2007
Offering Price and Description:
Offering Canadian Dividend Shares, Capital Gains Shares and Capital Growth Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
AIC Limited
Project #1094097

Issuer Name:
Algonquin Credit Card Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 4, 2007
Mutual Reliance Review System Receipt dated May 4, 2007
Offering Price and Description:
(1) $ * , * % Series 2007-1 Class A Fixed Rate Notes, Expected Final Payment Date of * , 20**;
(2) $ * , * % Series 2007-1 Class B Fixed Rate Notes, Expected Final Payment Date of * , 20**; and
(3) $ * , * % Series 2007-1 Class C Fixed Rate Notes, Expected Final Payment Date of * , 20**
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
Capital One Bank (Canada Branch)
Project #1096115

Issuer Name:
Brookshire Diversified Global Clean Energy Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated May 1, 2007
Mutual Reliance Review System Receipt dated May 3, 2007
Offering Price and Description:
$ * - * Units Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
Dundee Securities Corporation
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
HSBC Securities (Canada) Inc.
Raymond James Limited
Blackmont Capital Inc.
Desjardins Securities Inc.
Wellington West Capital Inc.
Promoter(s):
Brookshire Raw Materials Group Inc.
Project #1095112

Issuer Name:
CIX Split Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated April 30, 2007
Mutual Reliance Review System Receipt dated May 2, 2007
Offering Price and Description:
$ * (Maximum) - * Priority Equity Shares and * Class A Shares Price: $10.00 per Priority Equity Share and $15.00 per Class A Share
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Blackmont Capital Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
TD Securities Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Desjardins Securities Inc.
Richardson Partners Financial Limited
Wellington West Capital Inc.
Promoter(s):
CI Investments Inc.
Project #1094297

Issuer Name:
Enablence Technologies Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 4, 2007
Mutual Reliance Review System Receipt dated May 4, 2007
Offering Price and Description:
$ * - * Common Shares Price: $ * per Common Share
Underwriter(s) or Distributor(s):
Paradigm Capital Inc.
TD Securities Inc.
Genuity Capital Markets G.P.
Raymond James Ltd.
Wellington West Capital Markets Inc.
Promoter(s):
Arvind Chhatbar
Project #1096236

Issuer Name:
Feel Good Cars Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 8, 2007
Mutual Reliance Review System Receipt dated May 8, 2007
Offering Price and Description:
$5,000,000.00 - 1,562,500 Common Shares Price: $3.20 per Common Share
Underwriter(s) or Distributor(s):
Paradigm Capital Inc.
Promoter(s):
Ian Clifford
Project #1097605

Issuer Name:
Genesis Worldwide Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated May 4, 2007
Mutual Reliance Review System Receipt dated May 7, 2007
Offering Price and Description:
$ * - * Common Shares
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
CIBC World Markets Inc.
TD Securities Inc.
Promoter(s):
-
Project #1096515

Issuer Name:
Gentry Resources Ltd.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated May 3, 2007
Mutual Reliance Review System Receipt dated May 3, 2007
Offering Price and Description:
$15,000,000.00 - 3,750,000 Common Shares and $50,000,000.00 - 12,500,000 Subscription Receipts
each representing the right to receive one Common Share
Price: $4.00 per Offered Share and $4.00 per Subscription Receipt
Underwriter(s) or Distributor(s):
GMP Securities L.P.
Dundee Securities Corporation
Westwind Partners Inc.
CIBC World Markets Inc.
Cormark Securities Inc.
National Bank Financial Inc.
Promoter(s):
-
Project #1095919

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Issuer Name:
Gold Reserve Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 7, 2007
Mutual Reliance Review System Receipt dated May 7, 2007
Offering Price and Description:
Cdn. $ * - 16,000,000 Class A Common Shares
Price: Cdn. $ * per Class A Common Share
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
J.P. Morgan Securities Canada Inc.
Cormark Securities Inc.
Promoter(s):
-
Project #1096757

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Issuer Name:
Gold Reserve Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 7, 2007
Mutual Reliance Review System Receipt dated May 7, 2007
Offering Price and Description:
U.S. $75,000,000 - % Senior Subordinated Convertible Notes due June 15th, 2022
Interest payable June 15th and December 15th
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
J.P. Morgan Securities Canada Inc.
Cormark Securities Inc.
Promoter(s):
-
Project #1096759

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Issuer Name:
Homburg Invest Inc.
Principal Regulator - Nova Scotia
Type and Date:
Preliminary Short Form Prospectus dated May 4, 2007
Mutual Reliance Review System Receipt dated May 4, 2007
Offering Price and Description:
$ * - * Subscription Receipts each representing the right to receive one Class A Subordinate Voting Share
Price: $ * per Subscription Receipt
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
TD Securities Inc.
HSBC Securities (Canada) Inc.
Wellington West Capital Markets Inc.
Beacon Securities Ltd.
Promoter(s):
-
Project #1096369

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Issuer Name:
iCo Therapeutics Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Prospectus dated May 1, 2007
Mutual Reliance Review System Receipt dated May 2, 2007
Offering Price and Description:
$ * - * Common Shares Price: $ * per Common Share
Underwriter(s) or Distributor(s):
Cormark Securities Inc.
Canaccord Capital Corporation
Haywood Securities Inc.
Versant Partners Inc.
Promoter(s):
-
Project #1094660

Issuer Name:
International Nickel Ventures Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 3, 2007
Mutual Reliance Review System Receipt dated May 3, 2007
Offering Price and Description:
$16,975,000.00 - 9,700,000 Units Price: $1.75 per Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Canaccord Capital Corporation
Promoter(s):
James D. Clucas
Project #1095707

Issuer Name:
Mainstream Minerals Corporation
Principal Regulator - Manitoba
Type and Date:
Preliminary Prospectus dated April 27, 2007
Mutual Reliance Review System Receipt dated May 2, 2007
Offering Price and Description:
Maximum of 1,851,852 Flow-Through Shares at a price of Cdn $0.27 per Flow-Through Share ($500,000.04) and a Minimum of 1,111,112 Flow-Through Shares ($300,000.24) - and - Maximum of 1,851,852 Units at a price of Cdn $0.27 per Unit ($500,000.04) and a Minimum of 740,741 Units ($200,000.07)
Underwriter(s) or Distributor(s):
Wellington West Capital Inc.
Promoter(s):
-
Project #1092305

Issuer Name:
Middlefield Global Growth Class
Middlefield Uranium Focused Metals Class
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated May 2, 2007
Mutual Reliance Review System Receipt dated May 3, 2007
Offering Price and Description:
Classes of Middlefield Mutual Funds Limited
Underwriter(s) or Distributor(s):
Middlefield Capital Corporation
Promoter(s):
Middlefield Fund Management Limited
Project #1095088

Issuer Name:
North American Tungsten Corporation Ltd.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated May 2, 2007
Mutual Reliance Review System Receipt dated May 2, 2007
Offering Price and Description:
$8,000,000.00 - 6,400,000 Common Shares; and $1,999,500.00 - 1,290,000 Flow-Through Common Shares Price: $1.25 per Common Share and $1.55 per Flow-Through Share
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
-
Project #1095069

Issuer Name:
Otelco Inc. (formerly, Rural LEC Acquisition LLC)
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 3, 2007
Mutual Reliance Review System Receipt dated May 4, 2007
Offering Price and Description:
US$ * - 3,000,000 Income Deposit Securities (IDSs)
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
UBS Securities Canada Inc.
Raymond James Ltd.
Promoter(s):
-
Project #1095926

Issuer Name:
Pro Minerals Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Prospectus dated April 30, 2007
Mutual Reliance Review System Receipt dated May 3, 2007
Offering Price and Description:
Minimum Offering: 2,800,000 Units; Maximum Offering: 4,400,000 Units Price: $0.25 Per Unit
Underwriter(s) or Distributor(s):
Global Securities Corporation
Promoter(s):
Patrick O'Brien
Project #1095384

Issuer Name:
WesternOne Equity Income Fund
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated May 3, 2007
Mutual Reliance Review System Receipt dated May 3, 2007
Offering Price and Description:
$ * - * Units Price: $ * per Unit
Underwriter(s) or Distributor(s):
Blackmont Capital Inc.
Dundee Securities Corporation
Canaccord Capital Corporation
Raymond James Ltd.
HSBC Securities (Canada) Inc.
Sora Group Wealth Advisors Inc.
Promoter(s):
Darren Financial Group Inc.
Project #1095813

Issuer Name:
Antrim Energy Inc.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated May 4, 2007
Mutual Reliance Review System Receipt dated May 4, 2007
Offering Price and Description:
$50,000,000.00 - 10,000,000 Common Shares at $5.00 per Common Share
Underwriter(s) or Distributor(s):
Tristone Capital Inc.
Blackmont Capital Inc.
Wellington West Capital Markets Inc.
GMP Securities L.P.
Promoter(s):
-
Project #1088226

Issuer Name:
Brookfield Asset Management Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated May 3, 2007
Mutual Reliance Review System Receipt dated May 3, 2007
Offering Price and Description:
$200,000,000.00 - 8,000,000 Cumulative Class A Preference Shares, Series 18 Price $25.00 per Series 18 Share to Yield 4.75% per Annum
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
WestWind Partners Inc.
Desjardins Securities Inc.
Trilon Securities Corporation
Promoter(s):
-
Project #1088806

Issuer Name:
Cayenne Gold Mines Ltd.
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated April 27, 2007
Mutual Reliance Review System Receipt dated May 4, 2007
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #991933

Issuer Name:
Cuervo Resources Inc.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated May 3, 2007
Mutual Reliance Review System Receipt dated May 7, 2007
Offering Price and Description:
Maximum Offering: $2,500,000.00 (5,000,000 Units); Minimum Offering: $1,500,000.00 (3,000,000 Units) Price: $0.50 per Unit
Underwriter(s) or Distributor(s):
Jones, Gable & Company Limited
Promoter(s):
Brian Berner
Gordon Watts
Project #1049669

Issuer Name:
Eastern Platinum Limited
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated May 4, 2007
Mutual Reliance Review System Receipt dated May 4, 2007
Offering Price and Description:
$175,000,070.00 - 92,105,300 Common Shares Price: $1.90 per Common Share
Underwriter(s) or Distributor(s):
CANACCORD CAPITAL CORPORATION
GMP SECURITIES LP
UBS Securities Canada Inc.
Raymond James Ltd.
Promoter(s):
-
Project #1067338

Issuer Name:
H&R Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated May 3, 2007
Mutual Reliance Review System Receipt dated May 3, 2007
Offering Price and Description:
$202,400,000.00 - 8,000,000 Units Price: $25.30 per Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Promoter(s):
-
Project #1088669

Issuer Name:
Intrinsyc Software International, Inc.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated May 3, 2007
Mutual Reliance Review System Receipt dated May 3, 2007
Offering Price and Description:
$20,000,400.00 - 33,334,000 Common Shares Price: $0.60 per Common Share
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Paradigm Capital Inc.
Raymond James Ltd.
GMP Securities L.P.
Promoter(s):
-
Project #1081370

Issuer Name:
Units of:
iShares CDN S&P/TSX 60 Index Fund
iShares CDN S&P/TSX Capped Composite Index Fund
iShares CDN S&P/TSX Completion Index Fund
iShares CDN S&P/TSX SmallCap Index Fund
iShares CDN S&P/TSX Capped Energy Index Fund
iShares CDN S&P/TSX Capped Financials Index Fund
iShares CDN S&P/TSX Capped Information Technology Index Fund
iShares CDN S&P/TSX Capped REIT Index Fund
iShares CDN S&P/TSX Capped Materials Index Fund
iShares CDN S&P/TSX Capped Income Trust Index Fund
iShares CDN Dow Jones Canada Select Dividend Index Fund
iShares CDN Dow Jones Canada Select Growth Index Fund
iShares CDN Dow Jones Canada Select Value Index Fund
iShares CDN Jantzi Social Index Fund
iShares CDN Scotia Capital Short Term Bond Index Fund
iShares CDN Scotia Capital All Corporate Bond Index Fund
iShares CDN Scotia Capital All Government Bond Index Fund
iShares CDN Scotia Capital Long Term Bond Index Fund
iShares CDN Scotia Capital Universe Bond Index Fund
iShares CDN Scotia Capital Real Return Bond Index Fund
iShares CDN S&P/TSX Global Gold Index Fund
iShares CDN S&P 500 Hedged to Canadian Dollars Index Fund
iShares CDN MSCI EAFE 100% Hedged to CAD Dollars Index Fund
iShares CDN Russell 2000 Index - Canadian Dollar Hedged Index Fund
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated May 3, 2007
Mutual Reliance Review System Receipt dated May 4, 2007
Offering Price and Description:
Mutual Fund Units @ Net Asset Value
Underwriter(s) or Distributor(s):
Barclays Global Investors Canada Limited
Promoter(s):
-
Project #1068230

Issuer Name:
LifePoints Balanced Portfolio
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated May 4, 2007
Mutual Reliance Review System Receipt dated May 4, 2007
Offering Price and Description:
LifePoints Class B, F, F-6 and I-6 Units
Underwriter(s) or Distributor(s):
Russell Investments Canada Limited
Promoter(s):
Russell Investments Canada Limited
Project #1080715

Issuer Name:
Magna Entertainment Corp.
Principal Regulator - Ontario
Type and Date:
Final Short Form Base Shelf Prospectus dated May 3, 2007
Mutual Reliance Review System Receipt dated May 4, 2007
Offering Price and Description:
Class A Subordinate Voting Stock
Class B Stock
Preferred Stock
Securities Warrants
Purchase Contracts and Purchase Units
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1053424

Issuer Name:
Merrill Lynch Financial Assets Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated May 8, 2007
Mutual Reliance Review System Receipt dated May 8, 2007
Offering Price and Description:
$400,711,000.00 (Approximate) Commercial Mortgage Pass-Through Certificates, Series 2007-Canada 22
Underwriter(s) or Distributor(s):
Merrill Lynch Canada Inc.
Credit Suisse Securities (Canada) Inc.
Promoter(s):
-
Project #1089057

Issuer Name:
North American Palladium Ltd.
Type and Date:
Final Short Form Shelf Prospectus dated April 30, 2007
Receipted on May 2, 2007
Offering Price and Description:
70,227 COMMON SHARES
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1079898

Issuer Name:
NSC Canadian Balanced Income Fund
NSC Canadian Equity Fund
NSC Global Balanced Fund
Type and Date:
Amendment #1 dated April 27, 2007 to the Simplified Prospectuses and Annual Information Forms dated December 8, 2006
Receipted on May 3, 2007
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1012514

Issuer Name:
OutdoorPartner Media Corporation
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated May 4, 2007
Mutual Reliance Review System Receipt dated May 4, 2007
Offering Price and Description:
$5,355,000.00 - 5,950,000 Common Shares Price: $0.90 per Common Share
Underwriter(s) or Distributor(s):
GMP Securities L.P.
WestWind Partners Inc.
M Partners Inc.
Promoter(s):
-
Project #1089841

Issuer Name:
Quadra Mining Ltd.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated May 3, 2007
Mutual Reliance Review System Receipt dated May 3, 2007
Offering Price and Description:
Cdn$131,040,000.00 - 10,400,000 Units Price: Cdn$12.60 per Unit
Underwriter(s) or Distributor(s):
Orion Securities Inc.
BMO Nesbitt Burns Inc.
Raymond James Ltd.
Promoter(s):
-
Project #1087571

Issuer Name:
Sentry Select Global Small Cap Fund
Sentry Select Global Value Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated May 1, 2007
Mutual Reliance Review System Receipt dated May 2, 2007
Offering Price and Description:
Series A and F Units
Underwriter(s) or Distributor(s):
Sentry Select Capital Corp.
Promoter(s):
Sentry Select Capital Corp.
Project #1081390

Issuer Name:
Silver Eagle Mines Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated May 2, 2007
Mutual Reliance Review System Receipt dated May 4, 2007
Offering Price and Description:
$26,100,000.00 - 17,400,000 Units Price: $1.50 per Unit
Underwriter(s) or Distributor(s):
Cormark Securities Inc.
Blackmont Capital Inc.
Fraser Mackenzie Limited
TD Securities Inc.
Promoter(s):
-
Project #1087963

Issuer Name:
UBS (Canada) Global Allocation Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated May 3, 2007
Mutual Reliance Review System Receipt dated May 8, 2007
Offering Price and Description:
Series D
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1083040

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	DDX Capital Advisers Inc.	Investment Counsel and Portfolio Manager	May 3, 2007
Change of Registration Category	Richardson Capital Limited	From: Limited Market Dealer To: Limited Market Dealer and Investment Counsel and Portfolio Manager	May 3, 2007
New Registration	Fortis Investment Management USA, Inc.	International Adviser	May 4, 2007
New Registration	Fluid Asset Management Inc.	Limited Market Dealer	May 8, 2007
Consent to Suspension (Rule 33-501 - *Surrender of Registration*)	Imprimis Capital Ltd.	Limited Market Dealer	May 8, 2007
Consent to Suspension (Rule 33-501 - *Surrender of Registration*)	Continua Capital Inc.	Limited Market Dealer	May 8, 2007
Change of Registration Category	C.A. Bancorp Ltd.	From: Limited Market Dealer To: Limited Market Dealer and Investment Counsel & Portfolio Manager	May 9, 2007

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 CNQ – Amendments to CNQ Rules 4-106, 4-107, 4-111 and 1-101 – Entry of Orders – Summary of Comments

CANADIAN TRADING AND QUOTATIONS SYSTEM INC. (CNQ)

AMENDMENTS TO CNQ RULES 4-106, 4-107, 4-111 AND 1-101
ENTRY OF ORDERS

SUMMARY OF COMMENTS

CNQ thanks each respondent for providing comments on the proposed amendments to the Order Entry Rules. As all comments were in support of the repeal, CNQ has not made any amendments to the proposal in response to individual comments.

From	Comment	CNQ Response
Kenneth J. Rathgeber, Managing Director ScotiaMcLeod	Scotia Capital is very pleased with the proposed changes to the rules.	Thank you for your comments.
Ray Tucker, Managing Director, Trade Execution Services TD Newcrest	TD Securities Inc. believes that the ultimate aim of marketplace regulation and rule reform should be investor protection. We believe that investors are best served by marketplaces that are fair and visible. We wish to express our support for the proposed rule changes as we believe that they will improve market visibility for clients and allow dealers to provide better service through automation. In our opinion, the lack of control dealers have over their own market improving orders is an impediment to the development of the market. Obstacles of this nature make it difficult for dealers to meet their best price and best execution obligations, particularly when the complexities of a multiple market environment are added. We hope that CNQ will move swiftly to bring these changes into effect.	We agree, and CNQ will implement the rule change immediately upon OSC Approval.

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